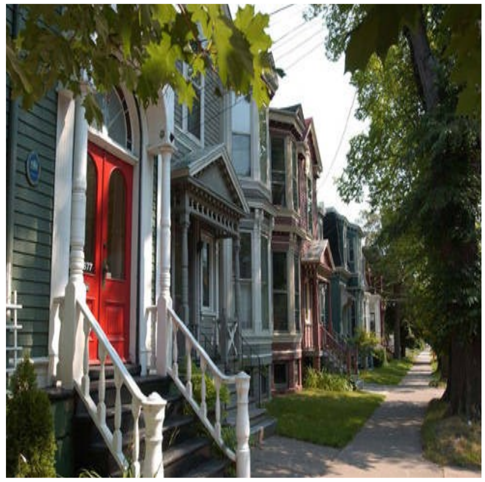
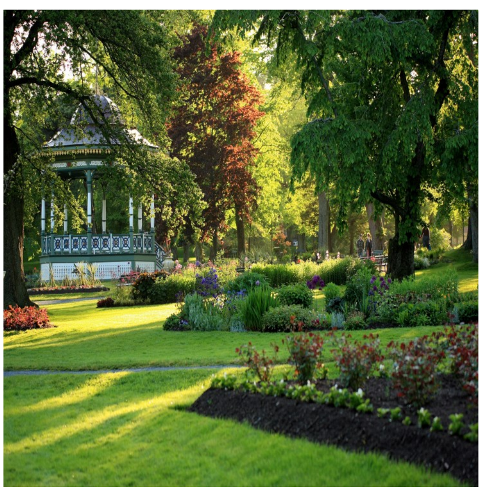




Property Valuation Services
Corporation

A truly valued Nova Scotia



Property Valuation Services Corporation

Growing • Learning • Sharing • Leading

pvsc.ca | 1-800-380-7775

Annual Report | April 1, 2014—March 31, 2015

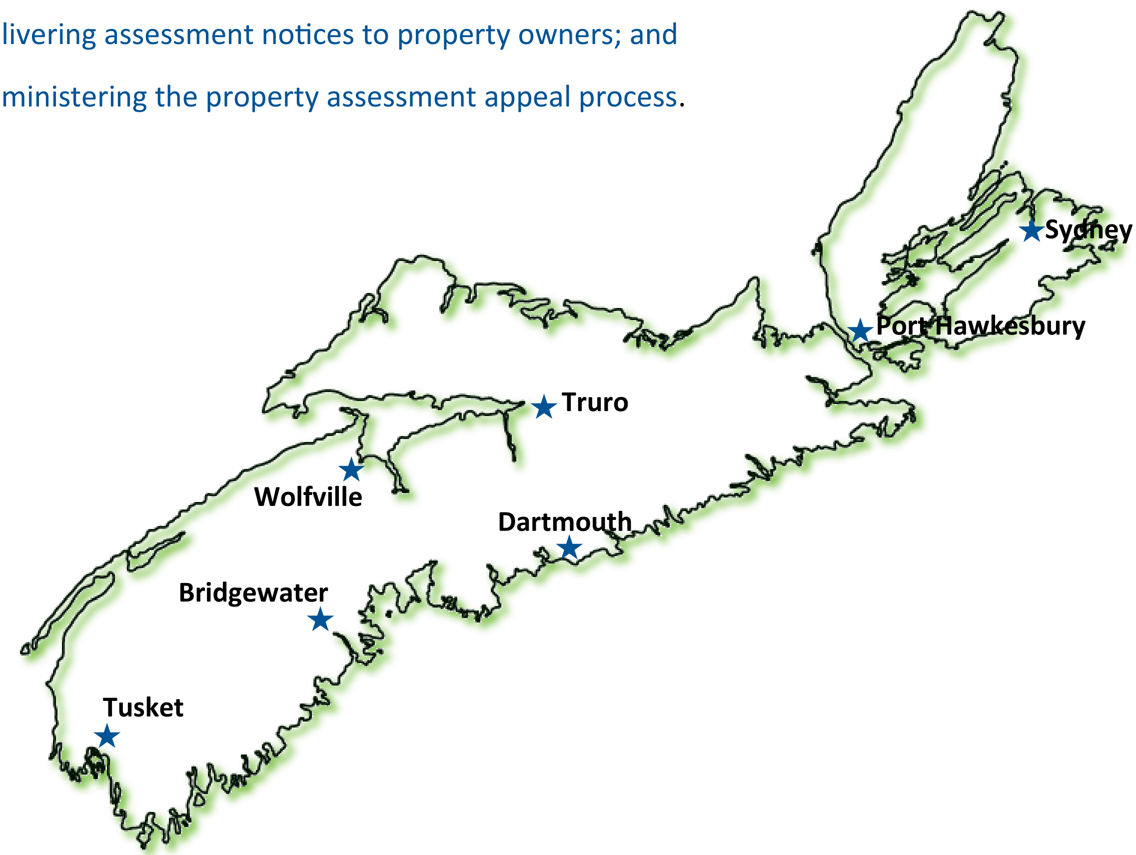
Contents

Property Valuation Services Corporation (PVSC), as the property assessment authority for Nova Scotia, is responsible for providing valuation and related property and information services to the municipalities, property owners and the Province of Nova Scotia.

Our Role

With approximately 140 employees in seven offices across the province, PVSC exists to support its stakeholders by:

- Valuing the more than 600,000 properties in Nova Scotia;
- Providing an annual assessment roll to municipalities;
- Delivering assessment notices to property owners; and
- Administering the property assessment appeal process.



Strategic Direction 2010 - 2015

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

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

Areas of Strategic Focus:

- **Process Improvement:** *Doing what we do better*
- **Engagement, Partnership & Integration:** *Coming together to work with others for the common good*
- **Technology Innovation:** *Utilizing the most efficient tools to get the job done*
- **Workforce Development:** *Supporting the Corporation now and into the future*

PVSC Corporate Executive Team

Back Row (L-R): Bill Levangie, Chief Information Officer; Cheryl Fenerty, IT/IM Manager; Ashley Wu, Critical Analysis Secretariat; and Russ Adams, VP Enterprise Risk & Quality. Front Row (L-R): Dwayne Phillips, VP Business & Innovation; Kathy Gillis, Chief Executive Officer; and Meredith Buchanan, VP Strategy & Stakeholder Services. Absent from Photo: Holly Miller, Manager, Business Integration.

Letter from the Board Chair

On behalf of the Board of Directors, I am pleased to present the 2014-15 Annual Report for Property Valuation Services Corporation (PVSC).

This year was an exciting and special one for our organization, as we wrapped up our 2010-2015 Strategic Plan, and began charting the course for the next five years of our journey. While keeping an eye to the future, we remained committed to our four key areas of focus—Process Improvement; Engagement, Partnership and Integration; Technology Innovation; and Workforce Development.

The 2014-15 year was marked by innovation and partnerships. We made significant enhancements to our Call Management System and IT services environment, allowing us to enhance our service to clients and reinvest resources back into our business.

Through collaboration with our municipal partners we also established an eDelivery service, whereby property owners are now able to receive their assessment notice, municipal tax bills and utility bills electronically through Canada Post's epost™ service. We will continue to partner with municipalities as we explore and advance new services, such as the Permit Data Exchange.

PVSC recognizes the challenges of operating a municipality in Nova Scotia's current economic environment, and as such, I am pleased to report that for the fifth consecutive year, the Corporation has delivered its services while maintaining a flat municipal funding requirement.

Much appreciation to the staff of PVSC for their ability to embrace innovation, adapt to change and work together to continuously improve the organization.

On behalf of the entire Board I welcome our newest member, Michele McKenzie, and extend thanks to Billy Joe MacLean, Bob McNeil, Greg Herrett and Greg Keefe who also served as Directors on the Board over the past year. To all my other fellow Board members, I express my sincere gratitude for your commitment, passion and leadership.

Finally, in closing, I acknowledge the support of our municipal partners, who are fundamental to the success of our organization. I look forward to continued partnership with you in the years ahead.

Jimmy MacAlpine
Board Chair, PVSC
Deputy Warden, Municipality of the District of Digby

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Letter from the CEO

With the culmination of our first strategic plan as a Corporation, it is rewarding to look back on all that we have accomplished. It is because of our employees, partnerships, and leadership that we are poised for the next five years.

Our people are our most important asset, and we are deeply committed to their ongoing development and training to ensure they have the skills and knowledge to achieve excellence in valuation and provide the highest level of client service. I am very proud of the dedication and hard work staff exhibit as we realize our goals together.

