



Property Valuation Services
Corporation

A truly valued Nova Scotia

2023-2024 ANNUAL REPORT



TRANSFORMING FOR TOMORROW

TABLE OF CONTENTS

About PVSC	03
Messages from the Board Chair and CEO	04
Governance	06
Strategic Plan	08
Operations	10
Stakeholder Relations	14
Additional Performance Indicators	16
Management Discussion & Analysis	18
Audited Financial Statements	22



ABOUT PVSC

Property Valuation Services Corporation (PVSC) is an independent, not-for-profit organization that provides property assessment services and information to Nova Scotia municipalities and property owners.

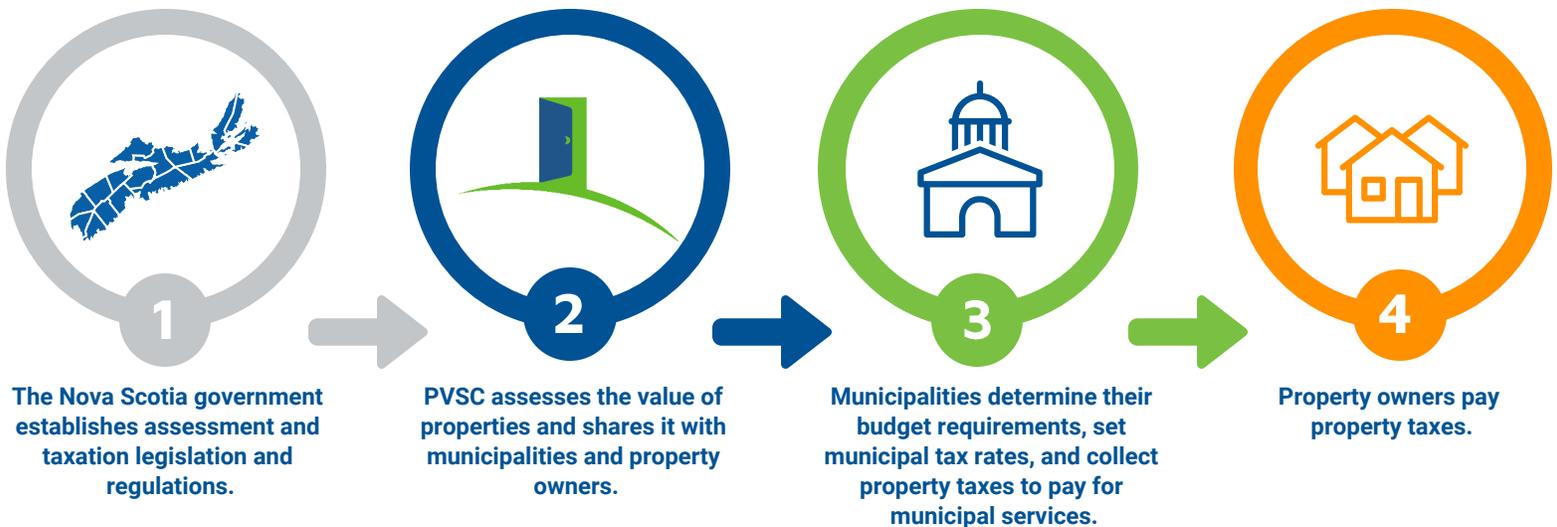
Local governments use our annual property assessments to establish their municipal tax rates, which fund important local services and infrastructure, and build communities.

Our staff live and work in communities across Nova Scotia. We use mass appraisal approaches that meet international appraisal standards for accuracy and uniformity.

Our work is funded by Nova Scotia's 49 municipalities. Each municipality pays a proportional share of the budget according to the funding formula in the *Property Valuation Services Corporation Act*.

We assess over 647,000 residential, resource, and commercial properties each year in Nova Scotia, representing over \$173.6 billion in property value.

NOVA SCOTIA'S PROPERTY ASSESSMENT AND TAXATION SYSTEM



MESSAGE FROM THE BOARD CHAIR



Joe Feeney

Board Chair

Property Valuation Services Corporation

On behalf of the Board of Directors, I am pleased to present the 2023-24 Annual Report for Property Valuation Services Corporation (PVSC).

The past year marked the final year of our 2021-24 strategic plan. As I reflect, not only on the last year, but where we started in 2021, I'm proud of the advancements made and recognize how formative it was that we concentrated on adapting, integrating, and preparing to **transform for tomorrow**. I want to acknowledge the PVSC team and my fellow Board members for their commitment, leadership, and resilience in seeing this plan through.

The expanded use of data for **prediction and business intelligence** meant we were prepared to manage higher volumes of market activity and

respond to the devastating 2023 wildfires and flooding within our province.

We updated our **municipal service commitments** which summarize our activities and services under applicable legislation and services agreements and serve as a foundation for regular and open communication and information sharing between us and municipalities.

Our reputation as an industry leader was highlighted at an international conference through a global comparative review conducted by Professors from Ulster University, Northern Ireland and the University of Pretoria, South Africa, which placed PVSC as the **most advanced property assessment jurisdiction** in technical capacity and market sophistication in the application of mass appraisal.

The staff and Board are committed to fiscal prudence and corporate responsibility using a disciplined approach to budgeting, cost management, resource utilization, and risk management.

“This, in addition to the strengths and opportunities of our core business, staff, and infrastructure, creates a strong foundation for future growth.”

I express gratitude to my fellow board members – new, returning, and those whose term ended this year – for their leadership and share my appreciation for our municipal clients who are devoted to building and growing Nova Scotia.



MESSAGE FROM THE CEO

Kathy Gillis

Chief Executive Officer

Property Valuation Services Corporation

Fostering a culture that embraces change and works towards solutions through cooperation, innovative thinking, and the ability to learn and adjust is foundational to transforming for tomorrow.

“This year, as One Team, we worked smarter and on the right things, which resulted in operational efficiencies that improved our core product and service quality.”

We prioritized staff wellbeing, staff-led planning, and building a skilled workforce invested in our business, our clients, and our collective success for years to come.

The use of advanced statistical analysis allowed for the in-depth analysis of market indicators and the identification of potential impacts for better planning and resource management, as well as facilitated **operational efficiencies and effectiveness**.

In addition to delivering fair and accurate property assessments, our staff worked diligently to fulfill our service commitments, **build relationships**, and create open lines of communication with our municipal clients.

Our role as an industry leader helped to facilitate the **exchange of ideas** and expertise with industry peers to address common challenges and co-create global

solutions in the areas of valuation and defence, modelling, human resources, and stakeholder engagement.

I wish to recognize our staff for their hard work, unwavering dedication, and professionalism and thank our Board of Directors for their sound leadership and support through each new phase of transformation.

I believe we are well-positioned to successfully navigate and thrive through change today and into the future.

GOVERNANCE



PVSC was created by the *Property Valuation Services Corporation Act* on April 1, 2007, and is governed by a Board of Directors. A strong, strategic board is critical to achieving our goals and guiding the direction of our organization.



Joseph Feeney, Chair
Councillor, Town of Mahone Bay



Bobby McNeil, Vice Chair
Independent Director



Darren Bruckschwaiger
Councillor, Cape Breton
Regional Municipality



Laurie Murley
Councillor, West Hants
Regional Municipality



Connie Nolan
CAO (Retired), Municipality
of East Hants



Tara Magurie
CAO, Municipality of Chester



Chuck Faulkner
Independent Director



Doug Boyd
Independent Director



Cathie O'Toole
CAO, Halifax Regional
Municipality



Juanita Spencer
CEO, Nova Scotia
Federation of Municipalities
(non-voting member)



Anita Bezeau
Independent Director
(effective January 2024)



Glenn Horne
CAO, Town of Wolfville
(former CAO of
Municipality of Antigonish)
(effective January 2024)



Owen Sagness
Independent Director
(effective January 2024)

Thank you to Connie Nolan, Rachel Jones, and Chuck Faulkner who finished their time on the board in 2023.

