



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

READY TO ROLL

2015 ANNUAL REPORT



Ready to Roll

In 2013, we made a promise to all our stakeholders to find ways to strengthen the property assessment system in Ontario. And, at that time, we set a clear path for transforming the way we do business, culminating in the delivery of the 2016 province-wide Assessment Update.

Through collaboration, innovation, fiscal responsibility and an unwavering commitment to openness and transparency, we are delivering on that promise. As you read this report, highlighting our progress in 2015, we trust you'll agree... *We're Ready to Roll.*

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Ontario's Property Assessment System

MPAC is an independent, not-for-profit corporation funded by all Ontario municipalities.

We're accountable to the Province, municipalities and property taxpayers through a 15-member Board of Directors.

Our role is to assess and classify all properties in Ontario.

We do this in compliance with the *Assessment Act* and regulations set by the Government of Ontario.



Responsible for assessing and classifying more than

5 MILLION
properties in Ontario

\$2.3
TRILLION
in property value



About MPAC

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

MPAC's province-wide Assessment Updates of property values have met international standards of accuracy. Our assessments and data are also used by banks, insurance companies and the real estate industry.

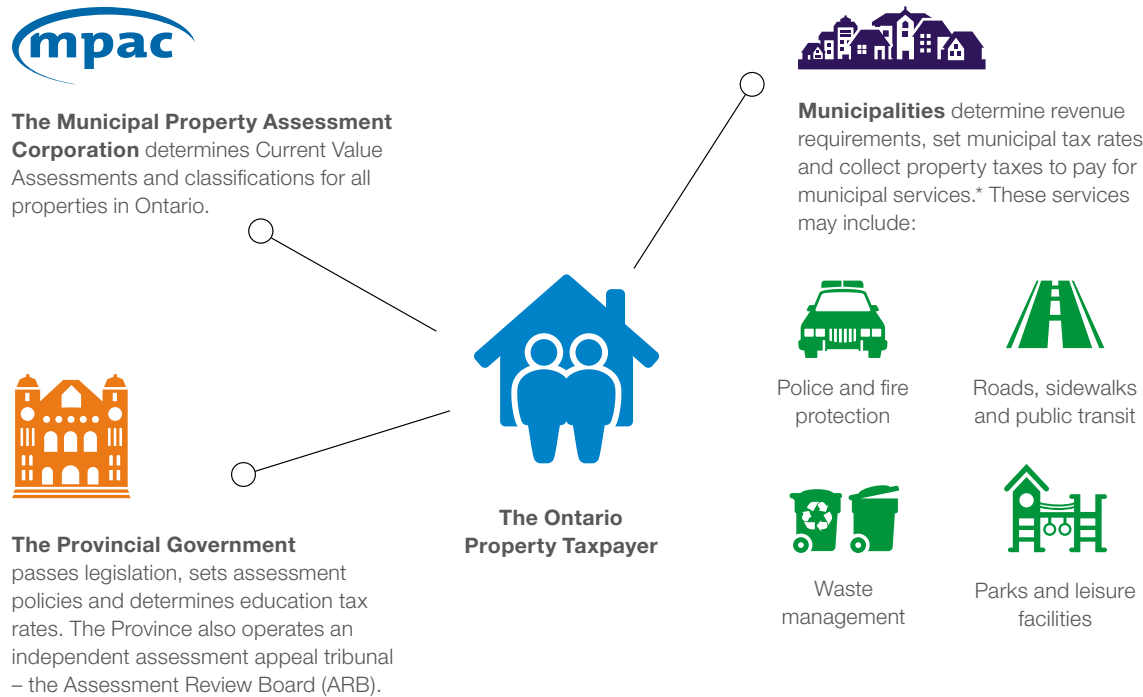
We are 1700+ EMPLOYEES
in offices across Ontario

We are committed to:

- ✓ Delivering property assessment excellence.
- ✓ Providing outstanding service.
- ✓ Earning the trust of property taxpayers as well as municipal and provincial stakeholders.

Ontario's Property Assessment System

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



*Provincial Land Tax and levies by local boards are collected in unincorporated areas and contribute toward important services.

Property Assessment Update Cycle

Every four years, property owners receive a Property Assessment Notice when MPAC completes a province-wide Assessment Update based on the legislated valuation date.

Under the phase-in provisions in the *Assessment Act*, an increase in assessed value is introduced gradually over four years. A decrease in assessed value is introduced immediately.

- ✓ In 2012, MPAC updated all properties in Ontario to reflect a January 1, 2012 valuation date. These updated assessments are applicable for the 2013-2016 property tax years.
- ✓ In 2016, MPAC will update the assessed value of every property in Ontario based on a legislated valuation date of January 1, 2016. These values will be used by municipalities as the basis for calculating property taxes for the 2017-2020 property tax years.
- ✓ MPAC continues to update property information during non-Assessment Update years. In 2015, MPAC delivered nearly one million Property Assessment Notices to reflect changes in ownership, value, classification or school support.

MPAC's Services

Assessment Services



Your Property.
Our Assessment.
Know More About It.

We prepare annual assessment rolls for use by municipalities and the Province of Ontario to calculate property and education taxes.

- ✓ MPAC's property assessors are trained experts in the field of property valuation and apply appraisal industry standards and best practices.
- ✓ More than 250 of our valuation staff hold one or more designations from recognized accrediting bodies including the Institute of Municipal Assessors, the Appraisal Institute of Canada, the Royal Institution of Chartered Surveyors and/or the International Association of Assessing Officers.
- ✓ 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.

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, which is 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.

Value-Added Services

propertyline.ca

Your property information solution

MPAC delivers innovative products and value-added services to banks, insurance companies, the real estate industry and a number of 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 work 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.
- ✓ Propertyline™, MPAC's secure e-commerce solution, enables users to obtain accurate real-time property information quickly and easily. With propertyline™, customers can purchase assessment, site, structural and sales data on all types of properties across Ontario. The surplus derived from this stream of MPAC's operations is used to offset the funding paid by municipalities to support the organization.

