



“A Truly Valued Nova Scotia”

March 31, 2009 Annual Report



“See everywhere. Measure anything. Plan everything.”

The top two of the pictures displayed on the front cover were taken with technology called Pictometry.

Pictometry is a process of taking oblique (angle) aerial photographs from the four different compass directions. This patented process allows measurements to be done directly from the oblique photographs. This allows access to view each side of a property and take measurements from any point of reference.

A pilot project is underway to determine the usefulness of Pictometry imagery to other public organizations such as municipal governments, police forces, fire departments and emergency services. Currently PVSC has contracted Pictometry imagery for some urban areas in Halifax Regional Municipality and Cape Breton Regional Municipality. There is anticipation that through a partnership of several public organizations there will be an opportunity to further expand the coverage of the Pictometry imagery and to obtain updated imagery in the future.

For more information please visit www.pvsc.ca

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This annual report reflects the Property Valuation Services Corporation fiscal year ending March 31, 2009.

The information on programs and operations reflect activities that occurred in the calendar year 2008 relating to the filing of the 2009 assessment roll. This includes activity related to appeals filed against the 2008 roll. Information around appeals for the 2009 assessment roll will appear in the report next year.



A Message From The Chair

When I assumed responsibility as Chair of the PVSC Board late in 2008 I was told by outgoing Chair, Lloyd Hines, that he was always impressed by the professionalism of the staff and in particular the pride they took in dealing with their municipal clients as well as the public. That opinion is shared by the current Board members.

After one year of independent operation as the PVSC we remain committed to using our ingenuity, flexibility and commitment to move forward. We strongly support initiatives to improve quality and therefore accountability, to streamline procedures and therefore improve service, to communicate with our stakeholders and clients and to grow our technological capabilities to provide opportunity for partnerships that benefit the fifty-five municipalities and property owners.

Our duties as a Board are becoming more clearly defined in two broad categories. We provide strategic advice to management and monitor risks on behalf of the stakeholders, the municipalities. The Board has worked hard to craft a strategic plan that will provide direction and improve our value as we move forward.

I would like to extend our thanks to all staff and management for their hard work and dedication towards our vision of having our clients and partners recognize us as the best provider of market valuation and property-related services. We remain proud of the accomplishments of the last year and remain committed to following the path of continuous improvement.

A handwritten signature in black ink, appearing to read 'Carroll Publicover', written over a horizontal line.

Carroll Publicover

Chair, Property Valuation Services Corporation Board
Mayor, Town of Bridgewater

A Message From The CEO

After four years of preparation and transition, I am proud to say we have completed our first year as the Property Valuation Services Corporation.

The achievement, in a large part, is due to the dedication of many: our staff, who have kept the focus for filing a quality, dependable assessment roll; our municipal clients, who continue to demonstrate support in our initiatives, and our Board of Directors, whose members have selflessly served during the inception, transition and formalization of the Corporation.

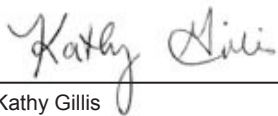
Transitions of this magnitude can present challenges along with opportunities. Over the past year I was constantly reminded of the willingness and strength of staff to face these challenges and also to engage in the opportunities.

To all of you, I am truly grateful.

I would also like to note the fine leadership of the Employee Committee throughout the transition. In particular the effort of all staff regarding the financial support demonstrated toward the Muscular Dystrophy Association enabled the Corporation to make its “mark” as a caring contributor to those in need.

This past year has been successful for many other reasons. We continue to forge a strong relationship with our municipal clients. We have implemented innovative projects so as to deliver our services more efficiently and effectively. We have explored the power of our iasWorld technology and associated tools like Pictometry. We have continued to lay the foundation of a quality framework and our corporate and human resource infrastructure.

We have come a long way in a short time – but the journey is just beginning. I am confident that with your continued support and commitment, we will reach our goal of achieving “A Truly Valued Nova Scotia.”



Kathy Gillis

Chief Executive Officer
Property Valuation Services Corporation



THE PVSC BOARD OF DIRECTORS

The PVSC Board of Directors govern the Corporation on behalf of Nova Scotia's 55 municipal unit members.

The Board:

- establishes a long term strategic plan
- creates multi-year capital and operational budgets
- appoints a CEO
- encourages partnership opportunities with stakeholders and others
- reports to the UNSM at its annual meeting
- ensures external financial and quality audits are completed

Responsibility for assessment related legislation remains with the Province.

Information about the Board and minutes of Board meetings are posted on the PVSC website at www.pvsc.ca

In the past year, three committees established by the Board have been completing detailed work in their areas of concentration and reporting to the Board at their scheduled meetings. Using the Committees to complete detailed reviews, explore options and make recommendations has provided a new level of efficiency.

The Audit and Finance Committee reviews the operating and capital budgets and deals with financial issues that arise as part of normal operations. It also ensures that the annual external audit is completed.

The Governance Committee oversees issues of Board structure, management and responsibilities. The Board is committed to continuous improvement and the opportunity to educate members about best practices in governance.

The Quality and Client Service Committee works closely with the Quality Team and Client Services Team to ensure the use of the best procedures and practices in delivering our assessment products in a satisfactory way to our clients. They review internal procedural audits and the preparation for the external service audit.

