



Annual Report  
2009-2010

October 1, 2010

**Minister Responsible for Service New Brunswick  
Province of New Brunswick  
Fredericton, New Brunswick**

Dear Honourable Minister:

On behalf of the Board of Directors, I have the pleasure to submit to you, pursuant to Section 23 of the *Service New Brunswick Act*, the Annual Report of Service New Brunswick for the fiscal year ended March 31, 2010.

Sincerely,

A handwritten signature in black ink, reading "Derek Pleadwell". The signature is fluid and cursive, with the first name "Derek" being more prominent than the last name "Pleadwell".

Derek Pleadwell  
Chairperson



# Board of Directors

Derek Pleadwell (Chairperson), Fredericton

Jim Dunlap (Vice-Chairperson), St. George

Réginald Boudreau, Grande-Anse

Jane M. Fritz, Fredericton

Alfred Losier, Moncton

Christopher P. MacPherson, Fredericton

Michèle Pelletier, Balmoral

T.J. Smith, Fredericton

Beth Thompson, Quispamsis

Elizabeth Webster, Fredericton

Sylvie Levesque-Finn  
(President of Service New Brunswick), Fredericton

*1st row: Sylvie Levesque-Finn, Derek Pleadwell, Alfred Losier,  
Beth Thompson, Jane M. Fritz*

*2nd row: Jim Dunlap, Michèle Pelletier, Elizabeth Webster,  
Réginald Boudreau, T.J. Smith, Christopher P. MacPherson*



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# President's Report 2009-2010

This year represented the final year of our three-year Business Plan and I'm pleased to report that it was a successful year that positioned us well to begin our new Business Plan cycle.

With over 4.6 million transactions and a portfolio of services that touches virtually every New Brunswicker, we start each year with the aim of improving our services and expanding the number of services offered.

Some highlights of 2010 include:

- For business owners and entrepreneurs, we continue to explore new ways to improve services. Introducing the BizPaL initiative with our Federal Partners in 2009-2010 was a significant achievement as this innovative online service provides easy access to permit and license information.
- Owners and developers of condominiums began 2010 with new protection as we introduced the new *Condominium Property Act*. It modernizes the approval process, increases transparency in the purchase and sale process, and provides the necessary tools to allow condominium corporations to successfully administer their properties.
- By the end of the year, 7,000 visitors a week were accessing a free online source of New Brunswick geographic information through GeoNB. Working with many of our partners, we created this impressive new map viewer that revolutionized how New Brunswickers access maps, aerial photos and other geographic information.

The valued contribution and the dedication of our people are what truly define Service New Brunswick. For all New Brunswickers, we continue to monitor and enhance our lines of business to ensure the best service possible. With the support of our dedicated Board of Directors, our employees are committed to service excellence in all parts of the Corporation. This is our commitment to the people of New Brunswick.

Sylvie Levesque-Finn  
President



# About Service New Brunswick

Service New Brunswick (the Corporation) was created in 1998 to consolidate in one corporation the transactional services and information that New Brunswickers need to conduct their personal and business lives. Our mandate is to improve access to government services and public information.

Since our creation, we have provided New Brunswickers with quick and convenient access to government services through a province-wide network of service centres, a toll-free call centre, and our website, SNB.ca. The result is a single-window service model provided through multiple customer channels.

At the end of fiscal 2009-2010, the Corporation employed 722 people in 40 communities, of which 610 are full-time and 112 are part-time. Our employees are energized by the challenge of delivering better service and improving the ways that citizens and businesses interact with government.

## Vision

Service New Brunswick...government services on time, every time, everywhere.

## Mission

Providing excellence in the delivery of government services and information to citizens and businesses.

## Governance

The *Service New Brunswick Act* provides the context for the activities of the Corporation. As specified in the Act, Service New Brunswick is the principal provider of customer service on behalf of government. These services are offered through physical offices, telephone and electronic channels. Service New Brunswick also administers a number of acts on behalf of the province.

A Board of Directors guides the business of the Corporation. There are two committees of the Board of Directors: the Audit Committee monitors the financial affairs and reviews the financial statements of the Corporation and the Development Committee oversees new system development.

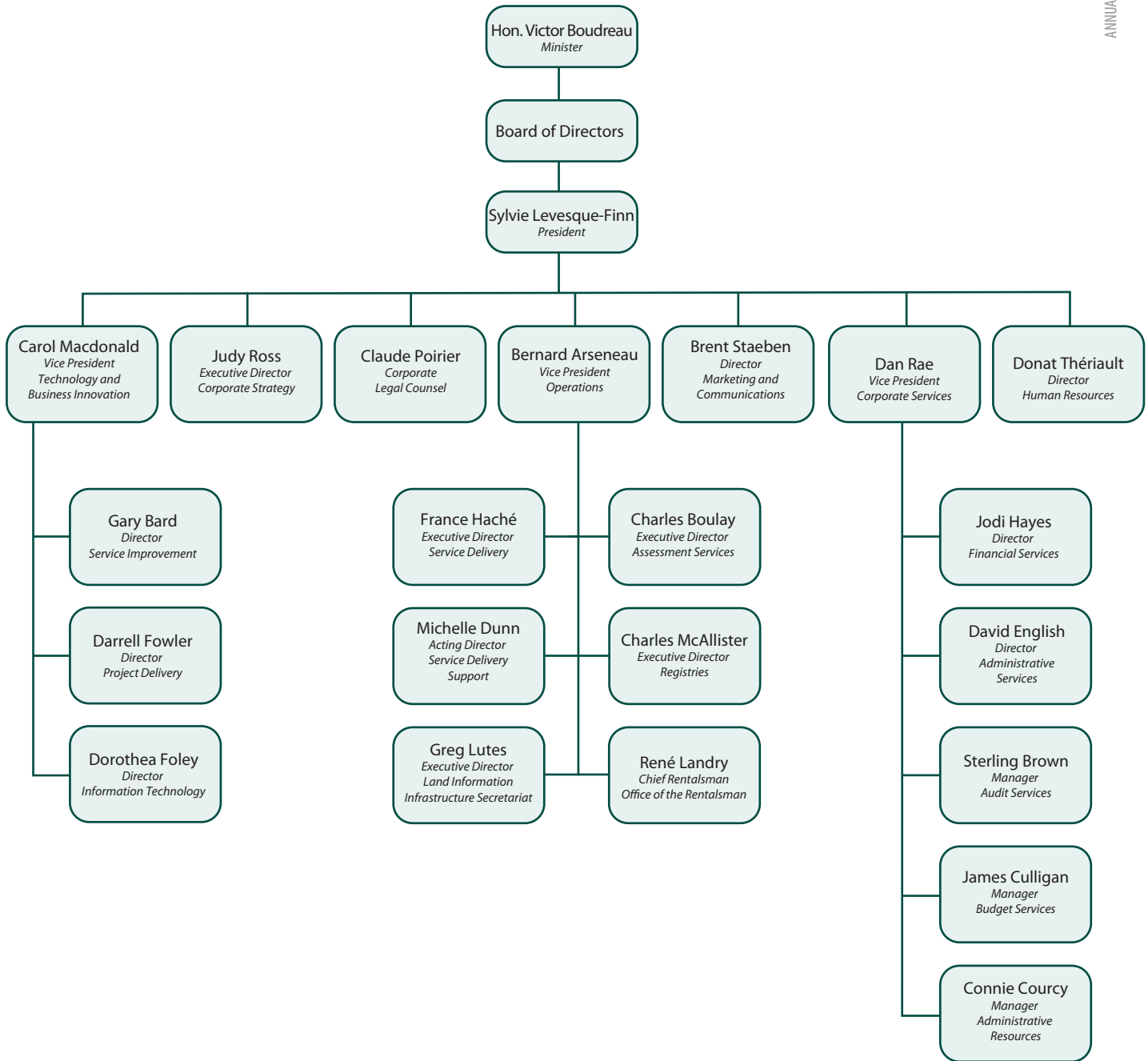
Revenues are acquired through a combination of fees for services in the Land, Personal Property, Vital Statistics and Corporate registries, payments from the Government of New Brunswick (GNB) and municipalities, and grants which GNB provides to deliver services on its behalf.