Message from our Chair



“A key objective of MPAC’s work in support of the delivery of values next year has been ensuring stability and predictability in assessment rolls.”

In 2015, MPAC introduced some of the most significant reforms to Ontario’s property assessment system since 1998. These changes were rooted in MPAC’s renewed efforts to support Ontario property owners and stakeholders by being more transparent, improving understanding of property assessment and striving for more consistency in the municipal tax base.

MPAC is committed to increasing awareness and understanding among property owners, municipalities and our stakeholders. In support of this commitment we are making significant enhancements to our products and services for the 2016 province-wide Assessment Update including a new Property Assessment Notice, redesigned aboutmyproperty.ca and more tools and resources to assist Ontarians in understanding the valuation process and increasing trust in MPAC’s role.

We understand that changing assessment values can create real challenges. So as we develop the 2016 Assessment Update, MPAC is working hard to help manage these challenges. That includes advance disclosure on more complex properties, so we can notify property owners and municipalities of major changes sooner.

MPAC will work with municipalities and property owners to eliminate surprises and create greater stability in the system. We have also remained committed to adding much needed assessment growth to municipal rolls in 2015 – more than \$30 billion (page 17).

Other service improvements include Service Level Agreements with municipalities, a new and improved Municipal Connect, dedicated stakeholder support and ongoing outreach and communication (page 13).

In addition, the Board has continued to deliver on its promise to save \$20 million by the end of 2016, ensuring consistency in the funding requirements set by the organization back in 2012 (page 10).

On behalf of the Board of Directors, I’d like to thank our stakeholders for their continued support and I encourage property owners and municipalities to learn more about MPAC’s efforts to improve Ontario’s assessment system in our 2015 Annual Report.

Dan Mathieson

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 the three committees of the Board – Audit, Governance and Human Resources, and Quality Assurance.

Audit Committee

The Audit Committee oversees the Corporation's financial statements and financial reporting process. It also oversees 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. Settingington (Vice-Chair)

Members: Ken Hughes, Dan Mathieson (Board Chair), Jack Prazeres, Roberto Rossini, Walter Sendzik

Governance and Human Resources Committee

The purpose of the Governance and Human Resources Committee is to assist with Board oversight of governance issues affecting the Corporation to ensure that appropriate governance processes, Board and Committee structures and information necessary for effective direction and oversight are in place.

Chair: Bill Rayburn

Members: Alf Chaiton, Keith Hobbs, Bev Hodgson, Dan Mathieson (Board Chair), David P. Settingington (Vice-Chair), Mary Smith

Quality Assurance Committee

The Quality Assurance Committee oversees MPAC's operations from a quality standpoint, to promote a quality culture in the organization. The committee advises the Board of Directors of any concerns or issues related to MPAC's core business of assessment, quality related risks and internal controls.

Chair: Bev Hodgson

Members: Alf Chaiton, Dan Mathieson (Board Chair), Don Redmond, Walter Sendzik, David P. Settingington (Vice-Chair)

Board of Directors

MPAC is directly accountable to the public through a 15-member Board of Directors. All Board Members are appointed by the Minister of Finance.

Municipal Representatives



Keith Hobbs
Mayor, City of Thunder Bay



Doug Nadorozny
*Chief Administrative Officer,
City of Greater Sudbury*



Walter Sendzik
Mayor, City of St. Catharines



Ken Hughes
*Auditor General, City of Ottawa;
Past President, the Ontario
Municipal Tax and Revenue
Association (OMTRA)*



Bill Rayburn
*Chief Administrative Officer,
Middlesex County*



John Skorobohacz
*Chief Administrative Officer,
Town of Innisfil*



Dan Mathieson (Chair)
Mayor, City of Stratford



Roberto Rossini
*Deputy City Manager & Chief
Financial Officer, City of Toronto*



Mary Smith
Mayor, Township of Selwyn

Board of Directors

MPAC is directly accountable to the public through a 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*



Bev Hodgson

*Barrister and Solicitor; owner of
Bev Hodgson Law*



Alf Chaiton

*President, Tweedsmuir Green
Power Group*



Don Redmond

*Sales Representative, Royal LePage
In Touch Realty Inc.*

Provincial Representatives



Jack Prazeres

*President, Senso Group Building
Supplies*



David P. Settingington (Vice-Chair)

*Member of Chartered Professional
Accountants (CPA) Ontario and
CPA Canada*

The Board of Directors thanks the following members whose terms ended in 2015:

**Navdeep Bains, Doug Nadorozny and
John Skorobohacz.**

Our 2013–2016 Strategic Plan

MPAC's 2013-2016 Strategic Plan is focused on transforming our operations and interactions with stakeholders.



Background

- ✓ 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 urge public sector agencies to do more with less.

Our 2013–2016 Strategic Plan

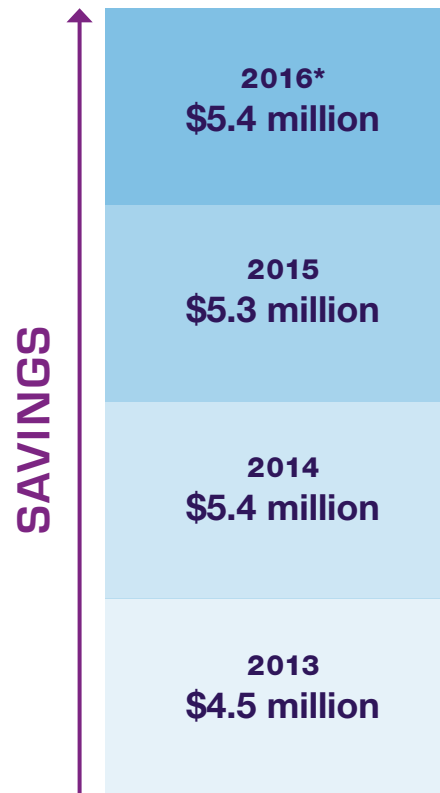
Strategic Plan Update

In 2015, the organization saw dramatic change as we prepared for delivery of the 2016 province-wide Assessment Update.

