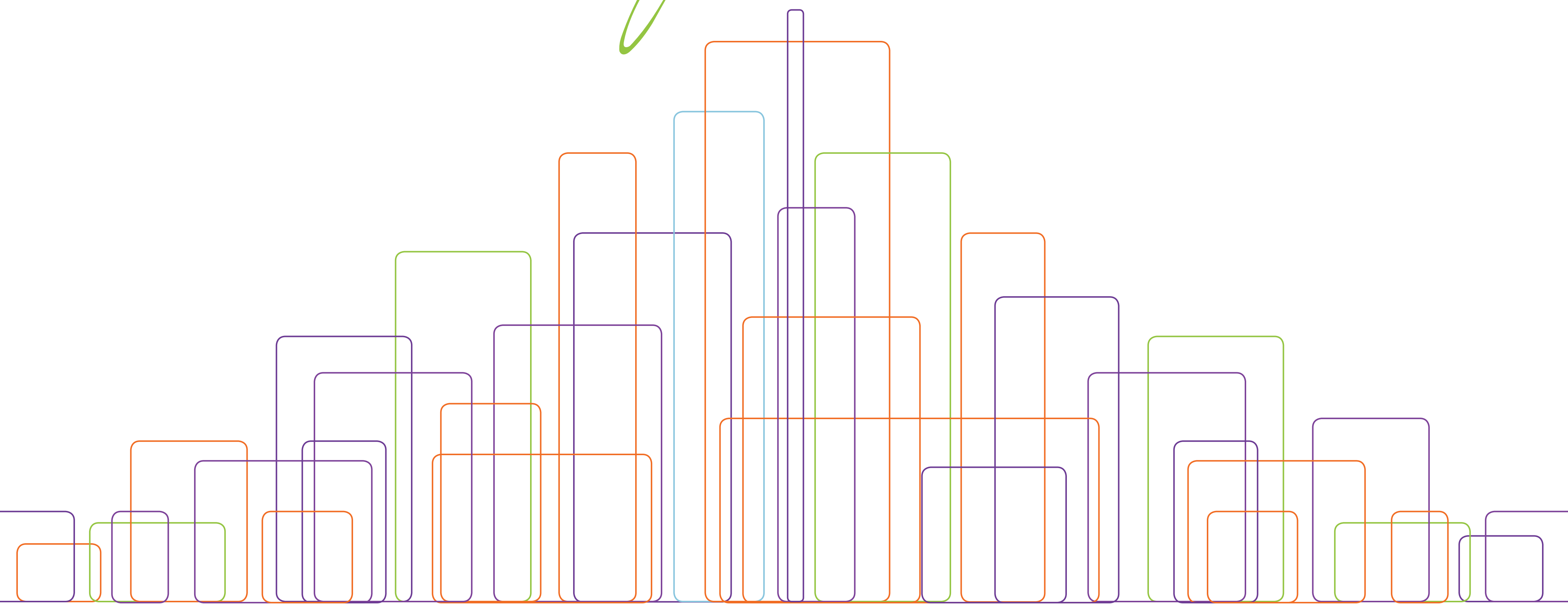
Building better communities, *together.*



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

2013 ANNUAL REPORT

Table of Contents

3 About MPAC

Governance

8 Message from our Chair

10 Board Governance

11 Board of Directors

13 Strategic Plan 2013–2016

14 Strategic Plan – Budget 2013–2016

Operations

16 Message from our President

18 Strategic Outcomes & Initiatives

20 Strategic Plan Highlights

22 2013 Year In Review

27 Balanced Scorecard

30 Financial Highlights

Building better communities, together

33 Corporate Social Responsibility

Contact Information

36 Contact Us

About MPAC

MPAC is an independent, not-for-profit corporation funded by all Ontario municipalities, accountable to the province, municipalities and property taxpayers through a 15-member Board of Directors.

We are the largest assessment jurisdiction in North America, responsible for assessing and classifying properties in compliance with the *Assessment Act* and related regulations set by the Government of Ontario. We do not establish property taxes.

We provide a range of services, including the preparation of annual assessment rolls for use by municipalities and the Province of Ontario to calculate property taxes and education taxes.

MPAC's province-wide Assessment Updates of property values have exceeded international standards of accuracy and our property assessors are trained experts in the field of property valuation.

As part of our commitment to support and build better communities across Ontario, MPAC has officially partnered with Habitat for Humanity Canada.