GOVERNANCE

BOARD RESPONSIBILITIES

The PVSC Board of Directors and its committees are responsible for:

- Establishing a long-term strategic plan.
- Creating multi-year operating and capital budgets.
- Appointing a CEO.
- Maintaining relationships and encouraging partnership opportunities.
- Filing an annual report.
- Establishing a memorandum of understanding with municipal clients.
- Reporting to the Nova Scotia Federation of Municipalities at its annual meeting.
- Ensuring the completion of external financial and quality audits.

VISION, MISSION AND VIRTUES

Vision: To be a leading provider of property assessment services, delivering trusted information and expertise that helps strengthen local governments and communities worldwide.

Mission: We provide essential, world-class property assessment services that enable our clients to make sound decisions.

Virtues:

Working with you – we understand it's a privilege. We have an unwavering commitment of service to our clients. We listen to and act on their needs and we take nothing for granted. We are not entitled to our clients' trust; we earn it.

There is only one chance. Every impression counts at PVSC. We are proven experts in the field of mass appraisal, and we're confident in the quality of our product, our people and our methods. We are focused on results and getting the job done right the first time. We are the best at what we do.

We all move our business forward. We are talented and we are doing the work we love. PVSC supports us and we support each other by engaging, challenging, and inspiring. We never stop learning and we are passionate about improving ourselves, and our product, every day.

Proud to do our part. We are aware that we're all part of something bigger. And with gratitude, we look for opportunities to give back to the neighbourhoods and communities we live in and those we don't. Because the world is full of neighbours we just haven't met yet.

The power of one. Leadership is not a position; it is about one life influencing another. At PVSC, we believe in discovering the finest in ourselves and sharing it with others, using our influence to inspire, regardless of the title we hold in the company. We enjoy working with great people, who happen to share a passion for this business.

2021-24 STRATEGIC PLAN



Our 2021-24 strategic plan was approved by the Board of Directors in January of 2021 following extensive consultation with the board throughout the fall of 2020. The plan outlines three strategic areas of focus:

- 1** Delivering our core mandate of providing an accurate and defensible assessment roll to our municipal clients.
- 2** Using business intelligence to support data-driven decision-making to expand services that support the needs and priorities of Nova Scotia's municipalities.
- 3** Building on our existing product development foundation to pursue new revenue-generation initiatives when resources and opportunity permit.

In the last year of the strategic plan, we are proud to highlight our achievements in planning and efficiency, business continuity, and collaboration.

PLANNING AND EFFICIENCY

Through staff-led planning focused on productivity, innovation, and continuous improvement, we identified effective and efficient ways of organizing the work, allocating resources, and utilizing tools and technology.

The expanded use of predictive modelling and business intelligence provided deeper insights into the

Nova Scotia market and greater organization of work inventories so staff could focus on the right work at the right time and shift when required.

After the unprecedented wildfires and floods of 2023, our staff immediately focused attention, expertise, and communication support to impacted municipalities, support agencies, and hundreds of

property owners whose homes were damaged or destroyed. Our use of aerial imagery and real-time data collection was key in gathering and updating property information in affected areas.

STRATEGIC PLAN

BUSINESS CONTINUITY

Our Assessor Candidate Training (ACT) program is designed to ensure business continuity in response to attrition and assessment staff requirements. In the 2023-24 fiscal year, **13 candidates** entered the in-house program, which provides classroom and hands-on training under the guidance of experienced assessors and mentors. Candidates learn all aspects of our core business – industry-accepted mass appraisal theories and standards, processes and procedures, and supportive technologies and tools – in a methodical and supportive timeline and environment.

This year, we also developed a technology and cyber security plan with a strong focus on meeting our business needs today while allowing for flexibility to support future initiatives and requirements. A key aspect of this plan identified the importance of data storage and management within an agile and scalable environment.

Congratulations to the following assessors for graduating from the ACT program:

- Liam O'Halloran - September 2023
- Michael Penny - September 2023
- Nick Hu - September 2023
- Adam Travis - September 2023
- Jon Morse - September 2023

COLLABORATION

During the course of the year, we found meaningful opportunities to collaborate with stakeholders on a variety of topics for greater learning, sharing, problem-solving, and networking.

Working with the International Property Tax Institute, we **established a global pilot project** focused on future-proofing the assessment workforce which includes participants from Canada, the United Kingdom, New Zealand, Australia, South Africa, Jamaica, Hong Kong, and Singapore.

We also contributed to conversations with our national counterparts on current and future valuation and technology collaboration opportunities through the Canadian Directors of Assessment and Canadian Assessment Centre of Excellence.



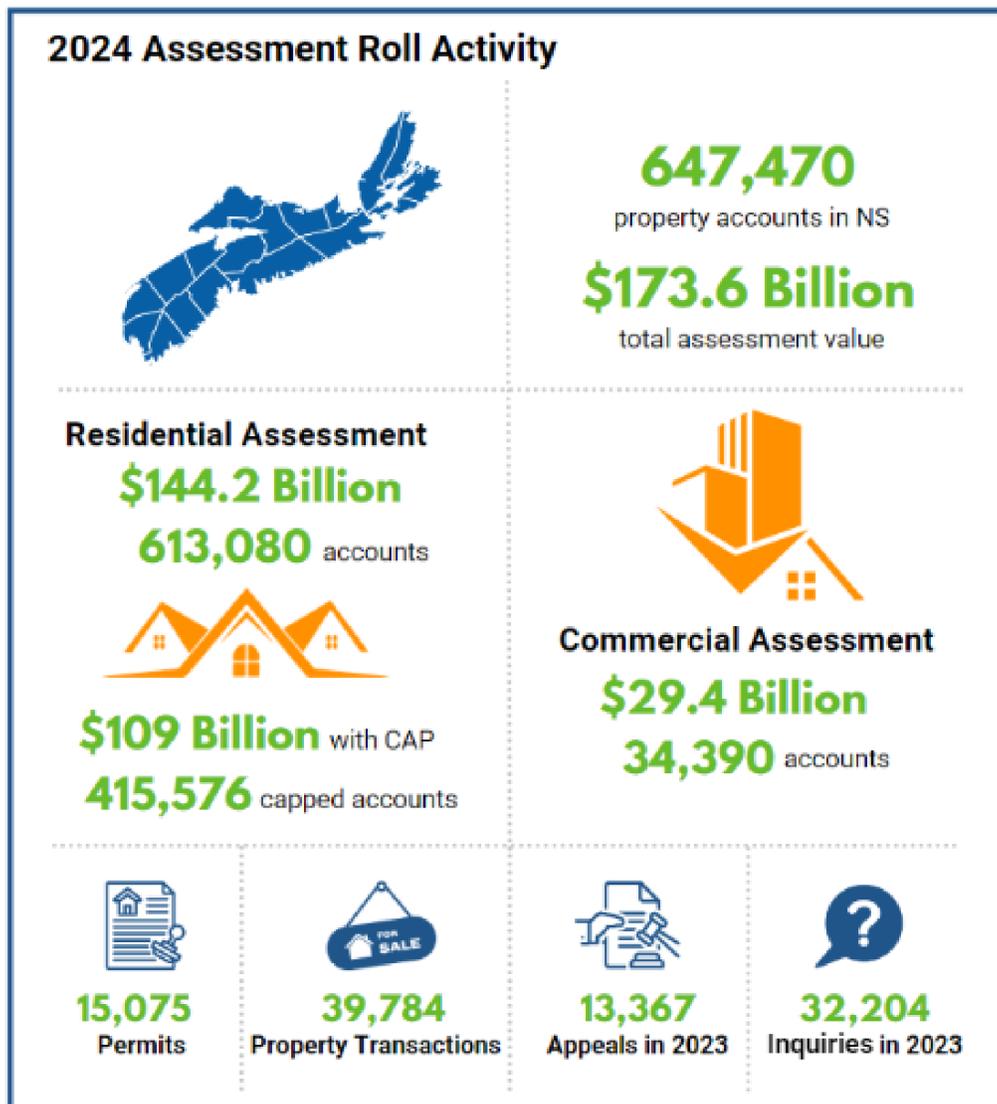
OPERATIONS



2024 ASSESSMENT ROLL

Each year, we deliver an assessment roll to every municipality in Nova Scotia, and over 647,000 property assessment notices to Nova Scotia property owners.