Three Year Progress Report

- ✓ MPAC actualized savings of \$15.2 million over three years toward our commitment of \$20.6 million in savings by 2016.
- ✓ Savings of \$9.7 million over the three-year period can be attributed to initiatives as part of MPAC's Strategic Plan.

We are committed to finding efficiencies and savings.



**projected*

\$20.6M

in savings by the end of 2016

TOP 3 COST IMPACTS & INVESTMENT DECISIONS

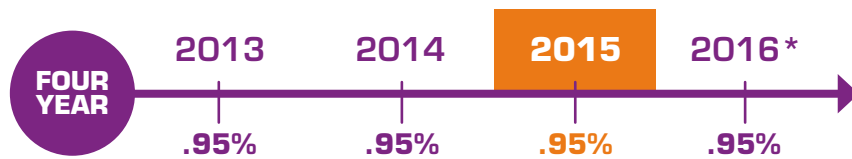
- 1 Strategic Investments**
Increased investment in capital to improve quality of data capture and delivery
- 2 Market-Driven Growth**
Increases in property counts due to new construction, condominium and subdivision plans
- 3 Legal Obligations**
Inflationary and long-term human resources legacy costs

Strategic Plan Budget

Funding Requirements

In 2012, MPAC’s Board of Directors approved a targeted four-year expenditure plan for the organization, with a commitment to increases in the funding requirement of less than 1% for 2013, 2014, 2015 and 2016.

Our commitment to increases of 0.95% for four years is only possible as a result of implementing our Strategic Plan, which continues to bring savings through innovations and improved products and services.



✓ **We kept our funding commitment.**
In 2015, we held the municipal funding increase to 0.95%.

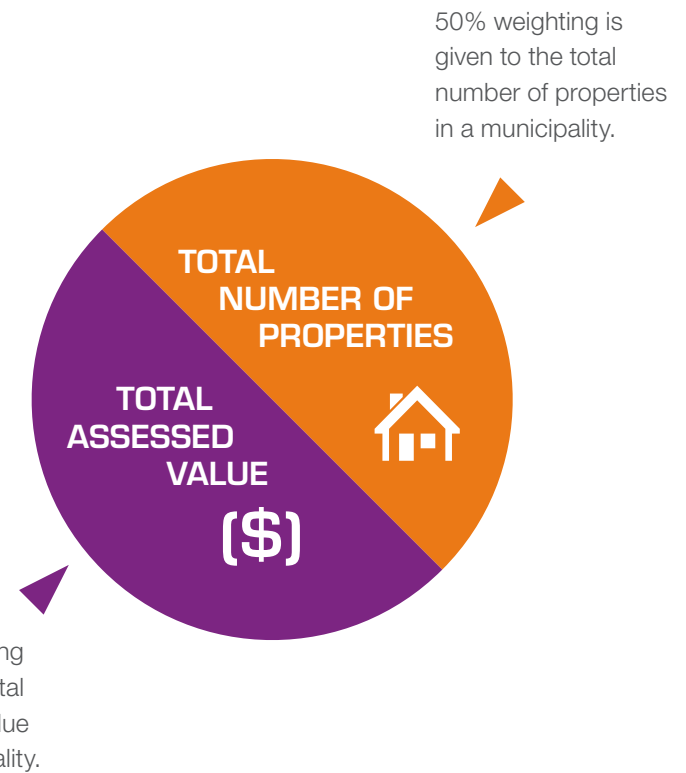
✓ **Benefits are passed on to municipalities.**
The efficiencies and effectiveness delivered through our Strategic Plan are being passed along to municipalities.

*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.

Our Funding Formula

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 determine each municipality’s/taxing authority’s levy:



Message from our President



“We have completed an unparalleled amount of work to ensure the quality and accuracy of our data ahead of updating values.”

Our 2015 Annual Report provides a comprehensive look at our operational and financial performance over the last year.

Our progress in delivering on the objectives outlined in our 2013-2016 Strategic Plan has been transformative and has truly set the stage for the successful delivery of the 2016 province-wide Assessment Update.

Assessing more than five million properties is a significant undertaking and absolutely critical to our success is the quality of our data. Stable and accurate assessments are our focus. We have completed an unparalleled amount of work to ensure the quality and accuracy of our data ahead of updating values (page 12).

Along with more than 2.9 million data checks to ensure value readiness and quality, we have also maintained our focus on operational performance. We improved our effectiveness in delivering our core business and added \$30 billion in new assessment to

municipal tax rolls (page 17). We also cut the backlog of appeals by 87% this year (page 21).

2015 also saw a number of partnerships with stakeholders affecting real change. This includes our efforts in the area of pre-roll consultation and disclosure (page 14) and a new residential notice mailing and Request for Reconsideration model (page 15) that further bolsters roll stability and encourages property owner and stakeholder understanding.

In large part, our successes in 2015 can be attributed to the professionalism and expertise of our employees who work for us across the province. Our Annual Report outlines the transformational change that MPAC has made over the course of the year and I trust that Ontarians will agree that MPAC is... *Ready to Roll* for next year's province-wide Assessment Update.

Antoni Wisniowski

Strategic Plan Update

2016 Assessment Update Readiness

MPAC has completed an unparalleled amount of work to ensure the quality and accuracy of data in preparation for the 2016 Assessment Update.

