MUNICIPAL PROPERTY ASSESSMENT CORPORATION

LET'S GET STARTED

ANNUAL REPORT 2012

Building better communities, **together**.

Compliance Statement

In keeping with the reporting requirements under the *Municipal Property Assessment Corporation Act*, the Corporation has complied with any policies, procedures and standards established by the Minister under section 10, and with the process established regarding the development and implementation of quality service standards by the quality service commissioner.

Table of Contents

Building better communities, together.

Vibrant communities don't happen by accident. They're planned and built with purpose, and paid for with property taxes. And who provides the foundation on which municipalities across Ontario base those taxes? We do.

Community is what we share. To us, it means demonstrating leadership, integrity and openness in every facet of our day-to-day business activities. Accepting the responsibilities of shared stewardship and respecting the rights and interests of others.

In 2012, we built our four-year strategic plan. Launched in January 2013, it is a culmination of the ideas and feedback we received from MPAC's employees and stakeholders. Built from the ground up and the inside-out, it is focused on supporting our stakeholders and Ontario communities through accurate assessments and quality products and services.

The plan will be driven by collaboration and innovation. We believe that collaboration can transform relationships into partnerships and that through innovative products and technology, we can provide property taxpayers and Ontario's communities with better access to information.

We are MPAC. As a high performance organization, we will continue to lead through innovation in the products and services we provide. We are guided by our commitment to property assessment excellence, outstanding service and trust in the delivery of public service.

A new four-year strategy and a commitment to building better communities.

Let's Get Started.

Vision

Property Assessment Excellence...Outstanding Service...Trust

Mission

To serve Ontario property taxpayers together with provincial and municipal stakeholders through accurate and timely property assessments and a commitment to service excellence and efficiency.

Values

SERVICE

Openness and transparency in the delivery of public service.

We treat Ontario's property taxpayers and our stakeholders with respect by listening, communicating clearly and responding in a timely manner.

TEAMWORK

Every employee's contribution is valued.

We work together and recognize the contributions our people bring to the organization.

QUALITY

Confidence and commitment in all that we do.

We take pride in what we do. We are guided by our commitment to quality in our products and services.

INNOVATION

The source of our ideas, the discipline behind our solutions.

We are focused on collaboration and creativity in the development and delivery of our products and services.

PROFESSIONALISM

Expertise through continuous learning.

We are experts in our field. We value ongoing learning and development.

ACCOUNTABILITY

We do what we say we will do.

We are accountable to the people of Ontario and each other.

About MPAC

The Municipal Property Assessment Corporation (MPAC) is a not-for-profit corporation whose role is to accurately value and classify all properties in the province of Ontario.

Funded by Ontario municipalities, MPAC is accountable to the public through a 15-member Board of Directors composed of eight municipal representatives, five members representing property taxpayers and two provincial government representatives. All board members are appointed by the Minister of Finance.

Our People

MPAC is comprised of a dedicated group of assessment professionals who are responsible for accurately valuing and classifying nearly five million properties in Ontario.

We are experts in the field of property valuation and are committed to providing outstanding service to the property taxpayers of Ontario and our provincial and municipal stakeholders.

Our employees understand local real estate markets with the majority working out of one of MPAC's local offices across the province. MPAC also has a Head Office in Pickering and a Customer Contact Centre/Data Processing Facility in Toronto.

Our Role

MPAC is responsible for administering a uniform assessment system based on Current Value Assessment (CVA) in accordance with the legislation set by the Ontario Government.

Our employees inspect and review properties to collect and update assessment information for MPAC's database, answer questions and provide information to property taxpayers, respond to assessment concerns and make adjustments to values, as required.

In **2012**, MPAC delivered its second province-wide Assessment Update under Ontario's four-year cycle, updating the assessments of all properties in the province as of the **January 1, 2012** legislated valuation date. Eligible increases are phased-in over four years **(2013-2016)**.

In non-assessment update years, MPAC is legislatively required to continue to update assessments to reflect changes to properties as well as ownership.

The next province-wide Assessment Update will take place in 2016, effective for the 2017-2020 property tax years, and will be based on a legislated valuation date of January 1, 2016.

MPAC also provides municipalities and local taxing authorities with a range of services including the preparation of annual assessment rolls used by municipalities/ local taxing authorities to calculate property taxes. In addition, MPAC conducts municipal enumerations in order to prepare a Preliminary List of Electors for municipalities and school boards during election years.

AboutMyProperty.ca

Your Property.
Our Assessment.
Know more about it.

www.aboutmyproperty.ca

Property owners can check the accuracy of their assessment at aboutmyproperty.ca.

This website allows owners to easily compare the value of their property to others in their neighbourhood and community. Registration information is included with every Property Assessment Notice mailed.

If property owners believe their assessment is not correct, they have the option of filing a Request for Reconsideration and MPAC will review their assessment, free of charge.

Message From Our Chair

DAN MATHIESON

2012 marks an important turning point for the Municipal Property Assessment Corporation.

The theme of our Annual Report is *Let's Get Started* – appropriate given that the work accomplished in 2012 has provided the organization with a framework and vision for the next four years.

Our new strategic plan is an ambitious one. In September, we announced that MPAC's plan had the potential to save as much as $20 million over the next four years.

These savings will be achieved through 18 strategic initiatives which we plan to implement over 2013-2016.

Our Board of Directors is aware of the challenges that agencies like ours face in providing greater value to partners and stakeholders. The strategy calls for innovative uses of technology as well as new business processes that will help reduce costs while sustaining our business operations.

The success of many of our plan's strategic initiatives will require support from our partners. We will actively reach out to all our stakeholders – particularly our municipal partners – in 2013 as we begin to take action on our plans.

For the first time, the Board was able to commit to a four-year expenditure plan, allowing us to provide municipalities with estimated annual increases in funding requirements through 2016.

As Mayor of Stratford, I am pleased to report that, barring unforeseen changes, annual increases will be limited to 0.95 per cent from 2013 through 2016. This is only possible as a result of our commitment to freeze operational expenses as well as the implementation of our 18 strategic initiatives.

At the same time, we will continue to improve services to municipalities and property taxpayers.

2012 was also an update year for MPAC. We successfully completed the first province-wide Assessment Update since 2008; a record of almost five million properties with a total value of $2.17 trillion were assessed. We also added $24.3 billion in new assessment to municipal rolls in 2012.