Service New Brunswick continues to look at improving business processes and service delivery to make it easier for citizens to do business with government.





# Organization Chart







# Lines of Business

## Service Delivery

Service New Brunswick is the gateway for the public to a number of government services offered through a multi-channel single-window. Services are offered to citizens on behalf of various provincial government departments, municipalities and public utilities. Convenience to the customer is a key factor in service delivery. To meet New Brunswickers' expectations, Service New Brunswick offers three channels of delivery for government services:

- in person, through a network of 39 service centres, located throughout the province;
- over the phone (TeleServices), toll-free at 1 888 762-8600; and
- on the Internet at [www.snb.ca](http://www.snb.ca).

A wide range of services are delivered on behalf of various government departments and agencies including the federal government. We also accept payments on behalf of utilities and 62 municipalities. Our services include:

- motor vehicle: driver's licences, registration, placards for disabled persons;
- recreation: hunting and fishing licences, online tickets for some major attractions;
- government forms: Medicare, lottery registration;
- federal government: pleasure craft licensing; and
- cities and towns: water and sewage payments.

## Service Centres

With a network of 39 service centres located throughout the province, Service New Brunswick offers citizens and businesses a combination of personalized service and convenient extended hours. Each service centre offers the most common services while 13 of the centres provide the full range of services.

## TeleServices

Service New Brunswick TeleServices is the Corporation's customer phone centre. Citizens and businesses can access services by calling 1 888 762-8600. TeleServices also replies to incoming emails from the Service New Brunswick Internet site and the Internet-based Provincial Government Directory. Four main types of services are offered over the phone:

- information and referrals;
- transactions;
- support to automated phone lines; and
- driver examination appointments.

## Online

The Service New Brunswick website offers numerous products and services, as well as online forms including applications for birth certificates, property tax allowances and Medicare change request, replacement and/or renewal forms. A number of forms from various municipalities are also available on the site.

### **Key highlights for the year:**

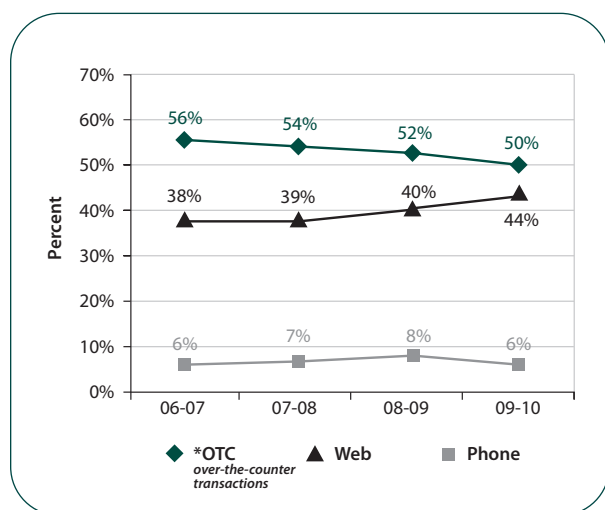
- A motor vehicle registration e-reminder notification service was introduced in November 2009. This provides vehicle owners who request the service, with an email reminder when their motor vehicle registration is about to expire.
- A Driver Examiner Scheduling (DEX) System was implemented province-wide in November 2009. Scheduling of appointments has been centralized through TeleServices.
- The [www.snb.ca](http://www.snb.ca) website was redesigned to provide easier navigation and access for both citizens and businesses.



## Service Delivery Transactions

Volume by Partner	2009-2010	2008-2009	2007-2008
<b>Provincial, Federal and Municipal include:</b> All NB government departments. Federal: Pleasure Craft Licensing. Municipalities: 62 to date.	2,545,752	2,393,663	2,258,130
<b>Service New Brunswick:</b> Property Assessment, Corporate Registry, Personal Property Registry, Land Registry, Rentalsman, Vital Statistics and SNB Products.	2,426,912	2,343,160	2,475,460
<b>Other Partners:</b> Payment taking for NB Power, Bell Aliant, Regional Health Authorities, WorkSafe NB and others.	157,240	158,131	144,160
<b>Total Transactions:</b>	<b>5,129,904</b>	<b>4,894,954</b>	<b>4,877,750</b>

## Percentage of Transactions per Channel



- mediating or arbitrating complaints by both landlords and tenants regarding breach of a tenancy agreement or failure to adhere to the RTA; and
- providing information with regards to residential tenancies.

### Key highlights for the year

- Pursued integration into Service New Brunswick by introducing initiatives that generate increased efficiencies and improve service delivery and overall compliance. The following actions illustrate some of these initiatives:
  - improved the security deposit refund response time; and
  - relocated the Fredericton and Moncton offices to Service New Brunswick service centres.
- Accepted 13,308 security deposits, which represents a 6.8% increase in the number of security deposits. As of March 31, 2010, security deposits held in trust by the Office of the Rentalsman represent \$17,302,301, an increase of 4.7% over the previous year.
- Resolved 5,208 security deposit claims throughout the province.
- Introduced [www.snb.ca/irent](http://www.snb.ca/irent) which provides online access to general information on residential tenancies issues.
- Filed 894 complaints with the Office of the Rentalsman alleging that a landlord or a tenant failed in his or her obligations under a tenancy agreement. As a result of these complaints, 349 Orders to Comply were issued to either landlords or tenants.

## Office of the Rentalsman

The Office of the Rentalsman provides an alternative dispute resolution program outside of the traditional court process. The Rentalsman is appointed to carry out duties prescribed by the *Residential Tenancies Act (RTA)*.

The activities of the Office of the Rentalsman include:

- being the only jurisdiction in Canada that actually holds, in trust, all security deposits paid by tenants pursuant to a residential tenancy lease;
- attempting to mediate a mutual agreement or, where mediation is not possible, arbitrate a dispute between the parties regarding the disbursement of a security deposit;



## Registries

Service New Brunswick is responsible for Land, Personal Property, Corporate and Vital Statistics registries, as well as condominiums, for the Province of New Brunswick. The activities for these four registries and condominiums include:

### Land Registry

- maintaining a network of 13 Land Registry offices across the province where legal plans and documents – deeds, mortgages and wills – relating to the ownership of real property can be registered and made available for public scrutiny;
- offering registry records which provide land ownership information dating back to the original Crown grants, over 200 years ago;
- allowing users to conduct land-based transactions quickly, efficiently and accurately through PLANET – a comprehensive, integrated online source of land registration, assessment, mapping and information services;
- providing businesses, professionals and the public with online access to current provincial land-ownership information, property maps and land valuations via the tools provided by PLANET;
- maintaining a province-wide Global Positioning System (GPS) based on a high precision control survey; and
- maintaining a series of continuously operating GPS stations (Active Control Stations), which provide observations on an hourly basis via the Service New Brunswick website.

### Personal Property Registry

- maintaining a computerized, province-wide registry service where users can serve public notice of security interests, judgments and other claims affecting personal property, such as automobiles, recreational vehicles and furniture;
- allowing financial institutions and the general public to register and search security interest in personal property;
- offering access to publicly listed information about personal property;
- providing an easy way to check if a product being offered is encumbered, offering protection to consumers purchasing used goods; and

- providing three ways to search the Personal Property Registry:
  - *engaging the services of a private service provider who will perform a search or registration on their behalf;*
  - *searching the registry using Lien Check – an online service that allows anyone to search simply by referencing the serial number of the asset being searched; and*
  - *subscribing to Atlantic Canada Online (ACOL) to perform searches or registrations.*

### Corporate Registry

- incorporating New Brunswick-based business corporations and non-profit companies, and registering partnerships and business names under which sole proprietorships and partnerships operate;
- registering extra-provincial corporations and businesses conducting business in New Brunswick;
- maintaining publicly available, up-to-date information on business and non-profit corporations and unincorporated business entities;
- allowing Internet users to access information on over 170,000 past and existing businesses and non-profit companies; and
- assigning the New Brunswick Account Business Number (BN) through the incorporation/registration process. The BN is a unique common identifier that can be used for provincial, federal and municipal services.