Staff have conducted 2.9 million+ data checks across the province through activities including:

- building permit investigations
- sales reviews
- data cleanse activities
- municipal/taxpayer requests
- MPAC-initiated reviews
- Requests for Reconsideration and appeals

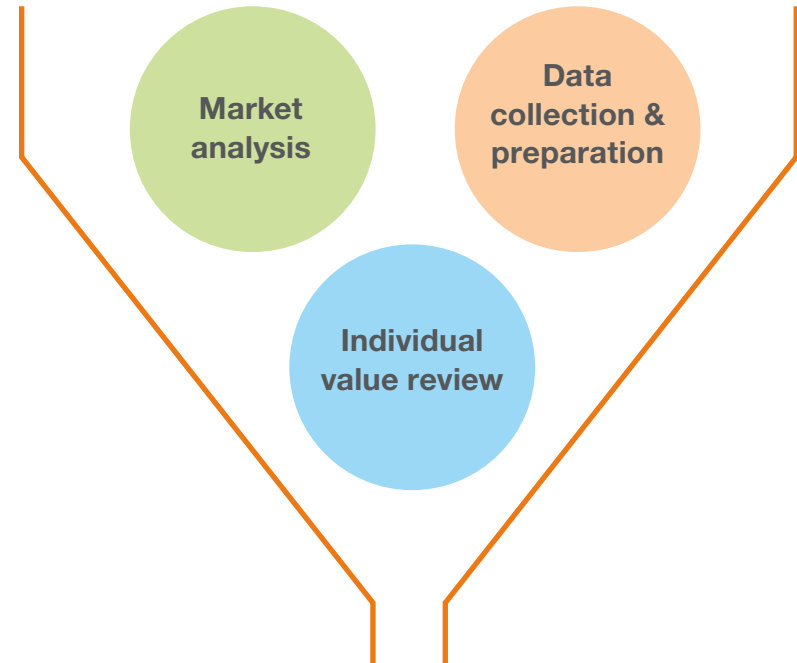
Preliminary values for the majority of properties were developed and market analysis completed for the majority of property types by the end of 2015.

2.9+M DATA CHECKS



“One of the greatest achievements for this reassessment is the number of sales investigations completed by MPAC staff. Good sales information leads to better market analytics, more accurate values and ultimately brings greater stability and predictability to the Assessment Roll.”

Rose McLean, Vice-President and Chief Operating Officer



2016 values

January 1, 2016 valuation date

190.6K SALES INVESTIGATIONS completed – more than double those completed in 2014



Strategic Plan Update

We are transforming stakeholder relationships into true partnerships.



“The newly aligned Municipal and Stakeholder Relations team is committed to building trust and transforming relationships into true partnerships. I look forward to working with municipalities and all our stakeholders as we prepare to deliver the 2016 province-wide Assessment Update.”

*Carla Nell, Vice-President,
Municipal and Stakeholder Relations*

In 2015, MPAC implemented a new Municipal and Stakeholder Relations service delivery model to strengthen our relationship with municipalities and provide better service to all of our stakeholders.

Under the leadership of Carla Nell, MPAC’s new Vice-President, Municipal and Stakeholder Relations, eight new regional teams have been established with a focus on outreach, education and engagement in these areas:

- Delivery of the 2016 province-wide Assessment Update
- Finalization of Service Level Agreements with municipal stakeholders
- Managing and mitigating high-impact Assessment Review Board appeals through stakeholder engagement
- Dedicated stakeholder support of valuation activities including the special purpose property reforms
- Active account management of municipal assessment bases
- Proactive management of stakeholder inquiries and requirements through innovations and improved products and services

Service Level Agreement

MPAC collaborated with municipalities and the Ministry of Finance to develop and finalize a two-way Service Level Agreement. The Service Level Agreement is a statement of our commitment to maintain high performance standards when providing services to each municipality, and each municipality’s commitment to perform the dependencies that MPAC requires in order to meet these standards.

- ✓ The Service Level Agreement sets out service parameters and responsibilities related to:
 - the accuracy of the Assessment Roll
 - property assessment in-year maintenance
 - appeals management
 - support services
- ✓ In 2015, the team extended its reach through focus groups, meetings with various municipal groups and MPAC departments. Feedback from these groups was very instructive and helped guide the team and provide validation.
- ✓ Their feedback will be reflected in the final Service Level Agreement, which will be presented to all municipalities throughout 2016 with the goal of full implementation by 2017.

Strategic Plan Update

Disclosure

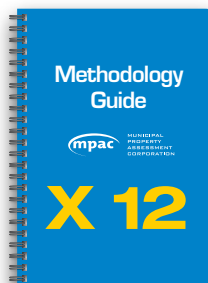
Disclosure is about transparency and shared understanding. It's about our commitment to share information with property owners and stakeholders and provide fair, consistent and accurate property valuations through a no-surprise approach.

Benefits of Disclosure

- ✓ Consistent and accurate values
- ✓ Improved Assessment Roll predictability and stability
- ✓ Improved risk analysis for municipalities
- ✓ Easy access to property information
- ✓ Increased transparency
- ✓ Increased satisfaction and confidence
- ✓ Improved relationships with stakeholders
- ✓ No surprises

MPAC is committed to providing better service through transparency, predictability and accuracy. Our disclosure activities in support of the 2016 Assessment Update include three levels of information that will be shared with taxpayers and municipalities.

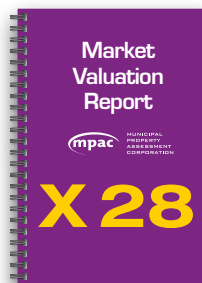
1. Methodology Guides



In 2015, we published 12 Methodology Guides. They reflect industry standards, best practices and feedback from consultation sessions held with property owners, representatives and municipalities.