VISION

Property Assessment Excellence
Outstanding Service
Trust

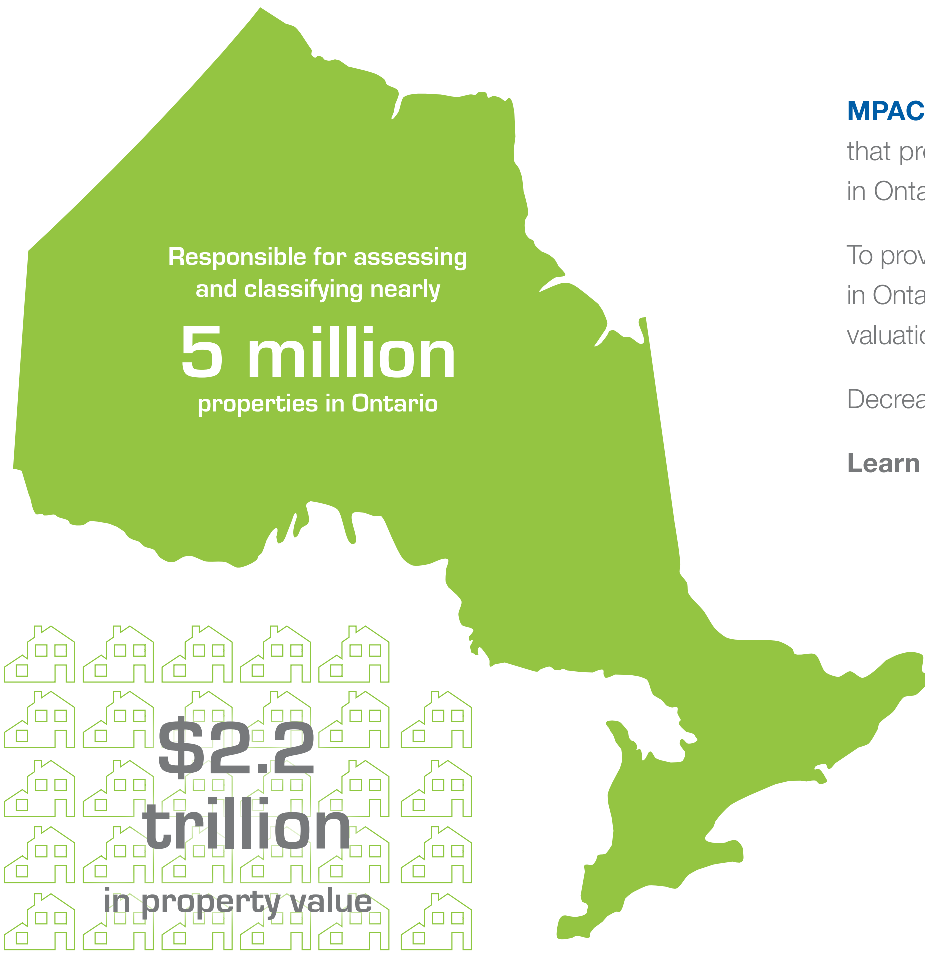
MISSION

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 • Teamwork • Quality • Innovation
Professionalism • Accountability

About MPAC



MPAC prepares and delivers Property Assessment Notices that provide the classification and assessed value for all properties in Ontario based on a legislated valuation date.

To provide an additional level of property tax stability and predictability in Ontario, market increases in assessed value between the legislated valuation dates are phased in over four years.

Decreases in assessed value are applied immediately.

Learn more at mpac.ca.

About MPAC

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 assessment policies and determines education tax rates.

The Municipal Property Assessment Corporation
determines 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
as an independent tribunal hears assessment appeals.

Property Assessment Update Cycle (2005–2016)

Each Assessment Update year has a legislated valuation date which applies for subsequent property tax years.

In 2012, MPAC updated all properties in Ontario to reflect the valuation date of January 1, 2012. These updated assessments are applicable for the 2013-2016 property tax years. Assessment increases are phased in over four years in Ontario to provide property tax stability and predictability.

About MPAC

Assessment Services

MPAC currently assesses and classifies nearly five million properties, more than any other assessment jurisdiction in North America, with an estimated total value of $2.2 trillion dollars.

Our assessment professionals are experts in the field of property valuation and use industry standard mass appraisal techniques and state-of-the-art valuation tools.

We provide a range of assessment services, including the preparation of annual assessment rolls for use by municipalities and the Province of Ontario to calculate property taxes and education taxes.

MPAC utilizes complex property appraisal techniques and statistical analysis to maintain appraisal standards and uniformity of assessments throughout the province. We estimate fair market values using property sales, cost of construction and income information. Our data quality is an integral part of our business and one that we take seriously.

We estimate fair market values using property sales, cost of construction and income information. Our data quality is an integral part of our business and one that we take seriously.

AboutMyProperty.ca

YOUR PROPERTY. OUR ASSESSMENT.
KNOW MORE ABOUT IT.

About MPAC

People Services

MPAC is legislatively responsible for collecting occupant information (name, date of birth, citizenship and school support) for municipal, District Social Services Administration Boards and school board elections. This information is used by MPAC to create a Preliminary List of Electors, provided to municipalities, school boards and District Social Services Administration Boards to help these organizations create the final Voters Lists for municipal and school board elections.

MPAC continuously updates its enumeration data throughout the year by collecting information through its Tenant Information Program.

In an election year, MPAC undertakes various enumeration activities to confirm or collect occupant information about each individual owning or occupying property in Ontario. In 2013, MPAC began its enumeration activities in support of the 2014 municipal and school board elections with the development of voterlookup.ca.

HAVE YOUR SAY.
LOG ON TODAY.
VoterLookUp.ca

Value-Added Services

In addition to its core deliverables of assessment and people services, MPAC also delivers innovative products and value-added services to a number of sectors including banks, mortgage firms and other assessment jurisdictions across Canada.

Our Business Development team works with valuation experts to facilitate the introduction of new products to the marketplace.

They also help to develop partnerships that support MPAC's goals and objectives to find cost-savings and operational efficiencies as well as meet the expectations from various stakeholder groups.

The surplus derived from this stream of MPAC's operations is used to offset the funding paid by municipalities to support the organization.

propertyline.ca
Your property information solution

Message From Our Chair

Dan Mathieson

The Board of Directors has set ambitious goals for the organization as part of a new strategic plan built with input from a broad cross-section of our stakeholders. MPAC has a clear path for the next four years culminating in the delivery of the next province-wide Assessment Update of Ontario's nearly five million properties in 2016.

At the core of MPAC's 2013-2016 Strategic Plan are eight strategic outcomes that include improved understanding and trust in MPAC's role; shared understanding and commitment to quality and consistency; professional, accredited and sustainable workforce; and the transformation of our stakeholder relationships into true partnerships.

Our leadership team has set the course for MPAC's delivery of the outcomes through 18 strategic initiatives that serve as the roadmap for 2013-2016.

Our stakeholders have been very clear in terms of what they expect from us. Many municipalities across Ontario are faced with increased costs for delivering services, and they have said to us very clearly that we need to be responsive to those pressures.

In 2013 (year one of the plan), MPAC already found efficiencies and improved effectiveness in a number of areas across its operations. This has permitted MPAC to actualize savings of $4.5 million in 2013 as part of the overall commitment of $20 million in savings by the end of the strategy in 2016.

In December 2012, I first shared the Board of Directors' commitment to a 0.95% increase for each of 2013, 2014, 2015 and 2016 in terms of municipal funding requirements. This is the first time the Board has committed to a four-year forecast. The only way the Board could have made this commitment to a less than 1% forecast was as the result of the efforts of staff to reduce expenses in conjunction with the four-year plan.

Members of the public expect us to be a modern, transparent organization and we are responding with innovative solutions.

(continued...)

Message From Our Chair

Our stakeholders will see ongoing transformation at MPAC over the coming years as new technology and investment in our workforce impact the strategy and character of our organization.

At the end of 2013, the Ministry of Finance released the Special Purpose Business Property Assessment Review and Recommendations report. MPAC agrees with each of the recommendations which are aligned with the Board's commitment to better serve all Ontarians.

