



THE REGIONAL MUNICIPALITY OF YORK
ONTARIO, CANADA

2015 COMMUNITY REPORT HIGHLIGHTS

FOR THE YEAR ENDED DECEMBER 31, 2015



FROM VISION TO RESULTS



THE REGIONAL MUNICIPALITY OF YORK
ONTARIO, CANADA

2015 COMMUNITY REPORT HIGHLIGHTS

FOR THE YEAR ENDED DECEMBER 31, 2015





OUR VISION

Creating strong, caring, safe communities.

OUR MISSION

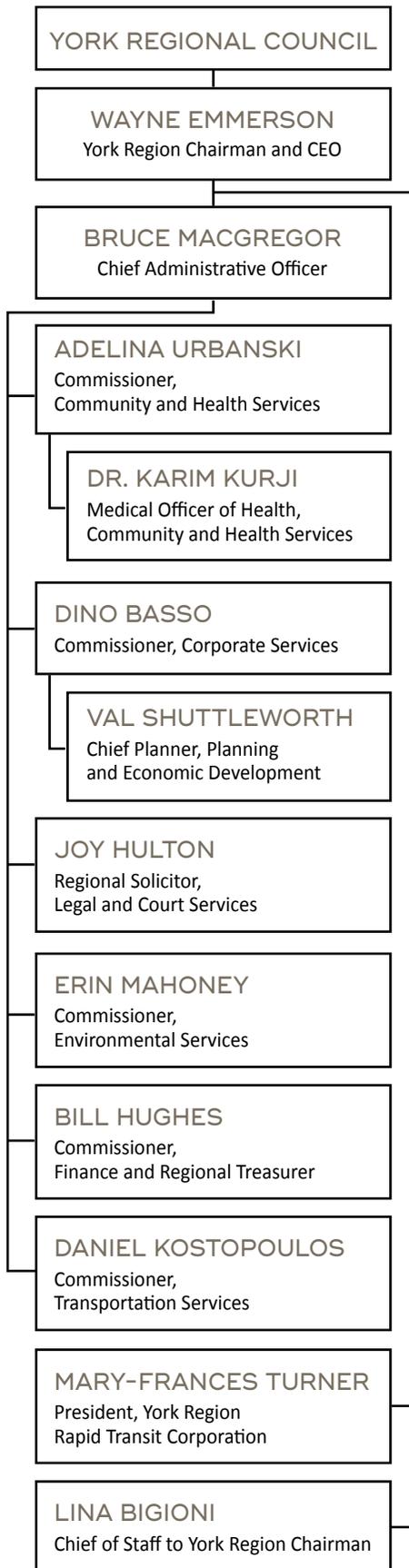
York Region staff are committed to providing cost effective, quality services that respond to the needs of our rapidly growing communities.



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YORK REGION ORGANIZATIONAL STRUCTURE



REGIONAL COUNCIL

One of six Regional governments in Ontario, The Regional Municipality of York is an upper-tier municipal government that provides common programs and services for the residents and businesses in nine local municipalities. The area municipalities are represented by their Mayors and Regional Councillors on Regional Council.

YORK REGION CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

The York Region Chairman and Chief Executive Officer (CEO) is the head of Council. The Chairman and CEO is elected by members of Regional Council at the first meeting of each term and serves a four-year term.

The 21-member York Regional Council sets the policies, direction and budgets for York Region through Committee of the Whole and Council meetings that include reports on:

- Audit
- Community and Health Services
- Environmental Services
- Finance and Administration
- Planning and Economic Development
- Transportation Services

During Committee of the Whole meetings, members receive public input, review policies and consider staff reports before making recommendations to Regional Council.

In addition, three boards and the corporations they oversee operate with varying degrees of Council oversight:

- York Region Rapid Transit Corporation Board of Directors
- York Regional Police Services Board of Directors
- Housing York Inc. Board of Directors

CHIEF ADMINISTRATIVE OFFICER (CAO)

The CAO oversees a senior management team responsible for providing programs and services to residents and businesses, in addition to financial, technical, property, legal, administrative and human resource services. The following positions make up the senior management team:

- Commissioner of Community and Health Services
- Commissioner of Corporate Services
- Commissioner of Environmental Services
- Commissioner of Finance and Regional Treasurer
- Commissioner of Transportation Services
- Regional Solicitor
- Executive Director of Strategies and Initiatives



Chairman & CEO
Wayne Emmerson



Mayor
Geoffrey Dawe
Town of Aurora



Mayor
Virginia Hackson
Town of East Gwillimbury



Mayor
Margaret Quirk
Town of Georgina



Regional Councillor
Danny Wheeler
Town of Georgina



Mayor
Steve Pellegrini
Township of King



Mayor
Frank Scarpitti
City of Markham



Regional Councillor
Jack Heath
City of Markham



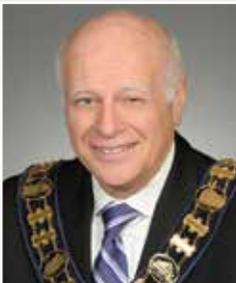
Regional Councillor
Jim Jones
City of Markham



Regional Councillor
Joe Li
City of Markham



Regional Councillor
Nirmala Armstrong
City of Markham



Mayor
Tony Van Bynen
Town of Newmarket



Regional Councillor
John Taylor
Town of Newmarket



Mayor
David Barrow
Town of Richmond Hill



Regional Councillor
Vito Spatafora
Town of Richmond Hill



Regional Councillor
Brenda Hogg
Town of Richmond Hill



Mayor
Maurizio Bevilacqua
City of Vaughan



Regional Councillor
Michael Di Biase
City of Vaughan



Regional Councillor
Mario Ferri
City of Vaughan



Regional Councillor
Gino Rosati
City of Vaughan



Mayor
Justin Altmann
Town of Whitchurch-Stouffville

A MESSAGE FROM YORK REGION CHAIRMAN AND CEO AND MEMBERS OF REGIONAL COUNCIL

Over the past year we have taken steps to make York Region an even better place to live and work. York Regional Council approved a four-year strategic plan with four specific priorities: Economic Vitality, Healthy Communities, Sustainable Environment and Good Government. To support our efforts, we set out a four-year budget with realistic tax increases to accommodate growth while offering our residents predictability. We believe this approach is prudent, fair and forward looking.

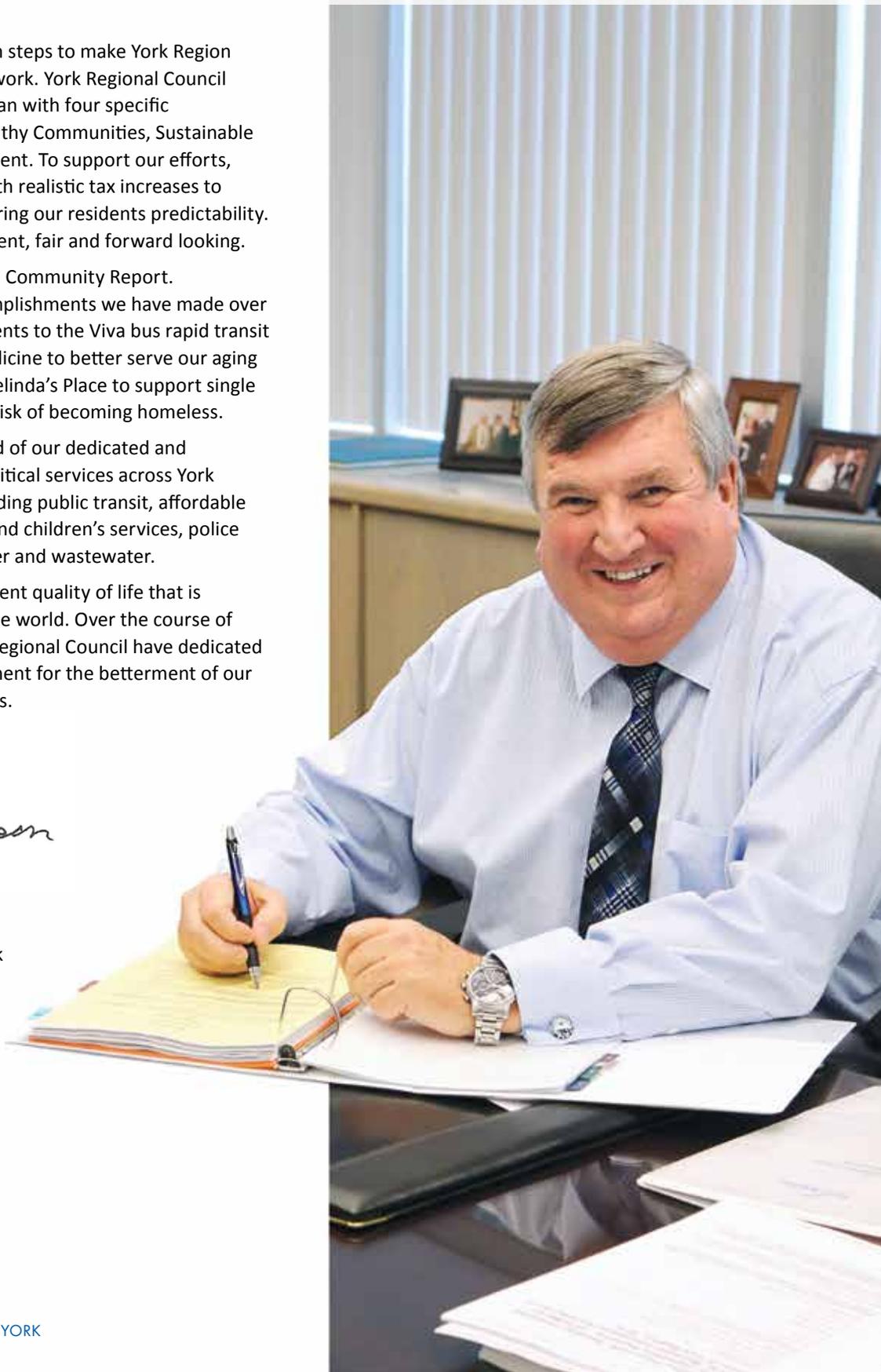
I encourage you to read the 2015 Community Report. It highlights the significant accomplishments we have made over the past year, such as improvements to the Viva bus rapid transit system, the adoption of paramedicine to better serve our aging population and the opening of Belinda's Place to support single women who are homeless or at risk of becoming homeless.