Composition

The Board is comprised of elected and administrative representatives from rural, town and regional caucuses who are appointed by the Union of Nova Scotia Municipalities (UNSM). In addition, the Board includes the Deputy Minister of Service Nova Scotia & Municipal Relations (non-voting) and the Executive Director of the UNSM. In December 2008 several new members were appointed to the Board as part of a continuous replacement requirement. The CEO of the PVSC reports to the Board and attends all meetings.



PVSC Board Committees



Audit and Finance Committee

Members (left to right)

Carroll Publicover, PVSC Board Chair, Mayor, Town of Bridgewater; **Trudy LeBlanc**, Committee Chair, Deputy CAO, District of Yarmouth; **Mervin Hartlen**, Councillor, Region of Queens Municipality; **Debbie Kampen**, MPA, CAO, Town of Antigonish

Missing from the photo: Ken Simpson, Executive Director, Union of Nova Scotia Municipalities

Governance Committee

Members (left to right)

Billy Joe MacLean, Mayor, Town of Port Hawkesbury; **Bob McNeil**, Committee Chair, Director of Technology, Cape Breton Regional Municipality; **Carroll Publicover**, PVSC Board Chair, Mayor, Town of Bridgewater



Quality and Client Service Committee

Members (left to right)

Carroll Publicover, PVSC Board Chair, Mayor, Town of Bridgewater; **Darren Bruckschwaiger**, Committee Chair, PVSC Board Vice-Chair, Councillor, Cape Breton Regional Municipality; **Gloria McCluskey**, Councillor, HRM; **Jimmy MacAlpine**, Deputy Warden of the District of Digby; **Kevin Malloy**, Deputy Minister, Service Nova Scotia & Municipal Relations



We wish to acknowledge and thank former Chair, Lloyd Hines, Vice-Chair Russell Walker, Directors John Prall and Deputy Minister Greg Keefe for their support, wisdom and hard work in support of the PVSC.

2008 ACTIVITY RELATED TO THE 2009 ASSESSMENT ROLL

Delivering More Than Market Value

Every year the PVSC provides assessment rolls to its fifty-five municipal partners and assessment notices to almost 600,000 Nova Scotia property owners. This is required under the *Assessment Act*. Other legislated requirements include the operation of an appeal process and programs mandated by the Province including the CAP program, the Business Occupancy Phase Out and Seasonal Adjusted Tourist Business Designation. In 2008 the PVSC added nearly 8000 new accounts resulting from sub-division. Approximately 25,000 building permits and work orders required site visits and other related activity.

Appeals

There were 2,414 commercial and 7,290 residential appeals for a total of 9,704 appeals on the 2008 assessment role.

Appeals on the 2009 assessment role will be reported in the annual report next year.

Property Assessment Values

	2009	2008
Residential*	\$57,222,607,800	\$51,935,693,400
Commercial**	\$18,832,231,800	\$18,555,278,500
PROVINCIAL TOTAL	\$76,054,839,600	\$70,490,971,900
Number of Accounts	597,436	591,680

Business Occupancy Reduction	\$558,444,600	\$517,099,900
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*Residential Includes Resource

**Commercial Includes Business Occupancy

Provincial Assessment Inspection Program (PAIP)

2008 marked the 11th year since the inception of the PAIP program in 1997. The program was started as a way to verify assessment data in market neighbourhoods and capture new information as a supplement to the standard inspection program. It has grown to be a highly valued seasonal component of the PVSC work plan.

In addition to roll quality, the PAIP program has the added benefit of recruiting new employees for the PVSC. In fact, the large majority of our new hires have worked in this program at some point.

In 2008, the program added \$42,000,000 to the 2009 assessment roll and updated or confirmed the details on over 8,550 properties.



Cody Hebb, PAIP employee, assesses property during training.

Cap Assessment Program (CAP)

Since its introduction in 2005, the Capped Assessment Program has been modified and expanded by the Province. Major changes included the elimination of the application process and the setting of the CAP rate at the annual increase in the Nova Scotia Consumer Price Index.

For the 2009 roll, the CAP rate was set at 3.4 %. This allowed nearly 361,000 accounts to be eligible. Amendments to the legislation in 2008 incorporated cooperative housing, residential parts of commercial farms and mobile home parks (mobile homes in parks have been eligible since 2006) in the program.

The CAP program has had a substantial impact on the residential and resource components of the 2009 assessment roll.

The UNSM struck a committee to review the CAP program. The PVSC will provide support services to the committee which will report back to the UNSM in the fall of 2009.