Our work in this area started in 2012 with the Board's approval of the 2013-2016 Strategic Plan. The Board agrees with the report's findings that there are some challenges in specialized and unique types of business properties and we are committed to finding solutions to deliver greater levels of service and improving our assessment processes. We look forward to continuing to work with the province and their timelines to make the changes necessary to improve Ontario's property assessment system.

We began this four-year journey with the idea of **building better communities, together**. Vibrant communities don't happen by accident – they're planned and built with purpose, and paid for with property taxes. MPAC plays an integral role in this process by providing the foundation on which municipalities base those taxes.

"…community means demonstrating leadership, integrity and openness in every facet of our business…"

To the Board and MPAC staff, community means demonstrating leadership, integrity and openness in every facet of our business activities as well as accepting the responsibilities of shared stewardship and respecting the interests of others.

I encourage all our stakeholders to learn more about our progress in 2013 through this Annual Report and to share your feedback with us as we continue to support stakeholders and Ontario communities through innovation and collaboration.

Board Governance

The MPAC Board of Directors provides governance to the organization to ensure overall direction, effectiveness, supervision and accountability through quarterly meetings as well as regular meetings of two committees of the Board – Quality Assurance and Audit.

Quality Assurance Committee

The Quality Assurance Committee oversees 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. This includes activities related to MPAC's core assessment.

Chair: Doug Nadorozny
Members: Bob Kilger, John Skorobohacz, David P. Setterington, Alf Chaiton

Audit Committee

The Audit Committee enables the Board to fulfill its oversight in relation to the integrity of the Corporation's financial statements and financial reporting process. They also oversee the effectiveness of management's internal control framework and information systems, performance of internal and external auditors, management's assessment and stewardship of enterprise risks and critical legal and litigation activity facing the organization.

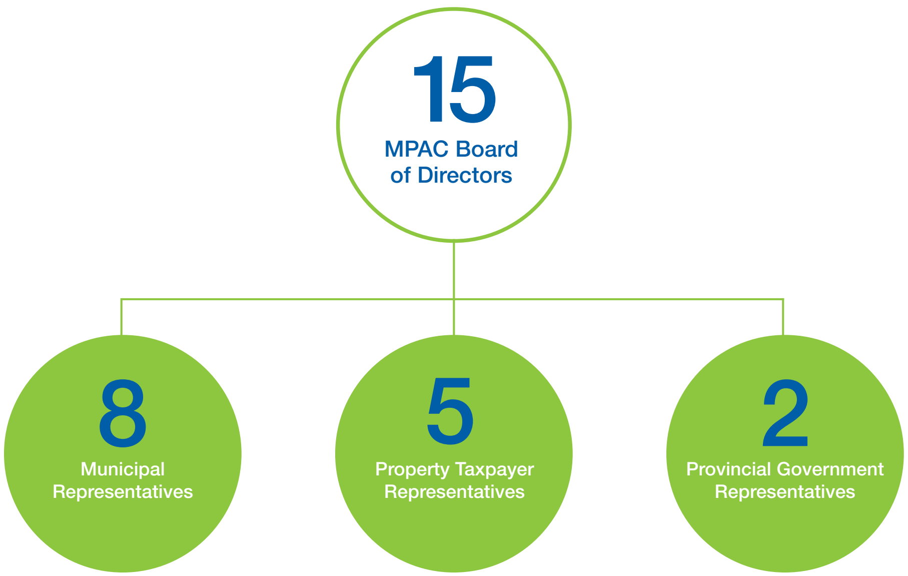
Chair: David P. Setterington
Members: Ken Hughes, Navdeep Bains, John Skorobohacz, Alf Chaiton

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

Board of Directors

MPAC is directly accountable to the public through its 15-member Board of Directors.

All Board Members are appointed by the Minister of Finance.



Taxpayer Representatives

Navdeep Bains – Distinguished Visiting Professor, Ted Rogers School of Management, Ryerson University

Alf Chaiton – President, Tweedsmuir Green Power Group

Provincial Representatives

David P. Setterington (Vice-Chair) – Member of the Ontario and Canadian Institutes of Chartered Accountants

Board of Directors

Municipal Representatives

Ken Hughes – Auditor General for the City of Ottawa; past President of the Ontario Municipal Tax and Revenue Association (OMTRA)

Bob Kilger – Mayor, City of Cornwall

Dan Mathieson (Chair) – Mayor, City of Stratford

Doug Nadorozny – Chief Administrative Officer, City of Greater Sudbury

John Skorobohacz – Chief Administrative Officer, Town of Innisfil

Mary Smith – Mayor, Township of Selwyn

Bill Rayburn – Chief Administrative Officer, Middlesex County

For more information about members of MPAC's Board of Directors, visit **mpac.ca**.

Strategic Plan 2013-2016

Strategic Outcomes

Improved public understanding and trust in MPAC's role.

Shared understanding and commitment to quality and consistency.

Transformation of stakeholder relationships into true partnerships.

Fair, healthy and respectful work environment.

Integrated planning and execution enabled by flexible allocation of funds and staff.

Professional, accredited and sustainable workforce that attracts, develops and retains top talent.

Progressive revenue generation and cost-effective service delivery.

Innovative, universal, reliable technology to access information.

Announced September 2012 — Commenced January 2013

MPAC's 2013-2016 Strategic Plan was developed in 2012 with input from a broad cross-section of MPAC stakeholders. It was formally reviewed and approved by MPAC's Board of Directors, whose members are municipal, taxpayer and provincial representatives.

The plan is guided by the recommendations found in the Ombudsman's Report, Auditor General's Report and the report of the Drummond Commission on the Reform of Ontario's Public Services, which urged public sector agencies to do more with less.

In 2013 (year one of the plan), MPAC has found efficiencies and improved effectiveness in a number of areas across its operations. This permitted MPAC to actualize savings of **$4.5 million in 2013** and a further forecasted **$5.4 million for 2014** as part of its overall commitment of **$20 million** in savings by 2016.

Strategic Plan — Budget 2013-2016

Commitment to finding efficiencies and savings

In 2013, MPAC found efficiencies in a number of areas across its operations. This has permitted the organization to actualize savings of $4.5 million in 2013 as part of the overall commitment to save $20 million by 2016.