As Chairman and CEO, I am proud of our dedicated and professional staff. They deliver critical services across York Region each and every day, including public transit, affordable housing, long term care, family and children's services, police and paramedic services and water and wastewater.

In York Region, we have an excellent quality of life that is attracting people from around the world. Over the course of this term of office, members of Regional Council have dedicated themselves to ongoing improvement for the betterment of our communities and all our residents.



Wayne Emmerson
Chairman and CEO
The Regional Municipality of York



A MESSAGE FROM YORK REGION CAO

It is my pleasure to present York Region's 2015 Community Report on behalf of the Senior Management Team and approximately 4,000 staff.

This document highlights many of our major successes from 2015, which includes beginning the implementation of a \$1.5 billion 10-year roads program, working with our partners to secure York Region's first university and planting almost 95,000 new trees and shrubs.

New this year, the Community Report also combines the year one reporting of the York Region *2015 to 2019 Strategic Plan: From Vision to Results*.

Organized by the plan's four interconnected strategic priority areas, the first section of this report provides a snapshot of how we are trending to achieve the Council-approved strategic result areas of economic vitality, health and well-being, sustainable environment and good government.

Within our first year, I am proud to announce 83 per cent of the plan's key performance measures are on track and trending in the desired direction. The complete list of all 48 indicators is available for review on page 20 and 21.

To deliver on these Council-mandated priorities requires sound fiscal responsibility. The Treasurer's Report and Financial Statements provide an overview of the 2015 results and a detailed analysis of our organization's effective business planning and our strong fiscal strategy.

As you review our 2015 highlights, we hope you are reminded of the positive effort York Region is making in our communities and the commitment we make to you to do even better in the years to come.



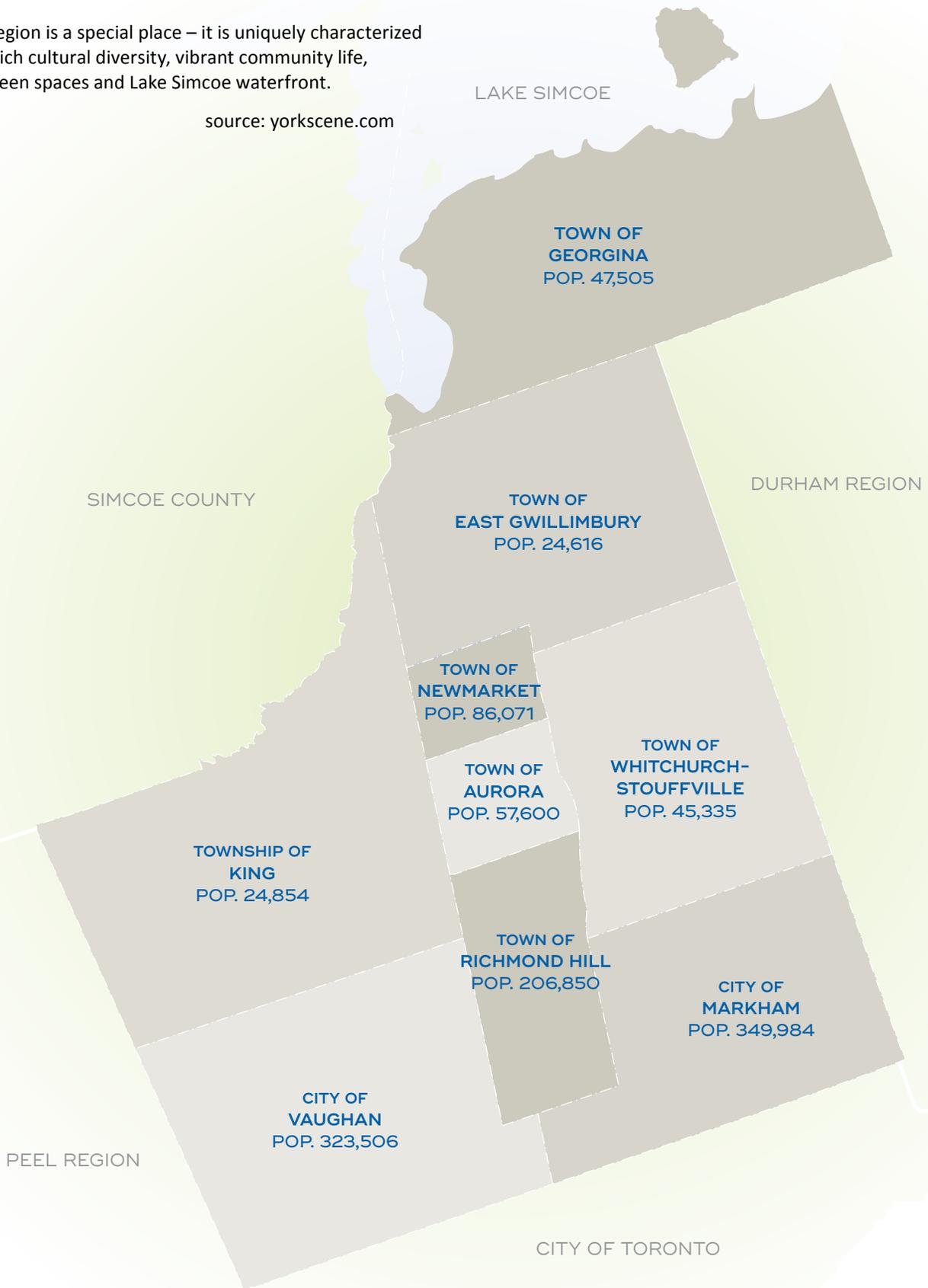
Bruce Macgregor
Chief Administrative Officer
The Regional Municipality of York



YORK REGION. WHO ARE WE?

York Region is a special place – it is uniquely characterized by its rich cultural diversity, vibrant community life, vast green spaces and Lake Simcoe waterfront.

source: yorkscene.com



Total Population estimates as of December 31, 2015: **1,166,321**

We are growing.

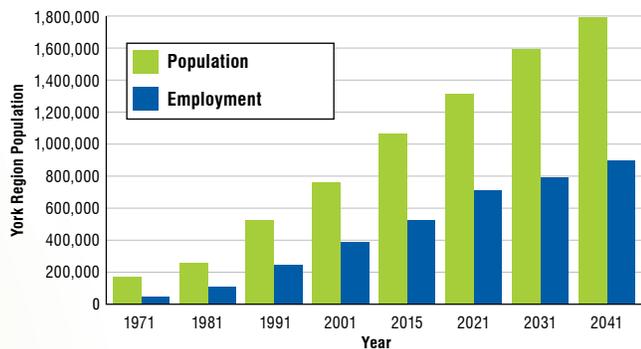
York Region's **population** is expected to grow from

1.1 million in 2015 to **1.8** million in 2041

York Region's **employment** is expected to grow from

580 thousand in 2015 to **900** thousand in 2041

York Region Population Growth - 1971 to 2041

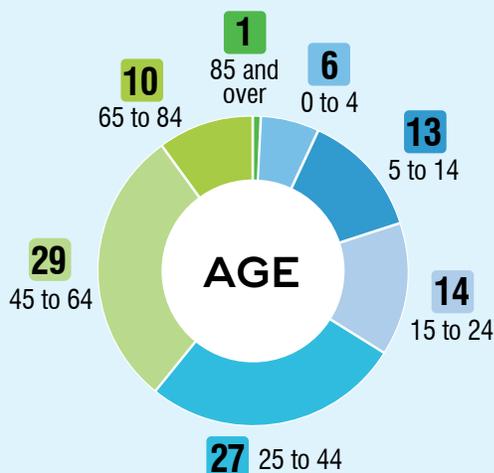


During 2015, York Region grew by approximately **22,000** people (2 per cent growth over 2014).

We are diverse.

If York Region were a village of 100 people this is what we would look like.