Through the encouragement and guidance of our Municipal Advisory Committee, we continue to enhance our municipal client strategies and initiatives, striving for continuous improvement in our communication and service delivery. The Committee has been, and continues to be, a vital partnership for the organization.

This year, we established the Integrated Property Services Council (IPSC). The Council provides oversight and leadership on our shared services, such as the Single Address Initiative, eDelivery, and Permit Data Exchange, and explores new and innovative services for municipalities. The Council has proven to be an invaluable partnership.

We continue to look for ways to share data and engage property owners and the public in the assessment process. In October, as part of our Advanced Notification and Consultation initiative, we made preliminary assessment values available on our website to provide clients the opportunity to review their property data and preliminary value, and contact us with any questions or additional information prior to the roll closing in December.

This year, we engaged the International Property Tax Institute (IPTI) to attain a measure of certification for our core valuation business. As an organization, we have committed to being a leader in international best practices, and attaining international third party recognition is an exciting first step.

I would like to recognize our Board of Directors for their sound leadership and support, and look to their guidance as the organization enters our next phase of growing, learning, sharing and leading.

Kathy Gillis
Chief Executive Officer, PVSC

Board Of Directors

The PVSC Board of Directors is comprised of 13 members:

- 6 Elected Municipal Officials
- 3 Municipal Administrators
- 3 Independent Members
- Executive Director, Union of Nova Scotia Municipalities

The Board is responsible for:

- Establishing a long term strategic plan
- Creating multi-year operational and capital budgets
- Appointing a Chief Executive Officer
- Encouraging partnership opportunities with stakeholders
- Reporting to the UNSM at its annual meeting
- Ensuring external financial and quality audits are completed
- Filing an Annual Report

Current PVSC Board Members

Chair: Jimmy MacAlpine, Deputy Warden, Municipality of the District of Digby
Vice Chair: Russell Walker, Councillor, Halifax Regional Municipality
Brian Cullen, CAO, County of Pictou
Betty MacDonald, Executive Director, UNSM
Michele McKenzie, Independent Director
Alex Morrison, Councillor, County of Annapolis
Doug Sabean, Independent Director
Kevin Saccary, Councillor, Cape Breton Regional Municipality
Raymond Tynes, Councillor, Town of Truro
Amanda Whitewood, Independent Director

The Board would like to thank Billy Joe MacLean, Bob McNeil, Greg Herrett, and Greg Keefe who also served as Directors on the PVSC Board over the past year.

Back Row (L-R): Alex Morrison, Councillor, County of Annapolis; Jimmy MacAlpine, PVSC Chair, Deputy Warden, Municipality of the District of Digby; Raymond Tynes, Councillor, Town of Truro; and Brian Cullen, CAO, County of Pictou. Front Row (L-R): Russell Walker, PVSC Vice Chair, Councillor, Halifax Regional Municipality; Michele McKenzie, Independent Director; Kevin Saccary, Councillor, Cape Breton Regional Municipality; and Betty MacDonald, Executive Director, UNSM. Absent from Photo: Amanda Whitewood, Independent Director, and Doug Sabean, Independent Director.

PVSC Awards

Each year, PVSC recognizes an individual, a team and an external partner that has demonstrated exceptional commitment to the Corporation's mission and vision, and which has contributed to the long-term success of the organization.

The **Vision Award** is presented to a PVSC employee, who has been nominated by his/her colleagues for demonstrating outstanding leadership qualities. All nominations are reviewed and voted on by PVSC's Staff Advisory Committee.

This year, Renee Walker was the recipient of the Vision Award, for the leadership she provided to a number of assessment review projects over the year. She was nominated for this award by Carlos Resendes.

(L-R): Carlos Resendes, Senior Manager, Valuation, Units 1 & 2 and Renee Walker, Assistant Area Manager, Unit 1.

The **CEO's Award for Excellence** is chosen by the CEO, and given to a team for their hard work and dedication to making PVSC the best provider of market valuation and property related services.

PVSC's Information Technology and Information Management (IT/IM) Team was recognized for the 2014-15 year. In addition to supporting PVSC's operations and shared services, the team was responsible for the seamless transition of IT services to a new, external hosting service environment.

The IT/IM Team: Back Row (L-R): Clinton Bennett, Technical Architect; Darlene Purdy, Senior Technical Analyst; Simon Anderson, Senior .Net Developer; Geoff Churchill, Technical Analyst; and Shelley Welsh, Senior Analyst, Information Management. Front Row (L-R): Joram Benham, Junior Oracle Developer; Ashley Wu, Critical Analysis Secretariat; Bill Levangie, Chief Information Officer; Cheryl Fenerty, IT/IM Manager; and Teth Cleveland, GIS Coordinator. Absent from Photo: Paul Thibideau, Senior Analyst, Information Management.

PVSC Awards

The **Brenda V. Cowie Partnership Award** is awarded to an external partner who commits their talents, wisdom and experience to the success of PVSC.

This year, the award was presented to PVSC's Municipal Advisory Committee. The Committee, made up of municipal representatives from across the province, played a key role in supporting the Corporation's municipal client relations strategy and in identifying opportunities for enhancing overall service quality to stakeholders.

Municipal Advisory Committee Members

Jerry Blackwood – Manager of Revenue, Halifax Regional Municipality
Meredith Buchanan – VP Strategy & Stakeholder Services, PVSC – Chair
Chris Doucette – Strategy & Planning Analyst, PVSC
Scott Fraser – Director of Corporate Services, Colchester County
Trudy LeBlanc – Senior Advisor, Municipal Client Relations, PVSC
Lisa MacDonald – CAO, Town of New Glasgow
John MacKinnon – Director of Technology, Cape Breton Regional Municipality
Ken Moses – CAO, Municipality of the District of Yarmouth
Mike Musycsyn – Senior Manager, Residential, Units 3 & 4, PVSC
Holly Orde – Director of Finance, County of Annapolis
Shannon Peterson – Communications Advisor, PVSC
Kim Ramsay – Director of Finance and Administration, East Hants

Jerry Blackwood, Manager of Revenue, Halifax Regional Municipality, accepting the Brenda V. Cowie Award on behalf of the Municipal Advisory Committee.

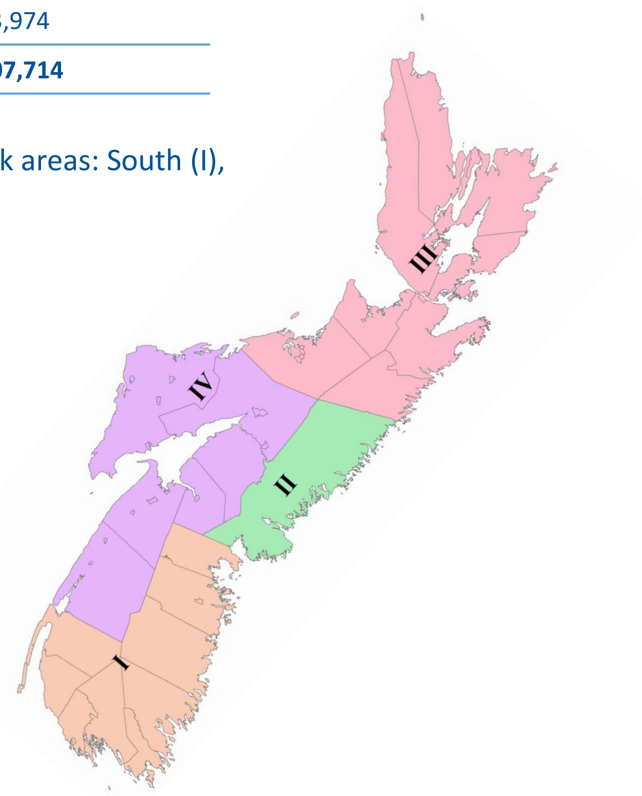
Assessment Activity for 2015 Assessment Roll

As mandated under the Nova Scotia Assessment Act, PVSC provides an annual assessment roll to municipalities and assessment notices to Nova Scotia property owners.

For the 2015 assessment roll, assessments are based on market values as of January 1, 2013.

	2015	**2014**
Residential	$78,723,780,600	$76,399,603,000
Commercial	$23,048,240,800	$22,149,157,500
Provincial Total	**$101,772,021,400**	**$98,548,760,500**
Number of Residential Accounts	577,921	573,740
Number of Commercial Accounts	34,071	33,974
Total Number of Accounts	**611,992**	**607,714**

For assessment purposes, we divide Nova Scotia into four work areas: South (I), Central (II), East (III), and North West (IV).



Value by Work Area (2015)

	Residential	**Commercial**
I. South	$10,502,293,900	$2,120,646,200
II. Central	$39,981,521,800	$13,300,977,300
III. East	$12,843,203,600	$4,078,353,500
IV. North West	$15,396,761,300	$3,548,263,800

During the 2015 appeal period we received 9,371 appeals, of which 6,573 were residential, 2,315 were commercial and 483 were land related.