2024 property assessments reflect a market value of January 1, 2023, based on sales and financial data, along with the physical state of properties as of December 1, 2023, including new construction, renovations, demolitions, and impacts from wildfires and floods.



INDICATORS OF ASSESSMENT QUALITY

APPEALS AND ADJUSTMENTS

In 2023, we received **13,527 appeals** with a total account value of **\$11.5 billion**.

PVSC successfully defended **\$11.1 billion** of assessment value under appeal resulting in an adjustment of **\$376.4 million** which represents **0.22%** of the 2023 Assessment Roll.



QUALITY STANDARD MEASURES

PVSC reports the General Level of Assessment (GLA) 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*.

PVSC calculates and reports the GLA on the median analysis of assessment-to-sale ratios (ASRs), a measure of central tendency. The International Association of Assessing Officers standard sets out that a GLA between 90% and 110% is considered acceptable for any class of property.

It is PVSC's opinion, based on a series of statistical tests, that the 2024 Assessment Roll values meet and comply with our legislative mandate and industry standards.

** The International Property Tax Institute recommends that jurisdictions (i.e.: municipal units) with fewer than 11 sales for an assessment roll are considered to have insufficient data to reliably calculate a GLA. For the purpose of meeting this legislative requirement for municipalities with fewer than 11 sales, the GLA has been reported as a presumed 100% level.*

RESIDENTIAL GLA BY MUNICIPALITY

Municipality	Sales	GLA		Municipality	Sales	GLA
County of Annapolis	502	91%		Town of Berwick	61	99%
Town of Annapolis Royal	28	98%		Town of Kentville	125	96%
District of Digby	242	91%		Town of Wolfville	57	94%
Town of Digby	35	92%		District of Chester	327	91%
Town of Middleton	44	99%		District of Lunenburg	667	90%
County of Antigonish	269	93%		Town of Bridgewater	219	91%
Town of Antigonish	71	94%		Town of Lunenburg	55	97%
District of Guysborough	123	93%		Town of Mahone Bay	52	98%
Town of Mulgrave	13	96%		County of Pictou	528	90%
District of St. Mary's	118	94%		Town of New Glasgow	230	90%
Cape Breton Regional Municipality	1,574	97%		Town of Pictou	116	92%
County of Colchester	739	94%		Town of Stellarton	73	92%
Town of Truro	249	93%		Town of Trenton	51	93%
Town of Stewiacke	53	93%		Town of Westville	83	90%
County of Cumberland	605	94%		District of Barrington	165	92%
Town of Amherst	161	93%		Town of Clark's Harbour	18	93%
Town of Oxford	32	97%		Region of Queens	357	92%
Halifax Regional Municipality	6,436	97%		Town of Lockeport	9	*100%
District of East Hants	449	92%		District of Shelburne	210	91%
West Hants Regional Municipality	446	92%		Town of Shelburne	52	92%
County of Inverness	366	90%		District of Argyle	181	96%
Town of Port Hawkesbury	62	99%		District of Clare	216	93%
County of Richmond	307	94%		District of Yarmouth	230	92%
County of Victoria	183	91%		Town of Yarmouth	123	97%
County of Kings	1,041	95%				

COMMERCIAL GLA BY MUNICIPALITY

Municipality	Sales	GLA	Municipality	Sales	GLA
County of Annapolis	9	100%	Town of Berwick	2	100%
Town of Annapolis Royal	3	100%	Town of Kentville	10	100%
District of Digby	5	100%	Town of Wolfville	3	100%
Town of Digby	5	100%	District of Chester	7	100%
Town of Middleton	2	100%	District of Lunenburg	9	100%
County of Antigonish	5	100%	Town of Bridgewater	10	100%
Town of Antigonish	3	100%	Town of Lunenburg	3	100%
District of Guysborough	1	100%	Town of Mahone Bay	1	100%
Town of Mulgrave	0	100%	County of Pictou	8	100%
District of St. Mary's	0	100%	Town of New Glasgow	10	100%
Cape Breton Regional Municipality	24	97%	Town of Pictou	3	100%
County of Colchester	31	100%	Town of Stellarton	4	100%
Town of Truro	14	100%	Town of Trenton	1	100%
Town of Stewiacke	3	100%	Town of Westville	3	100%
County of Cumberland	12	94%	District of Barrington	7	100%
Town of Amherst	11	95%	Town of Clark's Harbour	0	100%
Town of Oxford	0	100%	Region of Queens	11	100%
Halifax Regional Municipality	130	95%	Town of Lockeport	0	100%
District of East Hants	20	100%	District of Shelburne	5	100%
West Hants Regional Municipality	12	95%	Town of Shelburne	6	100%
County of Inverness	7	100%	District of Argyle	3	100%
Town of Port Hawkesbury	6	100%	District of Clare	6	100%
County of Richmond	5	100%	District of Yarmouth	8	100%
County of Victoria	4	100%	Town of Yarmouth	11	98%
County of Kings	23	97%			



STAKEHOLDER RELATIONS

SERVICE COMMITMENTS

We are committed to delivering quality service and an accurate, stable assessment roll for the municipalities and residents of Nova Scotia.

OUR COMMITMENT	2023-24 PERFORMANCE
<p>Deliver an annual assessment roll to each Nova Scotia municipality every year by December 31st.</p>	<p>We posted the 2024 Assessment Roll on our secure site on December 12, 2023.</p>
<p>Complete a comprehensive ratio study to assess the quality of the assessment roll in accordance with standards established by the International Association of Assessment Officers.</p>	<p>We submitted the 2024 Roll Quality Report to the Department of Municipal Affairs and Housing on December 19, 2023.</p>
<p>Publish an annual report outlining our performance and activities, the findings of the roll quality report, and audited financial statements.</p>	<p>In accordance with the <i>PVSC Act</i>, our annual report is published in July of each year, following approval of our Board of Directors.</p>
<p>Keep all parties informed throughout the appeal process and inform municipalities of assessment account changes that affect property owners.</p>	<p>We posted the following reports, including all changes to assessment accounts, on the secure FTP site:</p> <ul style="list-style-type: none"> • Filed Roll changes and confirmations (daily). • Name and address changes and inactive accounts (weekly). • SAI reconciliation reports (bi-weekly). • Appeal reports (monthly). • Roll summary with in-year changes (quarterly). • Provincial appeal totals (annually).
<p>Provide municipalities with accurate and timely invoicing and payment processing.</p>	<p>We distributed quarterly invoices with notification emails to each municipality’s Chief Administrative Officer and financial administrators.</p>
<p>Establish, administer, and maintain value-added shared services for municipalities, each with its own service level agreement.</p>	<p>We delivered the following value-added services according to their service level agreements:</p> <ul style="list-style-type: none"> • Permit Data eXchange (PDX). • Single Address Initiative (SAI). • Open Data (datazOne).