- 54** villagers would be born in Canada
- 1** villager would be a non-permanent resident
- 45** villagers would be immigrants, of these:
 - 27** would be born in Asia
 - 12** would be born in Europe
 - 4** would be born in the Americas (including North, South and Central)
 - 2** would be born in Africa



We are educated.

More than 70 per cent of York Region residents have a post-secondary education. We rank #1 most educated population among Canada's largest municipalities.

We work hard.

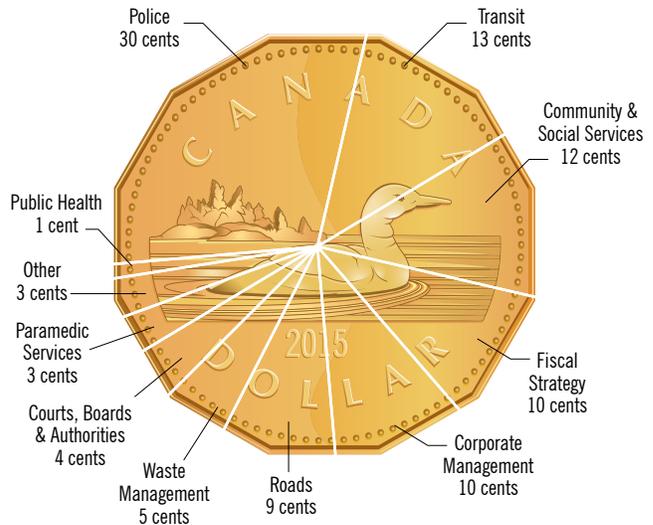
York Region is home to almost 50,000 businesses and 580,000 jobs. We are the second largest business centre in Ontario and the destination of choice for more than 4,500 Information, Communication and Technology (ICT) businesses. This makes us the second largest ICT cluster in Canada.

The average household income is \$127,066 and the average cost of a detached resale home is \$943,441.

We are fiscally responsible.

The 2015 York Region budget was \$2.7 billion and included \$1.9 billion to maintain and operate York Region services and \$826 million in funding for capital projects.

2015 was the first year of a four-year budget that aligns with the current term of York Regional Council and the *York Region 2015 to 2019 Strategic Plan: From Vision to Results*.



We are committed to delivering quality services:

- Court Services
- Family and Children's Services
- Housing
- Long Term Care
- Paramedic Services
- Planning and Economic Development
- Police Services
- Public Health
- Regional Roads & Street Trees
- Social Assistance
- Solid Waste Management
- Transit and Rapid Transit (YRT/ Viva)
- Water/Wastewater Treatment
- York Regional Forest

THE REGIONAL MUNICIPALITY OF YORK STRATEGIC FRAMEWORK

WHAT IS VISION 2051?

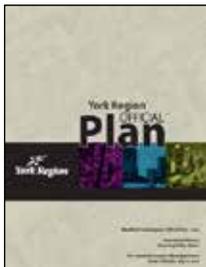
Vision 2051 is York Region's long-term strategy that describes the vision for York Region in the year 2051.



Vision 2051 describes a York Region that:

- Is a place where everyone can thrive
- Is made up of livable cities and complete communities
- Has a resilient natural environment and agricultural system
- Has appropriate housing for all ages and stages
- Has an innovation economy
- Has interconnected systems for mobility
- Promotes living sustainably
- Has open and responsive governance

WHAT IS THE REGIONAL OFFICIAL PLAN?



Consistent with *Vision 2051*, the Regional Official Plan sets out directions and policies to guide growth management, land use, economic, environmental and community planning decisions.

The policies deal with growth management while protecting the Region's agricultural and rural areas, building strong healthy communities and vibrant cities. The policies also ensure effective delivery and use of infrastructure and public service facilities. The policies in the Regional Official Plan set the stage for more detailed planning with the nine area municipalities and help co-ordinate planning efforts across York Region.

The Regional Official Plan guides how growth and redevelopment will occur and sets a course for the future we desire as envisioned through *Vision 2051*.

In February 2015, The Regional Municipality of York released its *2015 to 2019 Strategic Plan - From Vision to Results*, which outlines four areas of focus to meet the community's changing needs.

Maintaining the quality of life in York Region over the long term requires strategic focus and this plan outlines the goals we continue to strive for to achieve our longer-term plan of *Vision 2051*.

Building on the success of the 2011 to 2015 Regional Strategic Plan, the plan provides a detailed course of action over the next four years within the following four strategic result areas:

- Economic Vitality
- Healthy Communities
- Sustainable Environment
- Good Government

This plan has been carefully integrated with the Region's multi-year budget process and coincides with this term of council to ensure we continue to make progress on serving our communities.

Highlights of the 2015 to 2019 plan include:

- Managing traffic congestion within York Region
- Addressing affordable housing concerns
- Continuing to support attraction of high quality jobs to the Region
- Increasing the health and resiliency of our communities
- Achieving Regional fiscal sustainability
- Continuing to manage the Region's growth
- On-going protection of our natural environment
- Improving the way York Region's programs and services are accessed



The York Region 2015 Community Report highlights some of the successes during our first year of this plan. Using a results-based accountability model, below is a brief overview of how we are trending in the first year within each of the strategic result areas.

YEAR 1 (2015) OVERALL PROGRESS SUMMARY STATEMENT KEY REGIONAL PERFORMANCE MEASURES

A Key Regional Performance Measure demonstrates how well a York Region program or service system is working and helps indicate whether the desired impact is taking shape as a result of the Region's focused efforts. York Region has made significant progress in Year 1 (2015) of its four-year Strategic Plan. Forty of 48 Key Regional Performance Measures (83 per cent) are trending in the desired direction. These achievements demonstrate strong, organized and collaborative efforts across the organization and in relationship to Council's direction. The complete list of all 48 indicators can be found on page 20.



ECONOMIC VITALITY

MODERATE PROGRESS:

5 of 8 Key Regional Performance Measures (63%) are trending in the desired direction

Strengthening the Region's economy is trending positively by fostering an environment that attracts, grows and maintains businesses; supporting the development and retention of a Region-wide workforce; and focusing on networks and systems that connect people, goods and services.



HEALTHY COMMUNITIES

SIGNIFICANT PROGRESS:

9 of 11 Key Regional Performance Measures (82%) are trending in the desired direction

Supporting community health and well-being is continuing to show progress through increasing the range of available and affordable housing choices; protecting our public health; making our communities more welcoming and inclusive; and strengthening the Region's network of human services to support people in achieving their potential.



SUSTAINABLE ENVIRONMENT

SIGNIFICANT PROGRESS:

13 of 14 Key Regional Performance Measures (93%) are trending in the desired direction

Managing environmentally sustainable growth has made significant gains towards managing traffic congestion; optimizing critical infrastructure systems capacity; encouraging growth along the Regional Centres and Corridors; and preserving green spaces.



GOOD GOVERNMENT

SIGNIFICANT PROGRESS:

13 of 15 Key Regional Performance Measures (87%) are trending in the desired direction

Providing responsive and efficient public service has achieved considerable progress towards making it easier to access Regional information and services; ensuring a fiscally prudent and efficient Region; stewardship of the Region's assets; and strengthening organizational capacity and effectiveness.



York University campus achieves key economic goal

Universities and other institutions of higher education provide economic benefit to the communities that host them: they help produce a skilled, educated workforce, a necessity in today's global economy, and through research in cutting-edge fields such as robotics and clean energy, they help create new businesses and exciting, well-paying jobs.

York Region recognized these important benefits by including the development of a greater post-secondary and research presence within the Region as the key goal of its *2012-2015 Economic Development Action Plan*, which aligned with the corporate strategic plan. Throughout 2015, the Region collaborated with the City of Markham, Seneca College and York University to make this goal a reality.

The fruit of our labour was recognized on May 20, 2015, when the province of Ontario announced the City of Markham was chosen as the location for a new campus of York University. Scheduled to open by 2021, the new campus will be located in Markham Centre, an urban hub located north of Highway 407 between Warden Avenue and Kennedy Road with ready access to transit, employers and other research centres.

This state-of-the-art campus will focus on offering professionally relevant academic programs and workplace-based learning opportunities. Initial plans have the new campus hosting more than 4,000 students, with the numbers expected to increase in the following years.

The new campus is a great fit with York Region's existing orientation toward high-value-added economic activity. An internationally recognized educational institution, York University is currently engaged in more than 30 active research collaborations across the Region, with significant projects involving Markham Stouffville Hospital, IBM, PowerStream and Southlake Regional Health Centre. Innovation York, its office for commercialization and industry liaison, is already located in Markham.

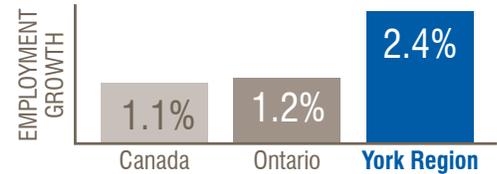
As well as committing up to \$25 million toward building the new campus, York Region will help facilitate connections to the local business community to drive innovation and create more local knowledge-intensive jobs.