Our focus was not only on delivering updated assessments to every property owner in the province; we also moved the bar on transparency and access to information.

We encouraged property owners to learn more about how and why their property was assessed the way it was through our redesigned AboutMyProperty™ web application.

Message From Our Chair

DAN MATHIESON

(continued from page 5)
The convenience of a 24-hour self-serve application, coupled with the advanced technology that we added for 2012, shows that by combining advanced technology with new and innovative thinking, MPAC is meeting the challenge faced by all public sector organizations – delivering greater value to stakeholders.

Our Board of Directors plays a key role in representing municipalities, property taxpayers as well as the Government and we are all aware of the challenges faced by our stakeholders and partners. We are also working to ensure that MPAC's products and services are top-notch and timely.

I would like to take this opportunity to welcome the directors who joined the MPAC Board in 2012. We added five new municipal representatives: Ken Hughes (Deputy City Treasurer for the City of Ottawa); Bob Kilger (Mayor, City of Cornwall); Bill Rayburn (Chief Administrative Officer, Middlesex County); Mary Smith (Mayor, Township of Selwyn); and John Skorobohacz (Chief Administrative Officer, City of Innisfil).

Alf Chaiton (President, Tweedsmuir Green Power Group); and Navdeep Bains (Distinguished Visiting Professor, Ted Rogers School of Management, Ryerson University) joined as the Board's new taxpayer representatives in 2012. To learn more about our Board membership, see page 26 of this report.

On behalf of the Board of Directors, I would also like to take this opportunity to thank Steve Delaney, Al Edmondson, Laura Leyser, Lori Shalhoub, Mike Wood and Steve Zorbas whose terms ended in 2012.

MPAC's new strategy provides the framework and vision to ensure that we stay focused and on track and I look forward to working with the Board and everyone at MPAC as we continue to deliver quality assessment services to Ontarians.

Message From our President and Chief Administrative Officer

ANTONI WISNIOWSKI

2012 was very much a year of transition and transformation.

We rolled out our second Assessment Update as part of Ontario's four-year property assessment cycle and made a number of enhancements to both our products and services that effectively changed the way we interact with property taxpayers and our stakeholders.

In support of the province-wide Assessment Update, we launched MPAC's first MarketSnapshot. This report provided context for property owners about the change in Ontario's property market as reflected in the updated assessments mailed in the fall of 2012. The report draws on our professional expertise and experience as one of the largest property assessment jurisdictions.

We received some great feedback on this communication and as part of our commitment to openness and transparency, we will continue to release MarketSnapshot reports to reflect changes in Ontario's market – a critical part of our ongoing analysis and review of property assessments.

AboutMyProperty™ also proved to be a great service touch point for property taxpayers in 2012. With more than 150,000 registered users, Ontario property owners were provided with easy access to information on their own property as well as the ability to compare their assessment with others in their community. In 2012, we also enabled property taxpayers to enter updates to their property data directly into the AboutMyProperty™ application.

These types of proactive and interactive communications provide MPAC with opportunities to educate property taxpayers on our role in valuation and taxation – a key component of our new 2013-2016 strategic plan.

An important part of MPAC's new four-year strategic plan is focused on building communities and this began in earnest in late 2012.

This year, we met with employees and stakeholders and asked them what they wanted to see happening by 2016 as a result of our work together. The feedback we received provided the foundation for our new four-year strategic plan.

Message From our President and Chief Administrative Officer

ANTONI WISNIOWSKI

(continued from page 7)
At its foundation is the concept of building Ontario's communities and to further support this, MPAC has partnered with Habitat for Humanity Canada. As responsible corporate citizens, giving something back to the communities that we serve and in which we live has always been a priority for us. We value properties and we all know how valuable homes are in our lives.

The alignment between our two organizations could not be better.

An overarching theme within our new plan is innovation. Not only in the traditional sense in terms of technology, but also as a discipline and thought process. Innovation can be applied not only to what we offer in terms of products and services but also to how we offer it and who we offer it to. In this regard, innovation will touch each and every one of our plan's 18 strategic initiatives and will enable us to change the way we deliver public service.

Our partnerships with our municipal and provincial stakeholders will play a key role in achieving these goals. As a result, both our municipal and provincial stakeholders can expect to see more opportunities from MPAC for engagement over the next four years.

MPAC's 2013-2016 strategic plan has some aggressive but very doable outcomes that through our work together, will drive cost-savings, create operational efficiencies and ultimately transform the way we do our work, deliver our products and our services, and bring value to public service.

Let's Get Started.

Ontario's Property Assessment System

There are four main components in Ontario's property assessment and taxation system. Each plays an important role.

The Provincial Government passes legislation, sets property tax policies and sets education tax rates.

The Municipal Property Assessment Corporation establishes Current Value Assessments and classifications for all properties in Ontario.

Municipalities determine their revenue requirements, set municipal tax rates and collect property taxes.

The Assessment Review Board, an independent tribunal that is part of the Environment and Land Tribunals Ontario cluster which reports to the Ontario Ministry of the Attorney General, hears assessment appeals from property taxpayers.

Four-Year Assessment Cycle & Phase-in Program

In 2008, the Government of Ontario introduced a four-year Assessment Update cycle and the phase-in of assessment increases.

The phase-in program provides an additional level of property tax stability and predictability where eligible market increases in assessed value between the legislated valuation dates are phased in over four years. The full benefit of any decrease is applied immediately.

In 2012, MPAC delivered its second province-wide Assessment Update under Ontario's four-year cycle, updating the assessments of all properties in the province as of the January 1, 2012 legislated valuation date. Eligible increases are phased in over four years (2013-2016).

In non-assessment update years, MPAC is legislatively required to continue to update assessments to reflect changes to properties as well as ownership.

Ontario's Assessment Cycle

The chart below shows each year that MPAC has delivered a province-wide assessment. Each legislated valuation date and the applicable tax year(s) are also shown.

	2002	2003	2005	2008	2012	2016
	2003 tax year	2004-2005 tax years	2006-2008 tax years	2009-2012 tax years	2013-2016 tax years	2017-2020 tax years
Legislated Valuation Date:	JUN 30, 2001	JUN 30, 2003	JAN 1, 2005	JAN 1, 2008	JAN 1, 2012	JAN 1, 2016

2012
Assessment Update

From Ontario's Chief Assessor

Our 2012 values reflect local real estate markets and confirm that most homeowners in the province have seen the value of their homes increase over the last four years. Our assessment professionals work across the province and review the sales taking place in the real estate market as well as look at all of the key features of a property that affect its value.