STAKEHOLDER OUTREACH

A LOOK AT 2023-24:

Having meaningful dialogue and multiple touchpoints with stakeholders is key to building relationships and greater understanding about the work we do. Below are some of our stakeholder outreach activities:



Offered 2024 Assessment Roll presentations to all **49** municipalities.



Hosted **23** information sessions for municipal staff covering a variety of topics related to our shared services, mass appraisal, and tools and technology.



Attended and participated in **7** conferences regionally, nationally, and internationally.



Sent **4** email newsletters to municipalities with relevant updates and timely activities.



Hosted a media briefing event with key media contacts, and distributed a comprehensive media kit.



Regular outreach to the Department of Municipal Affairs and Housing, Nova Scotia Federation of Municipalities and Association of Municipal Administrators of Nova Scotia.



Attended **4** Canadian Directors of Assessment (CDA) collaboration meetings.



Used digital tools on the assessment notice to collect up-to-date contact information and direct property owners to important information on the PVSC website.

ADDITIONAL PERFORMANCE INDICATORS

COMMUNITY INVOLVEMENT

Each year, our staff selects a corporate charity to support and gathers donations through payroll deductions and corporate contributions.

This year, in response to the wildfires that impacted communities across Nova Scotia, we supported the Nova Scotia Red Cross Wildfire Relief Fund. Additionally, our staff raised funds for other charities and causes. We are proud to have made the following contributions to causes in our communities:

- Nova Scotia Red Cross - Wildfire Relief Fund - **\$8,440**
- Nova Scotia Red Cross - **\$11,074**
- Souls Harbour Rescue Mission - **\$755**
- Shelter Nova Scotia - **\$755**
- North End Community Health Centre - **\$755**
- Cape Breton Community Housing Association - **\$755**

ORGANIZATIONAL LEARNING

Investing in staff learning and development enables our team to meet the expectations of today and positions us for ongoing success in the future.

In the 2023-24 fiscal year, we spent **1.53%** of our budget on staff training and development.

14 employees attended professional development and networking conferences.

We are proud to support the professional certification of our employees. Their achievements are a testament to years of hard work, dedication, and professionalism, and the reason that PVSC is a leader in our industry.



Congratulations to:

Chudi Ngwuluka for achieving an AIMA designation from the Institute of Municipal Assessors - *September, 2023*

Adam Travis for achieving an AIMA designation from the Institute of Municipal Assessors - *November, 2023.*

Nick Hu for achieving an AIMA designation from the Institute of Municipal Assessors- *December, 2023.*

ADDITIONAL PERFORMANCE INDICATORS

PVSC'S SCHOLARSHIP PROGRAM

In collaboration with the Nova Scotia Community College, we introduced the PVSC Memorial Community Award in memory of our colleagues who have passed away while working at PVSC. Congratulations to NSCC students Drew and Haley, who each received a \$2,500 bursary to help remove some financial burden as they work towards completing their degrees and making a difference in their communities.



FINANCIAL INDICATORS

In addition to our audited financial statements, we also evaluate other financial indicators for a clearer understanding of our operations.

Cost per Account: The average estimated cost to assess a single property account, calculated by dividing our total organizational costs by the total number of property accounts in Nova Scotia. We aim to keep our costs below the national average for assessment jurisdictions.

2023 national average cost per account: **\$53.11**

2024 PVSC cost per account: **\$29.18**

Defensive Interval: How long PVSC could continue to operate if no additional funds were received. We aim to be able to operate for one to three months.

2023 defensive interval: **5.44 months**

2024 defensive interval: **5.37 months**

Liquidity Ratio: Comparison of our current assets to our current liabilities. We aim for our short-term assets to exceed our short-term liabilities, as indicated by a positive (+) liquidity ratio.

2023 liquidity ratio: **6.26**

2024 liquidity ratio: **5.00**

MANAGEMENT DISCUSSION AND ANALYSIS

PVSC is a not-for-profit corporation funded by Nova Scotia's municipalities. We take our legislative mandate and our commitment to fiscal prudence and financial responsibility seriously, and we work hard to deliver the highest possible value to our clients.

The following Management Discussion and Analysis should be read in conjunction with PVSC's audited financial statements and accompanying notes for the financial year that ended March 31, 2024.

The financial statements have received an unqualified opinion from PVSC's external auditors. The financial information that is provided in this discussion and analysis was prepared in accordance with current Canadian Generally Accepted Accounting Principles as recommended by the Chartered Professional Accountants of Canada (CPA Canada).

FINANCIAL REPORTING FRAMEWORK

PVSC's financial reporting framework is in accordance with the Accounting Standards for not-for profit organizations which are in Part III of the CPA Canada Handbook. Not-for-profit organizations who report under Part III of the CPA Canada Handbook are also required to follow Part II of the CPA Canada Handbook – Accounting Standards for Private Enterprises, for those areas that are not addressed in Part III of the CPA Canada Handbook.

PVSC's financial statements are a consolidation of the corporation's operating fund and restricted reserve funds established by the Board of Directors.

FUNDING REQUIREMENTS

The corporation's funding requirements for the provision of assessment services are apportioned to each municipality using a funding formula specified by section 35(4) of the *Property Valuation Services Corporation Act*. The formula reflects the proportionate relationship of the average of an individual municipality's total assessed values and total property counts as compared to all of Nova Scotia.

The municipal funding requirement for the financial year-ended March 31, 2024 was the same as the previous year, keeping in line with PVSC's budget strategy and commitment to minimize annual increases to municipal funding. The corporation also has non-municipal revenue sources that include cost recovery on data exchange agreements, other service agreements, interest, and investment income.

RESTRICTED RESERVES AND FUND BALANCES

The corporation's strategic plan determines the priorities set in the annual operational plans and budgets. The financial budgets, operational plans, and capital plans are focused on equipping the corporation with the people, resources, and productive capacity needed to achieve PVSC's strategy, and on being responsive and flexible to changes in the operating environment. PVSC develops its operational plans and budgets with the objective of achieving key strategic objectives, while being financially prudent and fiscally responsible in managing its resources.

PVSC's main financial commitments relate to the following:

- Funding ongoing operations to meet PVSC's legislated mandate: to provide assessment and related property information services for municipalities and the Province.
- Funding liabilities for future employee benefits for non-pension and post-retirement plans.
- Funding technology advancement requirements and maintaining existing capital infrastructure.
- Maintaining an adequate contingency reserve to meet unforeseen budgetary requirements.

PVSC maintains the Technology Advancement Reserve, Contingency Reserve, Special Operating Reserve, Scholarship Reserve, and Unrealized Post Retirement Gains Reserve to meet the above financial commitments.

The corporation's net assets include its Restricted Capital Asset Fund which accounts for the acquisitions, revenues, and amortization related to capital assets. The corporation's main capital assets include the Computer Assisted Mass Appraisal system, internally developed capitalized strategic projects such as the Permit Data Exchange, IT hardware, and other tangible assets. As of March 31, 2024, the net book value of capital assets was **\$632 thousand** (2023: \$792 thousand).

Technology Advancement Reserve:

- Established to finance technology enhancements, innovation, large-scale renewal of the corporation's existing IT infrastructure, cyber security, and organizational development in support of the strategic plan.
- Balance of **\$2.19 million** as at March 31, 2024.

Contingency Reserve:

- Internally restricted reserve set aside by the Board of Directors in the event of unforeseen expenditures and/or revenue interruptions.
- Capped at a level adequate to fund 90 days operating expenses (adjusted from 30 days in Fiscal 2023).
- Balance of **\$4.53 million** as at March 31, 2024.

Special Operating Reserve:

- Accumulates operating surpluses or budget savings that have been internally restricted by the Board of Directors to be used for budget cost stabilization and to meet specific financial requirements in accordance with PVSC's strategic priorities, operating expenses, or specific financial requirements in future years.
- During the fiscal year there was a transfer of **\$3.10 million** to the Contingency Reserve to reflect 90 days operating expense contingency.
- Balance of **\$3.79 million** as at March 31, 2024.