ESTIMATED NUMBER OF JOBS MID 2015

577,600

↑13,300 OR 2.4% FROM A YEAR EARLIER

RESULTING IN LOWER UNEMPLOYMENT WHEN COMPARED ACROSS THE PROVINCE AND CANADA



APPROXIMATELY

75% OF ALL JOBS ARE full-time

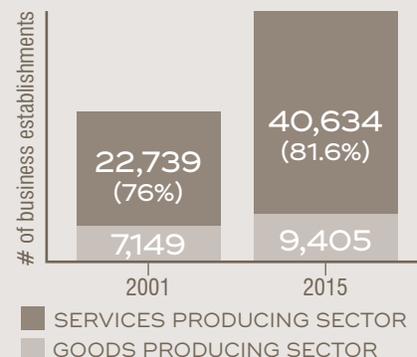
17%

of firms are professional, scientific and technical services

APPROXIMATE NUMBER OF FIRMS

50,000

ECONOMY IS INCREASINGLY SERVICES-BASED





Ontario Chief Drinking Water Inspector
ANNUAL RATING 2012 TO 2015



Emergency calls for people with mental health issues has risen by more than



Belinda's Place: Helping women find and keep permanent housing

Opened in November 2015, Belinda's Place is the first emergency housing facility in York Region for women, over 18, who are homeless or at risk of becoming homeless. A true community effort, the building sits on land donated by the Quakers and is the property of York Region. Service delivery is provided by The Salvation Army in partnership with community agencies. Belinda's Place Foundation raised more than \$1 million from the local community to help build the facility.

Aligning with the Strategic Plan goal of providing more shelter beds, Belinda's Place is more than simply a shelter. It includes 28 single emergency housing rooms intended for women in need of short-term support (up to 30 days), and nine one-bedroom suites for women who are making the transition to independent living and who may stay for up to one year. Drop-in services are available for women in the community who are at risk of homelessness.

In addition, Belinda's Place also provides residents with life skills to enable them to live independently. These include cooking, budgeting, problem-solving, conflict resolution and much more. Belinda's Place enables independence and keeps women independent by supporting women after they leave until they can manage autonomously.



Ensuring York Region’s activities are environmentally sustainable is a key priority as growth in the Region continues to outpace that of most other Ontario municipalities. Serving more people and businesses brings the need to add and enhance key infrastructure systems, especially roads, transit, water and wastewater. York Region also continues to investigate and implement innovative approaches that mitigate the impacts on the environment as demand grows.

Getting you home faster: Continued investment in convenient and efficient public transit network

Traffic congestion remains a top concern among residents. To address this during the current council term (2014 to 2018), York Region will invest the largest amount in its history on transportation and transit-related initiatives to help move people and goods more efficiently.

While investments in roads will continue, the need to create a comprehensive, convenient, integrated transit and transportation network is paramount.

In support of that goal, transportation and transit achievements in 2015 included:

- Completing almost 10 kilometres of key sections of the Viva bus rapidway system, which runs articulated buses on dedicated lanes of major roads, including Davis Drive in the Town of Newmarket and Highway 7 in the City of Markham
- Reaching the 80 per cent completion point on the extension of the Toronto-York Spadina Subway Extension into the City of Vaughan, with opening scheduled for the end of 2017
- Adding 11 new lane-kilometres to Regional roads and completing the construction of 20 lane-kilometres for cycling
- Rehabilitating and resurfacing on approximately 120 lane-kilometres of road

The VivaNext rapidways and Toronto-York Spadina Subway Extension (TYSSE) represent two key building blocks York Region needs to manage growth sustainably. Other key elements include improving the provincially-owned GO Transit rail service to all day, every day service and extending the Yonge North Subway line north to the Richmond Hill Centre Terminal. While the provincial government has indicated support for these initiatives, both the timing and the funding arrangements are uncertain.

87% SOLID WASTE DIVERTED FROM LANDFILL (INCLUDING ENERGY-FROM-WASTE)



PLANTED ALMOST **95,000** TREES AND SHRUBS



COMPLETED **8.6 km** OF RAPIDWAY

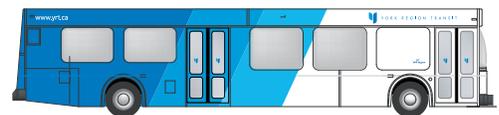
(REDUCING TRAVEL TIME BY 35% ALONG HWY. 7)

AVERAGE RESIDENTIAL WATER DEMAND (LITRES/CAPITA/DAY)



IN 2015 FROM 2010

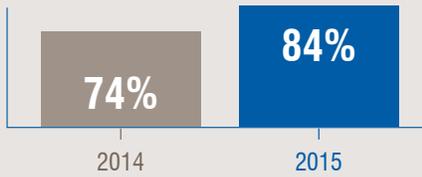
OVER **22 MILLION** TRANSIT TRIPS* TAKEN
*REFERS TO REVENUE TRIPS



RESIDENTS IDENTIFIED **TRANSPORTATION** AS THE MOST IMPORTANT LOCAL ISSUE



RESIDENT SATISFACTION LEVEL WITH REGIONAL GOVERNMENT



90% OF RESIDENTS FEEL QUALITY OF LIFE IN YORK REGION IS GOOD OR EXCELLENT



SINCE LAUNCHING IN 2012

TWITTER FOLLOWERS GREW BY **439%**

LIKES/FANS ON FACEBOOK GREW BY **353%**

MORE THAN **117,000** VIEWS ON YOUTUBE

ALMOST **4 MILLION** VISITS TO OUR WEBSITES

ALMOST **250,000** CALLS TO ACCESS YORK

YORK REGION AMONG TOP EMPLOYERS



The Canadian constitution defines “good government” as providing public value through accountability, transparency, predictability, participation and capacity to deliver. The York Region *2015 to 2019 Strategic Plan* sets four broad objectives for York Region in the area of good government:

- Making it easier to access Regional information and services
- Ensuring a fiscally prudent and efficient Region
- Stewardship of the Region’s assets
- Strengthening organizational capacity and effectiveness

York Region appoints municipal ombudsman

Showing leadership in transparent and accountable government, York Regional Council in 2015 appointed a municipal ombudsman.

The successful organization, ADR Chambers Inc., was chosen through a competitive procurement process and will operate at arm’s length from the Region and Council. The firm will independently receive, review and investigate complaints from members of the public unresolved through any other avenue, provide periodic updates and produce an annual report on its activities.

ADR Chambers has more than 20 years of experience providing mediation, arbitration and investigation services for both the public and private sectors. It is certified by the federal government as one of two approved external complaint bodies for the financial services sector in Canada.

For a more comprehensive look at key regional accomplishments, please see the complete 2015 Community Report online at york.ca/annualreports

York Region is developing complete communities*



*Definition: Complete Communities incorporates elements that contribute to the quality of character of the places where people live, work, move and thrive.

Source: completecommunities.org

THE REGIONAL MUNICIPALITY OF YORK
AWARDS AND HIGHLIGHTS



HEALTHY COMMUNITIES

Project of the Year Award from the Ontario Public Works Association for the Keswick Wastewater Control Pollution Plant expansion; recognized for demonstrating excellence, outstanding quality and service in greater than \$50 million category.

Excellence Canada – Ontario Accessibility Award The award recognizes and congratulates organizations that have shown a commitment to providing excellent accessibility initiatives to accommodate people with disabilities.

Ontario Business Achievement Award (OBAA) – Ontario Leader in Accessible Employment for 2015 Nominated by the Ontario Chamber of Commerce (OCC) and invited with senior management to the prestigious finalist gala which included an on-stage interview and profile. This OBAA is awarded to a business that has created an accessible work environment, values the contributions of persons with disabilities, and promotes the development of an inclusive workplace culture for all.



SUSTAINABLE ENVIRONMENT

Forest Stewardship Council Recertification from the Rainforest Alliance for managing the York Regional Forest in an appropriate and sustainable manner, and helping to ensure these lands are preserved for current and future generations.

Pioneering Green Communities Award from the Lake Simcoe Region Conservation Authority for the Rain Garden Demonstration Project in De La Sale Park in the Town of Georgina.

Merit of Recognition Award from the Lake Simcoe Region Conservation Authority for the comprehensive, multi-media *Water Is* communication program to increase public awareness about the importance and value of water.

Award of Merit from International Association of Business Communicators (IABC) for two York Region Transit/Viva advertising campaigns: York Region Man and #MeTime.

Corporate Leadership Award from Canadian Urban Transit Association (CUTA) for Family of Service program and the York Region Man advertising campaign.

Smart Commute Gold Workplace Designation from Metrolinx recognizing York Region’s leadership efforts in promoting sustainable transportation options to employees.



GOOD GOVERNMENT

Greater Toronto Area (GTA) Top Employer Award from Mediacorp Canada for effective and progressive employee initiatives and community involvement.

Exemplary Systems in Government Award from the Urban and Regional Information System Association for demonstrating commitment to assisting stakeholders access and use online information quickly and efficiently.

Distinguished Budget Award from the Government Finance Officers Association (GFOA) for the 11th consecutive year in preparing high quality budget documents that meet the best practices set out by the GFOA.

Canadian Award for Financial Reporting (CANFR) and the Popular Annual Financial Reporting Award (PAFR) from the Government Finance Officers Association (GFOA) for preparing high quality financial reporting documents that promote accessibility and understandability of financial information.