> Overall, Ontario residential property owners will see an average assessment increase of approximately 4.5% in 2013.

Residential property values have increased by an average of 18 per cent across Ontario since 2008 when the last Assessment Update was delivered. Because of the four-year phase-in program, property owners will see an average assessment increase of approximately 4.5 per cent each year for the next four years.

Some highlights:

- Ottawa, the Greater Toronto Area and communities across northern Ontario experienced the largest increases in values, ranging from 20-30 per cent over four years;
- communities in southwestern Ontario and Niagara experienced the lowest increases, on average 10 per cent or less over the same period;
- waterfront property value increases, which have risen significantly in previous assessment updates, have moderated to 12 per cent on average since 2008, less than the provincial average for residential property; and,
- farmland value increases significantly outpaced the average increase in residential values in most areas of the province.

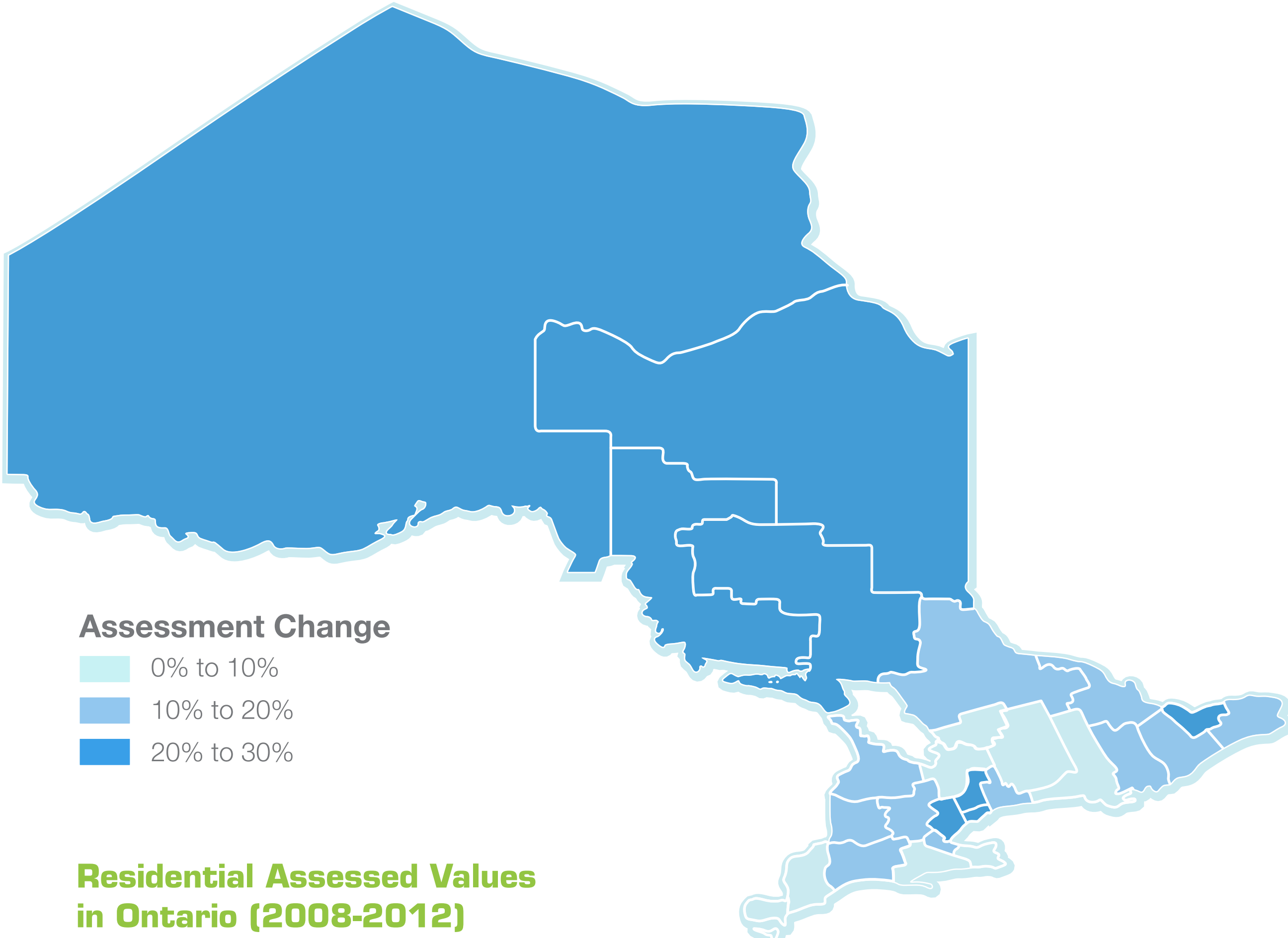
MPAC's role is to accurately assess every property in Ontario. Property owners should ask themselves if they could have sold their property for its assessed value on January 1, 2012 (legislated valuation date for 2013-2016 property tax years). If the answer is yes, then their assessment is accurate. If not, we are committed to working with them to get it right.

Building better communities, together.
MPAC's assessments provide the foundation on which municipalities across Ontario base property taxes. Property taxes help pay for education and the services we use in the communities in which we live.

It is the accuracy of MPAC's assessments that help ensure property owners pay their fair share of property taxes – and nothing more. We are committed to accuracy and fairness and if a property owner has a concern or question about their assessment, we want to hear from them.

We are committed to providing quality assessments for Ontario's nearly five million properties, and the following pages provide some property assessment statistics from 2012, including our assessment roll quality.

Larry Hummel, M.I.M.A., FRICS
MPAC Chief Assessor



Residential Assessed Values in Ontario (2008-2012)

The value of residential properties (e.g., detached, semi-detached, condominium) in Ontario increased by an average of 18% between January 1, 2008 and January 1, 2012 according to the 2012 Assessment Update. As a result of the phase-in program, property owners will see an average increase of approximately 4.5% for each of the next four property tax years (2013-2016).

Assessment Roll Quality

2012 Assessment Update

MPAC is committed to producing accurate property assessments for Ontario's nearly five million properties.

To help determine the quality of an Assessment Update, the relationship between the assessed amount and the actual sale value of a property that sold in the base year is calculated. This is the Assessment-to-Sale Ratio (ASR). The closer the ratio is to 1.00, the more accurate the assessment.