Strategic Investments
Increased investment in capital to improve quality of data capture and delivery

Market Driven Growth
Increases in requested permits, growth in multi-residential properties

Legacy Obligations
Inflationary & long-term Human Resources legacy costs

Cost Impacts & Investment Decisions

100%
$20.6 Million
in savings by 2016

Cost Savings & Mitigation

45%
Changes to business processes
Streamlining of business processes

23%
Additional revenue offsets
Change in investment mix and increase in the sales of value-added products

21%
Operational efficiencies
Leveraging innovative business practices to produce operational efficiencies

6%
Alternative work arrangements
Implementation of a workplace strategy

5%
Procurement strategy
Adoption of vendor of record framework for IT suppliers

2013–2016

Strategic Plan — Budget 2013-2016

Commitment to our stakeholders

The benefits of the efficiencies and improved effectiveness found by MPAC as part of its plan to deliver the outcomes and initiatives in the 2013-2016 Strategic Plan are being passed along to municipal stakeholders.

MPAC's targeted four-year expenditure plan was announced in December 2012 with the Board of Directors' commitment to increases of less than 1% for 2013, 2014, 2015 and 2016.

This forecast is based on the status quo and may need to be revisited if there are unplanned changes to the organization's workload responsibilities as a result of legislative or regulatory change.

The commitment to increases of 0.95% for four years is only possible as a result of the implementation of MPAC's Strategic Plan, which is expected to bring savings through innovations and improved products and services.

Funding Requirement

2013	2014	2015	2016
0.95%	0.95%	0.95%	0.95%

Under the *Municipal Property Assessment Corporation Act*, MPAC's funding requirements are apportioned to each municipality using a formula that reflects the proportionate relationship of an individual municipality's or taxing authority's assessed values and total property counts as compared to all of Ontario. These two indicators are averaged to reflect a 50% weighting for total assessed value and a 50% weighting for total number of properties.

Message from our President and Chief Administrative Officer

Antoni Wisniowski

Message from the President

Sometimes the prospect of *organizational transformation* can seem daunting – but what if you could generate operational efficiencies and cost savings and achieve major change in 365 days? That is what we did in 2013 as part of MPAC's 2013-2016 Strategic Plan and commitment to building better communities across Ontario.

With a focus on our stakeholders and our commitment to *openness and transparency in the delivery of public service*, we used collaboration, innovation and technology to effect change in our organization and mark significant progress on key elements of the 18 strategic initiatives and eight outcomes in our 2013-2016 Strategic Plan.

Through the use of our Rapid Results methodology, we mobilized teams to achieve tangible results in a 100-day period to reduce cycle time, increase throughput, eliminate work objects, increase non-municipal revenues and improve our brand position.

Some key results have been realized in 2013, our first year of the strategy:

- Addition of more than $27 billion in new construction growth to municipal rolls.
- Review and processing of 122,000 Requests for Reconsideration from property taxpayers.
- Support of the Assessment Review Board's commitment to clear the backlog through the disposition of 52,000 appeals on 15,000 properties and reducing pre-2012 appeals from 80,000 to 33,000.
- Progress towards reaching $20 million in savings by the end of 2016 through actualized savings of $4.5 million in 2013 and a commitment to a further $5.4 million in savings for 2014 ($3.7 million of these savings are as a direct result of our strategic initiatives and outcomes).

Openness and transparency were overarching themes in the Special Purpose Business Property Assessment Review undertaken by the Ministry of Finance in 2013.

(continued...)

Message from our President and Chief Administrative Officer

The report identified a series of recommendations, many directed at MPAC, but others directed at the property assessment system as a whole and its other stakeholders – including municipalities and the Assessment Review Board.

Acknowledging that the majority of the property assessment and tax system is working well, the report also highlighted the challenges in specialized and unique types of business properties. We are committed to working to find solutions that help improve the assessment system in this area.

A number of the recommendations in the report demonstrate strong alignment with our 2013-2016 Strategic Plan. Looking ahead to 2014, we will continue to execute on our strategy and work with the Ministry of Finance, municipalities and our other stakeholders to begin implementing the recommendations in the report.

We are committed to finding ways to strengthen the property assessment system and I look forward to working with all of our stakeholders to ensure there is a shared understanding of our roles and responsibilities in ensuring fairness, accuracy, stability and predictability for the property taxpayers of Ontario.

"The best public service would drive relentlessly towards effectiveness and efficiency, goals that complement each other." **– Don Drummond,** 2012

Strategic Outcomes & *Initiatives*

STRATEGIC OUTCOME:

Improved public understanding and trust in MPAC's role.

Strategic Initiatives:

- MPAC is a valued brand recognized for property information, valuation and services.
- Employees will represent a professional brand through visual identity at the door.

STRATEGIC OUTCOME:

Shared understanding and commitment to quality and consistency.

Strategic Initiatives:

- By 2016, 100% of available assessment growth is captured within 12 months of commencement of use.
- 100% of land transfer statements (LTTS/A) will include MPAC's required sales and occupancy information.

STRATEGIC OUTCOME:

Transformation of stakeholder relationships into true partnerships.

Strategic Initiatives:

- Deliver the 2016 preliminary values for properties to municipalities and taxpayers by the end of 2015.
- All permit inspections are triggered through third party notification of commencement of use.
- 100% of severances and new residential construction inventory updates accomplished through third party data supply.
- By 2016, MPAC will respond to and resolve all outstanding appeals within the four-year assessment cycle.

"We have embraced the Drummond Report's recommendation of driving relentlessly toward effectiveness and efficiency. I believe this is a good investment in the future and one that will save all municipalities money by reducing duplication through finding efficiencies."

– Antoni Wisniowski
President and Chief Administrative Officer

Strategic Outcomes & *Initiatives*

STRATEGIC OUTCOME:

Fair, healthy and respectful work environment.

Strategic Initiative:

- At least 3 out of 10 employees will have an alternate work arrangement that improves service delivery, drives down cost and improves work-life balance.

STRATEGIC OUTCOME:

Integrated planning and execution enabled by flexible allocation of funds and staff.

Strategic Initiatives:

- 100% of property inventory at risk will be complete and confirmed.
- Define and reposition the People Registry line of business.

STRATEGIC OUTCOME:

Professional, accredited and sustainable workforce that attracts, develops and retains top talent.

Strategic Initiatives:

- By 2016, all Property Valuation Analysts, Property Valuation Specialists and all MPAC Managers will hold a required accreditation.
- Defined succession plans and recruitment strategies are implemented for the top 10 property valuation roles at risk in the corporation.