High credit ratings from two international rating agencies. Moody’s Investors Service assigned York Region its top Triple A rating – Aaa – for 15th consecutive year. Standard & Poor’s Financial Services LLC reaffirmed York Region’s “AA+” credit rating.

◀ *Popular Annual Financial Reporting Award (PAFR) from the Government Finance Officers Association (GFOA)*

2015 TO 2019 STRATEGIC PLAN - FROM VISION TO RESULTS

KEY REGIONAL PERFORMANCE MEASURES

YEAR 1 (2015) PROGRESS

40 OF **48** = **83%**
of Key Regional Performance Measures
are trending in the desired direction



ECONOMIC VITALITY TREND

5 of 8 Key Regional Performance Measures (63%) are trending in the desired direction

Increase percentage of business engagements resulting in business retention, expansion and attraction	↗
Increase percentage of business engagements with targeted business sectors	↗
Decrease average time on social assistance	▲
Increase percentage of businesses in services-producing sector	↗
Increase number of road lane kilometres new and rehabilitated	↗
Increase number of rapidway lane kilometres	↗
Increase percentage of employment land within 1 kilometre of 400-series highways	▲
Increase percentage of employment land within 500 metres of a transit stop	▲



HEALTHY COMMUNITIES TREND

9 of 11 Key Regional Performance Measures (82%) are trending in the desired direction

Increase number of subsidized households	↗
Increase percentage of total housing stock medium/high density residential housing	↗
Increase number of households that receive housing assistance	↗
Increase number of shelter beds	↗
Decrease number of long term care residents transported to hospital	↘
Reduction in mental health crisis calls to 911	↘
Increase number of vaccines administered	↗
Maintain percentage of samples that meet Ontario drinking water standard	→
Increase number of bike lane and paved shoulder kilometres	↗
Maintain per capita investment of the Community Investment Fund	→
Maintain or grow number of individual and collective actions of the Board	→

LEGEND

- ↗ ↘ → - Trending in the desired direction
- ↗ ↘ - Not trending in the desired direction
- ▲ - Data under development



SUSTAINABLE ENVIRONMENT TREND

13 of 14 Key Regional Performance Measures (93%) are trending in the desired direction

Increase number of road lane kilometres new and rehabilitated	↗
Increase number of traffic signals reviewed and optimized annually	↗
Increase transit ridership per capita	↗
Increase number of rapidway lane kilometres	↗
Maintain percentage of treated water returned to environment within regulated standards	→
Reduce quantity of inflow and infiltration in Regional and local wastewater systems	↗
Measure percentage of capital budget spent on renewal/asset management	↗
Increase percentage of solid waste diverted from landfill	↗
Decrease average residential water demand	↘
Increase percentage of new development located in Regional Centres and Corridors	↗
Increase percentage of new non-residential development located in Regional Centres and Corridors	↗
Maintain percentage of York Region land subject to environmental protection policies	▲
Increase number of hectares of environmental lands secured through the Regional Greening Strategy programs	↗
Increase number of trees and shrubs planted annually through the Regional Greening Strategy programs	↗



GOOD GOVERNMENT TREND

13 of 15 Key Regional Performance Measures (87%) are trending in the desired direction

Increase number of staff using the Customer Relationship Management technology system	↗
Increase number of corporate-wide call types handled by Access York	↗
Increase number of services available online	↗
Increase number of data sets available online	↗
Increase number of visits to Regional websites	↗
Increase number of social media followers	↗
Increase percentage of business continuity plans tested annually	↗
Increase reserve to debt ratio	↗
Maintain high credit rating	→
Increase percentage of invoices paid within 30 days	↘
Increase contribution to asset replacement and rehabilitation as percentage of replacement value	↗
Increased percentage of assets with real condition assessment data	↗
Increase percentage of Formal Freedom of Information Requests handled within 30 days	↗
Measure leadership and management skills gap index	▲
Maintain criteria to achieve top employer recognition(s)	→



Bill Hughes
*Commissioner of Finance
and Regional Treasurer*

MESSAGE FROM THE COMMISSIONER OF FINANCE AND REGIONAL TREASURER

To the members of York Regional Council, residents and ratepayers of The Regional Municipality of York:

I am pleased to present this report on York Region's financial performance for the year ended December 31, 2015. It discusses our financial results for the year and includes highlights of our consolidated financial statements contained in the 2015 Community Report that can found at york.ca/annualreports. The consolidated financial statements have been prepared in compliance with legislation and on a basis consistent with Canadian public sector accounting standards. York Region's external auditors, KPMG, have expressed their unqualified opinion that the financial statements fairly present the financial position of York Region as of December 31, 2015.

Results for 2015

In 2015, York Region recorded a surplus of \$714.4 million on the full accrual basis of accounting. This was \$290.9 million higher than the expected surplus of \$423.5 million, after restatement to the same basis of accounting, set out in the 2015 budget plan. It was also up from the \$317.0 million surplus achieved in 2014. Most of the variance from plan reflects one-time changes arising from financial arrangements between Metrolinx, a provincial agency, and the Region, which builds assets on its behalf. Without these one-time changes, which are explained later in this report, the surplus would have been \$401 million, slightly below planned results.

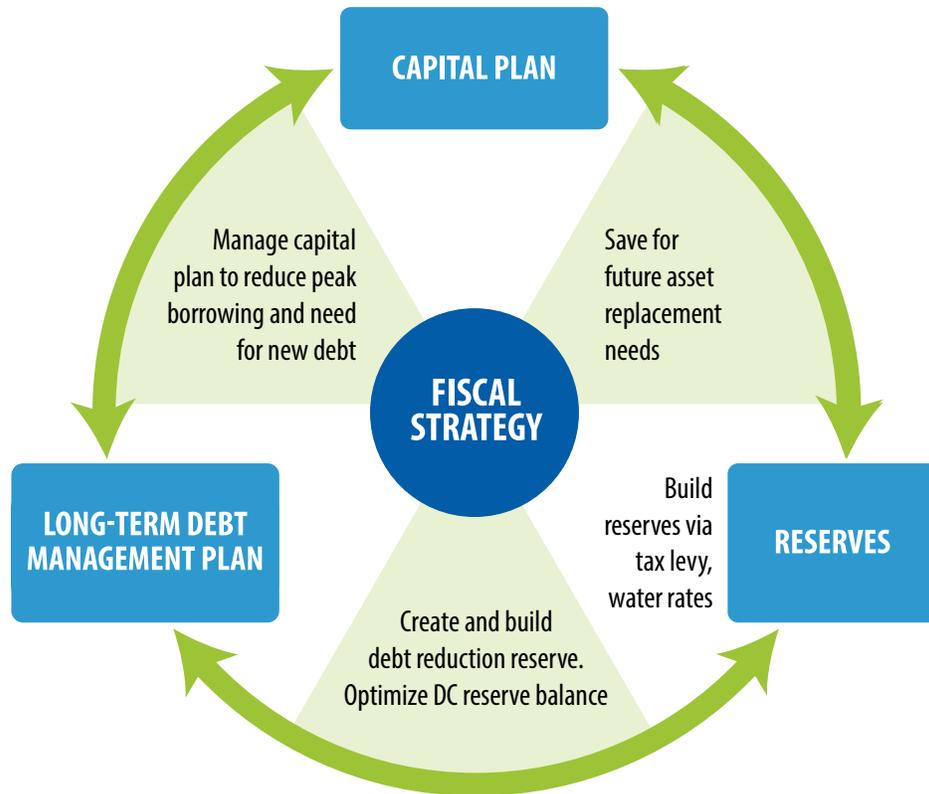
Serving the needs of growth while remaining financially sustainable remains a priority for the Region. New investments in capital assets were \$808.5 million in 2015, up by more than \$100 million from the \$701.3 million of the previous year. More than 90 per cent was for road, transit and water and wastewater assets.

Net cash inflows from financing activities of \$200.9 million were down by \$180.2 million from the \$381.1 million of the previous year and below the average of \$346.8 million a year for the past five years. This result reflects the new Regional fiscal strategy, which is improving the Region's financial sustainability and reducing its reliance on debt.

Between 2014 and 2015, revenues grew by \$166.1 million, while expenses fell by \$231.2 million. A more fulsome discussion on revenues and expenses can be found on pages 26 and 27.

