



Annual Report
2010-2011

October 1, 2011

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

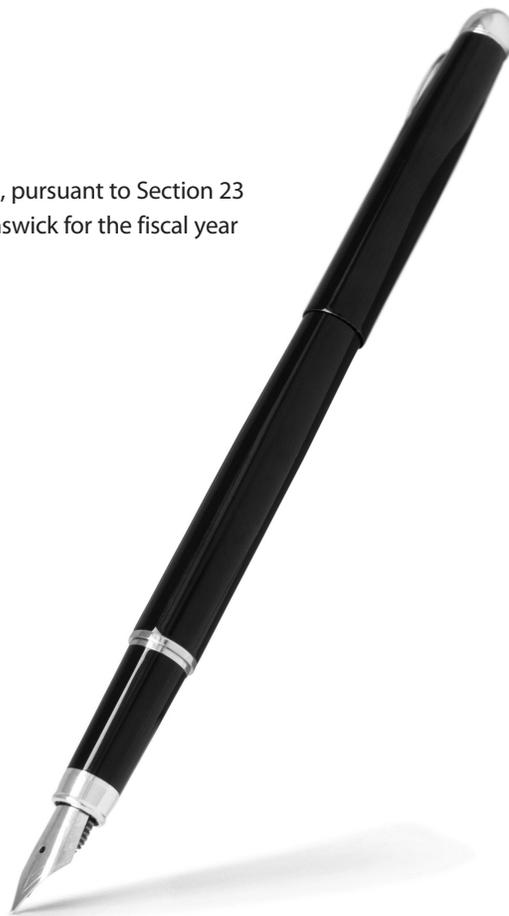
Dear Honourable Minister:

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, 2011.

Sincerely,

A handwritten signature in black ink, reading "Derek Pleadwell". The signature is written in a cursive style with a large, sweeping initial "D".

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 2010-2011

This was an exciting year, as Service New Brunswick introduced a new three-year business plan developed using the balanced scorecard methodology. This business planning process has helped us to communicate our strategic direction and will ensure ongoing measurement and monitoring of our progress in moving toward strategic targets over the next three years. I appreciated the continued dedication and support of our Board of Directors as we underwent this transition.

Our 2010-2011 action plan continued to focus on improving the way in which we serve New Brunswick citizens and businesses. The resulting improvements to a wide array of services had an impact on virtually every New Brunswicker. In 2010-2011, we achieved the highest number of customer interactions to date, reaching nearly 5.2 million transactions.

Some of our 2010-2011 highlights include:

- Security deposit payments and refunds can now be processed at any of our service centres or through TeleServices, making Rentalsman services more convenient for landlords and tenants.
- Changes were made to Land Registry to make document registration easier and more efficient. Documents can now be registered at any of our 13 registry offices situated throughout the province, no matter where the parcel of land is located.
- The GeoNB Map Viewer continued to grow in terms of usage and function. Flood mapping data was added along with high resolution imagery for Fredericton, Bathurst and Miramichi. More than 10,000 customers utilize this service each week.

I am proud of our employees and their commitment to providing service excellence. Every day we strive to live our corporate brand:

Service excellence;

innovation and continuous improvement;

collaboration and teamwork;

...we make it happen.

Sylvie Levesque-Finn
President



About Service New Brunswick

Since 1998, Service New Brunswick (the Corporation) has been committed to continually improving access to government services and public information through our single-window service model.

New Brunswickers count on us for quick and convenient access to government transactional services through our service centres in 39 communities across the province, our toll-free call centre, and our website, SNB.ca.

At the end of fiscal 2010-2011, the Corporation employed 714 people in 39 communities, of which 608 are full-time and 106 are part-time. Our employees make it happen every day - rising to the challenge of delivering service excellence in every interaction with our customers, the citizens and businesses of New Brunswick.

Vision

Service New Brunswick: World class leadership in government service.

Mission

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

Corporate Brand

Service excellence;
innovation and continuous improvement;
collaboration and teamwork;
... we make it happen.

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.