The median of a group of numbers is the middle number after they have been sorted from lowest to highest. When the ASRs for numerous properties are examined, their median can be determined for each property type.

An assessment quality review includes an analysis of how tightly the ASRs are clustered about their median. The more uniform the assessments, the lower their Coefficient of Dispersion (COD). As market activity decreases, or as the complexity of properties increases, the COD will usually increase.

The success of the 2012 Assessment Update (legislated valuation date of January 1, 2012 used for 2013-2016 property tax years) is measured by comparing these calculations with ASR and COD standards prepared by the International Association of Assessing Officers (IAAO). Our 2012 Assessment Update exceeded those standards.

Property Type	Median Assessment-to-Sale Ratio				Coefficient of Dispersion (%)			
	IAAO Standard	**2012 Results**	2008 Results	2005 Results	IAAO Standard	**2012 Results**	2008 Results	2005 Results
Residential/Farm	.90-1.10	**0.99**	0.99	0.98	5.0-15.0	**7.62**	7.54	7.53
Multi-Residential	.90-1.10	**0.99**	0.98	0.95	5.0-15.0	**12.97**	11.41	10.20
Commercial/Industrial	.90-1.10	**0.98**	1.01	0.93	5.0-20.0	**16.76**	15.98	15.57

Resolving Assessment Concerns

MPAC is committed to working with property owners to answer their questions and provide the information they need to better understand their property assessment.

Checking the Accuracy of Your Assessment

MPAC's role is to accurately value and classify all properties in Ontario. A key component to accurate assessments is having the most current information. If a property owner has a concern about the information included on their Property Assessment Notice, he/she should contact MPAC. We will verify all the information on file for the property to ensure it is accurate and up-to-date. In 2012, MPAC introduced the ability to verify and update property information online – directly through aboutmyproperty.ca.

Through aboutmyproperty.ca, property owners can also access the same type of information used by MPAC to establish the values on which property taxes are based. Registration information for AboutMyProperty™ was included with every Notice mailed in the fall of 2012. Information requests can also be made in writing to MPAC.

Four Keys to AboutMyProperty™

There are four main sections in aboutmyproperty.ca – designed to help property owners better understand their assessment.

My Notice – Here property owners will find a copy of their 2012 Property Assessment Notice and can view it online, save or print a copy.

My Property – Property owners can check the information MPAC has on file for their property and get a detailed Property Profile Report. If any information is out-of-date or incorrect, updates can be sent to MPAC directly through aboutmyproperty.ca.

My Neighbourhood – Comparing a property assessment to similar sold properties in the area can help determine its accuracy. By using an interactive map of their community, property owners can create their own Properties of Interest list with access to as many as 100 property snapshots and up to 24 detailed property reports – all free of charge.

My MPAC – In this section, property owners can learn about the role that MPAC plays in providing a foundation for fair taxation. To accurately assess properties in Ontario, MPAC looks at all the major factors that affect market value, including site and structural information, lot size and recent sales information.

Resolving Assessment Concerns

Filing a Request for Reconsideration

Property taxpayers can ask MPAC to review their assessment through a Request for Reconsideration (RfR). This review is free and the deadline to file a review of the annual assessed value is March 31 of the current tax year. Property owners should always check their most recent Notice for RfR details. The RfR form can be downloaded from our website or obtained by calling MPAC. Property taxpayers also have the option to file a RfR online through AboutMyProperty™.

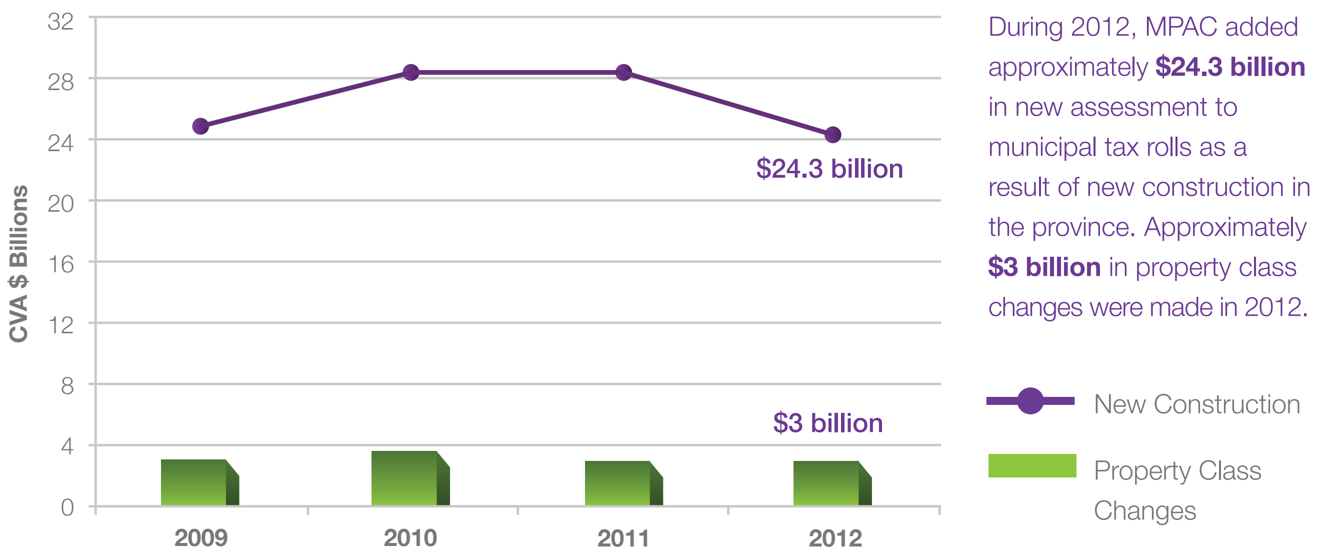
MPAC makes every attempt to review each RfR within 60 days. However, properties with unique or complex circumstances may take longer. MPAC is committed to keeping property owners apprised of the status of their RfR. Beginning mid-2013, property taxpayers can visit aboutmyproperty.ca to review the status of their RfR. Property taxpayers may also choose to file an appeal, for a fee, with the Assessment Review Board (ARB), an independent tribunal of the Ministry of the Attorney General of Ontario. If a property, or a portion of it, is classified as residential, farm or managed forest, the property owner must first file a RfR with MPAC before being eligible to file an Appeal with the ARB. The classification of a property is included on every Property Assessment Notice. Details on the RfR and Appeal processes are included on the information insert mailed with every Notice.