The Regional fiscal strategy

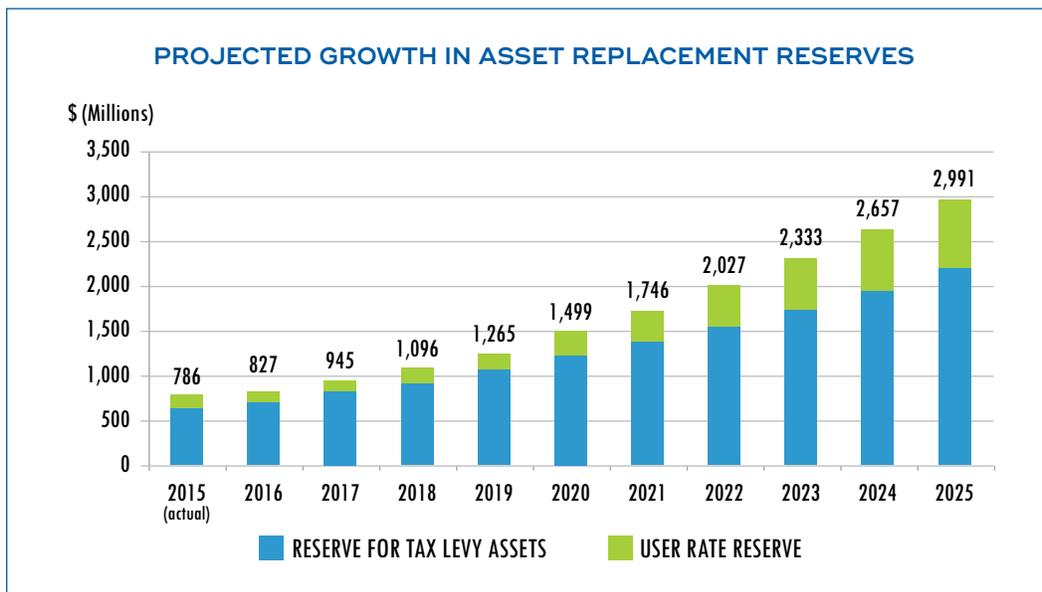
The Regional fiscal strategy, which was adopted in 2014 and refined in 2015, aims to integrate and link capital planning as well as reserve and debt management, as demonstrated in the diagram below:



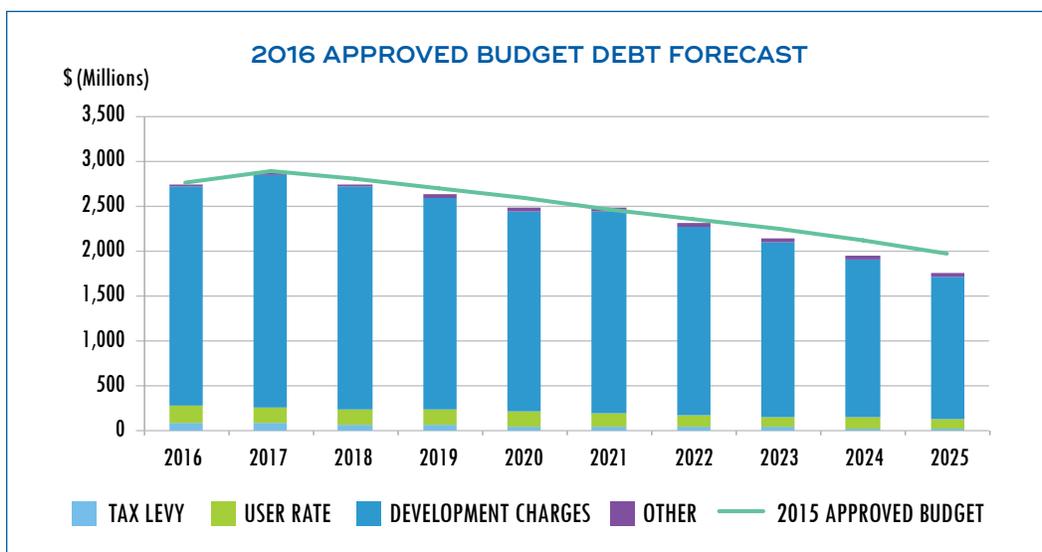
The need to invest in capital, and the means for funding these projects, is a major driver of the fiscal strategy. Because these projects involve large economies of scale and long lead times, the Region has had to borrow to build assets before all the growth that would fund them has happened. When development charge collections arrive more slowly than expected, as has been the case in York Region in recent years, the impacts on the fiscal picture become more pronounced. Recognizing this risk, the Region reduced planned spending in its 10-year capital plans in 2013, 2014 and 2015 to ensure projects aligned more closely with the expected timing of growth and to limit the amount and duration of borrowing.

The Regional fiscal strategy is also ensuring that adequate reserves are available for building new assets as well as renewing and replacing them. In 2015, the Region added \$49.8 million to the debt reduction reserve, which has allowed the Region to issue no new tax levy supported debt since 2014. The goal is to continue to build this reserve to avoid all tax levy supported debt over the next 10 years. Asset replacement reserve contributions also grew by 1.6 per cent of the 2014 tax levy, as per Council policy, to \$75 million. The graph on the following page shows the growth in asset replacement reserves resulting from the fiscal strategy.

For water and wastewater assets, Regional Council approved user rates that are expected, by 2021, to generate all the funding needed to cover renewal and replacement costs. These full-cost recovery rates are now formally part of the fiscal strategy. With the new rates, renewal and replacement funding will come from reserves built up by contributions from rate revenues. No new debt will need to be added for this purpose, and existing debt will be paid off sooner. In 2015, the water and sewer capital asset replacement reserves, which are funded by water and wastewater user rates, grew from \$85.2 million to \$140.4 million.



The Region will need to continue to use debt to meet its infrastructure needs. It was able to maintain last year’s forecast of peak debt in its 10-year outlook at \$2.9 billion in 2017. The appropriate use of debt is one of the key elements in maintaining the long-term financial sustainability of the Region. The graph below shows the impacts on the Region’s total expected debt:



The Regional fiscal strategy will be reviewed annually to ensure that the Region continues to adjust the capital plan and contribute more to reserves in order to reduce its reliance on debt for capital projects.

Outlook

While York Region will continue to grow, the rate of population increase is currently slower than in the recent past and this trend may continue over the near term. These shifts in the rate of growth tend to have hard-to-predict impacts on actual development charge collections. While the Region works to manage the current period of development charge underperformance, in the longer term it must address revised growth targets set by the provincial Growth Plan under the Places to Grow Act. The possibility that the amount and timing of actual growth may differ from the provincial forecast is a risk for the Region and adds a layer of complexity to long-term planning. York Region is managing these risks through the Regional fiscal strategy, especially by putting in place a more rigorous capital planning framework and strengthening its debt management plan.

The population of the Region is not just growing, it is changing. Regional forecasts suggest that the strongest growth will be among seniors and this is likely to have fiscal impacts because this age group tends to rely more heavily on services, especially long-term care and paramedics. To help manage this risk and balance the demand for services across the entire spectrum, the Region is developing a seniors' strategy. It will provide guidance in adjusting service levels and altering service delivery models as needed.

Finally, York Region has shifted from being a largely rural and suburban municipality to an increasingly urban one. To address congestion, a major risk as the Region grows and urbanizes, the capital plan in the 2015 to 2018 budget includes the largest four-year investment in transportation, including transit, in the Region's history. The Region itself, however, does not have the resources to build the comprehensive rapid transit system needed to support higher population density. The current period of underperformance in development charge collections exacerbates this challenge. This makes provincial and federal support for rapid transit essential. Such assistance would support economic growth and help the Region to better manage the infrastructure challenges associated with the revised provincial growth targets and the potentially higher intensification targets the province is currently proposing.

All of the risks outlined above can have a number of impacts that, if not properly managed, can create fiscal challenges, including more complex and costly infrastructure networks, traffic congestion and demand for more services. Through the strategic planning and budgeting processes, as well as the Regional fiscal strategy, the Region continues to manage these risks by determining how best to use its resources to address them.

Conclusion

The financial indicators are beginning to show that York Region is successfully meeting the challenge of serving growth and saving for future needs while ensuring financial sustainability. Together, we are working toward the important goals of a fiscally prudent and efficient Region and stewardship of its assets.



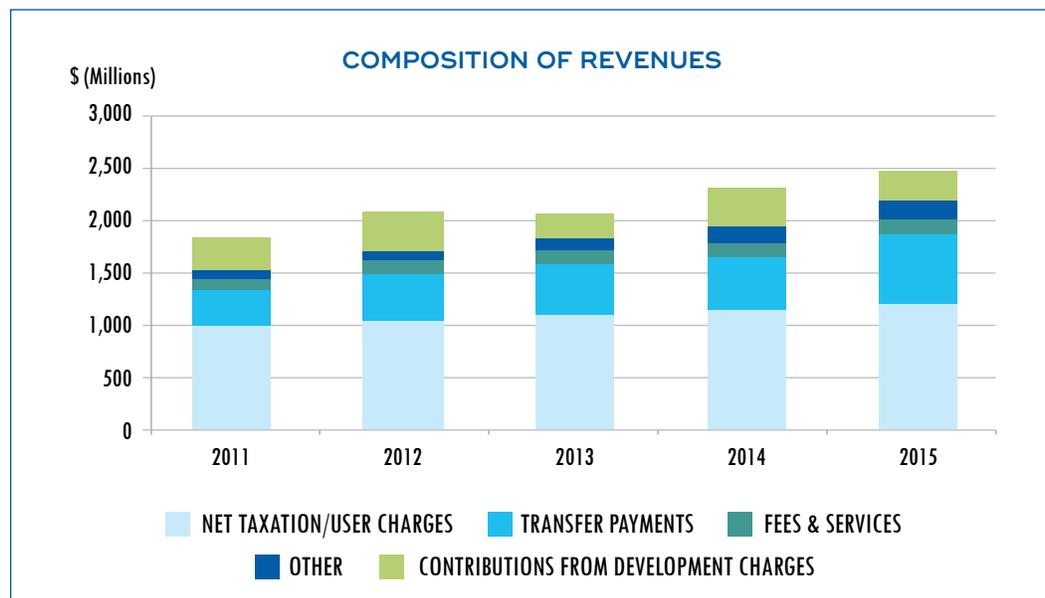
Bill Hughes

Commissioner of Finance & Regional Treasurer

2015 Financial Information

This section provides summary financial results and highlights for The Regional Municipality of York. You may access the complete 2015 Community Report online at york.ca/annualreports

Revenues



In 2015, revenues grew by \$166.1 million, with gains in every category except development contributions.