### Vital Statistics Registry

- registering, maintaining, verifying and disseminating birth, death, stillbirth and marriage data (vital events);
- searching records, issuing certificates of a vital event, distributing marriage licences, approving and registering changes of name;
- registering and maintaining an index of churches/religions authorized to solemnize marriages in New Brunswick;
- approving requests for access to information in accordance with legislation and policy; and
- producing various statistical reports based on vital events.



## Condominiums

- administering the *Condominium Property Act* and setting out the rules for developing, operating and managing condominiums in New Brunswick;
- providing approval for development of condominium corporations registering under the *Condominium Property Act*; and
- accepting information on reserve funds, insurance and directors, filed by condominium corporations.

### Key highlights for the year

- A new *Condominium Property Act* to govern the approval, purchase and sale processes for condominiums in New Brunswick was proclaimed on January 1, 2010. The new *Condominium Property Act* modernizes the approval process for condominiums, increases transparency in the purchase and sale process, and provides the necessary tools to allow corporations and condominium owners to successfully administer their condominiums.
- Eleven municipalities now update their municipal civic address changes in PLANET, which transfers automatically to the Department of Public Safety - E911 to ensure accurate civic address information for emergency response need.

- More than 200 years worth of historical paper documents remaining from the conversion to digital format (online images) was completed, significantly reducing space requirements for the Land Registry offices. Documents up to the 1930's were transferred to the Provincial Archives.
- Personal Property Registry online services for registration and searching were extended from 6 days a week (13.5 hours per day, Monday to Saturday) to 6.5 days a week (20 hours a day, Monday to Saturday; 11.5 hours on Sunday).
- Personal Property Registry search results (by registration number) were improved by omitting expired or discharged registrations older than 30 days. This resulted in better quality reports for clients and harmonization with other jurisdictions.
- A Name Guidelines document was created to help clients select an acceptable name when registering a corporation, business or partnership in New Brunswick.
- A number of data sharing agreements relating to vital events data were executed with provincial and federal departments and agencies.

## Registries Statistics

Activity	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
<b>Land Registry</b>					
Registrations	109,959	110,683	110,986	107,238	109,684
Searches	46,841	45,723	44,892	43,470	47,842
Number of Certificates of Registered Ownership Sold	30,565	31,582	31,542	28,276	23,936
<b>Condominiums</b>					
New corporations	19	17	16	22	9
Number of new units approved	553	248	174	326	78
<b>Personal Property Registry</b>					
Registrations	126,938	126,897	131,517	130,213	129,055
Searches	54,980	50,189	50,053	49,902	50,390



## Registries Statistics (continued)

Activity	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
<b>Corporate Registry</b>					
Incorporations	2,612	2,865	2,792	2,733	2,686
Registrations	3,073	3,150	3,239	3,407	3,574
Annual Returns	35,718	35,147	33,067	32,240	32,689
Certificate of Status/ Certified Copies	4,257	4,366	4,356	4,306	4,187
<b>Vital Statistics Registry</b>					
Certificates Issued (all types)	38,657	45,538	51,908	45,646	
Change of Name Processed	313	409	527	433	
Amendments Processed	2,109	2,440	2,949	2,312	
Vital Events Registered	17,126	18,567	17,372	17,329	

### Assessment Services

Service New Brunswick is responsible for property assessment, that is the valuation and classification of all real property in New Brunswick; a vital component in the processes of Real Property taxation and municipal financing.

The *Assessment Act* states that all property in the province is to be assessed at its real and true value (commonly known as market value) as of January 1 of the year for which the assessment is determined. Individual assessments are then compiled to produce municipal and provincial assessment bases. These bases are shared with the Department of Local Government which produces the tax bases for each municipality and Local Service District in the province. Individual property assessments are also provided to the Department of Finance. These are then used – along with municipal and provincial property tax rates – to produce an annual property tax bill.

Property assessors are responsible for maintaining an inventory of all real property information as well as administering many property tax-related benefits.

In 2009-2010, Assessment Services Branch activities included re-inspections, sales analysis, new construction, market adjustments of assessed values and appeals. This was supplemented by the following:

### Modernizing the technology

Service New Brunswick continued its work on modernizing the mainframe-based Property Assessment and Taxation System. The first release of the new system is anticipated for the first quarter of 2011-2012.

### Handling inquiries and appeals

Assessment and Tax Notices (property tax bills) are issued on March 1 of every year. If an owner is not satisfied with the assessed value of the property, they have the opportunity to submit a Request for Review within 30 days of the mailing of the tax bill. This is the first level of appeal in contesting the assessed value. An assessor will then inspect the property, review the concerns of the property owner, and render a written decision as to whether any change to the assessment is warranted. The assessor will generally rely on the sale of comparable properties in the determination of value. If a property owner is not satisfied with the decision, they have the opportunity to appeal the decision to the Assessment and Planning Appeal Board.



## Annual Performance Measures

Property assessments in New Brunswick are based on mass appraisal techniques that are used world-wide. The following table provides the assessment and sale performance indicators confirming that assessed values are within the accepted International Standards as established by the International Association of Assessing Officers (IAAO). The three indicators used are:

1. *Assessment to Sale Ratio*: an indication of how closely the assessed value reflects the market price, measured by comparing the current assessed value to the sale price.
2. *Coefficient of Dispersion*: a measure of uniformity that indicates if assessment values within a jurisdiction are dispersed or clustered (a lower number indicates greater uniformity and consistency).
3. *Price Related Differential*: an indication of how closely assessment values relate to their selling price for properties with different price ranges (an indicator of 1.00 means that the ratio of assessed values to market prices is consistent for properties with high or low price ranges).

## Service New Brunswick Assessment and Sale Performance Indicators

Indicators	Assessment to Sale Ratio		Coefficient of Dispersion		Price Related Differential	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
<b>IAAO Standards</b>	<b>0.90-1.10</b>	<b>0.90-1.10</b>	<b>10-15</b>	<b>&lt; 20</b>	<b>0.98-1.03</b>	<b>0.98-1.03</b>
2009	0.94	0.91	11.1	14.4	1.015	1.059
2008	0.95	0.89	10.9	14.6	1.013	1.045
2007	0.95	0.92	10.1	14.8	1.013	1.042
2006	0.95	0.92	10.1	13.1	1.013	1.041
2005	0.95	0.89	10.6	19.2	1.015	1.056
2004	0.95	0.88	10.6	17.7	1.017	1.048
2003	0.94	0.89	10.8	17.9	1.019	1.051

### Key highlights for the year:

- Business process improvement efforts continued within the Assessment Services Branch. Process reviews were completed and successfully implemented for the following assessment business functions: Assessment Base, New Construction, Annual Reassessment and Request for Review.
- Research was conducted to identify assessor needs pertaining to mapping tools. As a result, a Geographic Information System (GIS) tool was specifically designed for the assessment function. Implementation of the new GIS tool is planned for 2010-2011.
- The goal of attaining a ten-year residential and six-year commercial re-inspection cycle was achieved in 2009. A total of 37,335 properties were re-inspected.



## Property Assessment Statistics

Tax Year	Number of Properties	Assessment Base (Billions \$)	Request for Review	% of Property Accounts	Appeals (Assessment and Planning Appeal Board)
2009	451,416	49.1	8,558	1.9%	214
2008	448,224	46.7	5,526	1.2%	174
2007	444,341	43.4	5,518	1.2%	155
2006	441,161	40.5	6,598	1.5%	250
2005	437,637	38.0	8,100	1.8%	189
2004	433,790	35.8	5,838	1.3%	240
2003	429,859	33.5	4,369	1.0%	272

## Land Information Infrastructure Secretariat

Service New Brunswick is the lead agency for coordination of base mapping and geomatics in New Brunswick.

The activities of the Land Information Infrastructure Secretariat include:

- managing an inter-agency governance framework to facilitate collaboration on geomatics across the Government of New Brunswick;
- implementing cross-agency projects such as the development of provincial standards and data sets and creation of authoritative road, water and imagery datasets;
- developing a collaborative spatial data infrastructure (SDI) with partners to accommodate storage and dissemination of geographic data;
- conducting education and outreach activities; and
- operating a geographic data and mapping download service.