STRATEGIC OUTCOME:

Progressive revenue generation and cost-effective service delivery.

Strategic Initiatives:

- Implement an activity-based service delivery model to improve operations and drive performance.
- Achieve at least $10 million in profits for value-added products.

STRATEGIC OUTCOME:

Innovative, universal and reliable technology to access information.

Strategic Initiatives:

- Top 10 taxpayer interactions with MPAC will be available through a self-service platform for each property type.
- 100% of field work activities will be completed by employees with an appropriate tool-kit.
- Top 10 MPAC/Stakeholder business processes will be enabled through integrated B2B services.

Strategic Plan Highlights

In September 2012, MPAC announced its new four-year Strategic Plan focused on using innovation and technology to create operational efficiencies and drive transformation. In 2013, we began executing on the eight outcomes and 18 initiatives that make up the plan and made significant progress in many areas.

Highlights from Year One

TRANSFORMATION OF STAKEHOLDER RELATIONSHIPS INTO TRUE PARTNERSHIPS:

Deliver the 2016 preliminary values for properties to municipalities and taxpayers by the end of 2015

MPAC developed and validated new prototypes to assist with sales investigations and income/expense reviews, ensuring the organization was well on its way to delivering preliminary values one year ahead of the next province-wide Assessment Update in 2016.

By 2016, MPAC will respond to and resolve all outstanding appeals within the four-year assessment cycle

MPAC worked to change its business process triggers from Assessment Review Board dockets to appeal filing date and defined requirements for an appeal work management system.

INNOVATIVE, UNIVERSAL, RELIABLE TECHNOLOGY TO ACCESS INFORMATION:

Top 10 MPAC/Stakeholder business processes will be enabled through integrated B2B services

In 2013, MPAC created a Business to Business (B2B) Architecture Model which resulted in a 43% increase in standardized data submissions from municipalities.

Strategic Plan Highlights

SHARED UNDERSTANDING AND COMMITMENT TO QUALITY AND CONSISTENCY:

By 2016, 100% of available assessment growth is captured within 12 months of commencement of use

MPAC was able to reduce backlog and improve throughput resulting in **81%** of new construction growth added within 12 months of commencement of use in 2013.

PROGRESSIVE REVENUE GENERATION AND COST-EFFECTIVE SERVICE DELIVERY:

Implement an activity-based service delivery model to improve operations and drive performance

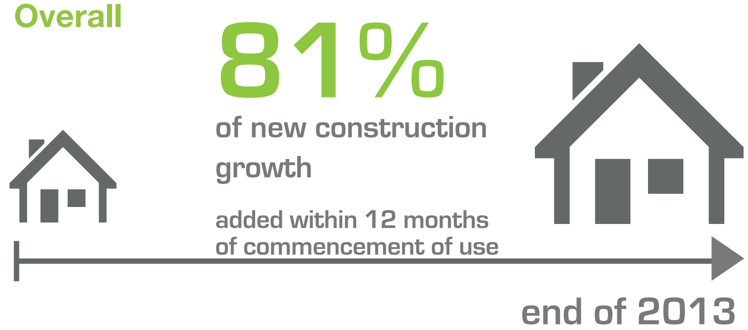
MPAC successfully developed a Municipal Taxation Statement self-service portal prototype **achieving 25%** of its four-year goal.

Achieve at least $10 million in profits for value-added products

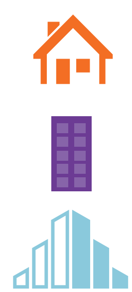
Municipalities' share of MPAC expenses has been decreasing over time, due primarily to growth in innovative/value-added services and investment returns. In 2013, more than $12 million of expenses were funded by sources other than the municipal levy.