Scholarship Reserve:

- In 2023 PVSC created a scholarship reserve to provide two annual student scholarships in memorium of deceased PVSC staff. The initial funding \$165 thousand was transferred from the Technology Advancement Reserve. The investment return generated shall fund the annual \$5 thousand scholarship payment.
- Balance of **\$173 thousand** as at March 31, 2024.

Unrealized Post Retirement Gains Reserve:

- Internally restricted reserve relating 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.
- Balance of **\$721 thousand** as at March 31, 2024

ANALYSIS OF THE OPERATING FUND

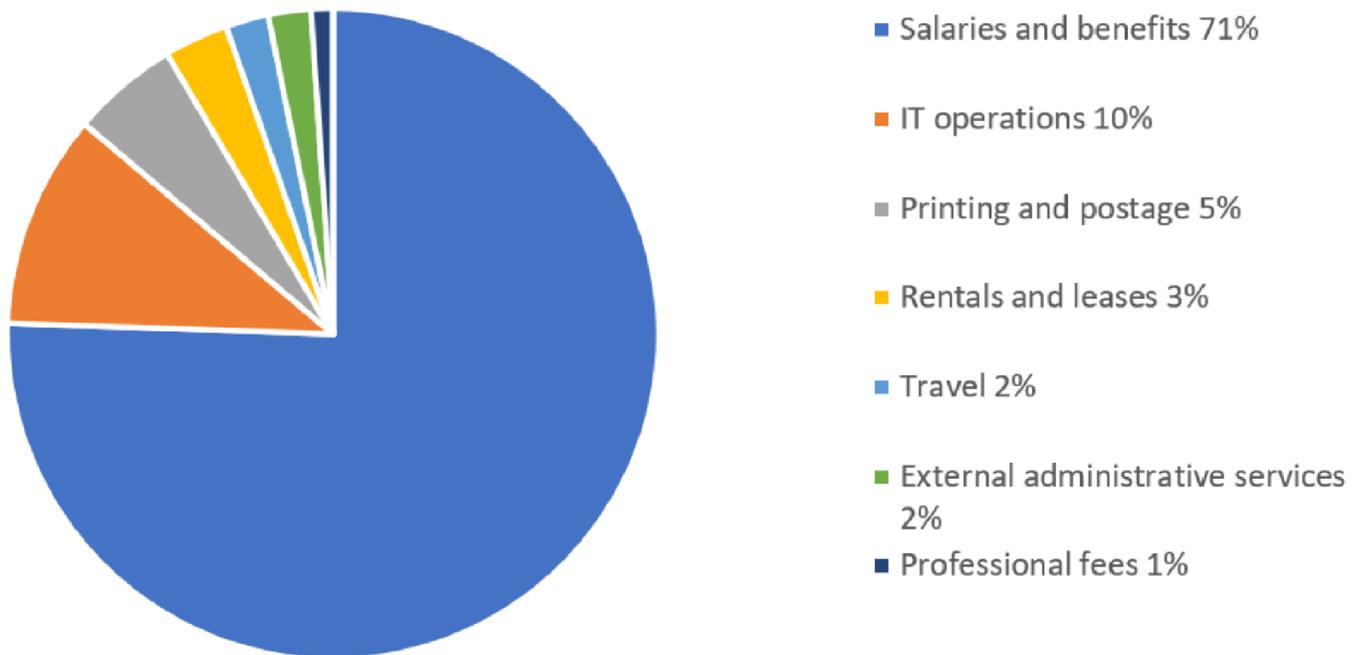
The municipal revenues for the financial year ended March 31, 2024 of \$17,532,243 represent the budget approved for billing to municipal members for their respective portion of costs for the provision of assessment and related services. The billed budget was developed and approved by the Board of Directors on a breakeven basis for the Operating Fund.

Budgeted expenses that relate to the provision of assessment and related property information services to municipalities were billed using the cost recovery formula stated in the *Property Valuation Services Corporation Act*. The billed budget includes amounts transferred to the Capital Asset Fund for acquisition of new assets but does not include amortization on capital assets.

The Operating Fund includes cost recovery revenues and expenses relating to contracts outside delivery of assessment services to the municipalities of Nova Scotia. This includes revenues for aerial Pictometry contracts on a cost recovery basis (direct expenses were recouped at 100 percent). The corporation has maintained an ongoing budget strategy of minimizing the municipal funding required to finance its operations despite inflationary pressures on some operating costs by leveraging operational efficiencies, technology, and other process improvements.

The corporation's actual total expenses on the Operating Fund for 2024 were **\$18,495,225** (2023:\$17,787,134).

A summary of the major expense categories can be seen on the following page:



The corporation had a net transfer of \$347 thousand from the Special Operating Reserve to the Operating Fund. For budget 2023-24, PVSC management built in a drawdown from the Special Operating Fund to offset inflationary pressures on operating expenses and to stabilize the cost to municipalities. The resulting Special Operating Reserve drawdown was driven by the following major financial impacts:

- An actuarial valuation assumption review resulted in an adjustment of (\$214,375) (increase in benefit liability). In calculating the present value of the corporation’s future financial obligations under this plan, the Actuary uses interest rates based on underlying market bond yields. Actuarial valuations are completed on an accounting valuation basis in compliance with Section 3462 of the CPA Canada Handbook. The corporation completes full actuarial valuations once every three years. In the years between full valuations, as in fiscal 2024, actuarial review and extrapolation techniques are used to estimate and update the obligation balances on an annual basis.
- The corporation saw higher than budgeted non-municipal revenue including interest (\$437,619), cost recoveries (\$122,100), and consolidated investment income (\$398,102), largely due to higher interest rates and cost recoveries for additional municipal Pictometry coverage.

SALARIES AND BENEFITS

\$12,769,122 (2023: \$12,545,784)

The year-over-year change in salaries and benefits includes required annual increases under PVSC's Collective Agreement and negotiated adjustments under the approved pay scales.

Budgeted salaries and benefits for the financial year ended March 31, 2024 were \$12,932,638. Expenditures for the year were lower than budget due to the timing of recruitment of new staff and replacements of vacancies.

Salaries and benefits include employee pensions. PVSC's employees are covered under the defined benefit 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.

PVSC accounts for pension expenses in the period when the corporation is obligated to make payments for services rendered by employees.

CONSULTING SERVICES

In 2023-24 consulting services were **\$442,129** vs \$221,886 in 2022-23. Higher expenditures were incurred for an external audit to ensure performance and reliability of PVSC's assessment delivery model, engagements for natural disaster and wildfire assessment impacts, and for a data management review and strategy.

IT OPERATIONS

IT operations in 2023-24 were **\$2,010,528** compared to \$1,699,434 in 2022-23. PVSC experienced increased costs for maintenance and support of its Computer Assistant Mass Appraisal system, hosting services and licensing agreements. Management also undertook measures to strengthen IT defences as part of a multi-year cyber security strategy.

CONCLUSION

PVSC closed the financial year-ended March 31, 2024 with a transfer of \$347 thousand from the Special Operating Reserve.

The corporation met the funding obligations to deliver its core assessment services, fund future employee obligations, and maintain restricted reserve funds. As part of PVSC's regular budgeting process the corporation will review its reserves to help stabilize future budgets and minimize the funding requirements of municipalities.