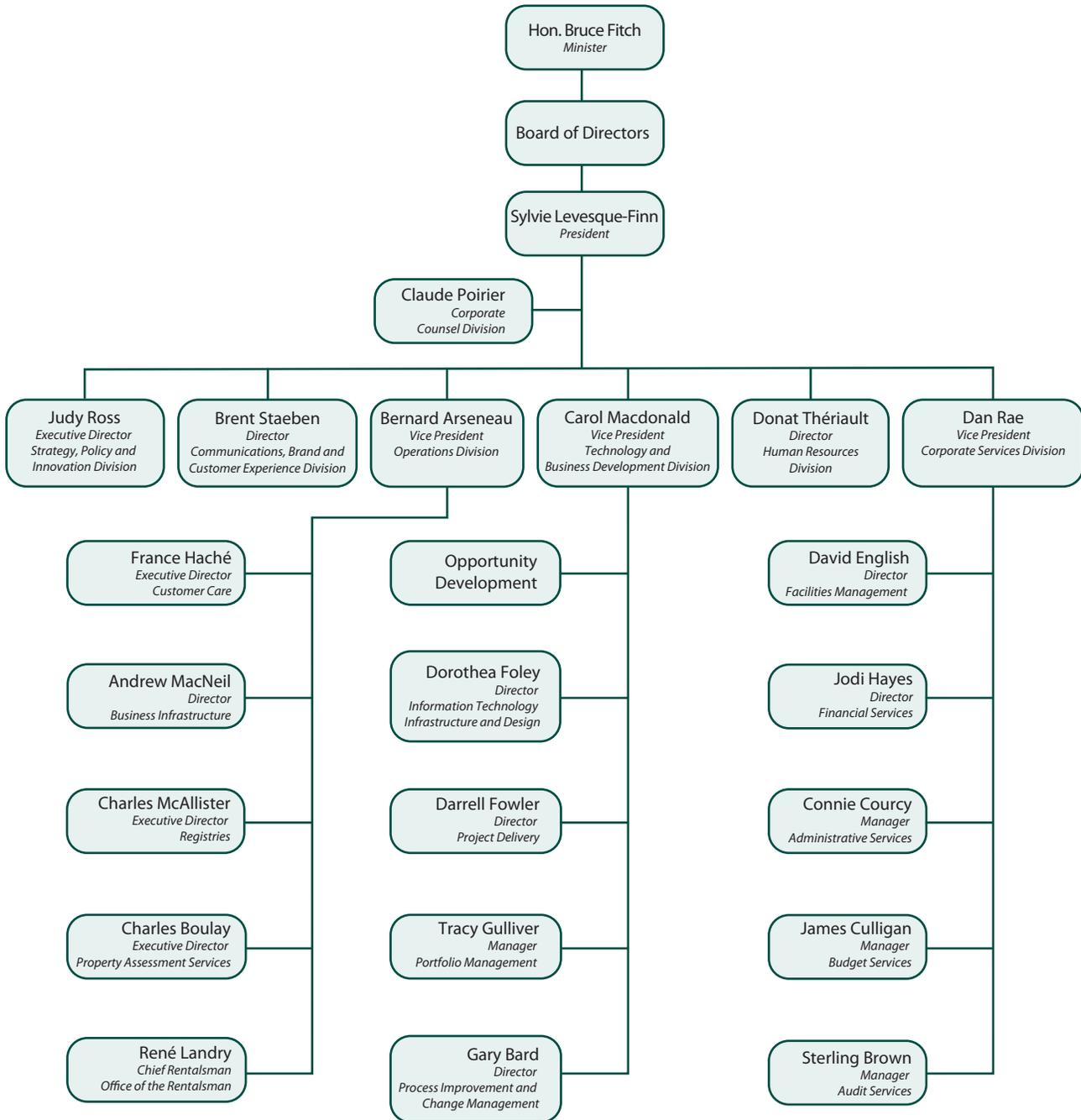
Revenues are acquired through a combination of fees for services in the Land, Personal Property, Vital Statistics and Corporate registries, payments from the Government of New Brunswick and municipalities, and grants which Government provides to deliver services on its behalf.

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





Organization Chart





Lines of Business

Customer Care

Service New Brunswick is the gateway for the public to a number of government services offered through a multichannel service delivery network. 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.

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 toll-free 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:

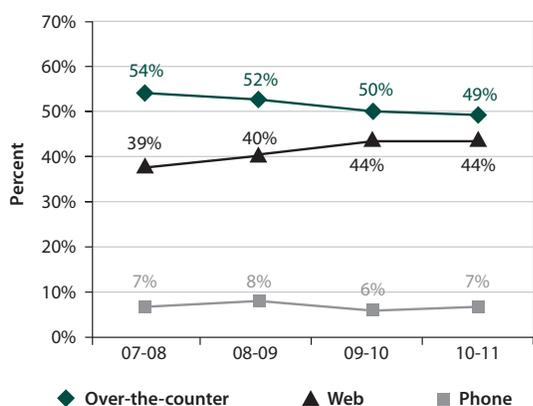
- Basic inquiries, payment of security deposits and refunds of security deposits for tenants and landlords can now be processed over-the-counter at service centres or through TeleServices.
- Beginning April 1, 2010 Service New Brunswick locations across the province began accepting Family Support Order Services (FSOS) in-person payments.
- The Pleasure Craft Licensing (PCL) process was expanded to include fulfillment for licensing of pleasure craft for all provinces in Canada.