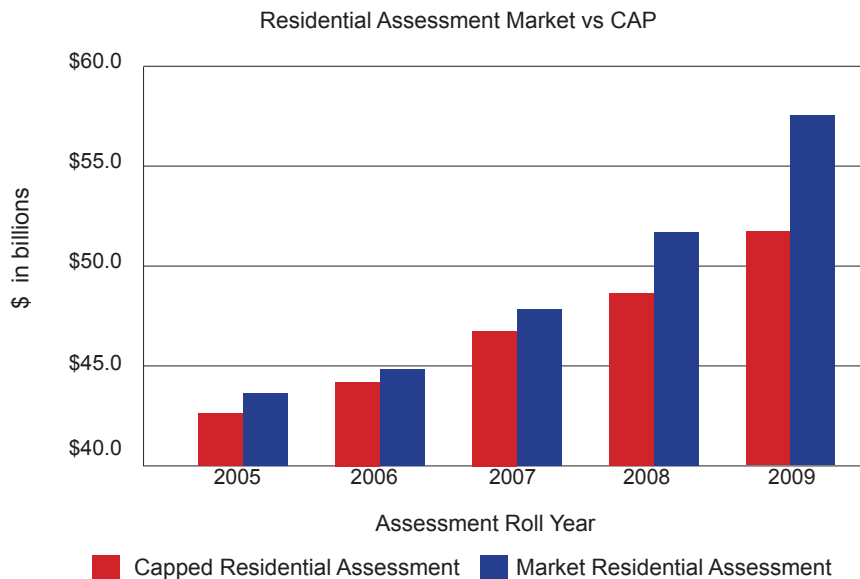
Seasonal Tourist Business Designation

Under the Seasonal Tourist Business Designation legislation, a business that is closed for at least four months in the taxation year and is a restaurant, a roofed accommodation or a camping establishment may be eligible for a reduced commercial tax rate. The owner of the business is required to make application to the PVSC and demonstrate that they meet specific criteria.

In 2008, over 350 tourist businesses were deemed to be eligible across Nova Scotia. We directly notified the participants from the previous year and worked with the Tourism Industry Association of Nova Scotia, the Department of Tourism and Service Nova Scotia & Municipal Relations to get the message out to their interested clients.

Business Occupancy Assessment Elimination Program

The 2009 assessment roll contained the last year of the phase out of Business Occupancy Assessment Tax for the 50% category. This represented a reduction in business occupancy for 2010 of nearly \$ 560 million across the province.



PVSC Mission, Vision, Values, Goals

Mission

We provide market valuation and other property-related services to municipalities, clients, and the Province of Nova Scotia.

Vision

Our clients and partners recognize us as the best provider of market valuation and property-related services.

Values

- Focus on our customers' needs
- Be accountable for our results and processes
- Have quality in our resources, services and products
- Be progressive in our management and execution
- Value our stakeholders' diversity, input, contribution and partnership
- Have excellence in our customer service
- Invest in our people
- Treat others with respect and dignity

Strategic Goals

Best Product Quality: The PVSC will ensure it has the best quality of products and service in the market valuation industry.

Deliver Best Value for Money: The PVSC will structure production and services to deliver the most with the corporate resources.

Improve Access to Information: Enable clients to have convenient choices about where, when and how to conduct business with us.

Build a High Performance Culture: Get and keep the right human, financial and technical resources to do our job effectively and economically.

Improve/Expand Products/Services: We will develop the right products to support clients' property related decisions.

Implement Best Practice Governance: The PVSC Board will follow best practice governance on behalf of stakeholders.

"The PVSC has completed its first year of independent operation moving towards its corporate goals and guided by the established mission, vision and values."

- Kathy Gillis, CEO



CLIENT SERVICES



"We understand the importance of good client relationships. We are working hard to build a strong partnership with our clients by listening to them and being attentive to their business requirements."

*-Debi Karrel,
VP Client Services*

Client Services was established because the PVSC recognized from the outset that listening and responding to our fifty-five municipal clients and others that we do business with was critical to our success. We have worked hard to provide the level of attention that assures our clients that we are listening to their needs.

Address Update Project

By year end 2008 there were four municipalities updating address changes directly into iasWorld. The units are CBRM, HRM, and the Municipalities of Chester and Queens. This partnership has proved to be effective for both PVSC and each applicable unit. We will continue to expand this initiative to other participating municipalities throughout 2009.

PVSC Representation

In 2008, the Client Services team completed more than 170 visits to municipal offices with a minimum of three visits to each municipality. Members of the team also gave presentations to Municipal Councils, the Office of the Ombudsman, the AMA, the UNSM, and the Realtors Association of NS. As well the PVSC was represented by Client Services at both the spring and fall conferences of the AMA and the UNSM.

Customer Information Center

In the fall of 2008 a Customer Information Center was set up in our Bridgewater office to be the first responder of all incoming calls. This has provided a very effective and timely response to meet the needs of our clients.

"PVSC always provides us with excellent and efficient service."

*-Donna Campbell,
Finance Manager,
County of Colchester*



Wayne Creelman, Commercial Assessor, meets with Donna Campbell outside the County of Colchester building.

Property Owner Satisfaction

	2002	2003	2004	2005	2006	2007	2008	2009
Overall Satisfaction	71%	65%	75%	71%	68%	68%	79%	69%
Professional/Friendly	88%	85%	87%	92%	88%	88%	93%	90%
Quick and Efficient	74%	75%	84%	81%	72%	77%	84%	82%
Answered Questions	74%	65%	75%	72%	74%	72%	81%	67%

QUALITY SERVICES

Quality Services in Action

The establishment of a quality framework was a top priority undertaken by the Quality Services team this year. Last year there was a concerted effort to set up the internal audit process which ensured that quality was maintained within legislative compliance for the operational, corporate and IT areas of the PVSC. Changes in technology combined with a new organizational structure required a framework to measure confidence in our product and services. We achieved this through the implementation of data quality and roll validation programs.