- ✓ In accordance with the directive issued by the Minister of Finance (subsection 10(1) of the MPAC Act), we published a Methodology Guide for each of these sectors: automotive assembly plants, automotive parts manufacturing plants, pulp and paper mills, sawmills, steel manufacturing plants, and value-added wood manufacturing plants.
- ✓ We went one step further and published six additional Methodology Guides for these sectors: aerospace, chemical manufacturing, food processing, mining, oil refineries, and pharmaceutical manufacturing.

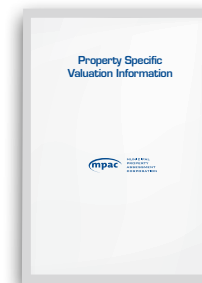
2. Market Valuation Reports



In early 2016, we will publish 28 Market Valuation Reports. These comprehensive reports explain how assessment methodology was applied to value properties, at the sector level, for the 2016 Assessment Update.

- ✓ Beginning fall 2015, MPAC held level 2 disclosure consultations with 12 different sectors to discuss how assessment methodology is being applied to large and special purpose business properties for the 2016 Assessment Update.

3. Property Specific Valuation Information



Detailed information will be available through secure online access.

For more information, visit the Disclosure page at mpac.ca.

Strategic Plan Update

We are building understanding and trust in MPAC's role by improving the property taxpayer experience.

Property Assessment Notices will be delivered up to five months earlier.

As part of MPAC's commitment to bring greater stability and predictability to the property assessment and taxation system, a new mail-out schedule for the 2016 Assessment Update has been created.

The early mailing of Notices will:

- ✓ Enable MPAC to help resolve property owners' concerns with their assessments well ahead of the delivery of the Assessment Roll to municipalities, thereby improving roll predictability and stability.
- ✓ Enable municipalities to have a better understanding of the changes in values and how those changes impact their assessment base.

The Request for Reconsideration deadline has changed.

On December 10, 2015, Bill 144, *Budget Measures Act, 2015*, received Royal Assent, bringing into effect legislative change to move to a rolling 120-day Request for Reconsideration (RfR) filing window.

The early delivery of Notices and the 120-day RfR deadline will:

- ✓ Reduce the compressed processing time and standardize the RfR process so all property owners receive a fair and consistent review of their concerns.
- ✓ Improve Assessment Roll stability and accuracy by allowing some RfRs to be resolved before final Assessment Rolls are delivered to municipalities.

We've improved the Property Assessment Notice and AboutMyProperty™.

As part of our commitment to increase awareness, openness and transparency, MPAC has made significant changes to the Property Assessment Notice and AboutMyProperty™ website.

These changes are driven by research undertaken with Ontario residential property owners, in consultation with the Ministry of Finance and include:

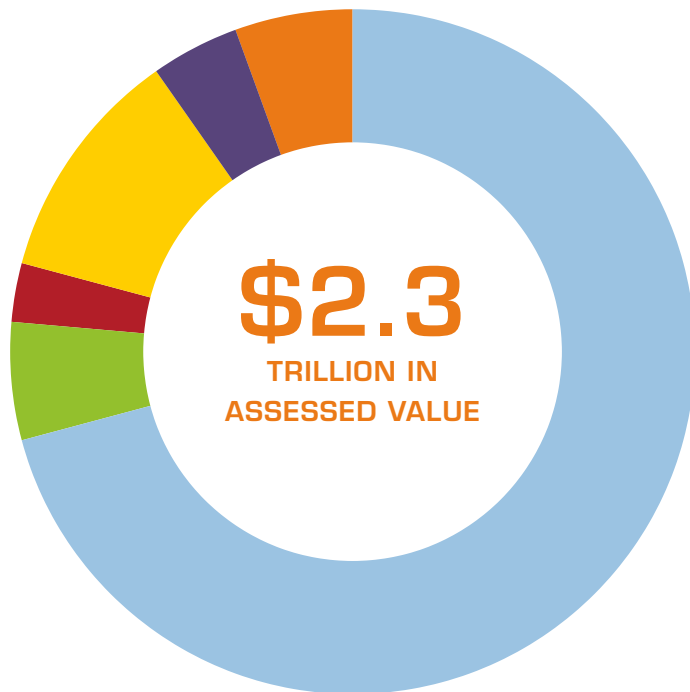
- ✓ A new and improved Property Assessment Notice focused on clear language and design principles to improve property owners' understanding of their property assessment.
- ✓ A re-branded and simplified AboutMyProperty™ website with improved design and navigation.



2015 Year in Review

Ontario's 2015 Assessment Roll

The total number of properties contained in the 2015 assessment roll returns to Ontario municipalities was 5,108,753 – an increase of 60,137 from 2014.



RESIDENTIAL
4,589,206 properties
\$1.6T in value



COMMERCIAL
156,161 properties
\$266B in value



FARM
223,082 properties
\$89.5B in value



INDUSTRIAL
79,131 properties
\$103.5B in value



MULTI-RESIDENTIAL
16,260 properties
\$82B in value



SPECIAL / EXEMPT
44,913 properties
\$110B in value

Assessment Roll Stability

Objective: No more than 15% of municipalities with Requests for Reconsideration (RfR) and appeal losses of greater than 0.5%

Progress

- ✓ **We exceeded our objective.**
In 2015, only 10.6% of municipalities had RfR/appeal losses greater than 0.5%.
- ✓ **RfR/appeal losses were <0.5% in 2015.**
59% of RfRs resulted in a change – a 0.1% reduction in the assessment base (\$1,455,316,683 in assessed value).

5M+ ASSESSED PROPERTIES

2015 Year in Review

Assessment Growth

In 2015, MPAC achieved record-breaking results by delivering more than \$30 billion in taxable assessment growth to municipalities, more than \$5 billion over target.