Service Delivery Transactions

Volume by Partner	2010-2011	2009-2010	2008-2009
Provincial, Federal and Municipal include: Provincial: All NB government departments Federal: Pleasure Craft Licensing Municipalities: 62 to date	2,619,352	2,545,752	2,393,663
Service New Brunswick: Property Assessment, Corporate Registry, Personal Property Registry, Land Registry, Rentalsman, Vital Statistics and SNB Products	2,423,792	2,426,912	2,343,160
Other Partners: Payment taking for NB Power, Bell Aliant, Regional Health Authorities, WorkSafeNB and others	155,277	157,240	158,131
Total Transactions:	5,198,421	5,129,904	4,894,954

Percentage of Transactions per Channel



- 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. The following actions illustrate some of these initiatives:
 - *integrated all security deposit operations into the Service New Brunswick financial system;*
 - *developed and implemented a Rentalsman Application Management system which introduced online services for security deposit management and applications for assistance; and*
 - *improved on www.snb.ca/irent, which provides online access to general information on residential tenancies issues.*
- Rentalsman services became available to the tenants and landlords of rooming and boarding houses following proclamation of *Bill 35: An Act to Amend the Residential Tenancies Act* on April 1st, 2010.
- Accepted 14,163 security deposits, which represents a 6.4% increase in the number of security deposits. As of March 31, 2011, security deposits held in trust by the Office of the Rentalsman represent \$18,735,896, an increase of 8.29% over the previous year.
- Resolved 6,320 security deposit claims throughout the province.
- 1,156 complaints were filed with the Office of the Rentalsman alleging that a landlord or a tenant failed in his or her obligations under a tenancy agreement. It is estimated that 85% of the complaints were resolved in less than 30 days.

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*.

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;
- mediating or arbitrating complaints by both landlords and tenants regarding breach of a tenancy agreement or failure to adhere to the *Residential Tenancies Act*; and



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 landownership 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

- Land Registry implemented changes to facilitate the registration of documents and plans for both the Registry and Land Titles systems, at any of the 13 registry offices located throughout the province, regardless of the geographic location of the parcel of land affected by the registration.

- Transition year for the new *Condominium Property Act* that was proclaimed on January 1, 2010 to govern the approval, purchase and sale processes for condominiums in New Brunswick.
- An information kit was created to guide clients through the process and procedures to amalgamate New Brunswick business corporations.
- Improved timeliness of issuing the Vital Statistics annual statistical report.
- Completed data sharing agreements for Vital Statistics information with WorkSafeNB, Public Safety, Social Development and Elections Canada.

Registries Statistics

Activity	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Land Registry					
Registrations *including Applications for First Registration (AFRs)	111,468*	109,959	110,683	110,986	107,238
Searches	42,554	46,841	45,723	44,892	43,470
Number of Certificates of Registered Ownership sold	27,603	30,565	31,582	31,542	28,276
Condominiums					
New corporations	13	19	17	16	22
Number of new units approved	321	553	248	174	326
Personal Property Registry					
Registrations	127,003	126,938	126,897	131,517	130,213
Searches	54,263	54,980	50,189	50,053	49,902
Corporate Registry					
Incorporations	2,547	2,612	2,865	2,792	2,733
Registrations	3,334	3,073	3,150	3,239	3,407
Annual Returns	35,848	35,718	35,147	33,067	32,240
Certificate of Status/ Certified Copies	4,210	4,257	4,366	4,356	4,306



Registries Statistics (continued)

Activity	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Vital Statistics Registry					
Certificates Issued (all types)	34,414	38,657	45,538	51,908	45,646
Change of Name Processed	261	313	409	527	433
Amendments Processed	1,907	2,109	2,440	2,949	2,312
Vital Events Registered	17,253	17,126	18,567	17,372	17,329

Property Assessment Services

Service New Brunswick is responsible for property assessment, which is the valuation and classification of all real property in New Brunswick. Property assessment is 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 2010-2011, the Property 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
IAAO Standards	0.90 - 1.10	0.90 - 1.10	10 - 15	< 20	0.98 - 1.03	0.98 - 1.03
2010	0.93	0.93	11.2	14.3	1.013	1.027
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

Key highlights for the year:

- A 3% cap was introduced on property assessments on all owner occupied properties for the taxation years 2011 and 2012. The intent of the legislation is to lessen the impact of increasing property assessments and provide an opportunity to conduct public consultations in the effort of producing a more efficient property taxation system in the province.
- Research was conducted to identify assessor needs pertaining to mapping tools. A Geographic Information System (GIS) map viewer was identified

and implementation commenced March 2011.