Annual Corporate Charity

Each year, a charitable organization is selected by staff to represent PVSC's corporate charity for that fiscal year. Through various fundraising initiatives such as 50/50 raffles, employee deductions, and employer contributions, **$12,055** was raised in 2014-15 for the **Mental Health Foundation of Nova Scotia**.

In 2013-14, a total of $10,248 was raised to support the **IWK Foundation**.

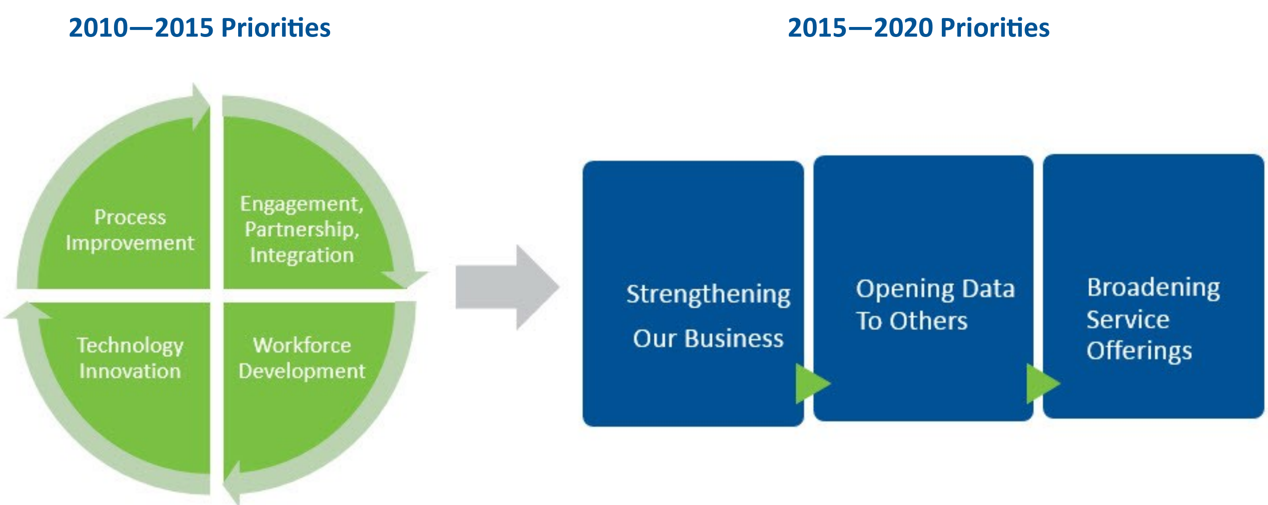
(L-R): Andrew Clarke, Commercial Assessor; Andrea Belair, Field Assessor; Starr Dobson, President & CEO, Mental Health Foundation of Nova Scotia; and Martha Tuff, Fund Development Coordinator Mental Health Foundation of Nova Scotia

Strategic Highlights

This year marks the final chapter of our 2010-2015 strategic plan. As we look ahead, we are positioned to identify and explore new opportunities for the Corporation and its stakeholders, while continuing to build on the successes of our 2015 priorities:

- **Process Improvement**
- **Engagement, Partnership and Integration**
- **Technology Innovation**
- **Workforce Development**

Beginning April 1, 2015, PVSC will implement strategies addressing three key areas of focus: **Strengthening Our Business; Opening Data to Others; and Broadening Service Offerings**.



Transition of PVSC Strategic Priorities

Process Improvement

Call Management

We are first and foremost a service organization, and being available to provide timely and responsive support to our clients remains a top priority for our organization.

Andrea Belair, Field Assessor

This year we acquired a new call management system, which has allowed us to better track, transfer, and manage incoming telephone inquiries, and to reinvest resources back into our business.

The new system has also provided us increased flexibility in responding to inquiries. During instances of inclement weather throughout the winter months, we were able to keep our phone lines open even when our service centre and offices were closed.

During the 31 day appeal period, we received 8,616 calls. Of those calls, 2392 requested to speak with an assessor and 88% were successfully transferred. The remaining 12% were logged for a call back within 48 business hours.

In February, we conducted a survey of those who contacted us through our service centre during the appeal period. Client satisfaction scores, as compared with previous years, remained high and increased in several key areas. More information about our client satisfaction scores can be found on page 21.

Income Modeling

Income modeling is an International Association of Assessing Officers (IAAO) standard valuation tool consistent with mass appraisal.

This year, after reviewing our valuation process for income producing properties and receiving best practice recommendations from the International Property Tax Institute (IPTI), we created income models to value office buildings.

We are currently in the process of creating models for other income producing properties. In the future, we will be consulting with clients to create a more effective and efficient process for submitting income and expense information.

Advanced Notification and Consultation

Recognizing an opportunity to share information and engage in conversation with property owners prior to the delivery of assessment notices (January), we implemented an Advanced Notification and Consultation process in the fall of 2014.

Through this initiative, preliminary assessment values for 2015 were posted to our website and proactive outreach was completed with various property owner groups.

The goal of the Advanced Notification and Consultation process was to encourage two-way communication and information sharing with property owners. We will be continuing this process in October of 2015, and encourage property owners to review their preliminary assessment and contact us if they have any questions or wish to discuss their property further.

International Certification

We are committed to achieving excellence in property assessment and being recognized as a world class leader of market valuation and integrated property services. As part of this effort, we have engaged the International Property Tax Institute (IPTI) to review our assessment and quality assurance programs, to attain certification that they align with international best practices.

Following the review of our processes, practices and procedures, they will provide us with a roadmap for continuous improvement.

Engagement, Partnership and Integration

Integrated Property Services Council

As a joint partnership between PVSC, the municipalities, and the Province, the Integrated Property Services Council (IPSC) was established to oversee the operation of existing shared services among stakeholders and to support the development of new services. The Council carries on and furthers the work initiated by the former Property Innovation Council.

Initiatives currently under the leadership of IPSC include:

Single Address Initiative (SAI): The Single Address Initiative was launched in 2012 as a service to manage property address information within the province, and to provide a consistent structured approach to updating and revising this information. Through this service, a single repository of address information was established.

Currently, twenty-nine municipalities are using the SAI portal; approximately 80% of property records in the province are managed through the SAI service. In 2014, 118,000 transactions were processed by PVSC (~9,800/month) and 47,000 (~3,900/month) by municipalities.

eDelivery: This year, after developing a business case and consulting with municipalities, we launched the eDelivery service. This service provides property owners with the option to receive their annual assessment

notice, municipal tax and utility bills, electronically through Canada Post's epost service.

To date, five municipalities have partnered with us to offer epost, and we continue to work with others on the technical requirements for future launches.

Permit Data eXchange (PDX): Building permit and inspection data is a major source of information collected, compiled and stored by PVSC and other stakeholders, including municipalities. To generate potential efficiencies and improve the overall quality of this data, the Council has begun investigating a service to enable enhanced permit data sharing between PVSC and the municipalities.

In 2014-15, a business case was developed to explore the projected benefits and costs associated with a service such as this. Funding has since been secured from the project sponsors to advance development of the PDX service.

IPSC Meeting (L-R): Chris Doucette, PVSC; Doug Boyd, Mara Consulting; Louis Coutinho; Betty MacDonald; Chris McNeill; Kathy Gillis; Bob McNeil; Marie Walsh; Trudy LeBlanc; Meredith Buchanan; Bill Levangie; and Michael Kelly, Mara Consulting.

Integrated Property Service Council members

Bob McNeil (Interim Chair)
Meredith Buchanan, VP Strategy & Stakeholder Services, PVSC
Louis Coutinho, Chief Administrative Officer, Town of Windsor
Kathy Gillis, Chief Executive Officer, PVSC
Trudy LeBlanc, Senior Advisor, Municipal Client Relations, PVSC
Bill Levangie, Chief Information Officer, PVSC
Betty MacDonald, Executive Director, UNSM
Chris McNeill, Municipal Advisor, Department of Municipal Affairs
Connie Nolan, Chief Administrative Officer, Municipality of the District of East Hants
Cathie O'Toole, Chief Financial Officer, Halifax Regional Water Commission
Marie Walsh, Chief Financial Officer, Cape Breton Regional Municipality

IPSC would like to thank Greg Keefe who also served on the Council over the past year.

Municipal Outreach Activities

PVSC remains committed to engaging municipalities to ensure that the service we provide not only meets, but exceeds their expectations. Throughout the year, we deliver a number of presentations to municipal councils, committees, the Union of Nova Scotia Municipalities (UNSM), and the Association of Municipal Administrators—Nova Scotia (AMANS) to keep them informed of our operations and strategic priorities, and to provide updates on changes impacting their municipality.