Indicators of Assessment Quality

RfRs and Appeals filed with the ARB are key indicators of assessment quality and property owners' acceptance of their assessments. The chart below shows the number of RfRs and Appeals that were completed in each taxation year, regardless of the assessment roll(s) in question, and the associated assessment reductions.

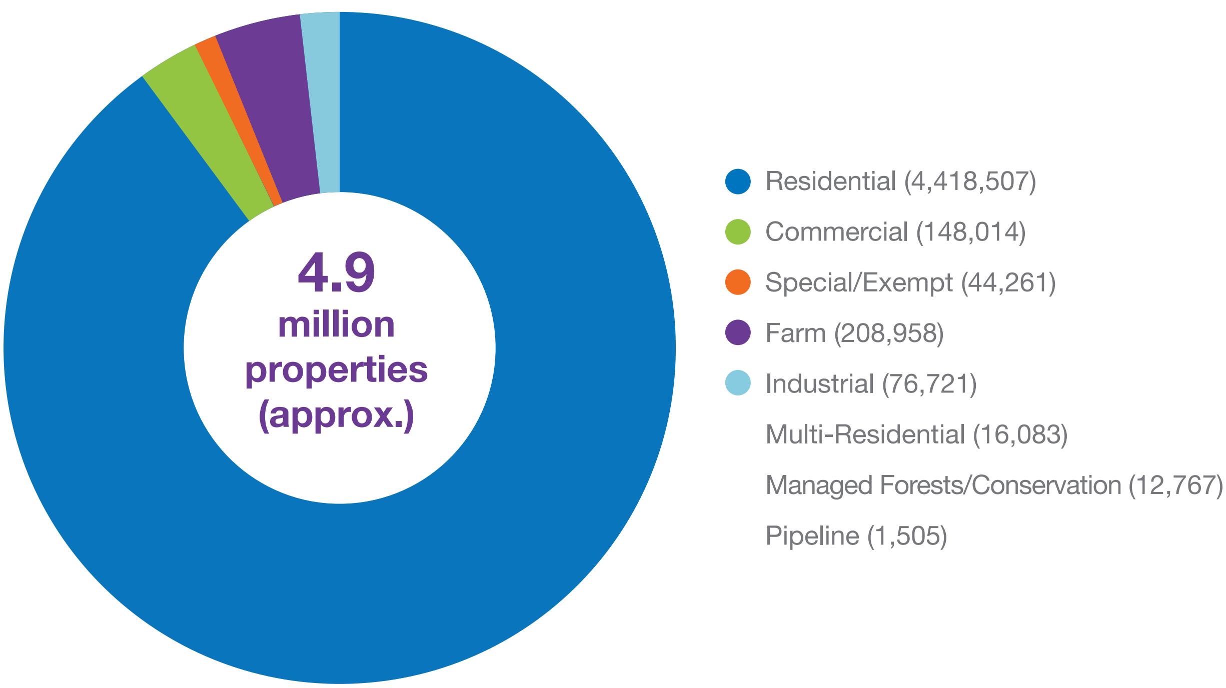
Property Valuation Date	January 1, 2008							
Taxation Year	2009		2010		2011		2012	
	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction
Requests for Reconsideration	179,503	$3.43 B	39,545	$1.67 B	29,804	$1.27 B	24,000	$1.46 B
Assessment Review Board Appeals	19,069	$3.53 B	25,981	$3.92 B	4,797	$3.62 B	18,867	$10.88 B
TOTAL	198,572	$6.96 B	65,526	$5.59 B	34,601	$4.89 B	42,867	$12.34 B
Percentage of all Properties	4.24%		1.38%		0.71%		0.88%	
Percentage of Total Assessment		0.41%		0.32%		0.27%		0.68%

Assessment Statistics:
Supplementary and Omitted Assessments



During 2012, MPAC added approximately **$24.3 billion** in new assessment to municipal tax rolls as a result of new construction in the province. Approximately **$3 billion** in property class changes were made in 2012.

Assessment Statistics:
Property Types as of Roll Return



Assessment Statistics:

Current Value Assessments of Properties at Roll Return

The assessed values and property counts in Ontario are distributed amongst the various property types as follows:

					NEW CYCLE	
PROPERTY TYPE	**2008 ($)**	**2009 ($)**	**2010 ($)**	**2011 ($)**	**2012 ($)**	**2012 PROPERTY COUNTS**
Residential	1,206,379,686,352	1,224,585,786,205	1,248,257,477,200	1,274,660,627,762	1,542,547,677,161	**4,418,507**
Multi-Residential	62,454,148,111	62,568,051,391	62,969,705,866	62,545,553,108	79,679,531,614	**16,083**
Commercial	212,826,460,645	216,586,195,035	221,717,018,286	223,770,657,579	258,469,491,493	**148,014**
Industrial	81,261,940,170	81,745,517,726	82,163,583,444	82,180,626,909	93,557,396,076	**76,721**
Pipeline	8,297,908,700	8,301,371,200	8,332,329,900	8,360,373,400	9,028,390,700	**1,505**
Farm	62,252,457,605	62,403,965,199	62,763,612,314	63,082,414,906	85,357,776,210	**208,958**
Managed Forests/ Conservation	1,964,844,700	2,160,942,750	2,278,199,653	2,420,077,658	2,870,880,500	**12,767**
Special/ Exempt	82,314,871,612	83,394,609,198	84,963,852,737	89,123,272,210	106,668,748,446	**44,261**
TOTALS	**1,717,752,317,895**	**1,741,746,438,704**	**1,773,445,779,400**	**1,806,143,603,532**	**2,178,179,892,200**	**4,926,816**

Note: To provide an additional level of property tax stability and predictability, the market increases in assessed value between 2008 and 2012 have been phased in over four years (2013-2016). The phase-in does not apply to decreases in assessed value. The full amount of a decrease will be applied for the 2013 property tax year.

Assessment Statistics:
Property Counts

The total number of properties contained in the 2012 assessment roll returns to all municipalities was **4,926,816** – an increase of **57,667** over the 2011 assessment roll returns.

Assessment Statistics:
Total Property Values

The total assessed value of all properties in Ontario for the 2012 assessment roll returns rose from **$1.81 trillion** to **$2.17 trillion**. All market increases between 2005 and 2008 are phased in over four years. The final year of the phase-in cycle is 2012. The phase-in does not apply to decreases in assessed value. The full benefit of any decrease is applied immediately.