Transfer payment revenue increased by \$129.8 million. Major reasons were:

- A one-time recognition of \$79 million from Metrolinx as reimbursement for project spending in the two previous years
- An increase of \$25 million in federal funding for transit and other projects
- A \$14 million rise in provincial transfer payments for child care, reflecting a new funding formula

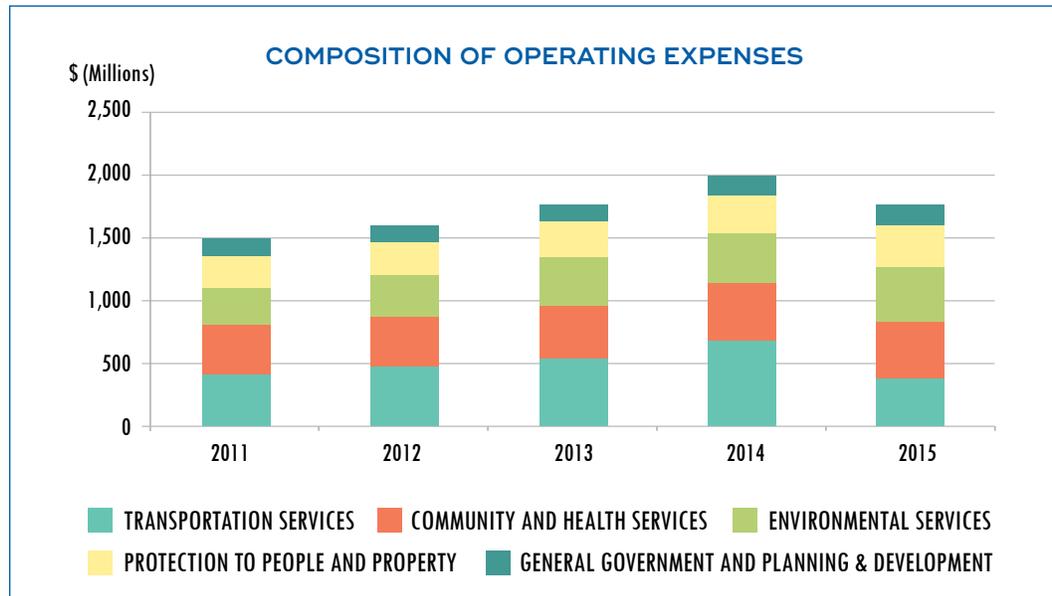
Among other sources of revenue, a \$76.9 million gain in taxation and user fee revenue was made up of a net increase of \$45 million in taxation revenue, reflecting the approved tax levy increase of 2.97 per cent and assessment growth of 2 per cent, and growth of \$32 million in water and wastewater user fees, reflecting approved rate increases.

The main reasons for an increase of \$13.8 million in interest earnings were a higher rate of return on investments and a larger portfolio of funds invested. Revenues from fees and services from such sources as transit fares, social housing rents and court administration fees rose by \$10.4 million, mainly because of increased volume of transactions.

Development contributions fell by \$80.9 million, going from \$361.9 million in 2014 to \$281.0 million in 2015. (When development charges are drawn down from deferred revenues on the balance sheet, they are called “development contributions.”) These contributions are used for growth-related capital projects. A year-to-year drop was expected, given the recent completion of major elements of several projects.

For a detailed look at the Sources of Revenue for 2015, please see the graph on page 29.

Expenses



On the expense side, spending fell by a reported \$231.2 million between 2014 and 2015.

Largely as a result of the Metrolinx reclassification, discussed on page 22, 2015 expenses for Transportation Services decreased by \$312 million year over year. Without this change, Transportation Services spending would still have fallen from the previous year, but only by \$21 million. Operating expenses across all other departments rose by 6.1 per cent over all between 2014 and 2015 in support of the Region's priorities of serving a growing population and providing enhancements to services where possible.

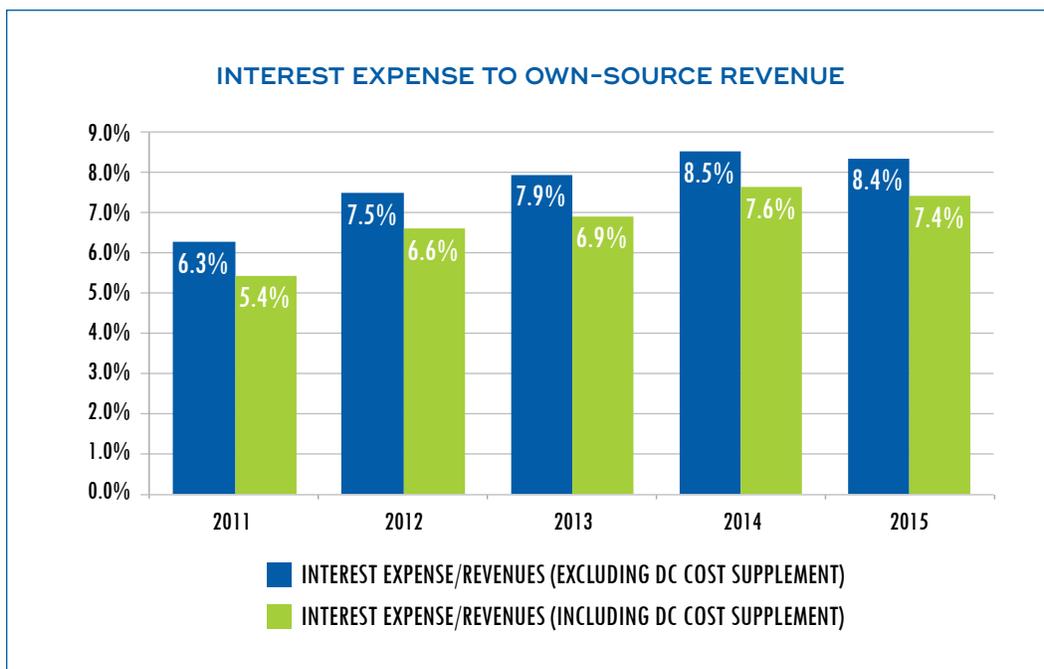
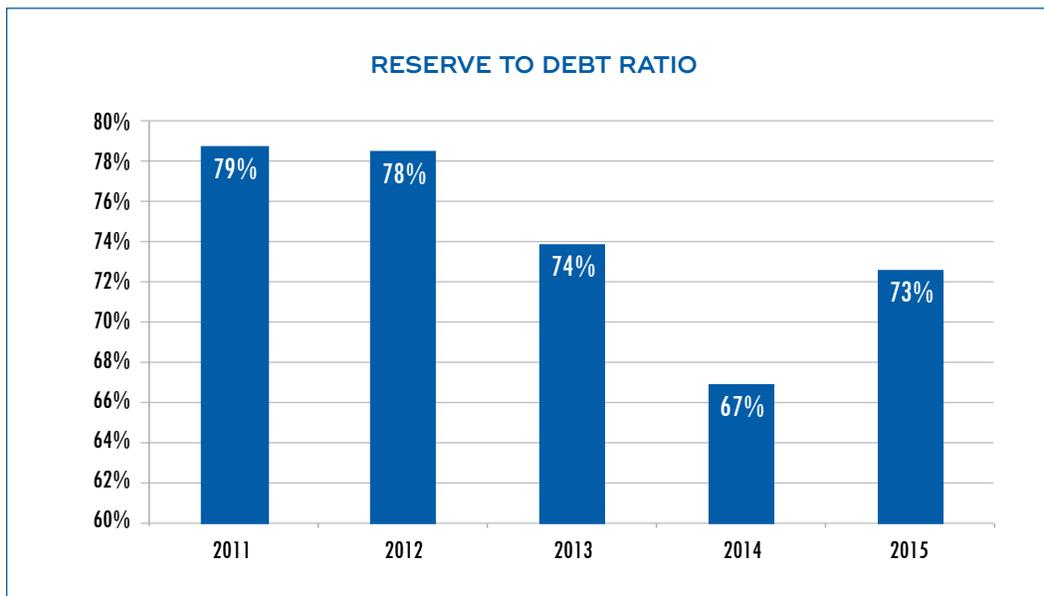
The Region invested \$808.5 million in tangible capital assets in 2015. This included land purchases and improvement, and new or expanded buildings, equipment and vehicles, transit networks, road systems and water and wastewater infrastructure.

Amortization expense in 2015 was \$207.7 million, up from \$183.3 million the previous year. After taking into account amortization and the disposal of assets during the year, the net book value of the Region's assets rose by \$588.9 million, going from \$6.5 billion at 2014 year-end to \$7.1 billion at the end of 2015.