Consolidated Financial Statements

Property Valuation Services Corporation

March 31, 2024

Contents

	Page
Independent auditor's report	1-2
Consolidated statement of operations	3
Consolidated statement of financial position	4
Consolidated statement of changes in net assets	5
Consolidated statement of cash flows	6
Notes to the consolidated financial statements	7-14
Statement of operations and changes in fund balance	
Operating fund	15
Restricted capital asset fund	16
Technology advancement reserve fund	17
Scholarship reserve fund	18

Independent auditor's report

Grant Thornton LLP
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9
T +1 902 421 1734
F +1 902 420 1068

To the Board of Directors of the Property Valuation Services Corporation

Opinion

We have audited the consolidated financial statements of Property Valuation Services Corporation (the "Corporation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Property Valuation Services Corporation as at March 31, 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit Corporations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Halifax, Canada
June 19, 2024



Chartered Professional Accountants

Property Valuation Services Corporation

Consolidated statement of operations

Year ended March 31	Budget 2024	Actual 2024	Actual 2023
Revenues			
Municipal	\$ 17,532,239	\$ 17,532,243	\$ 17,531,955
Interest	89,273	437,619	226,891
Cost recovery	50,000	122,100	195,356
Investment income	-	398,102	325,003
Unrealized gain (loss) on investments	-	439,695	(260,971)
Amortization of deferred capital contributions	-	74,662	74,662
	<u>17,671,512</u>	<u>19,004,421</u>	<u>18,092,896</u>
Expenses			
Salaries and benefits	12,932,638	12,769,122	12,545,784
IT operations	1,750,282	2,010,528	1,699,434
Rentals and leases	395,110	343,405	454,386
Amortization	-	270,041	295,032
Printing and postage	974,605	1,048,647	970,337
External administrative services	201,297	269,708	296,484
Professional fees	145,716	157,875	228,972
Consulting services	184,385	442,129	221,886
Employee future benefits	193,000	169,187	193,159
Travel	444,695	379,908	342,666
NS Utility and Review Board costs	200,000	219,287	178,988
Staff training and development	131,703	88,522	89,732
Telecommunications	263,406	242,728	228,032
Office and general services	173,508	181,933	197,596
Membership dues and fees	100,094	107,364	92,871
Office meeting	21,073	25,582	12,247
Board expenses	15,000	39,301	34,560
	<u>18,126,512</u>	<u>18,765,267</u>	<u>18,082,166</u>
Excess (shortfall) of revenues over expenses	<u>\$ (455,000)</u>	<u>\$ 239,154</u>	<u>\$ 10,730</u>

See accompanying notes to the consolidated financial statements.

Property Valuation Services Corporation
Consolidated statement of financial position

March 31 2024 2023

Assets

Current		
Cash and cash equivalents (Note 3)	\$ 7,587,461	\$ 7,909,869
Receivables (Note 6)	329,947	307,260
Prepays	<u>550,329</u>	<u>156,190</u>
	8,467,737	8,373,319
Internally restricted investments	2,324,724	2,172,111
Employee future benefits (Note 5)	2,312,682	2,018,594
Capital assets (Note 8)	95,158	33,518
Intangibles (Note 9)	<u>537,788</u>	<u>759,461</u>
	\$ 13,738,089	\$ 13,357,003

Liabilities

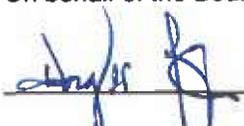
Current		
Payables and accruals (Note 7)	\$ 1,404,891	\$ 1,187,328
Deferred revenue (Note 12)	<u>288,067</u>	<u>149,323</u>
	1,692,958	1,336,651

Net assets (Page 5)		
Restricted Capital Asset Fund (Note 4)	632,107	792,141

Internally restricted reserve funds		
Scholarship Reserve (Note 4)	172,671	-
Technology Advancement Reserve (Note 4)	2,191,461	2,211,519
Special Operating Reserve (Note 4)	3,797,059	7,249,938
Contingency Reserve	4,531,000	1,425,000
Unrealized Post Retirement Gains Reserve (Note 4)	<u>720,833</u>	<u>341,754</u>
	12,045,131	12,020,352
	\$ 13,738,089	\$ 13,357,003

Commitments (Note 10)

On behalf of the Board

 _____ Director	 _____ Director
-------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------

See accompanying notes to the consolidated financial statements.

Property Valuation Services Corporation

Consolidated statement of changes in net assets

Year ended March 31, 2024

	Operating Fund	Scholarship Reserve	Technology Advancement Reserve	Special Operating Reserve	Contingency Reserve	Unrealized Post Retirement Gains Reserve	Restricted Capital Asset Fund	2024 Total
Balance, beginning of year,								
April 1, 2023	\$ -	\$ -	\$ 2,211,519	\$ 7,249,938	\$ 1,425,000	\$ 341,754	\$ 792,141	\$ 12,020,352
Excess (shortfall) of revenues over expenses	276,921	12,671	144,942	-	-	-	(195,380)	239,154
Actuarial valuation adjustments	(214,375)	-	-	-	-	-	-	(214,375)
Inter-fund transfers (Note 4)								
Investment in capital assets and intangibles, net of deferred capital contributions	(35,346)	-	-	-	-	-	35,346	-
Special Operating Reserve	346,879	-	-	(346,879)	-	-	-	-
Unrealized Post Retirement - Gains Reserve	(379,079)	-	-	-	-	379,079	-	-
Scholarship Reserve transfers	5,000	160,000	(165,000)	-	-	-	-	-
Contingency Reserve transfer	-	-	-	(3,106,000)	3,106,000	-	-	-
Balance, end of year,								
March 31, 2024	\$ -	\$ 172,671	\$ 2,191,461	\$ 3,797,059	\$ 4,531,000	\$ 720,833	\$ 632,107	\$ 12,045,131

See accompanying notes to the consolidated financial statements.

Property Valuation Services Corporation

Consolidated statement of cash flows

Year ended March 31

2024

2023

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenues over expenses	\$ 239,154	\$ 10,730
Items not affecting cash and cash equivalents		
Amortization	270,041	295,032
Employee future benefits valuation adjustment	166,239	193,301
Unrealized change in market value on internally restricted investments	(439,695)	260,971
Realized investment income on internally restricted investments	(392,621)	(318,646)
	<u>(156,882)</u>	<u>441,388</u>

Change in non-cash operating working capital

Receivables	(22,687)	(32,222)
Prepays	(394,139)	115,004
Payables and accruals	217,563	(355,660)
Deferred revenue	138,744	(85,264)
	<u>(217,400)</u>	<u>83,246</u>

Investing

Proceeds of restricted investments, net	5,000	-
Purchase of capital assets and intangibles		
Furniture & equipment	(4,301)	(1,681)
Leaseholds	(64,076)	
IT assets	(36,899)	(43,027)
Intangible assets	(4,732)	(74,843)
	<u>(105,008)</u>	<u>(119,552)</u>

Net decrease in cash and cash equivalents (322,408) (36,305)

Cash and cash equivalents, beginning of year 7,909,869 7,946,174

Cash and cash equivalents, end of year \$ 7,587,461 \$ 7,909,869

See accompanying notes to the consolidated financial statements.

Property Valuation Services Corporation

Notes to the consolidated financial statements

March 31, 2024

1. Nature of operations

Property Valuation Services Corporation (the "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 (the "Province"). All municipalities in Nova Scotia are members of the Corporation.

2. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations ("ASNPO") using fund accounting.

Basis of consolidation

These consolidated financial statements include the financial results of Property Valuation Services Corporation and its funds (Operating Fund, Scholarship Reserve, Technology Advancement Reserve, Special Operating Reserve, Contingency Reserve, Unrealized Post Retirement Gains Reserve, and Restricted Capital Asset Fund) which are controlled by Property Valuation Services Corporation.

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

The Scholarship Reserve is internally restricted by the Board of Directors and consists of funds reserved for the annual Property Valuation Services Corporation Memorial Community Award through the NSCC.

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, special projects that advance the Corporation's Strategic goals and/or acquisition of new technologies that would benefit the Corporation.