Timeliness of Assessment Growth

MPAC continues to streamline processes in order to capture growth early. This enabled MPAC to reduce backlog and improve throughput, resulting in 84% of new construction growth added within 12 months of occupancy, and moving us closer to our goal of capturing 100% of available assessment growth within 12 months of commencement of use.

Progress

- ✓ **Condominiums**
In 2015, we captured more than \$8.2 billion in condominium assessment growth.
- ✓ **Business properties**
In 2015, we captured almost \$4 billion in business properties growth.
- ✓ **We processed more than \$622 million in exempt growth.**
- ✓ **Payment in Lieu of Taxes (PILT)**
We processed more than \$578 million in PILT growth.

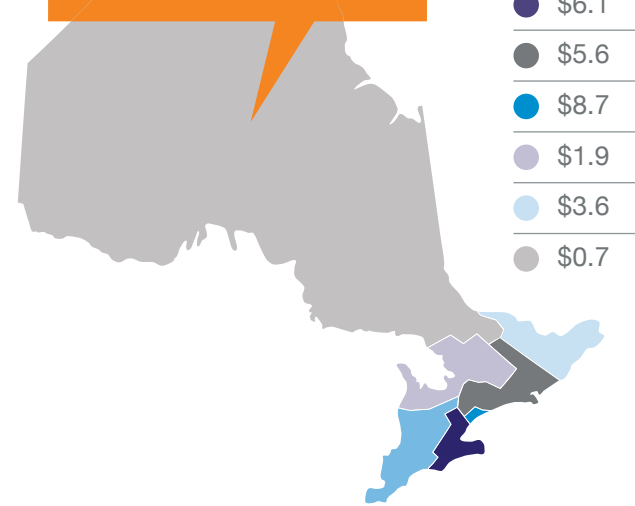


84%

of new construction growth added within 12 months of commencement of use

\$30B

added in new assessment to municipal tax rolls in 2015



Growth Added Within 12 Months



New construction growth added within 12 months of commencement of use

2015 Year in Review

Current Value Assessments of Properties

			Year 1 (current cycle)	Year 2 (current cycle)	Year 3 (current cycle)	Year 4 (current cycle)
Property Group	2010 (\$)	2011 (\$)	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)
Residential	1,248,257,477,200	1,274,660,627,762	1,542,547,677,161	1,566,150,514,136	1,592,744,671,456	1,620,231,277,822
Farm	65,041,811,967	65,502,492,564	88,228,656,710	88,486,468,685	89,111,618,519	89,546,744,279
Multi-Residential	62,969,705,866	62,545,553,108	79,679,531,614	80,698,797,361	81,010,954,278	82,026,356,607
Commercial	221,717,018,286	223,770,657,579	258,469,491,493	261,921,422,404	264,311,931,623	266,121,331,480
Industrial	90,495,913,344	90,541,000,309	102,585,786,776	102,834,147,179	103,030,587,550	103,474,581,023
Special, Exempt	84,963,852,737	89,123,272,210	106,668,748,446	103,963,535,945	107,484,571,022	109,844,803,386
TOTAL	1,773,445,779,400	1,806,143,603,532	2,178,179,892,200	2,204,054,885,710	2,237,694,334,448	2,271,245,094,597

The total Current Value Assessment of all properties in Ontario for roll return rose from \$2.2 trillion in 2014 to \$2.3 trillion in 2015.

2015 Year in Review

Indicators of Assessment Quality

Requests for Reconsideration (RfR) and appeals filed with the Assessment Review Board (ARB) are key indicators of assessment quality and property owners' acceptance of their assessment. This 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					
	2010		2011		2012		2013*		2014		2015	
	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction
Requests for Reconsideration	82,971	\$1.36B	29,804	\$1.27B	24,000	\$1.46B	122,136	\$5.56B	33,867	\$2.02B	29,331	\$1.4B
Assessment Review Board Appeals	25,981	\$3.92B	4,797	\$3.62B	18,867	\$10.88B	25,412	\$10.39B	23,038	\$6.97B	38,532	\$12.1B
TOTAL	108,952	\$5.28B	34,601	\$4.89B	42,867	\$12.34B	147,548	\$15.96B	56,905	\$8.99B	51,212	\$13.5B
Percentage of all Properties	2.30%		0.72%		0.88%		2.99%		1.14%		1.0%	
Percentage of Total Assessment		0.30%		0.28%		0.68%		0.73%		0.41%		0.60%

*Every property taxpayer in the province received a Property Assessment Notice from MPAC in fall 2008 and fall 2012. The subsequent RfRs and ARB appeals (i.e., in 2009 and 2013) were submitted based on these province-wide Assessment Updates of Ontario's more than five million properties. In between province-wide updates, MPAC sends Notices to property taxpayers to reflect in-cycle changes.

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. It provides a clear picture of our Key Performance Indicators (KPIs) in a clear, easy-to-understand and easy-to-measure framework.

MPAC's Balanced Scorecard translates strategic intentions into measurable targets across four areas: Customer, Operations, People and Financial.

Customer

KPI Question: How satisfied are our customers?

38%

Percentage of residential property taxpayers who trust MPAC as an expert in property assessment and valuation – exceeding our 2015 goal of moving from 21% to 26%.

\$30B

Generated growth for the Assessment Roll, more than \$5 billion over target; 84% of this growth was captured within 12 months of occupancy.

10.6%

Percentage of municipalities that have Requests for Reconsideration/appeal losses greater than 0.5%—exceeding our target of no more than 15%.

People

KPI Question: How well are we managing and sustaining our workforce?

250+

Number of valuation staff that have achieved accreditation.

73%

Percentage of MPAC employees who have alternate work arrangements. Alternate work arrangements improve service delivery, drive down costs and improve work-life balance.

7

Number of offices in Ontario that have converted to Workplace 2.0; Hamilton and Durham offices recently converted. These modern office workplaces attract, retain and encourage employees to work smarter, greener and healthier to better serve Ontarians.