A key engagement tool for us in this regard is PVSC's Municipal Advisory Committee. The Committee, made up of representatives from the municipal units and PVSC, plays a vital role in supporting the Corporation's municipal client relations strategy and in identifying opportunities for enhancing overall service quality to stakeholders.

Technology Innovation

Technology continues to be a central driver of our business, enabling us to look beyond our core mandate for opportunities to leverage. Investments in key areas such as our computer assisted mass appraisal (CAMA) system, Pictometry, call management, eDelivery, PDX etc. have redefined how we structure our business, and have allowed us to explore new value added services for municipalities.

We have continued this direction by transitioning our IT services to a new external hosting provider. This shift provides us increased flexibility and stability within our IT systems, enabling us to provide our clients with an enhanced service experience.

Through our website, we have also provided greater access to property related data. We are committed to helping property owners better understand their assessments and believe that access to data is a central part of this process. In the past year we added eleven new data elements to our property search tools, including: number of bedrooms, living area (sq. ft), building style, and current taxable assessed value.

Over the next year, we will be further exploring our IT assets to ensure we are able to capitalize on opportunities—both current and future—as they are presented.

(L-R): Carol Clarke, Senior Advisor, Human Resources; Chris Doucette, Strategy & Planning Analyst; and Grace Chitate, Manager, Finance.

Workforce Development

We believe excellence begins and ends with our people. Through our commitment to training and development, we have been able to attract, retain and foster leaders at all levels and across all functions of the organization.

Our Coaching For Success program allows staff to set and work towards objectives that align current work responsibilities with future career aspirations. This program, which we strive to have completed by every employee of the organization, has been instrumental in identifying and preparing staff for more senior leadership positions.

Over the last year, we have also continued to support our assessors in attaining their professional designations. For most, the formal International Association of Assessing Officers (IAAO) courses have been completed, and work is underway to complete the demonstration appraisal report requirement. We would like to congratulate our staff for their hard work, dedication, and commitment to continuous improvement.

(L-R): David MacDonald, Valuation & Appeals Officer and Jeff Caddell, Manager, Internal Audit & Compliance.

(L-R): Elaine Himmelman, Residential Assessor; Bob Gordon, Commercial Assessor; and Andrew Clarke, Commercial Assessor.

Performance Measures

Legislative Requirements

As a part of PVSC's obligation as outlined in its Memorandum of Understanding (MOU) with the Province of Nova Scotia, there are two legislated requirements to report:

1) Quality standards by Municipality
2) Audited financial statements of the corporation (see page 26)

Financial and Service Delivery Scorecard

In addition to its legislative requirements and as a part of the organization's desire to provide quality performance measurements to its stakeholders, the organization began development of its performance scorecard in 2010-11 to provide a more balanced picture of its operations. Measures for the 2014-15 fiscal year include:

I. Quality Standard Measures
II. Customer Measures
III. Organizational Learning Measures
IV. Financial Measures

Measures and targets have been established through a comparison of industry standards and benchmarks for not-for-profit organizations, other Canadian assessment jurisdictions and international assessment standards.

I. Quality Standard Measures

PVSC reports the Level of Assessment (LA) to measure the extent to which assessments reflect the market value standard for each municipality as per Section 42 of the Nova Scotia Assessment Act. The LA is the measure of the extent to which assessments reflect the market value standard for the municipality, for each assessment year. PVSC bases the LA on the Median analysis of assessment to sale ratios (ASRs), a measure of central tendency. The International Association of Assessing Officers (IAAO) standard is that a level of assessment between 90% and 110% is considered acceptable for any class of property.

PVSC Internal Audit & Compliance has conducted a series of statistical and quality testing on the calculation of the 2015 Level of Assessment for each of the 54 municipalities. All calculations were reviewed for accuracy, and as well, the process used to assemble the data upon which the calculations were based, was reviewed for completeness. The audit found the resulting municipal 2015 Level of Assessments to be within the acceptable range of 90% - 110%, as recommended by the IAAO.

Section 3.4 of the IAAO Standards state that where a ratio study sample produces fewer than five sales, statistical results have exceptionally poor reliability and are not very useful. For municipalities with fewer than five sales for analysis, the Level of Assessment has been reported as 100%.

2015 Level of Assessment by Municipality

Municipality	Residential Level of Assessment	Commercial Level of Assessment	Municipality	Residential Level of Assessment	Commercial Level of Assessment
Cape Breton Regional Municipality	97%	98%	Town of Berwick	102%	100%
Halifax Regional Municipality	98%	98%	Town of Bridgetown	99%	100%
Municipality of the Region of Queens	99%	100%	Town of Bridgewater	97%	100%
Municipality of the County of Annapolis	98%	100%	Town of Clark's Harbour	99%	100%
Municipality of the County of Antigonish	97%	100%	Town of Digby	101%	100%
Municipality of the County of Colchester	95%	96%	Town of Hantsport	98%	100%
Municipality of the County of Cumberland	100%	100%	Town of Kentville	98%	97%
Municipality of the County of Inverness	99%	98%	Town of Lockeport	95%	100%
Municipality of the County of Kings	97%	99%	Town of Lunenburg	99%	100%
Municipality of the County of Pictou	97%	100%	Town of Mahone Bay	98%	100%
Municipality of the County of Richmond	97%	100%	Town of Middleton	100%	100%
Municipality of the County of Victoria	100%	99%	Town of Mulgrave	100%	100%
Municipality of the District of Argyle	99%	100%	Town of New Glasgow	99%	100%
Municipality of the District of Barrington	100%	100%	Town of Oxford	104%	100%
Municipality of the District of Chester	98%	100%	Town of Parrsboro	100%	100%
Municipality of the District of Clare	99%	100%	Town of Pictou	101%	100%
Municipality of the District of Digby	99%	100%	Town of Port Hawkesbury	100%	100%
Municipality of the District of East Hants	96%	100%	Town of Shelburne	99%	100%
Municipality of the District of Guysborough	97%	100%	Town of Springhill	102%	100%
Municipality of the District of Lunenburg	99%	100%	Town of Stellarton	98%	100%
Municipality of the District of Shelburne	98%	100%	Town of Stewiacke	102%	100%
Municipality of the District of St. Mary's	98%	100%	Town of Trenton	99%	100%
Municipality of the District of West Hants	95%	100%	Town of Truro	98%	99%
Municipality of the District of Yarmouth	99%	100%	Town of Westville	99%	100%
Town of Amherst	103%	96%	Town of Windsor	100%	100%
Town of Annapolis Royal	100%	100%	Town of Wolfville	99%	100%
Town of Antigonish	95%	100%	Town of Yarmouth	100%	105%

2014 Appeals and Adjustments

In 2014, PVSC received 10,593 appeals during the appeal period, accounting for roughly $7.4 billion of assessment. After the appeal process had concluded, the assessment roll was adjusted by $239,742,500 which represents 0.24% of the total assessment roll.

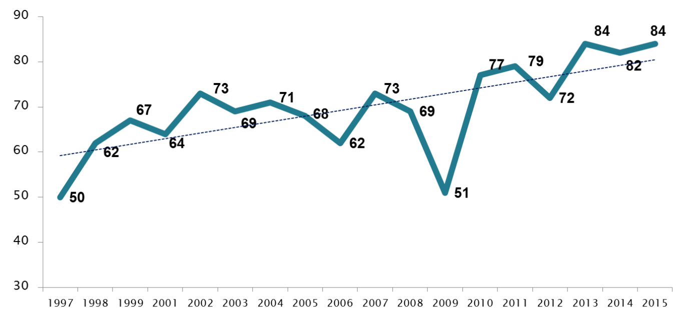
II. Client Measures

We conduct an annual client satisfaction survey of those who contacted us through our service centre during the 31 day appeal period. To build on successes from recent process changes, and to better enhance the client experience for callers, we implemented a new call management system for the 2015 inquiry period. With this new system we were able to eliminate the need for external call support, allowing us to reinvest these resources back into our operations.

This year, we surveyed 405 randomly selected property owners who placed a call to us during the appeal period.