### Key highlights for the year:

- Public launch of the GeoNB Map Viewer in November 2009. As of March 2010, there were 7,000 customer visits per week.
- Continued to publish New Brunswick Digital Property Maps, Civic Address and other data sets on Service New Brunswick's Geographic Data and Mapping download website.
- Completed consolidation of standards for geographic data in New Brunswick.





# Legislation

The following statutes are under the jurisdiction of Service New Brunswick and administered by the Corporation:

## General

- *Service New Brunswick Act*

## Property Assessment

- *Assessment Act*
- *Residential Property Tax Relief Act*

## Land Information

- *Surveys Act*
- *Condominium Property Act*
- *Air Space Act*

## Land Registry

- *Land Titles Act*
- *Registry Act*
- *Boundaries Confirmation Act*
- *Standard Forms of Conveyances Act*

## Personal Property Registry

- *Personal Property Security Act*

## Corporate Registry

- *Business Corporations Act*
- *Companies Act*
- *Corporations Act*
- *Foreign Resident Corporations Act*
- *Common Business Identifier Act*
- *Partnership Act*
- *Limited Partnership Act*
- *Partnerships and Business Names Registration Act*
- *Special Corporate Continuance Act*
- *Winding-up Act*

## Vital Statistics

- *Vital Statistics Act*
- *Marriage Act*
- *Change of Name Act*

## Rentalsman

- *Residential Tenancies Act*







# Official Languages

Service New Brunswick recognizes its obligations and is committed to actively offering and providing quality services to the public in the public's official language of choice for all delivery channels.

During the 2009-2010 fiscal year, Service New Brunswick received a total of two complaints under the *Official Languages Act*. Both complaints were founded and situations were addressed.

In the last fiscal year, Service New Brunswick had nine employees pursuing second language training.





# Business Plan 2007-2010

## Year 3 Action Plan Overview

2009-2010 was the final year of Service New Brunswick's 2007-2010 Business Plan. The plan focused on eight priority objectives, which fit into two complementary categories: Core Corporate Objectives and Targeted Service Objectives. To ensure achievement of the Business Plan Objectives, Service New Brunswick developed an action plan for each of the 3 years.

Overall, the Corporation is pleased with the accomplishments set out in its third year Action Plan. The shaded goals below indicate the areas of focus during 2009-2010.

### Core Corporate Objectives

#### **Excellence in Service**

Service New Brunswick's service delivery culture is characterized by exemplary customer service.

Goals	Seek continuous improvement in customer service	Improve collaboration with our business partners	Ensure that New Brunswickers are aware of and understand Service New Brunswick's services
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#### **Valued Workforce**

Service New Brunswick provides a work environment conducive to the growth of both employees and the organization.

Goals	Promote the development of our human resources	Develop the technology to support human resources management	Ensure effective internal communications
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#### **Effective Organization**

Service New Brunswick recognizes the importance of a corporate organization that supports growth and service excellence.

Goals	Enhance our planning process to ensure that we achieve our strategic priorities	Enhance our business capacity through appropriate technology	Maintain effective internal procedures	Ensure that new opportunities are seized by smoothing the transition from idea to delivery
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#### **Innovative Growth**

Service New Brunswick will stay on the leading edge of service delivery.

Goals	Play a leadership role on behalf of government in the evolution of service delivery toward the goal of self-sufficiency	Increase our innovation capacity	Continually strive to define a visionary future state
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# 14

## Targeted Service Objectives

### **Modernized Assessment Services**

Service New Brunswick's Assessment services will be modernized for long-term sustainability.

Goals	Modernize Assessment services	Take advantage of advancements made possible by emerging tools and technologies	Generate public confidence in the property tax system	Maintain a qualified Assessment workforce
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### **Transformed Business Services**

Service New Brunswick maintains a collaborative relationship with both businesses and business service providers to enhance service delivery.

Goals	Facilitate the transformation of government services to businesses	Establish a business portal in anticipation of business needs
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### **Enhanced Citizen Services**

Service New Brunswick collaborates with all three levels of government to ensure seamless, citizen-centered service delivery.

Goals	Modernize the Vital Statistics services	Expand the single window for citizen services
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### **Expanded Land Information Services**

Service New Brunswick will help to reinstate New Brunswick as a leader in land information services by coordinating the province's geomatics infrastructure.

Goals	Become the government's lead agency in geomatics	Improve the management of condominiums
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# Financial Statements

## Management Discussion and Analysis

Management is pleased to comment on the financial results for the year ended March 31, 2010. This discussion highlights key features of the financial statements and provides additional information and perspectives that go beyond the twelve months covered by the statements themselves.

The Board of Directors for Service New Brunswick is mandated by law to administer the affairs of the Corporation on a commercial basis based on sound business practices (*Service New Brunswick Act* section 7(3)). Accordingly, it follows business-based generally accepted accounting principles – Canadian Generally Accepted Accounting Principles (GAAP) – that reflect the value of its previous investments and appropriately match expenses with current revenues.

## Balance Sheet

### Cash

Service New Brunswick had cash and short-term investments at March 31, 2010 of \$27.2M, compared to its balance last year of \$29.6M. While this appears to be a drop in cash of \$2.4M it actually results from the fact that the Corporation was able to purchase \$5M in long-term Guaranteed Investment Certificates (GICs). In December 2009, the Board of Directors approved a multi-year investment policy which allows the Corporation to take advantage of GICs and other investments whose terms exceed one year. Additional details on changes in cash are provided in the Statement of Cash Flows.

Working capital – current assets minus current liabilities – was \$27M at March 31, 2010 compared to \$30.5M the previous year. Cash in excess of immediate operating requirements may be invested in a mix of short- and long-term secure monetary instruments, for periods not to exceed five years.

### Restricted assets

This category is comprised of two components: Cash and Receivables held on behalf of partners at year end and Land Titles Assurance cash.

### Partner Cash and Receivables

A significant portion of Service New Brunswick's business is to collect payments on behalf of provincial government departments, municipalities and utilities. A total of \$440M was collected from citizens and businesses in 2009-2010 and remitted to partners on behalf of whom we provide services. The amount of cash and receivables in transit at March 31, 2010 was \$6.9M and \$6.5M at March 31, 2009.

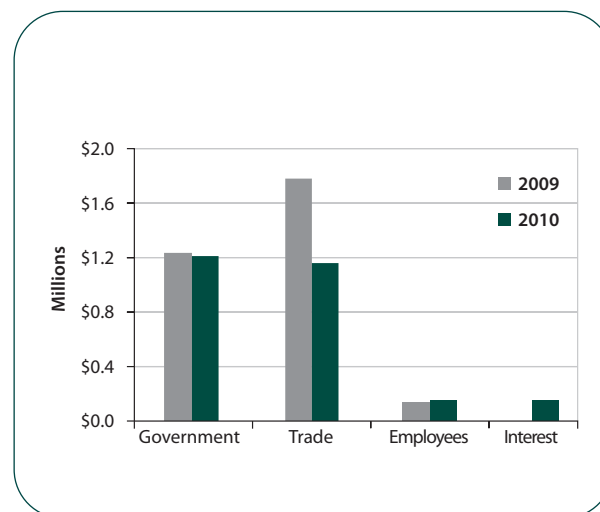
At the end of 2009-2010, Service New Brunswick also held \$13.2M in cash and receivables on behalf of Efficiency NB, as the result of a service contract with that agency. These amounts are segregated from Service New Brunswick's own cash on the balance sheet and pose no risk to Service New Brunswick.

### Land Titles Assurance Cash

Since the implementation of Guaranteed Land Titles in 2000, the amount accumulated under Land Titles Assurance has grown to \$4M, an increase of \$0.3M during the year ended March 31, 2010.