Education Officer, Eileen Fewer, trains Connie Cole, PAIP employee.

Building on the internal e-audits program, process audits have been initiated and these have formed the foundation for the external audit program.

A Corporate Readiness audit was undertaken in preparation of a full external audit in 2010, as laid out in the PVSC strategic plan.



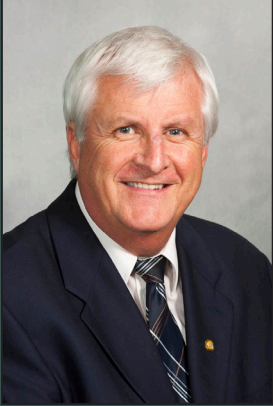
"We continue to build the foundation to effectively monitor our performance for compliance to legislation, IAAO standards and support of our key goals."

*- Jean Thorburn
VP Quality Services*

Improvement Process

There were expanded initiatives to ensure the growth of quality measurement. The appeal process was selected for a thorough review. Input from assessors, appeal court chairs, appraisal agents and tax payers was captured with recommendations implemented for the 2009 assessment appeal period.

We implemented a business improvement program, Lean / Six Sigma; a systemic approach to process management that supports our goal for continuous improvement within the Corporation. Staff were provided with comprehensive training and attended key instructional sessions on this program showing how they can implement improvements within a business area. Through our planning process we also identified other key processing areas requiring review with a goal to improve our discipline, effectiveness and efficiency throughout the Corporation in these areas.



"The Operations Team did a tremendous job delivering our first assessment roll as the PVSC."

*- Lloyd MacLellan
VP Operations*

OPERATIONS

The major success for Operations is always measured in the successful completion of the assessment roll. This task requires the largest expenditure of energy from the PVSC. Each roll seems to have its own unique trademark and the 2009 roll proved to be no exception. Given the unique conditions with the global economy and the media focus on the difficulties in the real estate market outside Nova Scotia, there was considerable feedback about the market value increases determined for the 2009 roll.

Operations and Assessment

The Operations Team is responsible for the annual reassessment of residential and commercial / industrial properties, completing building permit and work order inspections, responding to inquiries, adding and valuing new accounts and sub-divisions, and resolving appeals. Other activities that fall in their area of responsibility include the PAIP program, the CAP program, the phase out of Business Occupancy, the Seasonal Tourist Business Designation program and special reviews such as the comprehensive industrial property reviews.

Teams within Operations

Changes in our operational structure proved to be effective in creating more efficiency and flexibility. Operations Team members became comfortable with the three geographical work areas and their roles in one of the five internal teams:

- The Residential Valuation Team
- The Commercial Income Valuation Team
- The Commercial Cost and Special Purpose Team
- The Data Collection Team
- The Data Management Team



(left to right) Phil Schofield, Commercial Manager; Lloyd MacLeod, Commercial Manager; Lloyd MacLellan, VP Operations; Mike Musycsyn, Data Collection Manager; Alex MacDonald, Residential Valuation Director

INFORMATION TECHNOLOGY AND INFORMATION MANAGEMENT

2008 was a year of continued stabilization and growth for the Information Technology (IT) team. This allowed us to make numerous changes in our business structure and supporting processes, and add additional responsibility to position profiles within the division. To effectively support and optimize the operation, we added additional IT positions and centralized our operations to provide the best support for our staff and clients.

The Municipal Interface Committee continued to provide municipalities and PVSC a forum in which they would exchange ideas and suggest opportunities. A key takeaway from the committee was the establishment of a joint XML committee with municipal units to help our municipal partners learn the value of having the assessment data provided to them in a more current file format (XML) and to assist them in planning for the acceptance of this format in their IT systems. This format enables us to deliver additional data that our partners and clients require to help them do their jobs.



Chris Kent, Residential Valuation Supervisor, meets with Bob McNeil, Director of Technology for Cape Breton Regional Municipality.

We continue to be at the forefront for our industry and are continuously exploring our potential. We are now organized to provide the best possible support through our centralized structure.



"I am really proud of our accomplishments this year. IT has come together as a team, and worked very hard to build a solid foundation that can effectively support the PVSC."

*- Rick MacLeod
VP Information Technology*

Stepping Into the Future

For more than a year we have been operating using our state-of-the-art mass appraisal system, iasWorld, and we can fully appreciate its capability and potential to enhance the value of our data. This additional understanding afforded us with the opportunity to effectively explore integration of digital aerial photography with a product called Pictometry. Two of our municipal partners joined us in a "proof of concept" pilot project which involved completing multi-directional aerial photography fly-overs of selected areas.



Teth Cleveland, GIS/IT Coordinator, discusses a Pictometry generated photograph with Brent Morine, Web Coordinator.



"Corporate Services plays a vital role within the PVSC. We ensure that the support, structures and functions are in place so the operational teams can provide the best service to our clients."

*-Russ Adams,
VP Corporate Services*

CORPORATE SERVICES

This year PVSC embarked on a journey that finalized the creation of a new corporation, with a vision and a plan to become a unique entity. We continued to provide services to property owners, municipalities and the province with growing confidence in the strength of this corporation.