Assessing Residential Properties

Five major factors account for 85% of the value:

- Location
- Lot Dimensions
- Living Area
- Age of the Property (adjusted for any major renovations or additions)
- Quality of Construction

In addition to the key features of a property, MPAC also looks at sales. The sales used by MPAC as part of its valuation process have been validated. This means that we only use those sales that are determined to be the result of open, arm's length transactions that have taken place in the market between a willing seller and a willing buyer. This process excludes estate and other sales where factors other than the market have had an impact on price.

Assessment Market Statistics:
Average Property Value

$442,107
(2012 Current Value Assessment)

2012 Fast Facts

- Updated assessments and mailed Property Assessment Notices for Ontario's nearly **five million** properties with a total value of $2.17 trillion.
- Mailed nearly **one million** Notices to capture in-year changes to properties.
- More than **150,000** property owners registered for the new and improved aboutmyproperty.ca (September-December).
- More than **1.6 million** property snapshots viewed through AboutMyProperty™ (September-December).
- Delivered **400** assessment rolls to municipalities.
- Welcomed more than **700,000** visitors to mpac.ca.
- Responded to more than **332,000** enquiries received through our Customer Contact Centre.
- Completed more than **337,000** unique property reviews.
- Hosted more than **1,200** meetings and outreach initiatives with municipalities, government representatives, business and property taxpayer groups.

Measuring MPAC's Organizational Health

Our Balanced Scorecard and Key Performance Indicators

The Balanced Scorecard is a strategic planning and management tool that aligns our business goals and objectives with our strategic plan and Vision, Mission and Values. Essentially, it is a tool that enables us to keep a check on our organizational health.

Implemented in 2010, MPAC's Balanced Scorecard translates our strategic objectives into measurable targets across four quadrants: Customer Service Excellence, Operational Excellence, Organizational Effectiveness and Financial Effectiveness. It provides employees with a clear picture of the organization's Key Performance Indicators (KPIs) in a clear, easy-to-understand and easy-to-measure framework. It provides them with a clear line of sight between what they do and how it contributes to the organization's corporate KPIs.

The following outlines some of the highlights from our 2012 Balanced Scorecard.

Customer Service Excellence

The KPIs in the Customer Service Excellence quadrant focus on customer satisfaction as well as the accuracy and timeliness of MPAC's products and services. Some of these products and services include mpac.ca, the property inspection experience, aboutmyproperty.ca and MPAC's Property Assessment Notices.

In 2012, **84.5** per cent of MPAC's property taxpayers were satisfied with our products and services and **91.5** per cent of property taxpayers indicated that they were very satisfied/satisfied with the property inspection experience. In addition, **99.04** per cent of our assessments were accepted without a Request for Reconsideration or Appeal.

> As part of its commitment to service excellence with Ontario's municipalities, MPAC added **$24.3 billion** in supplementary and omitted assessments to municipal rolls through building improvements and new construction.

In 2013 and as part of our commitment to become a valued brand recognized for property information, valuation and services, we will continue to focus on enhancing our products and services. We want to provide property taxpayers and our stakeholders with more access to information and self-serve options through the innovative use of technology.

Operational Excellence

The KPIs in this quadrant answer the question "What do we need to excel at?" Here we measure the reliability and stability of our assessment roll and the property review cycle.

One of MPAC's key objectives is to maintain the 12-year property review cycle that was reached in 2011. MPAC achieved this objective in 2012 and reviewed **355,613** unique properties. These reviews were conducted through a combination of on-site re-inspections, sales investigations, Appeals, Requests for Reconsiderations, building permits and questionnaires.

In 2013, we will continue to remain focused on our day-to-day operational requirements and will use the Rapid Results 100 day project methodology to achieve the outcomes and strategic initiatives in our new four-year strategic plan.

Through this methodology we will experiment, validate and implement innovations that support many of the KPIs on our Balanced Scorecard.

Organizational Excellence

MPAC's Organizational Excellence quadrant is made up of KPIs that answer the question "How well are we managing and sustaining our workforce?" In 2012, MPAC's annual employee survey results showed a five per cent increase over 2011 in its Employee Engagement Indices.

In addition, **74** per cent indicated that the President and Chief Administrative Officer, Vice-Presidents and Directors communicate a clear strategy and vision of where the organization is going versus **48** per cent in 2011. Additional results indicated that the leadership team is making great strides in not only communicating its vision and strategy, but also in linking that strategy to employees' day-to-day roles, goals and objectives.

70% of employees indicated that they would recommend MPAC as an employer, up from **56%** in 2011.

In 2013, the organization will continue to provide communication and engagement opportunities for employees through the 100 day Rapid Results projects. This methodology will be applied to MPAC's 18 strategic initiatives and will empower employees from a cross-section of the organization to lead teams focused on innovation and finding ways to enhance our products and services.

Financial Effectiveness

This quadrant examines MPAC's high-level financial measures and looks at "How efficiently, economically and effectively we manage our financial resources."

MPAC's Business Development team once again surpassed their KPI target and celebrated another record year in revenue generation.

In 2012, MPAC generated more than $7.7 million in revenue through products such as the Automated Valuation Model and propertyline™.

MPAC's large clients in the financial services and insurance markets use hundreds of our products every day. This alternative source of revenue is used to offset the fees charged to MPAC's municipal funding partners and results in savings for Ontario's property taxpayers.

Value for money is one of the indicators that MPAC uses to determine its financial efficiency. This year, MPAC's cost to produce $1,000 in assessment was $0.10 – below our KPI commitment of $0.11.

MPAC's new four-year strategic plan has the potential to save as much as $20 million over the course of four years. The strategy's outcomes and initiatives are guided by the recommendations found in the Ombudsman's Report, the Auditor General's Report and the Drummond Report, which urged public sector agencies to do more with less.