### Accounts Receivable

Accounts receivable at March 31, 2010 were \$2.7M compared to \$3.2M last year. The composition of accounts receivable is:

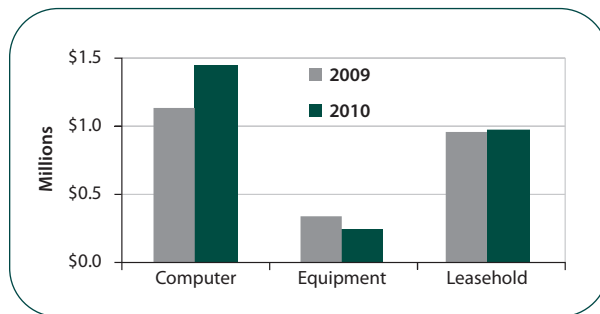




Due to the nature of the accounts, there is little risk of not collecting the amounts due. Most customers have taken advantage of our automated daily funds transfer service which provides account settlement within two business days. Other amounts are due from government and ongoing business partners.

### **Equipment**

Service New Brunswick had tangible assets, net of accumulated amortization, of \$2.6M at March 31, 2010, compared to the March 31, 2009 balance of \$2.4M. Net tangible assets were comprised of:



### **System Development**

Unamortized system developments amounted to \$11.7M at March 31, 2010. This is a \$0.2M decrease from last year's balance of \$11.9M. Investments of \$2.3M to the new property assessment system (EVAN), licensing and permitting system, and land information and service delivery infrastructures were offset by \$2.5M amortization of previous investments.

Development initiatives are evaluated by a project governance ranking model and overseen by the Development Committee of the Board of Directors.

### **Current Liabilities**

Accounts payable and accrued liabilities of \$7.1M are up \$1M from last year's balance at March 31, 2009 of \$6.1M. Trade and Province of New Brunswick balances arise in the normal course of business. The \$2.2M amount for salary and benefit accruals includes accrued payroll and future vacation benefits that have been earned but not yet taken. Early retirement incentive represents the portion that remains of the liability related to the early retirement incentive offered to employees in the year ended March 31, 1996. This obligation decreases every year by the amount remitted to the Province for those Service New Brunswick employees who took advantage of the incentive. The liability will be completely paid off in the upcoming 2010-2011 fiscal year. Retirement allowance represents the current portion of employee future benefits liabilities, as described under Long-Term Liabilities below.

Deferred receipts are made up of project cost advances and customer deposits on account and amounted to \$0.8M at the end of fiscal 2009-2010.

### **Long-term Liabilities**

#### **Retirement Allowance**

Regular employees are entitled to a paid retirement allowance prior to their retirement based upon years of service. The long-term portion of this accrued benefit obligation was \$2.4M at March 31, 2010.

#### **Land Titles Assurance**

In 2000, Service New Brunswick implemented a system of Guaranteed Land Titles in New Brunswick by which landowners are assured title to their properties. To date, Service New Brunswick has collected \$4M in fees and has paid claims totalling \$79K.

#### **Equity**

Net assets exceed liabilities at March 31, 2010 by \$40M – up \$0.7M over last year. The increase is attributable solely to net income for the year just ended.

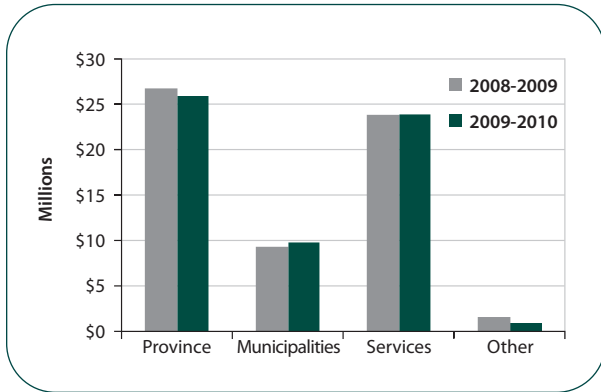


## Income Statement

### Revenues

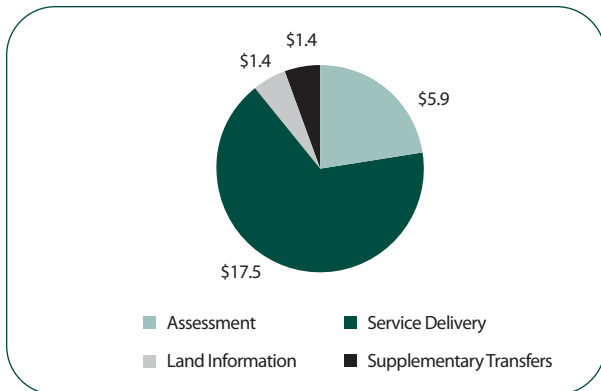
Revenues for the year ended March 31, 2010 were \$60.3M and \$61M for the previous year.

Revenues were received from the sources noted below:



### Provincial Services

Provincial revenues decreased by \$0.9M to \$26.2M in 2009-2010 from \$27.1M in 2008-2009. Funding from the Province is transferred to Service New Brunswick to support services provided on behalf of the Province. It is allocated to:

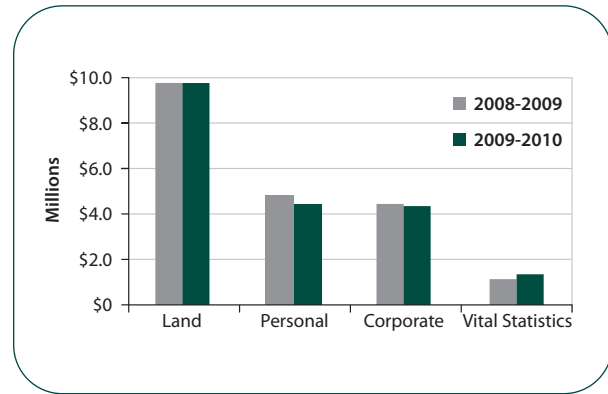


### Assessment Funding

Funding for assessment services is based on a formula of \$.02 per \$100 of relevant property tax base. The Province paid \$5.9M while municipalities, rural communities and local service districts paid \$9.7M.

### Registry Fees

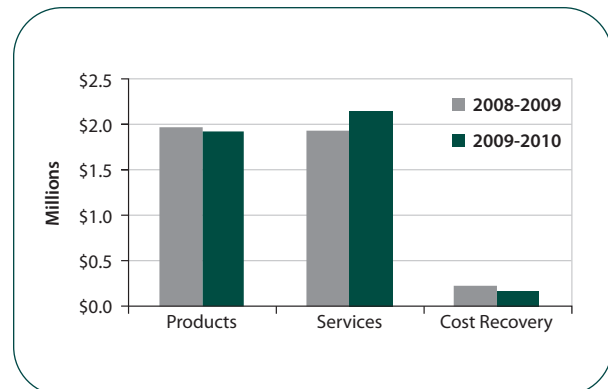
Service New Brunswick operates four registries: Land, Personal Property, Corporate, and Vital Statistics. Total registry fees were \$19.8M for the year ended March 31, 2010 compared to \$19.9M for the previous year.



### Products and Services

Products and services revenues were \$4.2M for the year ended March 31, 2010 compared to \$4.1M for the year ended March 31, 2009.

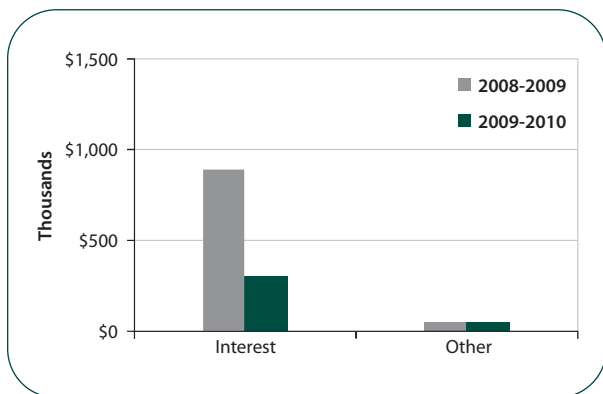
Product and services revenues are characteristically derived from two sources: the sale of a variety of products, mainly geographic information, and the provision of customer services on a fee for service basis, on behalf of provincial departments, Service Canada, municipalities, and utilities. Services provided on behalf of provincial departments prior to 1996 are primarily funded through Provincial Main Estimates.