Corporate Services plays a dual role, as support to the PVSC Board and the delivery of a variety of support services for the Corporation. The Corporate Services team deals with facilities management, finance and budget, communications and policy. Corporate Services also assisted the Human Resource team as it came into its own. Every team member has a separate role in completing their part of the strategic plan.

Corporate Services on Their Own

We completed our first fiscal year with independent responsibility for all financial matters including implementing tendering and policy processes. The launch of the PVSC on April 1, 2008 was a major milestone. Corporate Services continues to enhance communications pertaining to the role of the new corporation and to build on the relations established with the municipal, provincial and federal governments.



Grace Chitate, Finance Manager, sits in on the PVSC Board meeting.

Office Moves and Changes

Over the last year we completed two major office changes. The regional assessment office in Dartmouth was merged with the Halifax corporate office to create the new central office now located in Dartmouth. The Port Hawkesbury office was moved into new facilities in that municipality.



For further information on office locations please call 1-800-380-7775 or visit our website at www.pvsc.ca

HUMAN RESOURCES

The Human Resources team at PVSC has finished their first year as a new division operating in a new organization. The focus of this year was on building the core HR infrastructure to enable an engaged and high performing workplace.

We are very proud of the fact that we had excellent retention rates following the transition. We were also able to attract a number of very talented individuals to join the PVSC team.

Through the HR team, the Employee Committee continued to provide valuable input into decision-making and communications, the foundation was laid for the Joint Labour-Management Committee and the 'Coaching for Success' program was piloted across the organization.

Coaching for Success

The 'Coaching for Success' program was created within PVSC to emphasize the vision, mission and values of the corporation. The program is an integral component in providing superior service to our clients and stakeholders. We recognize that employees are the deliverers of responsive and effective service, and 'Coaching for Success' enables employees to achieve their full potential within PVSC.

Employee Committee

The Employee Committee was established during the creation of the PVSC. This year, it made great headway toward its far reaching objective of evolving the PVSC corporate culture through career development, enhanced communication, greater presence in the community, strong leadership, and recognition of staff.

The committee organized various staff events, assisted in the design of the PVSC Intranet, created and awarded the inaugural Vision Award and selected Duchenne Muscular Dystrophy for the charity of the year. With the support of the Employee Committee, PVSC raised \$9,500 for this important cause.

Joint Labour-Management Committee

The Joint Labour-Management Committee was formed to provide a forum for discussion and consultation in order to resolve matters of mutual concern and to create a positive work environment for all staff.



Brenda Cowie, HR Consultant, Service Nova Scotia & Municipal Relations, was the inaugural recipient of the 'Brenda V. Cowie Partnership Award' named in her honour.



"We value people. Therefore, Human Resources occupies a place of prominence within PVSC."

*-Meredith Buchanan,
VP Human Resources*

AUDITORS' REPORT



To the Board of Directors of the **Property Valuation Services Corporation:**

We have audited the statement of financial position of the Property Valuation Services Corporation as at March 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Property Valuation Services Corporation as at March 31, 2009 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with generally accepted accounting principles.

Grant Thornton LLP

Halifax, Nova Scotia
June 17, 2009

Chartered Accountants

Property Valuation Services Corporation

STATEMENT OF OPERATIONS

Year ended March 31, 2009	Budget 2009	Actual 2009
REVENUES		
Municipal	\$ 15,810,000	\$ 15,809,990
Interest	-	116,257
Cost Recovery	-	81,594
Other	-	6,494
	<u>15,810,000</u>	<u>16,014,335</u>
EXPENSES		
Depreciation	150,000	566,049
Employee Future Benefits	171,000	265,745
IT Operations	1,066,959	756,592
Meeting Expenses	92,677	78,539
Membership Dues and Fees	41,000	45,240
Office Recolation Expenses	81,242	97,180
Other Supplies and Services	139,259	139,865
Printing and Postage	718,880	612,481
Professional Fees	441,319	709,844
Rentals and Leases	1,142,379	1,018,133
Salaries and Benefits	10,629,578	10,012,163
Staff Training and Development	83,682	44,559
Telecommunications	155,968	186,019
Travel	896,057	874,564
	<u>15,810,000</u>	<u>15,406,973</u>
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ 607,362

See accompanying notes to the financial statements

Property Valuation Services Corporation

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2009

	Operating Fund	Special Reserves	Internally Restricted Fund	Capital Asset Fund	2009 Total	3 Months Ended March 31 2008 Total
Balance, Beginning of Year	\$ -	\$ -	\$ 254,611	\$ 4,585,633	\$ 4,840,244	\$ -
Excess of Revenues Over Expenses	1,173,411	-	-	(566,049)	607,362	-
Contribution/Transfer for Future Capital Project (note 3(b))	65,017	-	-	(65,017)	-	100,000
Transfer for Accumulated Surplus from Service Nova Scotia and Municipal Relations (note 3(a))	-	-	-	-	-	254,611
Transfer of Capital Assets from Service Nova Scotia and Municipal Relations	-	-	-	108,332	108,332	4,485,633
Additions to Capital Assets	(339,034)	-	-	339,034	-	-
Transfer to (from)	(119,394)	-	119,394	-	-	-
Transfers to Special Reserves (note 4)						
Technology Replacement						
CAMA Reserve	(448,000)	448,000	-	-	-	-
Operating Reserve	(332,000)	332,000	-	-	-	-
Balance, End of Year	\$ -	\$ 780,000	\$ 374,005	\$ 4,401,933	\$ 5,555,938	\$ 4,840,244