The Special Operating Reserve represents accumulated operating surpluses that have been internally restricted by the Board of Directors to offset future budget increases in operating expenses. The Special Operating Reserve is allocated by the Board for cost stabilization and to meet specific financial requirements in accordance with the Corporation's Strategic priorities.

The Contingency Reserve represents the maximum cap adequate to fund approximately 120 days of operating expenses. This reserve fund has been internally restricted by the Board of Directors for any interruption in funding or unforeseen expenditures and other requirements to be determined from time to time by the Board of Directors.

The internally restricted Unrealized Post Retirement Gains Reserve reports fluctuations in the market value of financial instruments relating to the investments held for future employee benefits, and the cumulative gain/loss on investments to date.

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

Property Valuation Services Corporation

Notes to the consolidated financial statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Use of estimates

In preparing the Corporation's consolidated financial statements in conformity with ASNPO, 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 consolidated 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.

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, eDelivery and the Permit Data Exchange Project. 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 and intangibles 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 and intangibles

Purchased capital assets and intangibles 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 and intangibles over their estimated life are as follows:

Computerized mass appraisal	10 years, straight-line
Furniture and equipment	5 years, straight-line
Internally developed software	3-7 years, straight line
IT hardware	3 years, straight-line
IT software other	3 years, straight-line
Leasehold improvements	Term of Lease, straight-line

Property Valuation Services Corporation

Notes to the consolidated financial statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Financial instruments

Financial instruments include cash and cash equivalents, internally restricted investments, receivables, payables, and employee future benefits. Internally restricted investments include equity, bond and money market funds.

The Corporation's financial instruments are initially measured at fair value when issued or acquired in arm's length transactions. 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.

Financial assets and financial liabilities obtained in non-arm's length transactions are initially measured at cost, with the exception of certain instruments such as those quoted in active markets which are initially measured at fair value. Gains and losses arising on initial measurement differences are generally recognized in the consolidated statement of operations when the transactions are in the normal course of operations and directly in net assets when the transaction is not in the normal course of operations, subject to certain exceptions.

At each reporting date, the Corporation subsequently measures its financial assets and liabilities obtained in arm's length transactions 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 consolidated statement of operations. The Corporation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the consolidated statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accruals.

Financial assets and financial liabilities obtained on non-arm's length transactions are subsequently measured based on how the Corporation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets.

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 consolidated 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.

Property Valuation Services Corporation

Notes to the consolidated financial statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

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 price risk through its investments quoted in an active market.

Employee benefit plans

The Corporation's defined benefit employee plans are measured using an accounting valuation, with the obligation being determined based on the last actuarial valuation and extrapolated to the fiscal year end date.

Pension benefit plans

The 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 multi-employer 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.

The total expenses for the Corporation's share of the defined benefit pension plan for the year ended March 31, 2024, is \$910,701 (2023 - \$881,369) which is included in salaries and benefits expense.

3. Cash and cash equivalents

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,056,461	\$ 6,484,869
Internally restricted cash and cash equivalents	<u>4,531,000</u>	<u>1,425,000</u>
	<u>\$ 7,587,461</u>	<u>\$ 7,909,869</u>

4. Inter-fund transfers

The Corporation made the following inter-fund transfers through motion and approval by the Board of Directors:

The Scholarship Fund was established with a transfer of \$165,000 from the Technology Advancement Fund. \$5,000 (2023 - \$nil) was transferred from the Scholarship Fund to the Operating Fund for the inaugural PVSC Memorial Community Award.

The Restricted Capital Asset Fund received \$35,346 (2023 - \$44,890) from the Operating Fund relating to income earned from the amortization of deferred capital contributions, net of \$110,008 (2023 - \$119,552) relating to the acquisition of capital assets and intangibles.

Property Valuation Services Corporation

Notes to the consolidated financial statements

March 31, 2024

4. Inter-fund transfers (continued)

The Special Operating Fund transferred \$346,879 to the Operating Fund (2023 - \$740,349 transferred to the Special Operating Fund from the Operating Fund) and \$3,106,000 to the Contingency Fund (to ensure a minimum of 120 days budgeted operating costs, increased from 30 days). The balance in the Special Operating Reserve as at March 31, 2024, consists of amounts internally restricted by the Board of Directors as follows:

- \$140,000 was reserved for an operating loan relating to the creation of a wholly owned subsidiary; and
- \$3,657,059 reserved to be applied to offset future budget increases in operating expenses and strategic initiatives as required.

The Operating Fund transferred \$379,079 to the Unrealized Post Retirement Gains Reserve. This transfer represents the unrealized gains due to the change in market value of the post retirement investment portfolio. The balance in the Unrealized Post Retirement Gains Reserve represents the cumulative unrealized market gains on post retirement funds to date.

5. Employee future benefits

Restricted investments

Restricted investments are held in a professionally managed portfolio, in accordance with the Corporation's investment policy. At the consolidated 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, 2024, were as follows:

	Health Plans	Service Awards	SERP	Total
Fair value plan assets, March 31, 2023	\$3,144,494	\$2,787,354	\$ 370,319	\$6,302,167
Net investment income	152,139	487,308	35,257	674,704
Plan withdrawals	(52,725)	(214,207)	(14,566)	(281,498)
Fair value plan assets, March 31, 2024	3,243,908	3,060,455	391,010	6,695,373

On April 1, 2008, the Corporation acquired the employee non-pension future benefits 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 developed a long term investment policy with actuarial consultants.
- (b) Designated employees transferred to the Corporation, and employees hired since April 1, 2008, 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.

Property Valuation Services Corporation

Notes to the consolidated financial statements

March 31, 2024

5. Employee future benefits (continued)

Restricted investments (continued)

In 2017, the Board confirmed Property Valuation Services Corporation participates in the Supplementary Employee Retirement Plan ("SERP"). Eligible employees receive the benefit upon retirement. The SERP benefit is administered by the Nova Scotia Pension Services Corporation and funded by employer and employee contributions.

The defined benefit obligation as at March 31, 2024, was determined based on an actuarial valuation as at March 31, 2024, as follows:

	Health Plans	Service Awards	SERP	Total
Defined benefit obligation March 31, 2023	\$2,169,207	\$1,904,334	\$ 210,033	\$4,283,574
Payments	(55,673)	(214,207)	(14,566)	(284,446)
Actuarial Revaluations + Interest	109,274	96,608	8,493	214,375
Annual service cost	60,864	108,323	-	169,187
Defined benefit obligation March 31, 2024	2,283,672	1,895,058	203,960	4,382,690
Employee future benefits, net	960,236	1,165,397	187,050	2,312,682

The Corporation completes full actuarial valuations once every three years. In the years between full valuations, actuarial annual reviews and roll-forward techniques are completed to estimate annual obligation balances. The Corporation does not amortize actuarial gains and losses on employee future benefits.

The updated actuarial assumptions for the full actuarial valuation reports for the financial year ended March 31, 2024, are as follows:

	Health Plans	Service Awards	SERP
Discount rate	4.9%	4.8%	4.9%
Rate of compensation and inflation	2.5%	2.5%	Nil

Health care trend

Initial rate: drugs and other health	6.5%
Ultimate rate: drugs and other health	4.5%
Year ultimate reached	(Drugs and Other Health – 2030)

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. The annual service costs and other actuarial estimates adopted by management are reviewed based on the results of the most recent actuarial valuation. However, the Corporation recognizes all actuarial gains and losses for its employee future benefits obligation for health plans and service awards through earnings.

Property Valuation Services Corporation

Notes to the consolidated financial statements

March 31, 2024

5. Employee future benefits (continued)

Restricted investments (continued)

The Corporation accrues its obligations under employees' future benefit plans and the related costs when these benefits are earned through current service.