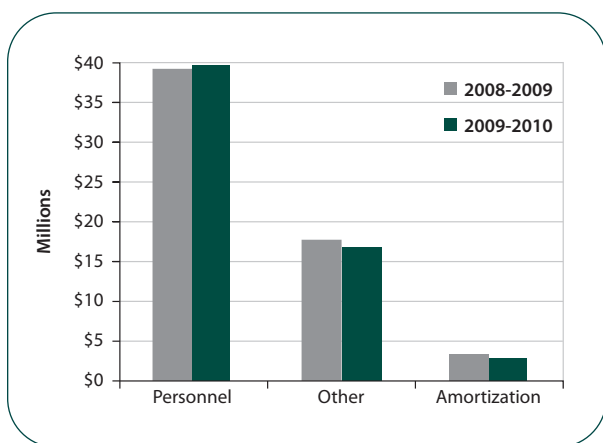
**Other Revenues**

Other revenues are generated by interest on investments and salary recoveries. Other revenues totalled \$0.3M in 2009-2010 and \$0.9M in 2008-2009. This change is attributable to the drop in interest rates over the past year.



**Expenses**

Total expenses for the year ended March 31, 2010 were \$59.6M compared to \$60M in the previous year. The following table provides a breakdown of expenses by category. Personnel costs include salary and employee benefits. Other expenses include space, equipment, communications and computer services. Amortization reflects depreciation of the Corporation's assets.



**Salary and Employee Benefits**

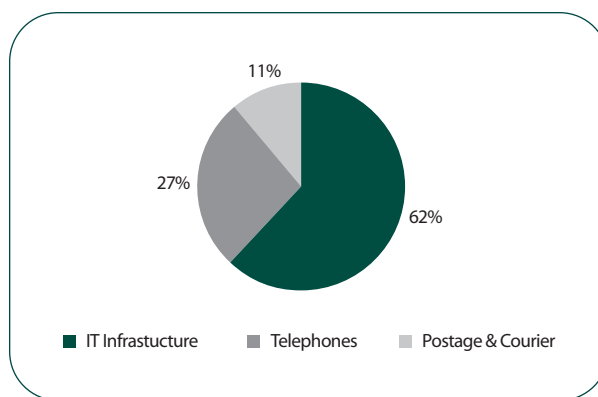
Salaries and related benefits amounted to \$39.6M for the year ended March 31, 2010 and \$39M for the previous year.

**Space and Equipment Services**

Expenses in this category were \$5.6M in 2009-2010 and \$5.7M in 2008-2009. The Corporation occupies space in more than 40 locations at an ongoing cost of \$4.5M. The remaining \$1.1M is for equipment services which includes computer and office equipment leases and maintenance.

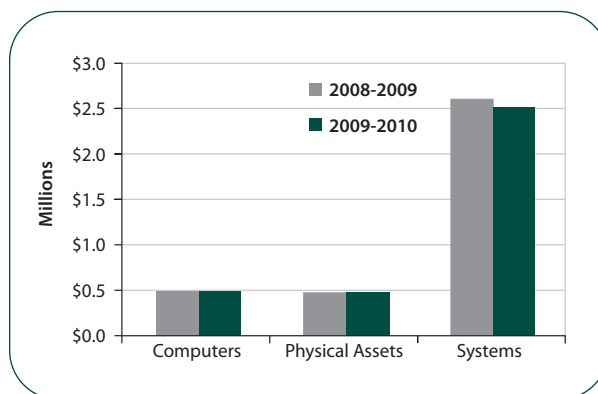
**Communications and Computer Services**

The Corporation spent \$5M on communications and computer services in 2009-2010. Three components are included in this category, Information Technology (IT) infrastructure, Telephones, and Postage and Courier expenses.



**Amortization**

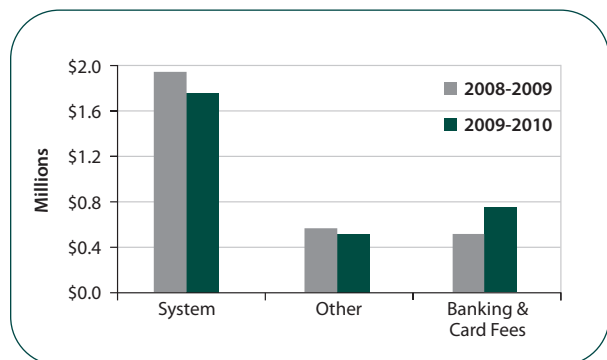
Service New Brunswick follows Canadian GAAP. Investments in systems and equipment having a useful life of four years or more are capitalized to the balance sheet and written off against income over time. Amortization expense totalled \$3.3M in 2009-2010, and \$3.5M in 2008-2009.





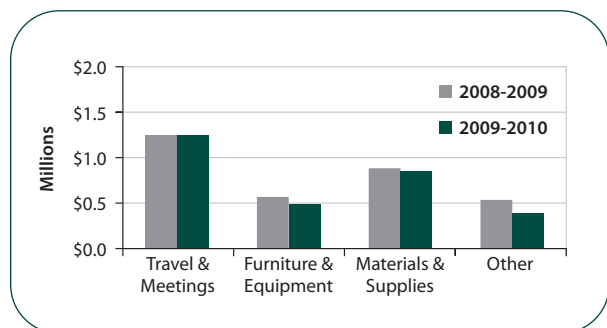
### Professional Services

Costs in this category have remained unchanged at \$3.1M for the years ended March 31, 2010, and March 31, 2009. Professional services include consulting, project management, translation, board member per diems, audit and legal fees. Also included in this category are banking fees and WorkSafe NB administrative fees.



### Other Expenses

Other expenses totalled \$2.9M for the year ended March 31, 2010 and \$3.4M for the previous year. Costs in these categories are generally consistent from year to year.



### Risks and Other Dependencies

The Enterprise Risk Management Policy at Service New Brunswick outlines a framework of objectives and processes to ensure risk management is integrated throughout the Corporation on a consistent and continuous basis. Some of the key risks that have been identified for Service New Brunswick are:

### Capacity With Respect to Systems Development

Service New Brunswick is currently engaged in a number of development projects, most involving varying degrees of new technologies and complexities. Managing major development projects requires careful planning and prioritization in order to ensure sufficient capacity is available to respond to new opportunities as well as handle unexpected circumstances with existing initiatives.

Service New Brunswick currently uses a project management framework known as IDEA (Initiation, Definition, Execution, and Assessment) for systems development. This methodology, coupled with an experienced project delivery unit and regular monitoring by project steering committee helps to mitigate risk around available capacity.

### Reliance on the Province of New Brunswick

Service New Brunswick is a "Part 1" Crown Corporation owned solely by the Province of New Brunswick. Approximately half of the Corporation's funding is from the Province. However, this funding is subject to general budgetary pressure facing the government. Therefore, the Corporation is challenged to address increased operational expenses while maintaining and enhancing current levels of service.

### Partnerships

Service New Brunswick relies on effective, collaborative relationships with government partners to successfully achieve its mandate. In light of priorities and other pressures faced by departments, there is a risk that the Corporation may not be able to engage departments in new opportunities on a timely basis.

In order to mitigate this risk, the Corporation is engaging government departments at both senior and operational levels on issues of common opportunity. The Corporation is also developing applications that can be used by a wide variety of government partners.



***Retention and Recruitment***

Service New Brunswick estimates that 25% of its workforce will be eligible to retire by 2012. As such, retention and recruitment have become important to mitigate the resulting knowledge gap.

The Corporation has undertaken steps to address these concerns which include focusing on succession planning, improving employee retention, and documenting processes that will help with the retention of knowledge.

**Financial Statements**

The financial statements which follow have been reviewed by the Audit Committee and approved by the Service New Brunswick Board of Directors.



# Financial Statements March 31, 2010

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Changes in Equity .....25  
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# Management Report

The preparation of financial information is an integral part of management's responsibilities and the accompanying financial statements are the responsibility of the management of the Corporation.