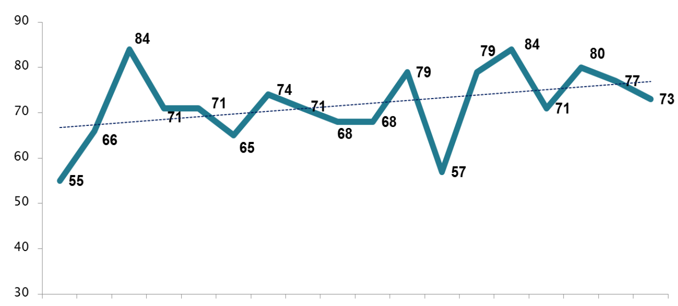
In 2015, we received our highest overall satisfaction score with our Service Centre at 84%. A few of the key measures included in this score are:

- Answered your call promptly	**87%**
- Handled the call in a professional and friendly manner	**91%**
- Demonstrated a willingness to listen to your concerns	**91%**
- Provided you with the answers to your questions	**75%**
- Treated your call as being important	**86%**



We also measured the satisfaction of those who were transferred to an assessor. For the 2015 appeal period, we received a score of 73% for overall satisfaction.

- Handled the call in a professional and friendly manner	**88%**
- Demonstrated a willingness to listen to your concerns	**81%**
- Provided you with the answers to your questions	**71%**
- Was fair and objective in handling your assessment inquiry	**76%**
- Treated your concerns as being important	**77%**



Throughout the summer and fall of 2014, we also conducted our Municipal Unit Satisfaction Survey, which is used to measure the level of service we provide to municipalities. The survey, which is conducted every two years, includes questions related to service delivery, report provision, and communications. Overall, we received a satisfaction score of 89%.

III. Organizational Learning Measures

By investing in professional development and growth opportunities for staff, we are able to meet the needs of current stakeholders, while positioning the organization for sustained success.

This year, PVSC set a spending target of 2% of its payroll budget towards staff training and development. In 2014-15, PVSC was able to achieve actual spending of 2.07%.

All of our assessors hold or are working towards a professional designation. Over the last two years, we have provided a number of International Association of Assessing Officers (IAAO) courses to staff to help them attain their designation. We currently have 24 designated assessors.

IV. Financial Measures

In addition to the audited financial statements which provide an overview of the organization's financial management, we also measure additional financial aspects to provide a clearer picture of our operations.

Cost per Account – This is a standard measure to provide an average estimate of the cost to assess a single account. It is calculated by dividing total organizational costs by the total number of accounts in the province.

Changes to this number over time can provide the organization with insight into changing cost elements and growth in account numbers. This measure is best used as a relative basis of comparison against a comparable standard. PVSC chooses to compare itself against the national average for assessment jurisdictions.

Our target is to be below the national average cost per account, which is $34.57[1]. In the fiscal year 2014-15, PVSC's cost per account was $28.75.

Defense Interval - Reflects how many months the organization could operate if no additional funds were received.

Liquidity ratio - Reflects the organization's current assets compared to its current liabilities. PVSC has a strong liquidity position with the value of its short term assets exceeding its short term liabilities.

Measure	Target	2014 Actual
Cost per Account	$34.57	$28.60
Defensive Interval	Between 1-3 Months	3.64 Months
Liquidity Ratio	1	1.90

1. Based on cost per account information received from the Canadian Directors of Assessment

Management Discussion and Analysis

Property Valuation Services Corporation is an independent corporate body governed by a shareholder representative Board of Directors. Members of the Board are appointed by the Union of Nova Scotia Municipalities (UNSM). The Corporation was established effective April 1, 2007 in accordance with the *Property Valuation Services Corporation Act Chapter 19, Bill No.94 of 2006.*

The Corporation's mandate is to provide assessment and related property information services for municipalities and the Provinces, as required by the *Assessment Act* and the *Municipal Government Act.* The Corporation has no direct role in property taxation; it plays an impartial role in valuation of properties and producing an accurate uniform assessment roll each year. Property values on the assessment roll produced by the Corporation form the basis of property tax calculations by taxing authorities. The Corporation's uniform assessment roll provides the foundation for a stable tax base.

The following management discussion and analysis should be read in conjunction with the audited financial statements and accompanying notes for the financial year ended March 31, 2015.

Financial Reporting Framework

The Corporation's financial reporting framework is in accordance with Canadian Generally Accepted Accounting Principles. Financial statements are prepared and presented in accordance with the Accounting Standards for Not-For Profit Organizations which are in Part III of the Chartered Professional Accountants of Canada (CPA Canada) Handbook. The Corporation adopted the accounting standards under Part III of the Handbook as of April 1, 2010. Prior to this adoption date, the Corporation prepared its financial statements in accordance with the 4400 series of Canadian Institute of Chartered Accountants CICA's Pre-Changeover Accounting Standards.

Not-For-profit Organizations who report under Part III of the Chartered Professional Accountants of Canada (CPA Canada) Handbook are also required to follow Part II of the CPA Handbook – Accounting Standards for Private Enterprises, for those areas that are not addressed in Part III of the Handbook.

Financial Summary

Municipal Funding

All the municipalities in the Province of Nova Scotia are members of the Corporation; as of March 31, 2015 there were 54 municipalities in the Province. Municipalities in the Province are faced with a great need for innovative strategies to improve macroeconomic conditions. In addressing economic and social challenges, some municipalities are considering dissolving and amalgamating with neighboring municipalities. As of July 1, 2015, three (3) municipalities, Springhill, Bridgetown and Hantsport, will dissolve and join neighboring municipalities, leaving a membership of the Corporation of 51 Municipalities.

Municipalities fund the Corporation's annual budget as per the distribution formula specified in subsection 35(4) of the Property Valuation Services Corporation Act. The share of Property Valuation Services Corporation's budget that is paid by each municipality is proportional to the average of the municipality's respective share of the Provincial Uniform Assessment and total number of property accounts in the Province. Non-municipal revenue sources for the Corporation include cost recovery for contracts with First Nations, interest and investment income.

This is the fifth consecutive financial year that the Corporation has maintained a flat budget approved for Municipal billing, of approximately $17.1million. Property Valuation Services Corporation is aware of the difficult current operating environments faced by Municipal Units which cause them to be under financial pressure. The rural Municipal Units and small towns are significantly affected by economic, demographic and political pressures. The Corporation's main budgeting strategy is to minimize annual budget increases by leveraging operational efficiencies in areas such as utilizing better technologies and implementing continuous quality and other process improvements.

Major technological improvements made by Property Valuation Services Corporation include Pictometry (aerial oblique photography) and the eDelivery project that is currently underway. The eDelivery project is a major initiative that the Corporation developed in collaboration with municipal partners. The eDelivery service provides property owners with the option to receive their assessment notices electronically. Through this service, customers are also able to receive municipal utility bills and tax bills. Property Valuation Services Corporation's budget balances the need to deliver on the Corporation's core valuation services mandate to municipal units and implement strategic initiatives and major technology projects that focus on value-added activities and continuous improvements.

Fund Balances

Property Valuation Services Corporation develops its plan and budget with the objectives of funding operations to provide assessment services, maintaining its capital infrastructure, growing reserves for future technology development, funding liabilities for non-pension post-retirement benefits, and maintaining a reserve for contingencies. The unrestricted Operating Fund reports the revenues and expenses relating to property assessment program delivery and administrative activities. Property Valuation Services Corporation's restricted reserves is comprised of the following:

- The internally restricted Contingency Reserve set aside by the Board in case of unforeseen expenditures;
- The Technology Advancement Reserve which is internally restricted by the Board to fund technology enhancements and innovation, system refurbishment, and large-scale renewal of the Corporation's existing IT infrastructure that is critical for the Corporation to carry out its responsibilities cost effectively and efficiently;
- The Special Operating Reserve which is internally restricted by the Board to be used for operating expenses or specific financial requirements in future years; and
- The internally restricted Unrealized Post Retirement Gains Reserve which relates to unrealized gains on restricted post retirement funds due to fluctuations in the market value of financial instruments held in the post retirement investment portfolio.

Property Valuation Services Corporation's net assets include its Restricted Capital Asset Fund which reports the acquisitions, revenues and expenses relating to assets. The Corporation's main capital asset is the Computer Assisted Mass Appraisal (CAMA) system which has an original capital investment of approximately $4.5 million and is being amortized over 10 years. As of March 31, 2015 the net book value of capital assets was $2.852 million (2014: $3.251 million).