ASSESSMENT GROWTH

Overall



By Property Type



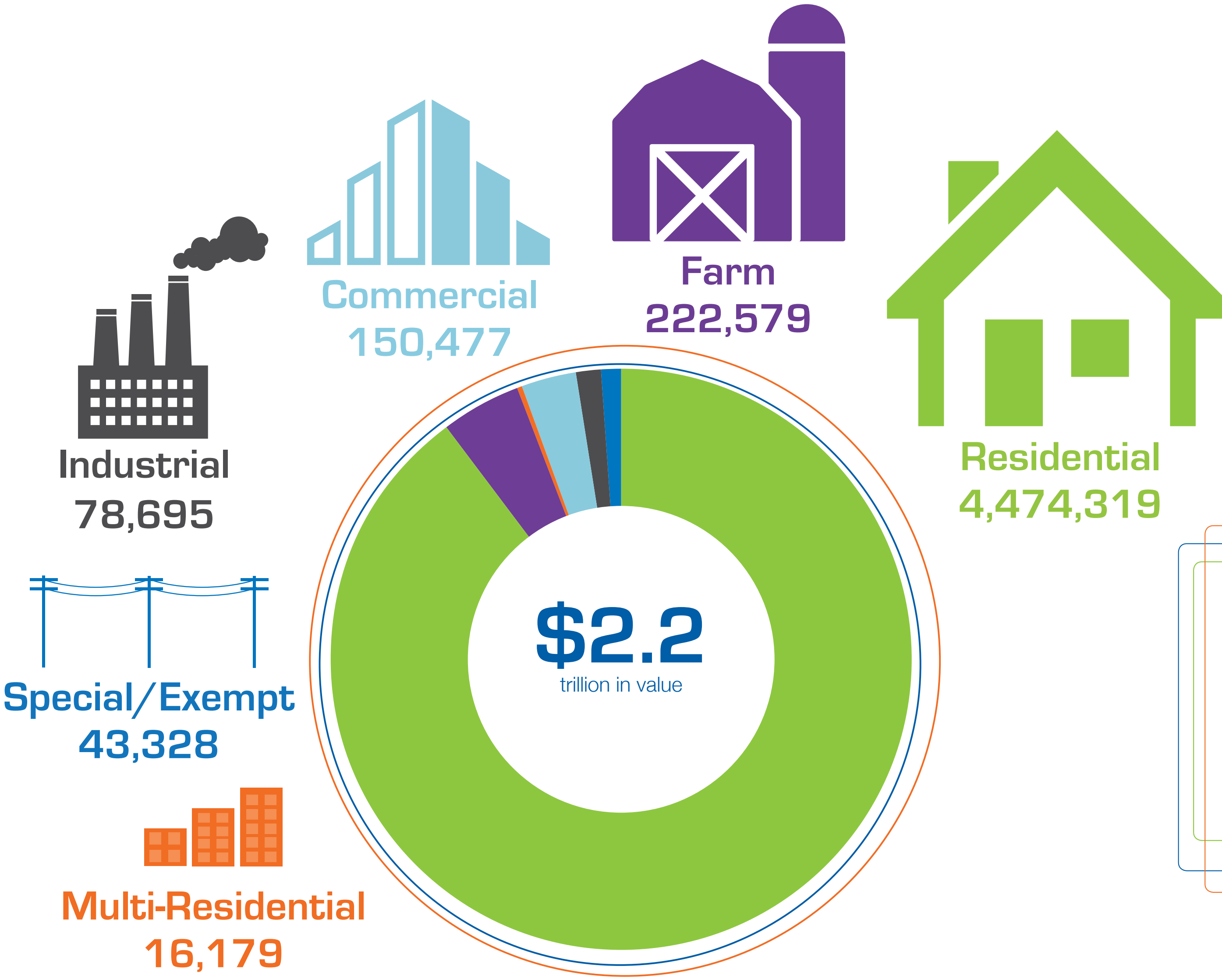
87% Residential

88% Condominiums

55% Business

New construction growth added within 12 months of commencement of use

2013 Year In Review



The total number of properties contained in the 2013 assessment roll returns to Ontario municipalities was **4,985,577** – an increase of **58,761** from 2012.

Current Value Assessments of Properties

Property Group	2009 ($)	2010 ($)	2011 ($)	Year 1 (current cycle) 2012 ($)	Year 2 (current cycle) 2013 ($)
Residential	1,224,585,786,205	1,248,257,477,200	1,274,660,627,762	1,542,547,677,161	1,566,150,514,136
Farm	64,564,907,949	65,041,811,967	65,502,492,564	88,228,656,710	88,486,468,685
Multi-Residential	62,568,051,391	62,969,705,866	62,545,553,108	79,679,531,614	80,698,797,361
Commercial	216,586,195,035	221,717,018,286	223,770,657,579	258,469,491,493	261,921,422,404
Industrial	90,046,888,926	90,495,913,344	90,541,000,309	102,585,786,776	102,834,147,179
Special/Exempt	83,394,609,198	84,963,852,737	89,123,272,210	106,668,748,446	103,963,535,945
TOTAL	**1,741,746,438,704**	**1,773,445,779,400**	**1,806,143,603,532**	**2,178,179,892,200**	**2,204,054,885,710**

The total Current Value Assessment of all properties in Ontario for roll return rose from $2.17 trillion in 2012 to $2.2 trillion in 2013.

Indicators of Assessment Quality

Requests for Reconsideration (RfR) and Appeals filed with the Assessment Review Board are key indicators of assessment quality and property owners' acceptance of their assessment. For more information about resolving assessment concerns visit mpac.ca.

The chart shows the number of RfRs and Appeals that were completed in each taxation year, regardless of the assessment roll(s) in question. In many cases when an appeal is completed it addresses multiple tax years.

Property Valuation Date	January 1, 2008								January 1, 2012	
Taxation Year	2009*		2010		2011		2012		2013*	
	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction
Requests for Reconsideration	179,503	$3.43B	82,971	$1.36B	29,804	$1.27B	24,000	$1.46B	122,136	$5.56B
Assessment Review Board Appeals	19,069	$3.53B	25,981	$3.92B	4,797	$3.62B	18,867	$10.88B	25,412	$10.39B
TOTAL	**198,572**	**$6.96B**	**108,952**	**$5.28B**	**34,601**	**$4.89B**	**42,867**	**$12.34B**	**147,548**	**$15.96B**
Percentage of all Properties	4.24%		2.30%		0.72%		0.88%		2.99%	
Percentage of Total Assessment		0.41%		0.30%		0.28%		0.68%		0.73%

* Every property taxpayer in the province received an updated property assessment from MPAC in the fall of 2008 and fall of 2012. The subsequent Requests for Reconsideration and Assessment Review Board Appeals (i.e., in 2009 and 2013) were submitted based on these province-wide Assessment Updates of Ontario's nearly five million properties. In between province-wide updates, MPAC sends Notices to property taxpayers to reflect in-cycle changes.

2013 Year In Review

Requests for Reconsideration (RfRs)

2008		2012
2008	Assessment Update Year	2012
4,684,257	Total Number of Properties Assessed	4,926,816
$1.81 trillion	Total Value of Properties Assessed	$2.2 trillion
179,000	**Total Number of RfRs Filed**	122,000

AboutMyProperty.ca

2012-2013

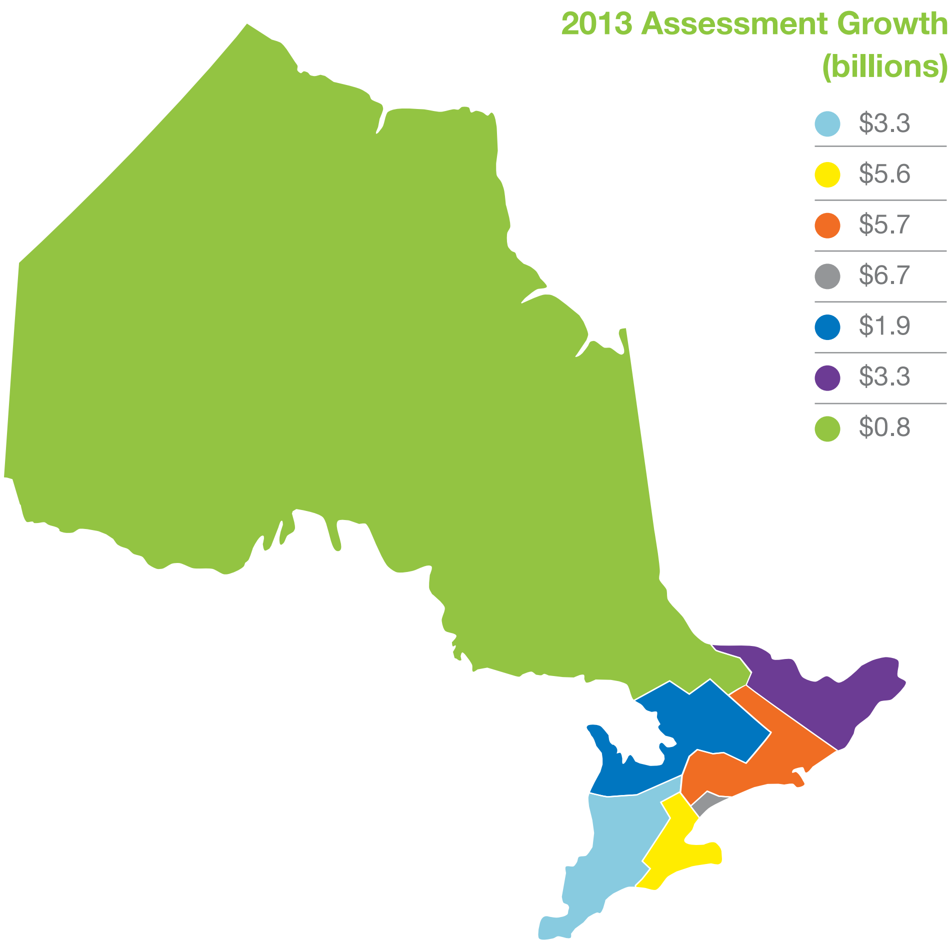
Higher level of engagement with property owners