Benefit Fund balance allocation

The Corporation has internally set aside \$6,695,373 (2023 - \$6,302,167) in investments to pay for the employee future benefit obligations. As of March 31, 2024, the total liabilities were overfunded by \$2,312,682 (2023 - \$2,018,594).

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 Corporation a municipality pursuant to subsection 259 (1) of the Excise Tax Act. Included in receivables is \$193,834 (2023 - \$190,107) for an outstanding HST reimbursement claim.

7. Payables and accruals

	<u>2024</u>	<u>2023</u>
Vacation liability	\$ 404,626	\$ 334,565
Salaries and other benefit accruals	852,990	712,382
Trade payables	<u>147,275</u>	<u>140,381</u>
	<u>\$ 1,404,891</u>	<u>\$ 1,187,328</u>

8. Capital assets

	<u>2024</u>		<u>2023</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 312,215	\$ 307,261	\$ 4,954	\$ 2,137
IT hardware	900,757	861,814	38,943	30,893
Leasehold improvements	<u>293,197</u>	<u>241,936</u>	<u>51,261</u>	<u>488</u>
	<u>\$ 1,506,169</u>	<u>\$ 1,411,011</u>	<u>\$ 95,158</u>	<u>\$ 33,518</u>

Property Valuation Services Corporation

Notes to the consolidated financial statements

March 31, 2024

9. Intangibles			<u>2024</u>	<u>2023</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computerized mass appraisal	\$ 4,937,851	\$ 4,573,324	\$ 364,527	\$ 408,534
Internally developed software				
ingle address	711,175	711,175	-	-
eDelivery	505,910	505,910	-	-
Permit Data Exchange	1,162,755	992,647	170,108	336,216
Open Data	137,305	137,305	-	14,711
Multiple Regression Analysis	374,662	374,662	-	-
Mobile Assessor	384,186	384,186	-	-
IT software other	817,203	814,050	3,153	-
	<u>\$ 9,031,047</u>	<u>\$ 8,493,259</u>	<u>\$ 537,788</u>	<u>\$ 759,461</u>

10. Commitments

- (a) The Corporation has entered into lease agreements for rental of its office premises. The minimum annual lease payments for the next two years are as follows:

2025	\$	206,898
2026	\$	206,898

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

- (b) The Corporation has entered into an agreement for data capture flights (Pictometry). The remaining minimum annual payment under this agreement is as follows:

2025	\$	100,055
------	----	---------

11. Related party transactions

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

12. Deferred revenue			<u>2024</u>	<u>2023</u>
Municipal revenues	\$	213,405	\$	-
Permit Data Exchange		<u>74,662</u>		<u>149,323</u>
	\$	<u>288,067</u>	\$	<u>149,323</u>

13. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

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

Year ended March 31	Budget 2024	Actual 2024	Actual 2023
Revenues			
Municipal	\$ 17,532,239	\$ 17,532,243	\$ 17,531,955
Interest	89,273	437,619	226,891
Cost recovery	50,000	122,100	195,356
Investment income	-	301,105	263,402
Unrealized gain (loss) on investments	-	379,079	(198,107)
	<u>17,671,512</u>	<u>18,772,146</u>	<u>18,019,497</u>
Expenses			
Salaries and benefits	12,932,638	12,769,122	12,545,784
IT operations	1,750,282	2,010,528	1,699,434
Rentals and leases	395,110	343,405	454,386
Printing and postage	974,605	1,048,647	970,337
External administrative services	201,297	269,708	296,484
Professional fees	145,716	157,875	228,972
Consulting services	184,385	442,129	221,886
Employee future benefits	193,000	169,187	193,159
Travel	444,695	379,908	342,666
NS Utility and Review Board costs	200,000	219,287	178,988
Staff training and development	131,703	88,522	89,732
Telecommunications	263,406	242,728	228,032
Office and general services	173,508	181,933	197,596
Membership dues and fees	100,094	107,364	92,871
Office meeting	21,073	25,582	12,247
Board expenses	15,000	39,301	34,560
	<u>18,126,512</u>	<u>18,495,225</u>	<u>17,787,134</u>
Excess of revenue over expenses	<u>(455,000)</u>	<u>276,921</u>	<u>232,363</u>
Fund balance, beginning of year	-	-	-
Actuarial valuation adjustments	-	(214,375)	354,768
Inter-fund transfers			
Investment in capital assets and intangibles	(70,000)	(110,008)	(119,552)
Amortization of Deferred Capital Contributions	-	74,662	74,662
Transfer from Special Operating Reserve	-	346,879	(740,349)
Transfer from Scholarship Reserve	-	5,000	-
Unrealized Post Retirement Gains Reserve	-	(379,079)	198,107
	<u>(70,000)</u>	<u>(62,546)</u>	<u>(587,132)</u>
Fund balance, end of year	<u>\$ (525,000)</u>	<u>\$ -</u>	<u>\$ -</u>

Property Valuation Services Corporation
Statement of operations and changes in fund balance -
Restricted Capital Asset Fund

Year ended March 31	Budget 2024	Actual 2024	Actual 2023
Revenues			
Amortization of deferred capital contributions	\$ -	\$ 74,662	\$ 74,662
Expenses			
Amortization of capital assets and intangibles	<u>-</u>	<u>270,041</u>	<u>295,032</u>
Excess of expenses over revenues	<u>-</u>	<u>(195,379)</u>	<u>(220,370)</u>
Fund balance, beginning of year	792,141	792,141	967,621
Inter-fund transfers			
Amortization of deferred capital contributions	-	(74,662)	(74,662)
Capital asset and intangible purchases	<u>70,000</u>	<u>110,008</u>	<u>119,552</u>
	<u>862,141</u>	<u>827,487</u>	<u>1,012,511</u>
Fund balance, end of year	<u>\$ 862,141</u>	<u>\$ 632,107</u>	<u>\$ 792,141</u>

Property Valuation Services Corporation
Statement of operations and changes in fund balance –
Technology Advancement Reserve Fund

Year ended March 31	Actual 2024	Actual 2023
Revenues		
Investment income	\$ 83,030	\$ 55,600
Realized gains on investments	22,261	18,021
Unrealized loss on investments	<u>53,326</u>	<u>(62,865)</u>
	<u>158,617</u>	10,756
Expenses		
Management and custodial fees	<u>13,675</u>	<u>12,020</u>
Excess (shortfall) of revenues over expenses	<u>144,942</u>	<u>(1,264)</u>
Transfer to Scholarship Fund	(165,000)	-
Fund balance, beginning of year	<u>2,211,519</u>	<u>2,212,783</u>
Fund balance, end of year	<u>\$ 2,191,461</u>	<u>\$ 2,211,519</u>

Property Valuation Services Corporation
Statement of operations and changes in fund balance –
Scholarship Reserve Fund

Year ended March 31	Actual 2024	Actual 2023
Revenues		
Investment income	\$ 4,688	\$ -
Realized gains on investments	1,228	-
Unrealized loss on investments	<u>7,290</u>	<u>-</u>
	13,206	-
Expenses		
Management and custodial fees	<u>535</u>	<u>-</u>
Excess of revenues over expenses	<u>12,671</u>	<u>-</u>
Transfer from Technology Advancement Fund Reserve	165,000	-
Transfer to Special Operating Fund Reserve	<u>(5,000)</u>	<u>-</u>
	160,000	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 172,671</u>	<u>\$ -</u>

CONTACT US

Property Valuation Services Corporation

Suite #6, 15 Arlington Place

Truro, NS

B2N 0G9

WEBSITE

www.pvsc.ca

EMAIL

inquiry@pvsc.ca

PHONE

1-800-380-7775

LINKEDIN

linkedin.com/company/property-valuation-services-corporation/