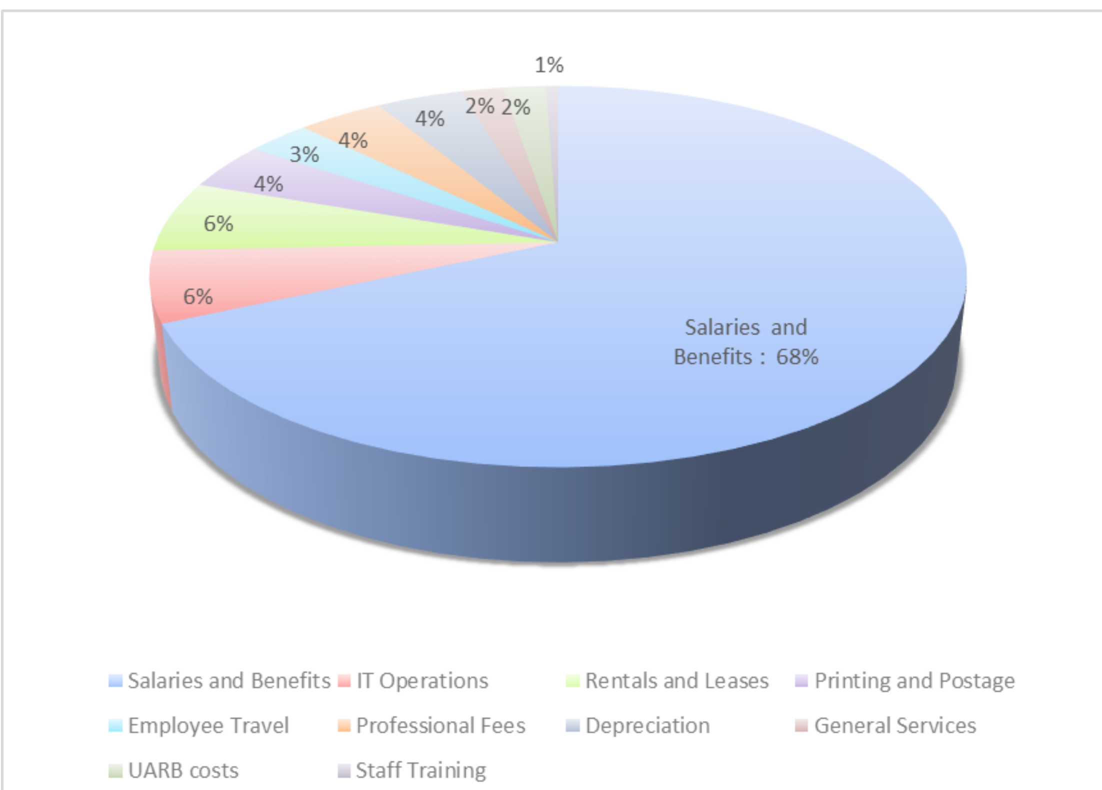
Below is a summary of the Corporations' fund and reserve balances:

	2015	2014
Restricted Capital Asset Fund	2,888,201	3,251,282
Contingency Reserve	1,425,000	1,425,000
Technology Advancement Reserve	2,890,902	2,088,624
Operating Fund	-	-
Special Operating Reserve	653,213	839,696
Unrealized Post Retirement Gains Reserve	418,944	159,079
Total Fund Balances	**$ 8,276,260**	**$ 7,763,681**

Analysis of the Operating Fund 2015

Municipal revenue relates to the $17,090,000 billed by the Corporation to Municipalities in 2015. The billed budget was developed and approved by the Board on a break-even basis for the Operating Fund. Budgeted expenses that relate to the provision of assessment and related property information services to Municipalities in the Province of Nova Scotia were billed out using the cost recovery formula stated in the Property Valuation Services Corporation Act. The 2015 Billed Budget did not include estimates for investment income and unrealized gains or losses on investments. The main reason for this exclusion is that income that relates to restricted investments for post-retirement benefits is reinvested in the investment accounts and is not used for ongoing operations. The Billed Budget includes amounts transferred to the Capital Asset Fund but does not include amortization on capital assets.

The company's actual total expenses for 2015 are $17,500,168 (2014: $17,410,570). Below is a summary of the major expense categories:



The major budget variances on the Operating Fund relate to the following:

Restricted Investments

The Corporation had positive investment income that was above benchmarks due to prudent investment strategies and strong market performance. The Unrealized Post Retirement Gains reserve reports the fluctuations in the market value of financial instruments held in the post retirement investment portfolio. The balance in the Unrealized Post Retirement Gains reserve increased from $159,079 in 2014 to $418,944 in 2015 due to higher market valuations on investments.

The Corporation's actuarial consultant conducted a full actuarial valuation of the Corporation's liabilities for service awards and post-retirement health benefits for the year ended March 31, 2013. Full actuarial valuations are done every three years and extrapolations of liabilities are done on an annual basis. Actuarial adjustments were made to future employee benefit liabilities to reflect actuarial roll forward estimates as at year end.

Salaries and Benefits $11,128,430 (2014: $11,227,909)

The budgeted salaries and benefits for 2014/15 were $11,919,678. Savings on salaries and benefits were due to vacancies relating to staff retirements, other staff movements and management of vacation balances.

On June 1, 2014, the Corporation's specified employees who were covered under the defined contribution plan stopped paying into the Standard Life Defined Contribution Pension plan and joined the Nova Scotia Public Service Superannuation Plan (PSSP). The Province of Nova Scotia 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.

During the financial year the Corporation also met various financial pressures in areas of operations such as IT operations, printing and postage and Utility and Review Board costs. $308,672 was incurred in 2015 (2014: $281,283) for Utility and Review Board costs associated with assessment appeals.

Grant Thornton

Independent auditor's report

To the Board of Directors of the Property Valuation Services Corporation

We have audited the accompanying consolidated financial statements of Property Valuation Services Corporation, which comprise the consolidated statements of financial position as at March 31, 2015, and the consolidated statements of operations, statements of changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Property Valuation Services Corporation as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Grant Thornton LLP

Halifax, Canada
June 24, 2015

Chartered accountants

Property Valuation Services Corporation
Consolidated statement of operations

Year ended March 31	Budget 2015	**Actual 2015**	Actual 2014
Revenues			
Municipal	$ 17,090,000	**$ 17,090,000**	$ 17,090,000
Interest	40,000	**78,769**	71,785
Cost recovery	30,000	**93,354**	76,030
Investment income	-	**322,543**	350,361
Unrealized gain on investments	-	**391,647**	125,885
Amortization of deferred capital contributions	-	**36,434**	-
	17,160,000	**18,012,747**	17,714,061
Expenses			
Salaries and benefits	11,919,678	**11,128,430**	11,227,909
IT operations	1,040,003	**1,058,989**	930,253
Rentals and leases	970,833	**977,624**	968,021
Professional fees	800,806	**709,802**	715,767
Printing and postage	650,720	**686,593**	647,326
Amortization	589,000	**726,781**	671,138
Travel	455,748	**429,877**	559,397
Employee future benefits	295,500	**686,822**	433,064
NS Utility & Review Board costs	290,000	**308,672**	281,283
Telecommunications	173,176	**153,489**	153,979
Staff training and development	167,927	**127,538**	197,513
Office expenses & general services	152,185	**161,173**	234,343
Technology projects	104,955	**61,353**	27,627
Meeting expenses	102,113	**108,647**	105,461
Membership dues and fees	72,839	**85,998**	50,227
E-Delivery service (operating)	-	**88,380**	207,262
	17,785,483	**17,500,168**	17,410,570
Excess of revenues over expenses	$ (625,483)	**$ 512,579**	$ 303,491

Property Valuation Services Corporation
Consolidated statement of financial position

March 31	2015	2014
Assets		
Current		
Cash and cash equivalents (note 3)	**$ 4,773,090**	$ 4,912,718
Receivables (note 6)	**213,626**	318,303
Prepaids	**102,343**	46,851
	5,089,059	5,277,872
Restricted investments		
Employee future benefits (note 5)	**706,299**	587,703
Technology Advancement Reserve	**2,313,766**	1,971,991
Capital assets (note 8)	**217,185**	246,084
Intangibles (note 9)	**2,634,582**	3,005,198
	$ 10,960,891	$ 11,088,848
Liabilities		
Current		
Payables and accruals (note 7)	**$ 921,133**	$ 1,531,547
Deferred revenue (note 12)	**1,763,498**	1,793,620
	2,684,631	3,325,167
Fund balances		
Restricted Capital Asset Fund	**2,888,201**	3,251,282
Internally restricted reserve funds		
Technology Advancement Reserve (note 4)	**2,890,902**	2,088,624
Special Operating Reserve (note 4)	**653,213**	839,696
Contingency reserve (note 4)	**1,425,000**	1,425,000
Unrealized post retirement gains reserve (note 4)	**418,944**	159,079
Total fund balances	**8,276,260**	7,763,681
	$ 10,960,891	$ 11,088,848

Commitments (note 10)

On Behalf of the Board

Russell Walker Director

Jimmy MacAlpine Director

Property Valuation Services Corporation
Consolidated statement of changes in net assets
Year ended March 31, 2015