2008

31% reduction in the number of RfRs filed between the 2008 and 2012 Assessment Updates

2012

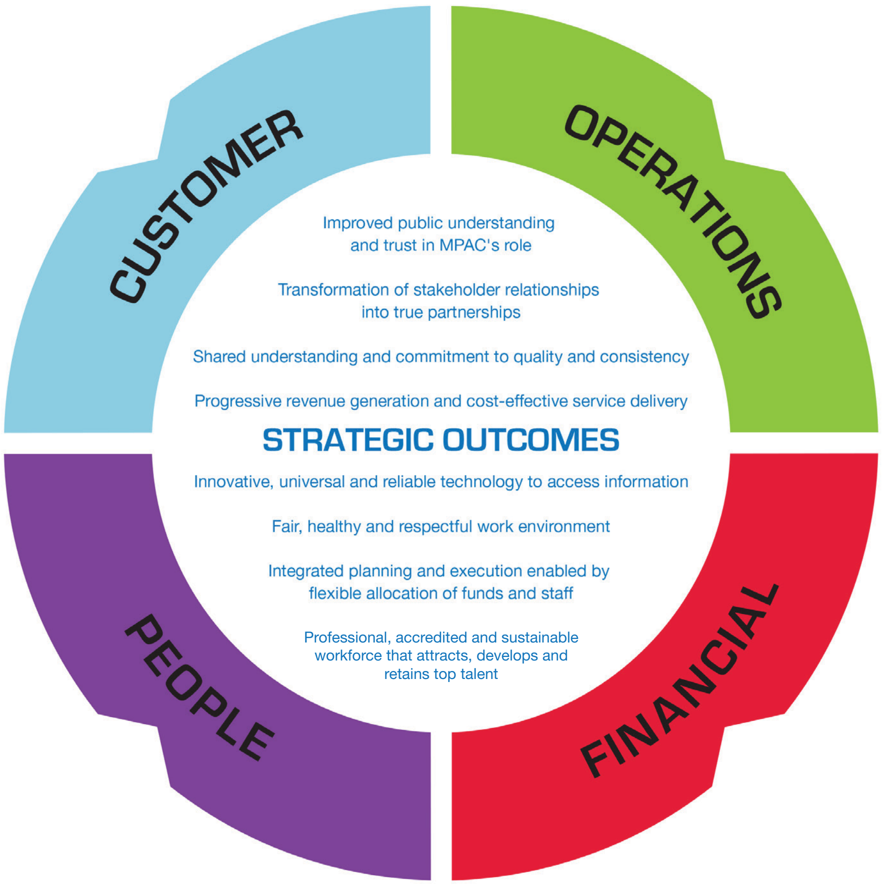
2013 Year In Review



$27.3 Billion

added in new assessment to municipal tax rolls in 2013

Balanced Scorecard



The Balanced Scorecard is a strategic planning and management tool that aligns MPAC's business goals and objectives with the **2013-2016 Strategic Plan** and **Vision, Mission and Values**. Essentially, it is the tool we use to keep a check on our organizational health.

MPAC's Balanced Scorecard translates strategic objectives into measurable targets across four quadrants: Customer Service Excellence, Operational Excellence, Organizational Excellence and Financial Effectiveness. It provides employees with a clear picture of the organization's Key Performance Indicators (KPI) in a clear, easy-to-understand and easy-to-measure framework.

Balanced Scorecard

The KPIs in the **operations** 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.

In support of the Assessment Review Board's commitment to clear the backlog of appeals, **52,000 appeals** were disposed of on over **15,000 properties** in 2013. Pre-2012 Assessment Update appeals have been reduced from **80,000 to 33,000**. For many of these cases, the resolution of the litigation included disposition through to the 2016 property tax year.

2013 Milestones

99% of severance backlog completed (2010, 2011, 2012)

Over **45,000** sales investigations were completed

Processed **126,725** building permits

360 subdivision plans completed

Added $27.3B in growth to the Assessment Roll – more than $5B over target

81% of the CVA that was added to the roll was captured within 12 months of occupancy

$6.7B captured in condominium assessment growth – $1.6 billion over target

Received and completed **122K** RfRs

- Higher degree of engagement with property taxpayers – **only 5,000** residential appeals filed for the 2012 Assessment Update (compared to 11,000 in 2008)
- 50% of Requests for Reconsideration (RfRs) resulted in a change – 0.30% reduction in assessment base (**$5.57B** in assessed value) comparable to 2008

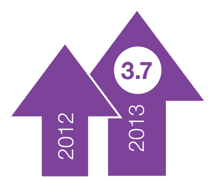
Balanced Scorecard

18% over target

Achieved
$7.2M
surplus

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 target and generated a **$7.2 million surplus,** which offset municipal levies.



The **people** quadrant focuses on MPAC's employees and is where we measure employee satisfaction using the Employee Engagement (EE) and High Performance Organization (HPO) indices.

In 2013, we introduced alternate work arrangements and Workplace 2.0 as part of our commitment to create a fair, healthy and respectful work environment.