See accompanying notes to the financial statements

Property Valuation Services Corporation

STATEMENT OF FINANCIAL POSITION

Year ended March 31, 2009	2009	2008
ASSETS		
Current		
Cash and cash equivalents	\$ 2,269,513	\$ 2,601,421
Receivables (note 6)	403,643	22,686
Prepays	81,562	484,422
	<u>2,754,718</u>	<u>3,108,529</u>
Restricted Investments (note 5)	2,778,962	-
Capital Assets (note 7)	4,366,950	4,485,633
	<u>\$ 9,900,630</u>	<u>\$ 7,594,162</u>
LIABILITIES		
Current		
Payables and Accruals (note 7)	\$ 1,024,215	\$ 99,348
Due to Province of Nova Scotia, Service Nova Scotia and Municipal Relations	-	1,111,177
Deferred Revenue (note 2)	301,292	1,543,393
	<u>1,325,507</u>	<u>2,753,918</u>
Employee Future Benefits (note 5)	3,019,185	-
	<u>4,344,692</u>	<u>2,753,918</u>
NET ASSETS		
Special Reserves (note 4)	780,000	-
Internally Restricted Fund (note 3)	374,005	254,611
Capital Asset Fund	4,401,933	4,585,633
	<u>5,555,938</u>	<u>4,840,244</u>
	<u>\$ 9,900,630</u>	<u>\$ 7,594,162</u>

Commitments (note 9)

On Behalf of the Board



Director



Director

See accompanying notes to the financial statements

Property Valuation Services Corporation

STATEMENT OF CASH FLOWS

Year ended March 31, 2009	2009	3 Months Ended March 31 2008
Increase (decrease) in cash and cash equivalents		
OPERATING		
Excess of Revenues over Expenses	\$ 607,362	\$ -
Depreciation	566,049	-
Employee Future Benefits	169,485	-
Investment Income on Restricted Investments	(23,146)	-
	<u>1,319,750</u>	<u>-</u>
Change in non-cash operating working capital		
Receivables	(380,957)	(22,686)
Prepays	402,860	(484,422)
Payables and Accruals Due to Province of Nova Scotia, Service Nova Scotia and Municipal Relations	924,867	99,348
Deferred Revenue	(1,111,177)	1,111,177
	<u>(1,242,101)</u>	<u>1,543,393</u>
	<u>(86,758)</u>	<u>2,246,810</u>
FINANCING		
Funds Received from Province of Nova Scotia, Service Nova Scotia and Municipal Relations	<u>2,849,700</u>	<u>-</u>
INVESTING		
Purchase of Restricted Investments	(2,778,962)	-
Investment Income on Restricted Investments	23,146	-
Purchase of Capital Assets:		
Computer	(65,017)	-
IT Assets	(228,879)	-
Furniture and Equipment	(66,880)	-
Leasehold Improvements	(86,590)	-
Contribution - Capital Asset Fund Internally Restricted Fund	108,332	100,000
	-	254,611
	<u>(3,094,850)</u>	<u>354,611</u>
Net (decrease) Increase in Cash and Cash Equivalents	(331,908)	2,601,421
Cash and Cash Equivalents, Beginning of Year	<u>2,601,421</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,269,513</u>	<u>\$ 2,601,421</u>

See accompanying notes to the financial statements

Property Valuation Services Corporation

Notes to the financial statements

1. *Nature of operations*

Property Valuation Services Corporation was incorporated under the Property Valuation Services Corporation Act as of April 1, 2007. The purpose of the Corporation is to provide assessment and related property information services to Municipalities in the Province of Nova Scotia. All municipalities in Nova Scotia are members of the Corporation. In 2007, the Corporation's activities and expenditures related to establishing the corporate structures and capacity to assume the provision of assessment services from Service Nova Scotia and Municipal Relations as of April 1, 2008.

2. *Summary of significant accounting policies*

Basis of presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations using fund accounting. Revenues and expenses related to program delivery and administrative activities are reported in the unrestricted operating fund.

Use of estimates

In preparing the Corporation's financial statements, in conformity with the Canadian generally accepted accounting principles management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of these estimates and assumptions include depreciation and employee future benefits. Actual results could differ from those reported.

Revenue recognition

The Corporation follows the deferral method for accounting for municipal revenues. Income from assessment services is recognized as revenue in the year in which the related expenses are incurred.

Capital assets

Capital assets are recorded at cost. The capital asset fund reports the assets, liabilities, revenues, and expenses relating to these capital assets. Transfers of capital assets from other government entities are recorded at their fair market value at the date of transfer.

Depreciation

Depreciation is recorded as an expense in the capital asset fund. Rates and bases of depreciation applied to write off the capital assets over their estimated life are as follows:

IT hardware	3 years, straight-line
Computerized mass appraisal	10 years, straight-line
Furniture and equipment	20%, declining balance
Leasehold improvements	5 years, straight-line

Deferred revenue

Deferred revenue represents payments received from the Municipalities prior to April 1, 2009 that relate to the March 31, 2010 fiscal year.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with the bank.