Financial Highlights

Statements of Financial Position

(in thousands of dollars)

	December 31, 2012 $	December 31, 2011 $ (restated)
Assets		
Current assets		
Cash	12,632	13,486
Investments	61,247	55,646
Accounts receivable	2,970	3,731
Prepaid expenses	2,207	2,206
	79,056	***75,069***
Capital assets	17,984	17,972
Intangible assets	910	264
	97,950	***93,305***
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	21,280	20,322
Bank loan	431	414
Deferred revenue	936	815
Lease obligations	1,228	-
	23,875	***21,551***
Deferred revenue	2,467	3,524
Employee future benefits	26,439	22,571
Inducements – rent and renovations	1,593	1,739
Bank loan	37	468
	54,411	***49,853***
Net Assets		
Unrestricted funds	8,741	1,976
Reserve for working funds	15,000	16,012
Reserve for enumeration	2,600	1,300
Reserve for corporate projects	-	3,810
Reserve for assessment update	-	3,000
Invested in capital and intangible assets	17,198	17,354
	43,539	***43,452***
	97,950	***93,305***

Statements of Operations

For the years ended December 31, 2012 and December 31, 2011

	2012 $	2011 $ (restated)
Revenue		
Municipal	188,769	182,562
Interest	2,256	1,664
Unrealized gains on investments – net	67	1,641
Other	9,139	8,422
	200,231	194,289
Expenses	200,144	185,105
Excess of revenue over expenses for the year	**87**	**9,184**

Note: It is suggested the financial highlights be reviewed along with Audited Financial Statements and the Notes to the Statements.

Executive Management Group

Antoni Wisniowski
President and Chief Administrative Officer

Larry Hummel
Chief Assessor, Office of the Chief Assessor

Rose McLean
Vice-President and Chief Operating Officer, Valuation and Customer Relations

Joan Young
Vice-President, Stakeholder Relations and Communications

Nicole McNeill
Vice-President and Chief Financial Officer, Corporate Services

Don Leblond
Vice-President and Chief Strategy Officer, Governance and Strategy

Fariba Anderson
Vice-President and Chief Information Officer, Information Services

Lucy Foster
Executive Director, Board Governance

Lee Taylor
Executive Director, Business Development

Board of Directors

MPAC is directly accountable to the public through its 15-member Board of Directors. The Board is composed of **eight** municipal representatives, **five** property taxpayer representatives and **two** provincial government representatives. All Board members are appointed by the Minister of Finance.

Municipal Representatives

Ken Hughes

Mr. Hughes is the Deputy City Treasurer for the City of Ottawa and the President of the Ontario Municipal Tax and Revenue Association (OMTRA). He has been engaged in the fields of finance, financial management, audit, fraud investigation and internal control review for more than 25 years. Mr. Hughes has worked in public accounting, management consulting and taught in the areas of audit, internal control and finance in private industry and federal and municipal government. Mr. Hughes has earned a CMA, an MBA and a Bachelor of Commerce degree.

Bob Kilger

Mr. Kilger is the Mayor of Cornwall. He previously served the residents of Stormont-Dundas as a Member of Parliament from 1988 to 2004. After being first elected to the House of Commons in 1988, Mr. Kilger moved into more senior government responsibilities, most notably Chief Government Whip and Deputy Speaker of the House of Commons. A businessman in private life, Mr. Kilger was part-owner of a franchise restaurant. In 1992, he was inducted into the Cornwall Sports Hall of Fame in recognition of his hockey career that included success as a player, coach of the Memorial Cup Champion Cornwall Royals, and a 10-year career officiating in the National Hockey League. Mr. Kilger is actively involved in a number of community projects in Cornwall.

Dan Mathieson (Chair)

Mr. Mathieson is in his third term as Mayor of Stratford, Ontario. He currently sits on numerous Boards and committees in healthcare, municipal affairs, law enforcement, athletics, universities, colleges and not-for-profits including the Stratford Shakespeare Festival, the Advisory Board of the University of Waterloo – Stratford Campus, Kings University College at the University of Western Ontario, a founding Director of the Stratford Institute, and a national Director of the Fathers of Confederation Buildings Trust and the Confederation Centre of the Arts in Charlottetown, PEI. Mr. Mathieson is also a Governor on the Board of iCanada and is on the Advisory Board for Walsh University – Institute for the Study of the Intelligent Community. Mr. Mathieson holds a Bachelor of Arts Degree from the University of Guelph and a Masters of Public Administration Degree from the University of Western Ontario. He was recently chosen by the Canadian Advanced Technology Alliance (CATA) to receive the Queen Elizabeth II Diamond Jubilee Medal, paying tribute to community leaders whose endeavours have set them apart as technology innovators.

Doug Nadorozny

Mr. Nadorozny is Chief Administrative Officer for the City of Greater Sudbury. Before his current appointment, Mr. Nadorozny was a technology entrepreneur and business owner. He also holds a Masters of Business Administration from Laurentian University and is presently a member of the Thorneloe University Board of Directors and past Chair of the Greater Sudbury Chamber of Commerce. Mr. Nadorozny is also actively involved in his community and a member of several Boards.

John Skorobohacz

Mr. Skorobohacz is the Chief Administrative Officer for the Town of Innisfil. Prior to his current position, Mr. Skorobohacz was the Chief Administrative Officer for the City of Windsor and prior to that City Clerk for the City of Burlington. Mr. Skorobohacz holds a Bachelor of Arts in Political Science from McMaster University along with a Diploma in Public Administration from the University of Western Ontario. Mr. Skorobohacz is a graduate of the Directors College, a joint program of McMaster University and Conference Board of Canada. In addition to being an active member of the United Way Cabinet for the Greater Simcoe County, Mr. Skorobohacz also sits on several Boards as well as being Chair of Innisfil Hydro.

Mary Smith

Ms. Smith is the Mayor of the Township of Selwyn (previously known as the Township of Smith-Ennismore-Lakefield) and is a Council Member for the County of Peterborough. Prior to this role, Ms. Smith was elected Deputy Reeve for the Township of Smith-Ennismore-Lakefield. Ms. Smith is the Acting Chair of the Peterborough Lakefield Police Services Board and is a member of the Peterborough County-City Board of Health, the Peterborough County Land Division Committee, the Peterborough County Awards and Bursaries Committee, and the Ennismore Community Centre Renovation Project Committee. Ms. Smith is also a strong advocate on environmental issues and is the Chairperson of the Municipal Sub-Committee and a member of the Trent Conservation Coalition – Drinking Water Source Protection Committee.

James Wilson

Mr. Wilson is the Chief Administrative Officer for the County of Haliburton. Mr. Wilson holds an Honours Bachelor of Arts in Political Science and Urban Studies, and a Masters in Political Science from the University of Windsor. He is currently the Treasurer of the Minden Rotary Club and an active member of the Association of Municipal Managers, Clerks and Treasurers of Ontario. Mr. Wilson has also served on the Board of Directors for the Association of Municipalities of Ontario from 2002-2010 including two years as its Secretary Treasurer.