We achieved **3.7** on the HPO index and 4.0 on the EE index.

workplace **2.0**

The KPIs in the **customer** service excellence quadrant focus on customer satisfaction.

In 2013, MPAC measured the property inspection and Request for Reconsideration experiences with property taxpayers and received an average satisfaction rating of **73%**, just 2% below our 75% target.

Financial Highlights

Statements of Financial Position
(in thousands of dollars)

	2013	2012
Assets		
Current assets	88,001	79,056
Non-current assets	18,024	18,894
Total assets	**106,025**	**97,950**
Liabilities		
Current liabilities	24,706	23,875
Non-current liabilities	34,348	30,536
Total liabilities	**59,054**	**54,411**
Net assets		
Unrestricted funds	5,400	8,741
Reserve funds	27,091	17,600
Invested in capital and intangible assets	14,480	17,198
Total net assets	**46,971**	**43,539**

Financial Highlights

Statement of Operations
(in thousands of dollars)

	2013	2012
Revenue		
Municipal	190,562	188,769
Interest	2,103	2,256
Other	10,356	9,139
Total revenue	**203,021**	**200,164**
Expenses		
Salaries and wages	117,116	115,235
Benefits	32,042	29,721
Professional services	12,339	13,555
Rentals	11,085	12,345
Software licences and maintenance	7,434	8,154
Amortization	6,043	5,675
Other	12,431	15,023
Total expenses	**198,490**	**199,708**
Excess of revenue over expenses for the year before changes in fair value of investments	4,531	456
Changes in fair value of investments	(1,099)	(369)
Excess of revenue over expenses for the year	**3,432**	**87**

Financial Highlights

Notes for the Financial Summary:
(in thousands of dollars)

It is suggested the financial highlights be reviewed along with the 2013 Audited Financial Statements and the Notes to the Statements, which have received an unqualified opinion from MPAC's external auditors.

Future Accounting Pronouncements

In Fiscal 2014, MPAC will adopt Chartered Professional Accountants of Canada (CPA Canada) Handbook Section 3463, Reporting Employee Future Benefits by Not-for-Profit Organizations, which replaces Section 3461, Employer Future Benefits. Section 3463 requires the immediate recognition of all gains and losses arising from defined benefit plans, as they occur, in a separate line in net assets, eliminating the deferral and amortization accounting. The change is to be applied retroactively and management has estimated the impact for fiscal 2013 to be an increase in liabilities and decrease in net assets of $13,711.

The decrease in net assets is expected to be funded by the Board Appropriated Working Fund.

Reserve Funds

The Board Appropriated Working Fund balance of $21,637 is set aside by the Board of Directors of MPAC for contingency purposes and also helps ensure funding requirements are smoothed out rather than temporarily needing to increase municipal levies on a one-time basis.

The Reserve for Enumeration was established to fund the costs associated with the preparation of preliminary lists of electors for each municipality and school board for the 2014 provincial elections. The balance of $4,335 will be drawn down in the election year.

The Assessment Update reserve was established to fund the costs associated with the assessment update. The balance of $1,119 will be drawn down in the next assessment year in 2016.

Building better communities, *together*

Corporate Social Responsibility

At the foundation of MPAC's Strategic Plan is the theme of building communities across Ontario, and giving back through both environmental and social responsibility initiatives. From green buildings and eco-friendly vehicles to fundraising and community involvement, MPAC's assessment professionals are dedicated to making a positive difference in the communities where we live and work.

> "The Habitat build was a wonderful experience that gave me an opportunity, in a very small way, to give back for all the things I've been blessed with in my life." – **MPAC employee,** Toronto

Habitat for Humanity®
Habitat pour l'humanité®
Canada

Habitat for Humanity Partnership

Our business is valuing properties and we understand the true value of what it means to call a property home. 2013 marked MPAC's first full year of partnership with Habitat for Humanity Canada, a non-profit organization dedicated to building affordable housing and promoting homeownership. In 2013, MPAC was placed in the Bronze Level Partnership category with Habitat for Humanity Canada. Throughout the year, MPAC employees showed incredible support for not only this cause, but others that support our commitment to building better communities.

100% employee-driven fundraising

Raised more than

$114,000

Building better communities, *together*

A look ahead

2014 marks year two of MPAC's partnership with Habitat for Humanity Canada with continued plans for additional builds, corporate sponsored events and a broadened program scope to include ReStore and site demolition opportunities.

More than 115 employees participated in nine builds across the province

- MPAC's Community Involvement Committee organized and engaged employees in fundraising events to support local charities across the province, including the Canadian Cancer Society, the Canadian Diabetes Association, Toy Mountain and numerous local food banks
- Employees re-directed fundraising to the Red Cross in the wake of Typhoon Haiyan, collecting over **$3,900** for relief efforts in the Philippines

Building better communities, *together*

Environmental Responsibility

At MPAC, our commitment to sustainability goes beyond reduce, reuse and recycle. As a large organization with offices and staff located across the province, we have a responsibility to ensure our business is environmentally sustainable.

In 2013, as part of our commitment to create a fair, healthy and respectful work environment, we launched a new Facilities Plan and relocated our Richmond Hill office to MPAC's first Workplace 2.0 space resulting in:

- 32% savings in leasehold improvements;
- 40% savings in annual rent;
- 25% more collaboration spaces; and
- 23% reduction in square footage.

2013 Highlights:

- Reduced MPAC's greenhouse gas emissions by 16% overall – primarily through reductions in building electricity and natural gas consumption.
- Received LEED CI Gold certification for our new London office space.
- Partnered with Horizon Utilities and Ontario Power Authority on an electric energy density mapping pilot project, using MPAC's data to help reduce electricity consumption in the Hamilton area.
- Received the Smart Commute Workplace 2014 – Silver designation, recognizing our efforts in 2013 to provide greener commute options for employees.
- Organized and engaged hundreds of employees in the Clean Air Commute, 20-Minute Makeover, Waste Reduction Week and other events across the province.

A look ahead: Adoption of Workplace 2.0 standards in additional offices including Hamilton, Ottawa and Thunder Bay leading to 12,557 sq. ft. in space savings and associated energy costs by the end of 2014.

Contact Us

Customer Contact Centre

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If you have accessibility needs, please let our representatives know how we can best accommodate you.

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

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