3.6

We achieved 3.6 out of 5 on the High Performance Organization index and 3.9 out of 5 on the Employee Engagement index.

Balanced Scorecard

Operations

KPI Question: What do we need to excel at? How reliable and stable are our Assessment Roll and property review cycle?

38,532

Number of appeals disposed of in 2015 (on over 13,499 properties), in support of the Assessment Review Board's commitment to clear the backlog of appeals.

87%

Percentage reduction in the backlog of appeals. Pre-2012 Assessment Update appeals were reduced from 80,608 in 2013 to 10,302 as of December 31, 2015.

2015 Milestones

↑ \$30B IN GROWTH ADDED to the Assessment Roll – more than \$5B over target. 84% of growth processed within one year of occupancy.

✓ 14.2K SEVERANCES completed

190.6K SALES INVESTIGATIONS completed – more than double those completed in 2014

115.4K PROACTIVE PROPERTY INSPECTIONS completed

133.5K BUILDING PERMITS processed

377 SUBDIVISION PLANS completed

327 CONDOMINIUM PLANS completed

29.3K REQUESTS FOR RECONSIDERATION received & completed

147K RENTAL VALIDATIONS completed

Financial

KPI Question: How efficiently, economically and effectively are we managing our financial resources?

\$5.3 Million

Actualized savings realized in 2015, as part of our overall commitment of \$20.6 million in savings by 2016.

0.95%

MPAC kept its commitment of a 0.95% annual municipal funding increase.

Financial Highlights



“MPAC executed on its commitment to maintain a 0.95% municipal levy increase for the third year in a row. Solid service level commitments to municipalities, while finding cost savings and efficiencies through strategic initiatives, continue to be a priority for us.”

*Nicole McNeill, Vice-President and
Chief Financial Officer*

Statement of Operations

(in thousands of dollars)

	2015	2014
Revenue		
Municipal	194,200	192,373
Interest	2,489	2,274
Other	17,699	14,661
Total revenue	214,388	209,308
Expenses		
Salaries and wages	123,177	120,460
Benefits	34,288	33,880
Information technology	10,584	11,551
Facilities	12,127	10,657
Legal and supplier services	16,545	16,175
Office and other	15,192	10,433
Amortization	5,006	5,258
Total expenses	216,919	208,414
Excess of revenue over expenses for the year before changes in fair value of investments	(2,531)	894
Changes in fair value of investments	(1,212)	3,874
Excess (deficiency) of revenue over expenses for the year	(3,743)	4,768

Financial Highlights

Statements of Financial Position

(in thousands of dollars)

	2015	2014
Assets		
Current assets	22,506	26,125
Non-current assets	86,992	87,322
Total assets	109,498	113,447
Liabilities		
Current liabilities	19,917	25,222
Non-current liabilities	67,498	63,728
Total liabilities	87,415	88,950
Net Assets		
Unrestricted funds	1,914	2,500
Reserve funds	7,426	6,837
Invested in capital and intangible assets	12,743	15,160
Total net assets	22,083	24,497
Total liabilities and net assets	109,498	113,447

Statement of Changes in Net Assets

(in thousands of dollars)

	2015	2014
Net assets – beginning of year	24,497	33,261
Excess of revenue over expenses for the year	(3,743)	4,768
Net actuarial gain (loss) on employee future benefits	1,329	(13,532)
Net assets – end of year	22,083	24,497

Notes for the Financial Summary

(in thousands of dollars)

It is suggested the financial highlights be reviewed along with the 2015 Audited Financial Statements and Notes to the Statements, which have received an unqualified opinion from MPAC's external auditors. The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Reserve Funds

The Reserve Funds consist of the Board Appropriated Working Fund, Reserve for Enumeration, and the Reserve for Assessment Update. The Board Appropriated Working Fund balance of \$5,400 is set aside by the Board of Directors of MPAC for contingency purposes to alleviate the need to increase municipal levies on a one-time basis.

The Reserve for Enumeration was established to fund costs associated with the preparation of preliminary lists of electors for municipal and school board elections. The Reserve for Assessment Update was established to fund the costs associated with the assessment update. The Corporation contributes amounts to these reserves annually. The Reserve for Enumeration balance of \$49 and the Reserve for Assessment Update balance of \$1,977 will be drawn down as expenses are incurred.

Building Better Communities, Together

Across the province, MPAC employees actively gave back to their communities through a variety of employee-driven initiatives.

Habitat for Humanity

MPAC and Habitat for Humanity Canada have been partners since 2012. During that time, MPAC employees have raised more than \$250,000 and donated countless volunteer hours toward building safe, decent and affordable homes for Canadian families in need.



100% EMPLOYEE-DRIVEN FUNDRAISING

29 BUILDS

300 EMPLOYEE VOLUNTEERS



RAISED MORE THAN

\$250,000

Community Involvement Committee

MPAC's Community Involvement Committee organizes and engages employees in fundraising events to support local charities. In 2015, employees showed their continued support for many worthy causes including food banks and Wounded Warriors Canada. Employees also reached out internationally to those in need through the Syrian Emergency Relief Fund and Nepal Relief Fund.

Environmental Responsibility

At MPAC, we actively integrate sustainability into our business practices as part of our commitment to building better communities, together.



MPAC received the Smart Commute Workplace 2016 – Silver designation, recognizing our efforts to provide greener commute options for employees in 2015.

Hundreds of employees participated in the Clean Air Commute, 20-Minute Makeover, Waste Reduction Week, Office Supplies Recycling, Spring Up to Clean Up program, and other events across the province.

We're working smarter, cleaner and greener

MPAC began implementing its 2015-2017 Facilities Renewal Plan as part of our commitment to reducing our office footprint while continuing to improve service delivery to municipalities and property taxpayers. In 2015, office upgrades, relocations and amalgamations resulted in a 6% overall footprint reduction.