	Operating Fund	Technology Advancement Reserve	Special Operating Reserve	Contingency Reserve	Unrealized Post Retirement Gains Reserve	Restricted Capital Asset Fund	**2015 Total**
Balance, beginning of year, April 1, 2014	$ -	$ 2,088,624	$ 839,696	$ 1,425,000	$ 159,079	$ 3,251,282	**$ 7,763,681**
Excess of revenues over expenses (expenses over revenues)	982,964	219,962	-	-	-	(690,347)	**512,579**
Inter-fund transfers (note 4)							
Investment in capital assets	(327,266)	-	-	-	-	327,266	-
Technology Advancement Reserve (Permit Data Exchange)	(422,316)	422,316	-	-	-	-	-
Replenishments to Technology Advancement Fund	(160,000)	160,000	-	-	-	-	-
Special Operating Reserve	186,483	-	(186,483)	-	-	-	-
Unrealized post retirement gains reserve	(259,865)	-	-	-	259,865	-	-
Balance, end of year, March 31, 2015	$ -	$ 2,890,902	$ 653,213	$ 1,425,000	$ 418,944	$ 2,888,201	**$ 8,276,260**

Property Valuation Services Corporation
Consolidated statement of cash flows

Year ended March 31		2015		2014
Increase (decrease) in cash and cash equivalents				
Operating				
Excess of revenues over expenses	**$**	**512,579**	$	303,491
Items not affecting cash:				
Amortization		**726,781**		671,138
Employee future benefits		**367,907**		254,616
Unrealized change in market value on restricted investments		**(391,647)**		(125,885)
Realized investment income and gains on restricted investments		**(322,543)**		(350,361)
Change in non-cash operating working capital				
Receivables		**104,678**		(91,537)
Prepaids		**(55,492)**		42,395
Payables and accruals		**(610,413)**		(172,065)
Deferred revenue		**(30,122)**		460,928
		301,727		992,720
Investing				
(Purchase) proceeds of restricted investments, net		**(114,089)**		9,509
Purchase of capital assets:				
IT assets		**(325,128)**		(323,770)
Leasehold improvements		**-**		(30,549)
Furniture and equipment		**(2,138)**		(28,282)
		(441,355)		(373,092)
Net (decrease) increase in cash and cash equivalents		**(139,628)**		619,628
Cash and cash equivalents, beginning of year		**4,912,718**		4,293,090
Cash and cash equivalents, end of year	**$**	**4,773,090**	$	4,912,718

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.

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.

The unrestricted Operating Fund accounts for revenues and expenses related to program delivery and administrative activities.

The restricted Capital Asset Fund accounts for the acquisition and amortization of the Corporation's capital assets.

The internally restricted Unrealized Post Retirement Gains Reserve reports the revenues and expenses relating to the investments held for future employee benefits.

The internally restricted Technology Advancement Reserve is the organization's estimate for a reserve to meet major technology system developments and special projects that involve large-scale renewal of existing IT infrastructure.

The internally restricted Contingency Reserve is set up should there be an interruption in funding or unforeseen expenditures in the future.

Use of estimates

In preparing the Corporation's financial statements, in conformity with 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 the rates used for depreciation and the valuation of the employee future benefits obligation. Actual results could differ from those reported.

Revenue recognition

Income from assessment services is recognized as Municipal revenues in the year in which the related services are provided. Deferred Municipal revenues represent payments received from the Municipalities prior to April 1 that relate to the next fiscal year.

Investment income is recognized as it is earned and collection is reasonably assured.

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

The Corporation follows the deferral method for accounting for contributions, which includes contributions received or receivable from the Province and Municipal partners for major technology advancement projects, such as the Single Address project and eDelivery. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue at the same rate of amortization as the related acquired capital assets. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets in the Restricted Capital Asset Fund. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cost recovery

The Corporation has data sharing agreements with Canada Revenue Agency, Statistics Canada and other clients. Cost recovery revenue represents the fees related to data sharing agreements and other cost recoveries from the Province and is recognized when earned and collection is reasonably assured.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is recorded as an expense in the restricted 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
IT software	30%,	declining balance
Computerized mass appraisal	10 years,	straight-line
IT major technology advancements	7 years,	straight line
Furniture and equipment	20%,	declining balance
Leasehold improvements	5 years,	straight-line

Financial instruments

Financial instruments include cash and cash equivalents, investments, receivables, and payables and accruals.

The Corporation's financial instruments are initially measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

At each reporting date, the Corporation subsequently measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. The Corporation has also irrevocably elected to measure its investments in bonds at fair value. All changes in fair value for the equities quoted in an active market and bonds are recorded in the statement of operations. The Corporation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, payables and accruals.

For financial assets measured at cost or amortized cost, the Corporation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Corporation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk and price risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its fixed and floating interest rate financial instruments.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its investments quoted in an active market.

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. Due to the nature of the plan, the Corporation does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multiemployer defined benefit plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period when the Corporation is obligated to make contributions for services rendered by the employee.

2. Summary of significant accounting policies (continued)

Pension benefit plans (continued)

The total expenses for the Corporation's share of the defined benefit pension plan for the year ended March 31, 2015 is $772,831 (2014 - $642,724) which is included in salaries and benefits expense.

The Corporation also has a defined contribution plan for specified employees. Contributions for the year ended March 31, 2015 total $39,367 (2014 - $188,070).

On June 1, 2014, the Corporation's specified employees who were covered under the defined contribution plan stopped paying into the Standard Life Defined Contribution Pension plan and joined the Nova Scotia Public Service Superannuation Plan (PSSP). The Nova Scotia Pension Services Corporation's Board of Directors granted PVSC employees the ability to transfer their contributions made to Standard Life Pension Plan prior to June 1, 2014 to the Public Service Superannuation Plan (PSSP), in order gain credit with the Nova Scotia Pension Services Corporation's plan for their PVSC service time prior to June 1, 2014.

3. Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with the bank, including guaranteed investment certificates.

	2015	2014
Cash and cash equivalents	**$ 3,348,090**	$ 3,487,718
Internally restricted cash equivalents	**1,425,000**	1425,000
	$ 4,773,090	$ 4,912,718

4. Internally restricted reserve funds

	Special Operating Reserve	Unrealized Post Retirement Gains	Contingency Reserve
Balance, March 31, 2014	$ 839,696	$ 159,079	$ 1,425,000
Transfer (to) from operating fund	(186,483)	259,865	-
Balance, March 31, 2015	**$ 653,213**	**$ 418,944**	**$ 1,425,000**

4. Internally restricted reserve funds (continued)

The special operating reserve fund is internally restricted by the Board of Directors to be used for operating expenses in the following fiscal year.

The purpose of the unrealized post retirement gains reserve is to provide for fluctuations in the market value of financial instruments held in the post retirement investment portfolio. The actual gains or losses that will be realized are subject to market performance on the investment portfolio.

The contingency reserve fund at March 31, 2015 of $1,425,000 (2014 - $1,425,000) represents accumulated operating surpluses transferred from Service Nova Scotia and Municipal Relations on March 31, 2008 of $254,611 and additional surpluses transferred since fiscal 2009 from the Corporation's operating fund. This reserve fund has been internally restricted by the Board of Directors for future program / expenses as to be determined from time to time by the Board of Directors in accordance with the goals and objectives of the corporation.

The Technology Advancement reserve fund is internally restricted by the Board of Directors, and consists of funds reserved for the large-scale renewal of the Corporation's existing IT infrastructure and acquisition of new technologies that would benefit the Corporation.

5. Employee future benefits

Restricted investments

Restricted investments are held in a professionally managed portfolio, in accordance with the Corporation's investment policy. At balance-sheet date, the investments are carried at fair value. Any changes in fair value are recognized in income in the period in which these changes occur. The balances held in the investment portfolio as at March 31, 2015 were as follows:

	Health Plans	Service Awards	Total
Balances Funded, March 31, 2014	$ 2,305,160	$ 1,907,358	$ 4,212,517
Net investment income	266,222	220,280	486,503
Total Funded, March 31, 2015	**$ 2,571,382**	**$ 2,127,638**	**$ 4,699,020**

Employee future benefits

On April 1, 2008, the Corporation acquired the employee non-pension future benefits as follows:

(a) Post-retirement health plans are designated to 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 developed a long term investment policy with actuarial consultants.

5. Employee future benefits (continued)

Employee future benefits (continued)

Designated employees transferred to 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 this 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 has adopted a long term investment plan to fund these obligations.