Bill Rayburn

Mr. Rayburn has served as the Chief Administrative Officer for the County of Middlesex for the last 14 years. Prior to his current role, Mr. Rayburn served as the Chief Administrative Officer of Cobalt. From 1998-2005, Mr. Rayburn also led one of the largest pension funds in North America serving as a member of the OMERS Executive Committee since 1998 and also as Chair of the OMERS Board in 2003. Mr. Rayburn holds a number of diplomas and degrees in public administration including an undergraduate degree from Queen's University in Political Science and a Masters degree in Public Administration from the University of Western Ontario.

Taxpayer Representatives

Navdeep Bains

Mr. Bains served as a Member of Parliament for Mississauga-Brampton South from 2004 to 2011 and has extensive parliamentary committee experience and in-depth knowledge of public policy. He completed his Masters in Business Administration (MBA) from the University of Windsor and has also obtained the Certified Management Accountant (CMA) designation. Prior to being elected as a Member of Parliament, he worked in Accounting and Financial Analysis at Ford Motor Company of Canada. Presently, Mr. Bains is a Distinguished Visiting Professor, Ted Rogers School of Management, Ryerson University.

Alf Chaiton

Mr. Chaiton is the President of Tweedsmuir Green Power Group, a company specializing in developing small hydro projects in Ontario. Mr. Chaiton's other roles have included Senior Advisor to the Mayor of Ottawa, Senior Policy Advisor to the federal Minister of Industry, Trade and Commerce, and Senior Fellow at the Centre on Governance at the University of Ottawa. He co-founded the Forum for International Trade and was the founding Chairman of the Capital Hill Group. Mr. Chaiton holds an Honours Bachelor of Arts degree from the University of Toronto, a Masters of Science degree from the London School of Economics and a Masters of Arts degree from the Ontario Institute of Studies in Education.

Victor Fiume

Mr. Fiume is a Principal of Fiume Brothers Custom Homes, whose core businesses include land development, home building and renovation. His previous experience includes land development, home building and residential rental properties as well as managing a large land lease community and portfolio of residential, commercial and industrial rental properties in Toronto. Mr. Fiume has been involved in the housing industry for over 30 years. He is past President of the Canadian Home Builders' Association, the Ontario Home Builders' Association and the Durham Region Home Builders' Association. He served as an Associate Member of the Tarion Warranty Corp. Board of Directors, and on advisory committees, councils and task forces related to housing issues province-wide.

Debra Marshall

Mrs. Marshall is Vice-President of Robert Thomas Estate Vineyards and through her consulting business acts as Operations Manager for an internationally owned winery operation in the 1000 Islands. She is involved with the agriculture industry and has been a farmer in Prince Edward County for the past 14 years. She also sits on a number of Boards and is the Chair of the Prince Edward Lennox Addington Community Futures Development Corporation and continues to be active in the Grape Growers of Ontario, the Provincial Marketing Board for Grapes, where she sits as a Director. Debra was employed in the Financial industry from the mid-1980s to 1995 holding various positions in Human Resources, Compensation, and Marketing and Sales Management with companies such as Metropolitan Life, Sun Alliance, Prudential of England and Zurich Life.

Provincial Representatives

David P. Setterington (Vice-Chair)

Mr. Setterington is a member of the Ontario and Canadian Institutes of Chartered Accountants and was elected as a Fellow of the Institute in 2000. Mr. Setterington recently retired as a senior partner of a public accounting firm in Leamington. He has served on several committees of the Institute of Chartered Accountants of Ontario and is presently chair of the Professional Conduct Committee and has served as a member of this committee since 2005. Prior to that, Mr. Setterington was chair, and a member of the Discipline Committee for 12 years.

Board Committees

Both the Chair and Vice-Chair of the Board are ex-officio members of the Quality Assurance and Audit Committees.

Quality Assurance Committee

The purpose of the Quality Assurance Committee is to oversee the operations of MPAC from a quality standpoint, to promote a quality culture in the organization, and to advise the Board of Directors of any concerns or issues warranting attention. This includes activities related to MPAC's core assessment business and other initiatives such as enumeration and business development functions.

The Chair of the Quality Assurance Committee is Doug Nadorozny (MR). Other members include, Bob Kilger (MR), John Skorobohacz (MR), Debra Marshall (TR) and Alf Chaiton (TR).

Audit Committee

The Audit Committee is established by the Board of Directors to enable the Board to fulfill its oversight responsibilities in relation to:

- the integrity of the Corporation's financial statements and financial reporting process;
- the effectiveness of management's internal control framework and management information systems;
- the performance of the Corporation's internal and external auditors;
- management's assessment and stewardship of enterprise risks; and,
- critical legal and litigation activity facing the Corporation.

The Chair of the Audit Committee is David P. Setterington (PR). Other members include Ken Hughes (MR), Jim Wilson (MR), Navdeep Bains (TR) and Victor Fiume (TR).

Legend
MR – Municipal Representative
TR – Taxpayer Representative
PR – Provincial Representative

Contact Us

Customer Contact Centre

P.O. Box 9808
Toronto ON M1S 5T9

Monday to Friday – 8 a.m. to 5 p.m.

Toll Free 1 866 296-MPAC (6722)
1 877 889-MPAC (6722) TTY
Toll Free Fax 1 866 297-6703

Head Office

1340 Pickering Parkway, Suite 101
Pickering ON L1V 0C4

Telephone 905 831-4433
Toll Free 1 877 635-MPAC (6722)
Fax 905 831-0040

Field Office Locations

North
Kenora, Dryden, Fort Frances, Thunder Bay, Sault Ste. Marie, Timmins, Sudbury, North Bay, Bracebridge, Parry Sound

East
Bancroft, Pembroke, Ottawa, Cornwall, Brockville, Kingston, Trenton

Central North East
Barrie, Peterborough, Oshawa, Richmond Hill

City of Toronto
Toronto

Golden Horseshoe
Mississauga, St. Catharines, Hamilton, Brantford

West
Kitchener, London, Chatham, Windsor-Essex, Sarnia, Goderich, Owen Sound

www.mpac.ca
www.aboutmyproperty.ca

MPAC's dedicated team of assessment professionals are responsible for accurately valuing and classifying Ontario's nearly five million properties.

www.mpac.ca
www.aboutmyproperty.ca