Cost recovery

The Corporation has data sharing agreements with Canada Revenue Agency and Statistics Canada. Cost recovery revenue represents the fees related to data sharing agreements and other cost recoveries from First Nations and from the Province.

Financial instruments

Financial instruments include cash and cash equivalents, investments, receivables, payables and accruals, due to the Province of Nova Scotia, Service Nova Scotia and Municipal Relations, and deferred revenue. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, or currency risks arising from financial instruments and the fair market value of these financial instruments are at least equal to their carrying values.

Pension benefit plans

The Province of Nova Scotia ("Province") administers the defined benefit pension plan, and the Corporation reimburses the Province for the pension costs related to the Corporation's proportionate share of the employees covered under the plan. The Corporation's share of the cost of defined benefit pension plan is accrued based on actuarial valuations, which are determined based on data provided by the Province using the projected benefit method pro-rated on service including the expected long-term rate of return on plan assets, salary, escalation, and retirement age.

The impact of changes in plan amendments is amortized on a straight-line basis over the expected average remaining service life (EARSL) of active members.

The Corporation will contribute on an annual basis the estimated premium requirements under this defined benefit plan. The total 2009 expenses for the Corporation's share of the defined pension plan is \$553,431, which is included in salaries and benefits expense.

The Corporation also has a defined contribution plan for specified employees. Contributions for the year total \$49,628.

3. Restrictions on net assets**a) Internally restricted fund**

The internally restricted fund of \$254,611 represents accumulated operating surpluses transferred from Service Nova Scotia and Municipal Relations on March 31, 2008. During 2009 an additional \$119,394 from the operating fund was transferred to this internally restricted fund. This fund has been internally restricted by the Board of Directors for future programs/expenses to be determined from time to time by the Board of Directors in accordance with the goals and objectives of the Corporation.

b) Externally restricted fund

The Corporation received \$100,000 from Service Nova Scotia and Municipal Relations in 2008. This fund was restricted for future capital expenditures relating to the Corporation's computer mass appraisal system. During the year ended March 31, 2009, the Corporation spent \$65,017 of this contribution to fund software development on the mass appraisal system. The remaining balance of \$34,983 is recorded in the capital asset fund.

4. Special reserves

At the end of the year funds were transferred from the operating funds (excess revenue over expenses) to a CAMA Replacement Fund reserved for the long term replacement of the computerized mass appraisal system, and a Special Operating Reserve to be used in 2009/10 for operating expenditures.

Transfers to Special Reserves were as follows:

CAMA Replacement Fund	\$	448,000
Operating Reserve		<u>332,000</u>
	\$	<u>780,000</u>

5. Post-retirement Health Plans and Public Service Awards**Restricted investments**

Restricted investments are recorded at cost, which approximates fair market value. Restricted investments are in guaranteed investments certificates and are restricted for funding the employee future benefit obligations. The Health Plan investment bears an interest rate of 2.25% per annum and matures on October 29, 2009. The Service Awards investment bears an interest rate of 2.10% per annum and matures on November 25, 2009.

	Health Plans	Service Awards	Total
Total funded at issue date	\$ 1,462,400	\$ 1,293,416	\$ 2,755,816
Interest earned	<u>13,777</u>	<u>9,369</u>	<u>23,146</u>
Total funded at end of year	\$ <u>1,476,177</u>	\$ <u>1,302,785</u>	\$ <u>2,778,962</u>

Employee future benefits

On April 1, 2008 the Corporation acquired the employee future benefits obligations as follows:

a) Post-retirement health plans are to designated employees of the Corporation. The Corporation is responsible for funding the employer portion of the premium payments and any obligations under these health benefit plans. The Corporation has invested in short term investments while developing a long term investment policy with actuarial consultants. The Corporation received an estimate of current liability and amortized over five years the estimated actuarial loss due to timing of receipt of funds and rates of return. A full actuarial valuation will be conducted in 2009/10.

The Corporation accrues its obligations under employee future benefit plans and the related costs when these benefits are earned through current service. The annual service costs adopted by management will be reviewed following the actuarial valuation in 2009/10.

b) Designated employees of the Corporation who upon retirement and who are eligible to receive a pension under the Public Service Superannuation Act shall be granted a Public Service Award based on years of service. The amount of the award is based on one week's pay for each year of full-time service up to a maximum of 26 full years. The Corporation accrues its obligations related to these awards and is currently reviewing a long term investment plan to fund these obligations.

The most recent actuarial valuation for funding payments for the post-retirement health care benefits and service awards was December 17, 2007, updated based on management estimates at March 30, 2009. Assumptions for the estimate includes a 2% real rate of return, long term compensation increases, average retirement ages, and inflation rates.

	Health Plans	Service Awards	Total
Balance, April 1, 2008	\$ 1,462,400	\$ 1,387,300	\$ 2,849,700
Payments	(2,375)	(93,885)	(96,260)
Annual service cost	99,288	85,058	184,346
Amortization of shortfall (5 years)	<u>41,897</u>	<u>39,502</u>	<u>81,399</u>
Balance, March 31, 2009	\$ <u>1,601,210</u>	\$ <u>1,417,975</u>	\$ <u>3,019,185</u>

As at March 31, 2009, there is a funded shortfall of \$240,223 in the Corporation's employee future benefit obligations for post-retirement health plans and public service awards.