For a detailed look at the Operating Expenses for 2015, please see the graph on page 29.

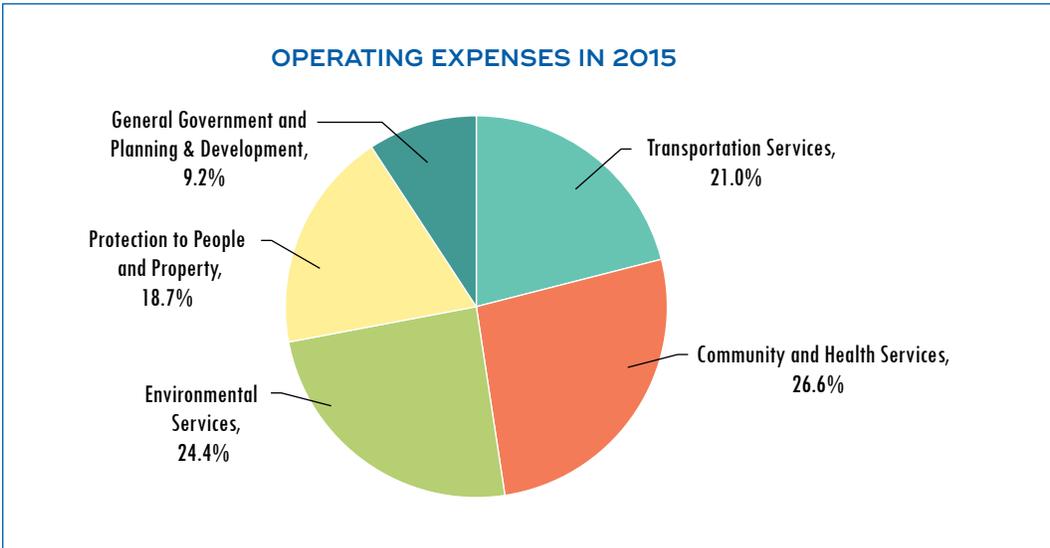
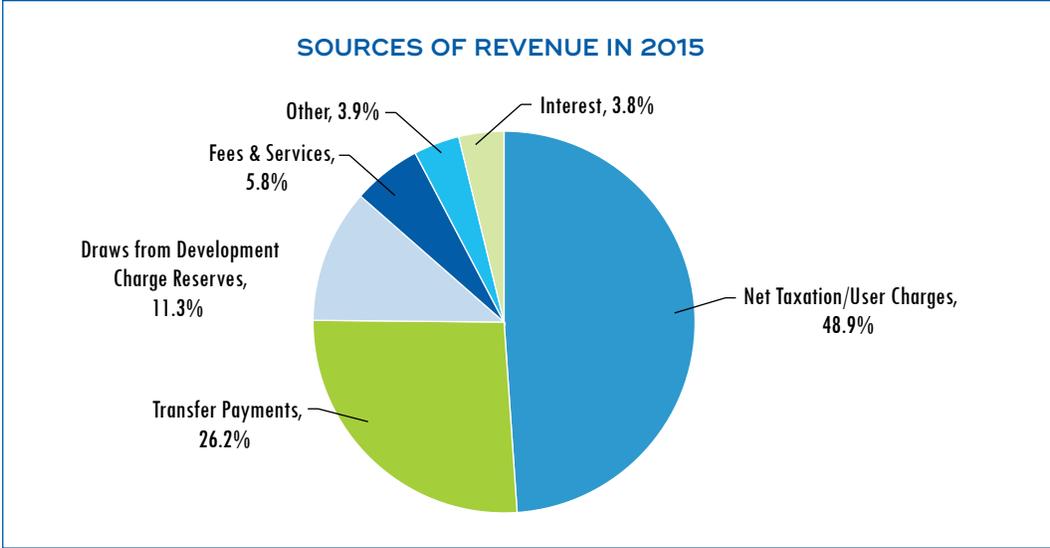
In \$000's	2011	2012	2013	2014	2015
Revenue	1,837,387	2,077,949	2,057,762	2,316,650	2,482,887
Expenses	1,494,413	1,594,611	1,765,803	1,999,677	1,768,505
Annual Surplus	342,974	483,338	291,959	316,973	714,382

INDICATORS OF FINANCIAL POSITION



Credit ratings

In 2015, two major rating agencies, Moody's Investor Service and Standard & Poor's Global Ratings, both reaffirmed their credit ratings for the Region – Aaa/Stable and AA+/stable respectively. Both rating agencies commented favourably on the Region's financial management and saw the Regional fiscal strategy as a positive step forward. These ratings continue to provide the Region with excellent access to capital markets, which currently offer historically low rates.



TOP 10 CORPORATE RATE PAYERS IN YORK REGION

Rank	Business Name	Rank	Business Name
1	Ivanhoe Cambridge II Inc.	6	Canada's Wonderland Company
2	CPPIB Upper Canada Mall Inc.	7	IBM Canada Limited
3	ONTREA Inc.	8	BCIMC Realty Corporation
4	Canadian National Railway Co.	9	CANADIAN BINARY OPTIONS
5	Montez Hillcrest Inc.	10	2748355 CANADA INC.

FINANCIAL STATEMENTS

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position¹

As at December 31, 2015

	2015 \$	2014 \$
ASSETS		
Financial Assets²		
Cash and cash equivalents	492,937,560	280,975,026
Accounts receivable	313,134,867	257,577,671
Investments	2,318,411,139	2,419,858,853
Debt amounts recoverable from		
Area municipalities	211,070,743	219,604,937
Total	3,335,554,309	3,178,016,487
LIABILITIES³		
Accounts payable and accrued liabilities	821,969,382	808,698,725
Employee benefit obligations	161,363,047	146,442,242
Deferred revenue	64,776,623	235,221,334
Deferred revenue-obligatory reserve funds	281,560,316	304,130,696
Gross long-term liabilities	2,833,618,685	2,750,974,572
Sinking fund debenture debt	610,389,226	500,686,269
Total	4,773,677,279	4,746,153,838
Net Debt⁴	(1,438,122,970)	(1,568,137,351)
Non-Financial Assets⁵		
Tangible capital assets	7,116,050,341	6,527,121,503
Inventory	3,937,124	3,540,731
Prepaid expenses	10,476,477	15,433,900
Accumulated Surplus⁶	5,692,340,972	4,977,958,783

¹ The consolidated statement of financial position shows the Region's financial position, which includes the assets, liabilities, and accumulated surplus, at a specific point in time. It provides information on what the municipality owns and owes to creditors.

² Financial assets: assets easily accessible in the form of cash, cash deposits, checks, loans, accounts receivable and marketable securities.

³ Liabilities: amounts owed to creditors.

⁴ Net debt: the sum of all debt minus the financial assets available to repay the debt.

⁵ Non-financial assets: assets that are owned and will be utilized for future services, including tangible capital assets, inventory and prepaid expenses. Non-financial assets are not easily convertible to cash.

⁶ Accumulated surplus: this is an indicator of the Region's overall financial health.

It is the difference between the assets (financial and non-financial assets) as compared to the liabilities.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Operations and Accumulated Surplus¹

For the year ended December 31, 2015

	Budget \$	2015 \$	2014 \$
REVENUES			
Net taxation/user charges	1,190,907,197	1,214,394,680	1,137,490,448
Transfer payments	422,341,994	651,485,254	521,667,972
Development contributions	296,742,718	281,033,242	361,870,502
Fees and services	134,878,104	144,695,693	134,292,830
Interest and investment	-	94,804,765	80,961,800
Other	85,137,447	96,473,554	80,366,412
Total Revenues	2,130,007,460	2,482,887,188	2,316,649,964
EXPENSES			
General government	129,347,496	154,797,376	150,549,362
Protection to persons and property	316,728,665	331,304,851	308,041,729
Transportation services	369,191,018	371,588,836	683,624,059
Environmental services	398,653,475	431,960,462	397,624,339
Health and emergency services	173,583,985	130,264,900	126,998,106
Community services	215,827,313	237,151,372	215,593,925
Social housing	94,487,213	102,864,804	109,252,817
Planning and development services	8,718,231	8,572,398	7,992,495
Total Expenses	1,706,537,396	1,768,504,999	1,999,676,832
Annual Surplus²	423,470,064	714,382,189	316,973,132
Accumulated Surplus, Beginning of Year	4,977,958,783	4,977,958,783	4,660,985,651
Accumulated Surplus, End of Year	5,401,428,847	5,692,340,972	4,977,958,783

¹ The consolidated statement of operations and accumulated surplus shows the sources of revenues and expenses, the annual surplus or deficit, and the change in the accumulated surplus over a period of time.

² Annual surplus: the difference between revenues and expenses; the "income" earned over a period of time.

HOW TO CONTACT US

For information on York Region services and programs,
please call: Access York: 1-877-464-9675
TTY: 1-866-512-6228 (for the deaf or hard of hearing)

Accessible formats or communication supports
are available upon request.

MAILING ADDRESS

The Regional Municipality of York
17250 Yonge Street, Newmarket,
ON L3Y 6Z1

EMAIL ADDRESS

accessyork@york.ca

YORK REGION WEBSITE

york.ca