The Corporation accrues its obligations under employees future benefit plans and the related costs when these benefits are earned through current service. The annual service costs and other actuarial estimates adopted by management were reviewed based on the results of an actuarial valuation for the year ended March 31, 2013 conducted by the Corporation's actuarial consultant. Assumptions for the actuarial valuation reports issued in May, 2013 are as follows:

	Health plans	**Service awards**
Discount rate	4.95%	4.95%
Rate of compensation and inflation	2.5%	2.5%
Heath Care Trend:		
Initial rate: drugs	11%	
Initial rate: other health	6.5%	
Ultimate rate: drugs and other health	4.5%	
Year ultimate reached	2020	

The Corporation recognizes that fluctuations in actuarial valuation of future employee liabilities will occur over time due to changes in actuarial assumptions and other factors such as the level of actual claims relating to these liabilities. However, the Corporation recognizes all actuarial gains and losses for its employee future benefits obligation for health plans and service awards through earnings.

The balances relating to the Corporation's employee future obligations are as follows:

	Health Plans	Service Awards	**Total**
March 31, 2014	$ 1,834,988	$ 1,789,826	**$ 3,624,814**
Fiscal 2015			
Payments	(33,188)	(285,725)	**(318,913)**
Annual service cost	100,711	94,419	**195,130**
Actuarial Revaluations	284,300	207,390	**491,690**
March 31, 2015	$ 2,186,811	$ 1,805,910	**$ 3,992,721**
Employee future benefits (net)	$ 384,571	$ 321,728	**$ 706,299**

5. Employee future benefits (continued)

Employee future benefits (continued)

Based on the actuarial valuations dated May 14, 2013 the annual service costs for the year ended March 31, 2016 for the Health Plans is expected to be $109,649 and the Service Awards plan is expected to be $97,252.

The Corporation has internally set aside $4,699,020 in investments to pay for the employee future benefit obligations. As of March 31, 2015, there was an excess funded amount of $706,299 (2014 - $587,703).

The Corporation records the employee future benefits on a net basis equal to the fair value of the plan assets less the defined benefit obligation.

6. Receivables

The Canada Revenue Agency (CRA) reimburses the Corporation's HST claims as per the ruling issued on February 13, 2009 designating the PVSC a municipality pursuant to subsection 259 (1) of the Excise Tax Act. Included in receivables is $154,099 (2014 - $163,659) for an outstanding HST reimbursement claim that is awaiting processing by CRA.

7. Payables and accruals

	2015	2014
Vacation liability	**$ 304,700**	$ 300,000
Salaries and other benefit accruals	**390,338**	785,064
Trade payables	**226,095**	446,483
	$ 921,133	$ 1,531,547

8. Capital assets

			2015	2014
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
IT hardware	$ 578,189	$ 461,404	**$ 116,785**	$ 121,774
Furniture and equipment	223,992	142,426	**81,566**	99,819
Leasehold improvements	139,914	121,080	**18,834**	24,491
	$ 942,096	$ 724,910	**$ 217,185**	$ 246,084

9. Intangibles

			2015	2014
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Computerized mass appraisal	$ 4,585,633	$ 3,197,865	**$ 1,387,768**	$ 1,846,329
Software under development				
Single address	711,174	101,596	**609,578**	711,174
eDelivery	426,010	-	**426,010**	153,853
IT software other	535,811	324,585	**211,226**	293,842
	$ 6,258,628	$ 3,624,046	**$ 2,634,582**	$ 3,005,198

10. Commitments

(a) The Corporation has entered into lease agreements for rental of its office premises, expiring in 2017. Minimum annual lease payments for the next three years are as follows:

2016	$ 907,407
2017	$ 926,125
2018	$ 909,188

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

(b) The Corporation entered into a three year agreement, expiring March 31, 2016 with a service provider for the provision of annual maintenance and support for its Mass Appraisal Computer System. The remaining minimum payment under this agreement is as follows:

2016	$381,239

The agreement includes optional additional consulting and development services which will be performed by the IT service provider when required.

(c) The Corporation has a three year agreement, expiring March 31, 2017 with a service provider for the provision of IT hosting and related managed services. The remaining minimum payments under this agreement are as follows:

2016	$ 248,028
2017	$ 248,028

11. Related party transaction

The majority of revenues are received from the Municipalities throughout the Province of Nova Scotia. These Municipalities are the members of the Corporation. Transactions with Municipalities are recorded at the exchange amount.

12. Deferred revenue

		2015		2014
Municipal revenues	$	**988,928**	$	968,880
Single address project capital contributions		**218,604**		255,038
Single address project operating contributions		**82,500**		3,236
Land program integration		**-**		93,000
eDelivery project capital contributions		**473,466**		473,466
	$	**1,763,498**	$	1,793,620

13. Comparative figures

Certain 2014 comparative information has been reclassified to conform to the 2015 financial statement presentation.

Property Valuation Services Corporation
Statement of operations and changes in fund balance - operating fund

Year ended March 31	Budget 2015	**Actual 2015**	Actual 2014
Revenues			
Municipal	$ 17,090,000	**$ 17,090,000**	$ 17,090,000
Interest	40,000	**78,769**	71,785
Cost recovery	30,000	**93,354**	76,030
Investment income	-	**221,690**	242,663
Unrealized gain on investments	-	**272,538**	122,491
	17,160,000	**17,756,351**	17,602,969
Expenses			
Salaries and benefits	11,919,678	**11,128,430**	11,227,909
IT operations	1,040,003	**1,058,989**	930,253
Rentals and leases	970,833	**977,624**	968,021
Professional fees	800,806	**709,802**	715,767
Printing and postage	650,720	**686,593**	647,326
Travel	455,748	**429,877**	559,397
Employee future benefits	295,500	**686,822**	433,064
NS Utility & Review Board costs	290,000	**308,672**	281,283
Telecommunications	173,176	**153,489**	153,979
Staff training and development	167,927	**127,538**	197,513
Office expenses and general services	152,185	**161,173**	234,343
Technology projects	104,955	**61,353**	27,627
Meeting expenses	102,113	**108,647**	105,461
Membership dues and fees	72,839	**85,998**	50,227
E-Delivery Service (Operating)	-	**88,380**	207,262
	17,196,483	**16,773,387**	16,739,432
Excess (shortfall) of revenues over expenses	$ (36,483)	**$ 982,964**	$ 863,537
Inter-fund transfers			
Purchase of capital assets	$ (250,000)	**$ (327,266)**	$ (382,600)
Transfer from Technology Advancement Reserve (E-Delivery Operating)	-	**-**	210,000
Transfer from Technology Advancement Reserve (E-Delivery Phase III)	-	**-**	4,534
Transfer to Technology Advancement Reserve (Permit Data Exchange)	-	**(422,316)**	-
Replenishments to Technology Reserve	-	**(160,000)**	(120,000)
Transfer from (to) Special Operating Reserve	286,483	**186,483**	(553,213)
Unrealized Post Retirement Gains Reserve	-	**(259,865)**	(22,258)
	36,483	**(982,964)**	(863,537)
Increase in Fund balance	-	**-**	-
Fund balance, end of year	$ -	**$ -**	$ -

Property Valuation Services Corporation
Statement of operations and changes in fund balance - restricted capital asset fund

Year ended March 31	Budget 2015	**Actual 2015**	Actual 2014
Revenues			
Amortization of Deferred Capital Contributions	$ -	**$ 36,434**	$ -
Expenses			
Amortization of capital assets	589,000	**726,781**	671,138
Excess (Shortfall) of revenues over expenses	(589,000)	**(690,347)**	(671,138)
Fund balance, beginning of year	3,251,282	**3,251,282**	3,539,820
Inter-fund transfer			
capital asset purchases	250,000	**327,266**	382,600
Fund balance, end of year	$ 2,912,282	**$ 2,888,201**	$ 3,251,282

Property Valuation Services Corporation
Statement of operations and changes in fund balance - Technology advancement reserve fund

Year ended March 31	**Actual 2015**	Actual 2014
Revenues		
Investment income	**$ 67,918**	$ 62,930
Realized gains (losses) on investments	**40,381**	51,568
Unrealized gain on investments	**119,109**	3,393
	227,408	117,891
Expenses		
Investment management fees	**5,259**	4,864
Bank and custodial charges	**2,187**	1,935
	7,446	6,799
Excess of revenues over expenses	**219,962**	111,092
Fund balance, beginning of year	**2,088,624**	2,072,066
Inter-fund transfers		
Transfer from Technology Advancement Reserve (E-Delivery Operating)	-	(210,000)
Transfer from Technology Advancement Reserve (E-Delivery Phase III)	-	(4,534)
Transfer to Technology Advancement Reserve (Permit data Exchange)	**422,316**	-
Replenishments to Technology Advancement Reserve	**160,000**	120,000
Fund balance, end of year	**$ 2,890,902**	$ 2,088,624

Property Valuation Services Corporation

A truly valued Nova Scotia

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