6. Receivables

The receivables includes \$318,515 from Canada Revenue Agency (CRA) based on management's interpretation of CRA's February 13, 2009 ruling designating the PVSC a municipality pursuant to subsection 259(1) of the Excise Tax Act. Final assessment by CRA of PVSC's claim for HST reimbursement is outstanding as of the balance sheet date.

7. Payables and accruals

Included in payables and accruals is an amount of \$257,661 relating to vacation pay arising from the transfer of employees from the Province on April 1, 2008 and for changes in the vacation balances during the year. This amount was expensed in the statement of operations in 2009. The remainder of payables and accruals relate to salaries earned during the year and paid subsequent to year end and trade payables.

8. Capital assets

			2009	2008
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
IT hardware	\$ 228,879	\$ 92,497	\$ 136,382	\$ -
Computerized mass appraisal	4,550,650	448,563	4,102,087	4,485,633
Furniture and equipment	66,880	13,376	53,504	-
Leasehold improvements	86,590	11,613	74,977	-
	<u>\$4,932,999</u>	<u>\$566,049</u>	<u>\$4,366,950</u>	<u>\$4,485,633</u>

9. Commitments

(a) The Corporation has entered lease agreements for rental of its office premises, expiring March 31, 2013. Minimum annual lease payments for the next four years are as follows:

2010	\$759,037
2011	\$715,239
2012	\$637,097
2013	\$ 57,119

Where required the Corporation will re-negotiate its lease terms and conditions as they expire.

(b) The Corporation has entered into an agreement with a service provider for the provision of annual maintenance and support for its Mass Appraisal Computer System in fiscal 2010 for the amount of \$530,504.

10. Risk management

Credit risk

The Corporation's credit risk arises from the recovery of its expenses from the Nova Scotia Municipal units. The Corporation's credit risk is minimal as a result of its pre-billing and collection policies which are done on a quarterly basis. Also the recoveries are from the Municipal units of the Province who are all stakeholders of the Corporation.

Market risk

The Corporation is not exposed to market risk since its expenses are fully recoverable from the municipal units throughout the Province of Nova Scotia.

Currency risk

The Corporation is not exposed to financial risks that arising from the fluctuations in foreign exchange rates and the degree of volatility of these rates.

Interest rate risk

On March 31, 2009 the Corporation held its cash and cash equivalents as disclosed in these financial instruments in a bank account and in short term investments that do not expose the Corporation to financial risks arising from changes in interest rates. Also on is March 31, 2009 the Corporation was not exposed to fluctuations in interest on its financial liabilities.

11. Related party transaction

All revenues are received from the Municipalities throughout the Province of Nova Scotia. These Municipalities are the shareholders of the Corporation.

12. Comparative figures

The comparative figures for the three month period ended March 31, 2008 for the statement of operations have not been disclosed in these financial statements but have been included in the unaudited supplementary schedule of operations in the Corporation's annual report. In addition the 2009 budget amount of \$150,000 included in depreciation represents capital expenditure.

Property Valuation Services Corporation

SUPPLEMENTARY STATEMENT OF OPERATIONS

Year ended March 31, 2009	Budget 2009	Actual 2009	Actual 2008*
REVENUES			
Municipal	\$ 15,810,000	\$ 15,809,990	\$ 15,396,000
Interest	-	116,257	-
Cost Recovery	-	81,594	-
Other	-	6,494	7,182
Total Revenue	15,810,000	16,014,335	15,403,182
EXPENSES			
Employee Future Benefits	171,000	265,745	-
IT Operations	1,066,959	756,592	869,499
Meeting Expenses	92,677	78,539	75,000
Membership Dues and Fees	41,000	45,240	48,401
Office Recolation Expenses	81,242	97,180	-
Other Supplies and Services	139,259	139,865	256,842
Printing and Postage	718,880	612,481	510,059
Professional Fees	441,319	709,844	1,150,290
Rentals and Leases	1,142,379	1,018,133	1,074,496
Salaries and Benefits	10,629,578	10,012,163	9,425,637
Staff Training and Development	83,682	44,559	106,171
Telecommunications	155,968	186,019	172,825
Employee Travel	896,057	874,564	858,596
Depreciation	150,000	566,049	105,000
Total Expenses	15,810,000	15,406,973	14,652,816
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ 607,362	\$ 750,366

*Combined operations of Assessment Services, Service Nova Scotia & Municipal Relations (unaudited) and Property Valuation Services Corporation.



(left to right) Kirsten Somers, Co-operative Education Coordinator, MSVU; Carroll Publicover, PVSC Board Chair; Shannon Veinotte, MSVU Public Relations Student; Joe McEvoy, Senior Policy Analyst, PVSC; Dr. Alexa McDonough, Interim President, MSVU.

This annual report was created with a significant contribution from Shannon Veinotte, a student enrolled in the Public Relations Co-operative Education Program at Mount Saint Vincent University. Shannon has completed her second year of the program and brought great enthusiasm to her work term with PVSC.

The PVSC is pleased to acknowledge the benefits of our co-operative education partnership and thank Mount Saint Vincent University and Shannon Veinotte for the support and skills that were made available to us through this program.

To find out more about the Mount Saint Vincent University Co-operative Education program, please visit www.msvu.ca/co-op





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