The Corporation maintains an accounting system and related controls to provide management and the Board of Directors with reasonable assurance that transactions are executed and recorded as authorized, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements in accordance with Canadian generally accepted accounting principles.

It is the responsibility of the Board of Directors to oversee management's performance of its financial reporting responsibilities and to review and approve the financial statements. Upon the recommendation of the Audit Committee, these financial statements are approved by the Board of Directors.

Sylvie Levesque-Finn  
President

Fredericton, N.B., Canada  
June 1, 2010

Dan Rae, CGA  
Vice President of Corporate Services



# Auditor's Report

To the Members of the Board of Directors

We have audited the balance sheet of Service New Brunswick as at March 31, 2010 and the statements of income and changes in equity and cash flows for the year ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Saint John, Canada  
May 21, 2010

*Ernst & Young LLP*  
Chartered Accountants



## Balance Sheet As at March 31

Assets	2010	2009
<b>Current Assets</b>		
Cash and cash equivalents	\$ 27,235,611	\$ 29,632,397
Restricted assets (Note 5)	24,191,302	19,780,399
Accounts receivable (Note 6)	2,690,769	3,180,930
Prepaid expenses	880,082	704,538
	54,997,764	53,298,264
<b>Long-term Assets</b>		
Prepaid expenses	255,071	133,334
Guaranteed Investment Certificates	5,000,000	-
Equipment (Note 7)	2,576,373	2,383,525
System development (Note 7)	11,771,856	11,943,164
	19,603,300	14,460,023
	<b>\$ 74,601,064</b>	<b>\$ 67,758,287</b>

Liabilities & Equity		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 7,154,638	\$ 6,110,169
Partner liabilities (Note 9)	20,189,379	16,107,457
Deferred receipts	833,962	637,341
	28,177,979	22,854,967
<b>Long-term Liabilities</b>		
Retirement allowance (Notes 8 and 11b)	2,399,169	1,906,211
Early retirement incentive (Notes 8 and 11c)	-	4,968
Land titles assurance (Note 10)	4,001,923	3,672,942
	6,401,092	5,584,121
Equity	40,021,993	39,319,199
	<b>\$ 74,601,064</b>	<b>\$ 67,758,287</b>

Commitments Note 12  
See accompanying notes

Derek Pleadwell  
Chairperson

Sylvie Levesque-Finn  
President





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Statement of Cash Flows  
For the years ended March 31

ANNUAL REPORT 2009-2010

	2010	2009
<b>Cash and cash equivalents provided by (used in)</b>		
<b>Operations</b>		
Net income	\$ 702,794	\$ 1,116,971
Amortization	3,335,568	3,469,501
Deferred employee benefits	487,990	86,289
Disposal of equipment and systems	18,326	111,335
	<b>4,544,678</b>	<b>4,784,096</b>
<b>Changes in non-cash working capital:</b>		
Accounts receivable	490,161	(1,490,050)
Prepaid expenses	(297,281)	58,307
Accounts payable and accrued liabilities	1,044,469	13,178
Deferred receipts	196,621	504,793
	<b>5,978,648</b>	<b>3,870,324</b>
<b>Investments</b>		
Additions to equipment	(1,069,972)	(1,476,463)
Additions to system development	(2,305,462)	(1,412,346)
	<b>(3,375,434)</b>	<b>(2,888,809)</b>
Net increase in cash during the year	2,603,214	981,515
Cash and cash equivalents, beginning of year	29,632,397	28,650,882
Cash and cash equivalents, end of year	<b>\$ 32,235,611</b>	<b>\$ 29,632,397</b>

See accompanying notes



## Notes to Financial Statements For the year ended March 31, 2010

### 1. Service New Brunswick

Service New Brunswick (hereafter referred to as “the Corporation”) is a non-taxable Crown Corporation established under the *Service New Brunswick Act* (hereafter referred to as “the Act”). Its mission is making government services more accessible and being stewards for authoritative information.

The Corporation has no share capital and the Act does not provide for this, however, the Act does stipulate that any profits may be appropriated by the Crown at the discretion of the Minister of Finance. The current balance in equity is comprised solely of retained earnings. The Corporation is not subject to any externally imposed capital requirements, and has the ability to borrow funds when necessary.

### 2. Accounting Policies

#### General

The Corporation follows Canadian generally accepted accounting principles (GAAP).

#### Cash and cash equivalents

Cash and cash equivalents includes cash on hand and short-term, highly liquid financial instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Financial instruments and comprehensive income

The Corporation is required to designate its financial instruments into one of the following five categories: (i) held-for-trading, (ii) available-for-sale, (iii) held-to-maturity, (iv) loans and other receivables, or (v) other financial liabilities. All financial instruments are to be initially measured at fair value. Financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net income and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost using the effective interest method.

The Corporation designates its financial instruments as follows:

- a) *Cash and cash equivalents and restricted assets are classified as “held for trading”. Due to the nature and/or short-term maturity of these financial instruments, carrying value approximates fair value.*
- b) *Accounts receivable and partner receivables are classified as “loans and receivables”. After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Corporation, the carrying value approximates fair value.*
- c) *Accounts payable and accrued liabilities, and partner liabilities are classified as “other financial liabilities”. Initial measurement is at fair value. Subsequently, they are measured at amortized cost using the effective interest method. For the Corporation, the carrying value approximates fair value.*

#### Restricted assets

Management has segregated cash and receivables equal to the amount of Partner Liabilities (Note 9) and the amount accumulated under Land Titles Assurance (Note 10).

#### Long-term assets

Investments in information systems and databases and in physical assets having a value of \$5,000 or greater are capitalized and written off to income in accordance with the amortization policy.

Grants and other revenue received relating to long-term assets are deferred and amortized over the life of the related asset.



**2. Accounting Policies (continued)**

## Revenue

Revenue is recognized on an accrual basis as earned with an offset, in the case of Corporate Registry annual filing, for fees from businesses likely to be inactive. Amounts deemed receivable but uncollectable are recognized as bad debt expense.

## Pension expense

Corporation employees are part of a multi-employer defined benefit plan, and accordingly, only current year contributions are expensed.

## Amortization

Amortization is computed on a straight-line basis on original cost with rates as follows:

<i>Furniture, databases and systems</i>	<i>10 years</i>
<i>Leasehold improvements duration of lease up to</i>	<i>10 years</i>
<i>Equipment</i>	<i>5 years</i>
<i>Computers and software</i>	<i>4 years</i>

## Measurement uncertainty

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. Financial Instrument Risk**

The reported value of financial instruments which comprise cash and cash equivalents, accounts receivable, partner receivables, accounts payable, accrued liabilities, and partner liabilities approximate their fair values due to the short-term maturity of these instruments. The Corporation is not subject to significant interest rate or credit risks arising from these instruments.

Potential credit risk related to accounts receivable is low due to the fact that a significant portion of the receivable balance is due from federal or provincial government entities.

Interest revenue is subject to interest rate fluctuations. A change of 1% will affect interest revenue by approximately \$300,000.

**4. Related Entity Transactions**

The Corporation is solely owned by the Province of New Brunswick. The Balance Sheet contains the following related entity amounts:

	Year Ended 2010	Year Ended 2009
Accounts receivable	\$ 800,561	\$ 763,232
Accounts payable	725,348	499,139
Net owing to the Corporation	\$ 75,213	\$ 264,093



The Statement of Income and Changes in Equity contains the following related entity amounts:

	Year Ended 2010	Year Ended 2009
Revenue	\$ 38,885,473	\$ 38,947,536
Expense	2,551,047	2,698,563
Net revenue	\$ 36,334,426	\$ 36,248,973

**5. Restricted Assets**

Restricted assets are comprised of the following amounts:

	Year Ended 2010	Year Ended 2009
Partner cash and receivables (Note 9)	\$ 20,189,379	\$ 16,107,457
Land titles assurance cash (Note 10)	4,001,923	3,672,942
	\$ 24,191,302	\$ 19,780,399

**6. Accounts Receivable**

			Year Ended 2010	Year Ended 2009
	Accounts Receivable	Allowance for Doubtful Accounts	Net	Net
Current				
Trade	\$ 923,473	\$ 8,374	\$ 915,099	\$ 1,594,427
HST rebate	436,219	-	436,219	489,381
Province of NB	800,561	-	800,561	763,232
Corporate registry	219,187	21,073	198,114	190,598
Employee computer loans	146,413	-	146,413	143,292
Accrued interest	194,363	-	194,363	-
	\$ 2,720,216	\$ 29,447	\$ 2,690,769	\$ 3,180,930

The Corporation's trade accounts receivable do not represent significant concentration of credit risk because the accounts are owed by a large number of organizations on normal credit terms. Most other receivables are deemed collectable because of the nature of the debtor or the transactions.