In addition, our Hamilton and Durham Assessment Offices adopted the Workplace 2.0 model, bringing the total to seven offices province-wide.

We're reducing our carbon footprint*

MPAC continues to transform its business processes to improve the organization's environmental performance.

15% 
LESS PAPER USED

23% 
LESS ENERGY CONSUMED

6%
REDUCTION IN GREENHOUSE GAS EMISSIONS REALIZED

*Based on 2014 figures as per MPAC's reporting structure.

We're diverting waste from landfills

MPAC continues to partner with csr eco solutions toward environmentally responsible decommissioning.

✓ In 2015, furniture, equipment and office supplies were reused, recycled, resold or redistributed to non-profit organizations.

97% WASTE DIVERTED FROM LANDFILL

1,245 TREES SAVED BY SECURELY SHREDDING

67,353 KILOS OF PAPER



Executive Management Group

Antoni Wisniowski

President and Chief Administrative Officer

Rose McLean

Vice-President and Chief Operating Officer

Carla Nell

Vice-President, Municipal and Stakeholder Relations

Nicole McNeill

Vice-President and Chief Financial Officer

Don Leblond

Vice-President and Chief Strategy Officer

Zahir Manek

General Counsel

Sujit Jagdev

Chief Technology Officer

Lee Taylor

Executive Director, Business Development

Lucy Foster

Executive Director, Board Governance



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



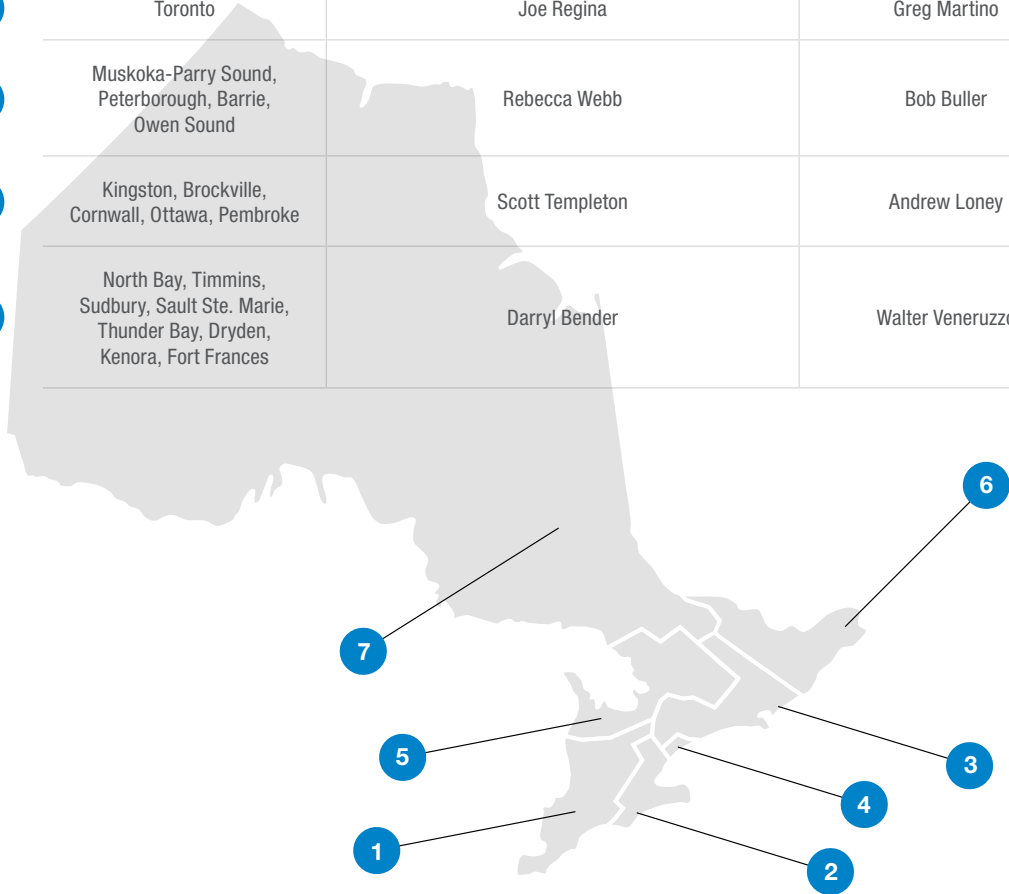
Online

mpac.ca
 aboutmyproperty.ca
 propertyline.ca

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Zone	Assessment Offices	Regional Manager, Municipal and Stakeholder Relations	Director, Valuation and Customer Relations
1	London, Sarnia, Chatham, Kitchener, Goderich, Windsor	Amanda Maccougall	Karen Russell
2	Hamilton Hub, Mississauga	Nancy Huether	Greg Baxter
3	Richmond Hill, Durham, Trenton	Heather Colquhoun	Carmelo Lipsi
4	Toronto	Joe Regina	Greg Martino
5	Muskoka-Parry Sound, Peterborough, Barrie, Owen Sound	Rebecca Webb	Bob Buller
6	Kingston, Brockville, Cornwall, Ottawa, Pembroke	Scott Templeton	Andrew Loney
7	North Bay, Timmins, Sudbury, Sault Ste. Marie, Thunder Bay, Dryden, Kenora, Fort Frances	Darryl Bender	Walter Veneruzzo



About Ontario's Property Assessment System

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.

We're MPAC, and it's the accuracy of our assessments that helps ensure property owners, both residential and non-residential, pay their fair share nothing more and nothing less.

As a high performance organization we're committed to innovation in the products and services we provide. As a forward looking organization we know the work we do today will have a profound impact on how we all live tomorrow.



Building better communities, *Together.*