**7. Equipment and System Development**

<b>Year Ended 2010</b>			
<b>Equipment</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Computers and software	\$ 4,962,263	\$ 3,517,148	\$ 1,445,115
Furniture and equipment	1,397,893	1,217,997	179,896
Leasehold improvements	3,689,999	2,738,637	951,362
	\$ 10,050,155	\$ 7,473,782	\$ 2,576,373
<b>System development</b>			
Systems	\$ 34,614,128	\$ 25,973,421	\$ 8,640,707
Databases	1,018,040	1,018,040	-
Work in process	3,131,149	-	3,131,149
	<b>\$ 38,763,317</b>	<b>\$ 26,991,461</b>	<b>\$ 11,771,856</b>

<b>Year Ended 2009</b>			
<b>Equipment</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Computers and software	\$ 4,174,363	\$ 3,016,826	\$ 1,157,537
Furniture and equipment	1,463,028	1,167,039	295,989
Leasehold improvements	3,347,230	2,417,231	929,999
	\$ 8,984,621	\$ 6,601,096	\$ 2,383,525
<b>System development</b>			
Systems	\$ 34,377,267	\$ 23,556,653	\$ 10,820,614
Databases	1,018,040	1,018,040	-
Work in process	1,122,550	-	1,122,550
	<b>\$ 36,517,857</b>	<b>\$ 24,574,693</b>	<b>\$ 11,943,164</b>

**8. Accounts Payable and Accrued Liabilities**

	<b>Year Ended 2010</b>	<b>Year Ended 2009</b>
<b>Current</b>		
Trade payables	\$ 3,820,991	\$ 3,062,333
Salary and benefit accruals	2,234,289	2,115,189
Retirement allowance (Note 11b)	295,700	277,100
Early retirement incentive (Note 11c)	11,711	80,000
Payroll deductions payable	66,599	76,408
Province of New Brunswick payables	725,348	499,139
	<b>\$ 7,154,638</b>	<b>\$ 6,110,169</b>



### 9. Partner Liabilities

The Corporation collects cash on behalf of the Province of New Brunswick and other business partners. The following amounts were payable to the Province and other partners at year end.

Provincial receivables are short-term accounts which are collected from provincial clients and, subsequently, remitted to the Province. Efficiency NB receivables are interest-free loans issued to members of the public to finance energy efficiency improvements to their homes. These loans are administered by the Corporation on behalf of Efficiency NB and can have repayment terms of up to six years. They carry no risk to the Corporation.

	Year Ended 2010		
	Cash	Receivables	Total
Efficiency NB	\$ 278,171	\$ 12,986,364	\$ 13,264,535
Other provincial	5,080,333	196,237	5,276,570
Other partners	1,648,274	-	1,648,274
	<b>\$ 7,006,778</b>	<b>\$13,182,601</b>	<b>\$ 20,189,379</b>

	Year Ended 2009		
	Cash	Receivables	Total
Efficiency NB	\$ 891,720	\$ 8,705,278	\$ 9,596,998
Other provincial	4,696,251	59,681	4,755,932
Other partners	1,754,527	-	1,754,527
	<b>\$ 7,342,498</b>	<b>\$8,764,959</b>	<b>\$ 16,107,457</b>

### 10. Land Titles Assurance

Under the *Land Titles Act*, the Province guarantees title to real property registered under Land Titles. The Corporation has established a fund, based on actuarial estimate, to provide for potential claims respecting indemnification pursuant to the *Land Titles Act*. An assurance fee of \$3.00 is charged for each registration in the Land Titles registry.

	Year Ended 2010	Year Ended 2009
Opening balance	\$ 3,672,942	\$ 3,218,574
Assurance fees collected	328,981	471,250
Less: claims	-	(16,882)
Ending balance	<b>\$ 4,001,923</b>	<b>\$ 3,672,942</b>

### 11. Employee Future Benefits

- Regular employees of the Corporation are covered by the Public Service Superannuation Plan of the Province of New Brunswick. The Superannuation Plan is a defined benefit multi-employer plan under which contributions are made by both the Corporation and the employees. For the year ended March 31, 2010, the Corporation expensed contributions of \$2,536,002 under the terms of the plan. The comparable amount for the year ended March 31, 2009 was \$2,279,596. The Corporation has no direct liability or entitlement to any unfunded liability or surplus in the plan related to its current or former employees.
- Regular employees of the Corporation are entitled to a paid retirement allowance prior to their retirement based upon years of service. Using the 2009 valuation, the Corporation has determined the accrued actuarial obligation for this benefit to be \$3,233,488 as at March 31, 2010. At the end of this fiscal year, the Corporation had recorded a total liability of \$2,694,869 (2009 - \$2,183,311).



	Year Ended 2010	Year Ended 2009
<b>Accrued benefit obligation</b>		
Beginning balance	\$ 2,838,617	\$ 2,617,352
Current service cost	230,500	259,374
Interest cost on obligation	191,500	192,000
Benefit payments	(27,129)	(230,109)
<b>Accrued benefit obligation</b>	<b>\$ 3,233,488</b>	<b>\$ 2,838,617</b>
<b>Reconciliation of accrued benefit obligation to accrued benefit liability</b>		
Accrued benefit obligation	\$ 3,233,488	\$ 2,838,617
Unamortized transitional amount	(538,619)	(655,306)
<b>Accrued benefit liability</b>	<b>\$ 2,694,869</b>	<b>\$ 2,183,311</b>
<b>Accrued benefit liability</b>		
Opening balance	\$ 2,183,311	\$ 1,894,330
Retirement allowance expense	538,687	519,090
Benefit payments	(27,129)	(230,109)
<b>Ending balance</b>	<b>\$ 2,694,869</b>	<b>\$ 2,183,311</b>

This estimate is based on current service cost of 0.72% of payroll and an annual discount rate of 7.75%. The transitional obligation related to the retirement allowance is amortized on a straight-line basis over the estimated remaining service period of the employees that participate in the plan (fifteen years).

- c) The Corporation incurred a liability related to an early retirement incentive offered to employees, including those of the Corporation, by the Province of New Brunswick in the year ended March 31, 1996. Pursuant to an agreement with the Province, the amount of the obligation and expense recorded was equal to the amount of the employer contributions that the Corporation would have otherwise funded to the Public Service Superannuation Plan. The Corporation annually reduces the recorded obligation by the amount it remits to the Province. The benefit obligation was \$11,711 at March 31, 2010 and \$84,968 at March 31, 2009.

## 12. Lease Commitments

The following are future minimum payments for leased premises and equipment for the years ending:

2011	\$ 3,532,206
2012	2,908,972
2013	2,549,768
2014	2,214,556
2015	2,060,558
Thereafter	2,479,848
	<b>\$ 15,745,908</b>

## 13. Future Accounting Pronouncements

The Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA") has amended public sector accounting standards to permit other government organizations to determine if they will apply International Financial Reporting Standards ("IFRS") or PSAB standards to their financial reporting for fiscal years beginning on or after January 1, 2011. After consideration the Corporation has determined that the PSAB standards are most appropriate for its financial reporting. The Corporation will adopt PSAB effective April 1, 2011 with restatement for comparative purposes of amounts reported for the year ended March 31, 2011, and of the opening balance sheet as at April 1, 2010.

The Corporation is currently assessing the financial reporting impacts of the adoption of PSAB, although the impact on future financial position, results of operations and operational changes necessary to collect and process the information are not reasonably determinable at this time.