Currently the users are managers, assistant managers and head office staff. Implementation indicated that the tool is very useful and as such a general roll-out to the residential assessors is being planned.

From 2010, re-inspection area maps have been created and available to the public through the Internet.

The following table summarizes the referral and appeal activity for 2010. As can be seen below, Request for Review levels were still higher than average but overall percentages remain constant.

Property Assessment Statistics

Tax Year	Number of Properties	Assessment Base (Billions \$)	Request for Review	% of Property Accounts	Appeals (Assessment and Planning Appeal Board)
2010	454,426	51.4	8,691	1.9%	258
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



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Land Information Infrastructure

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

The activities of the Land Information Infrastructure unit 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 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:

- The GeoNB Map Viewer receives approximately 10,000 visits per week. Several additions were made to the Viewer, including:
 - *Department of Environment flood mapping in June 2010;*
 - *Department of Natural Resources wetland layer in January 2011; and*
 - *High resolution imagery for Fredericton, Bathurst and Miramichi.*
- 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. Of the eight datasets available on this service, there were 111,000 downloads in fiscal year 2010-2011.
- A custodial agreement was reached with Department of Natural Resources to commence the creation of the NB Hydrographic network.



Legislation

The following statutes are under the jurisdiction of Service New Brunswick:

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*



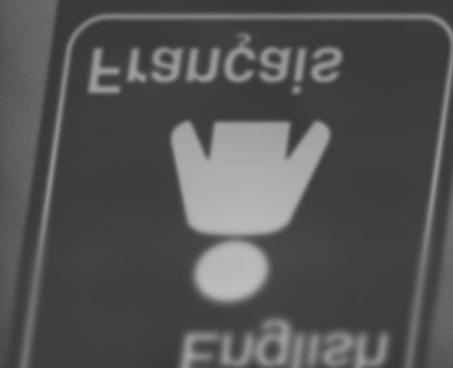


Official Languages

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 2010-2011 fiscal year, Service New Brunswick received a total of four complaints under the *Official Languages Act*. All complaints were reviewed and addressed.

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





Strategic Direction 2010-2013

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Service New Brunswick introduced balanced scorecard in 2010 as a means to articulate strategic direction and measure progress made toward meeting corporate goals and objectives. The balanced scorecard methodology is a performance management tool used to communicate strategic priorities, link actions to outcomes, measure and track achievements and define accountability. Service New Brunswick's three-year planning process, which is approved by the Board of Directors, aligns strategic goals and objectives, performance measures and annual corporate action plans.

Service New Brunswick established six strategic goals for 2010-2013. Strategic performance is measured by success in improving customer experience and partner satisfaction, creating an environment that results in greater employee involvement and commitment, enhancing the way in which businesses access government services, increasing efficiencies in internal processes, and ensuring Service New Brunswick is financially sustainable.

Following are some of the 2010-2011 initiatives that have contributed towards the achievement of Service New Brunswick's three-year goals:

- Efforts to provide and promote opportunities for self-service resulted in an increase in the volume of online transactions in certain areas, particularly Rentalsman services.
- A significant process improvement project increased the average speed of answer at TeleServices.
- Financial reports have been improved to enable better financial planning.
- Driver examiner scheduling has been improved by implementing scheduling through TeleServices.
- A new in-house training program, Machinery of Service New Brunswick, was developed as a tool for supervisors to enhance knowledge of managerial practices and provide information that will assist in managing effectively within our Corporation.



Financial Statements

Management Discussion and Analysis

Management is pleased to comment on the financial results for the year ended March 31, 2011. This discussion highlights key features of the financial statements and provides additional information and perspectives that go beyond the 12 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, cash equivalents, and short-term investments

Service New Brunswick had cash, cash equivalents, and short-term investments at March 31, 2011 of \$31.3M, compared to its balance last year of \$27.2M. While this appears to be an increase in cash of \$4.1M it actually results from the fact that the Corporation's \$5M in long-term Guaranteed Investment Certificates (GICs) purchased in 2010 will be maturing in November of 2011. 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 flows are provided in the Statement of Cash Flows.

Working capital – current assets minus current liabilities – was \$33.9M at March 31, 2011 compared to \$26.8M 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 \$491M was collected from citizens and businesses in 2010-2011 and remitted to partners on behalf of whom we provide services. The amount of cash and receivables in transit at March 31, 2011 was \$6.5M and \$6.9M at March 31, 2010.

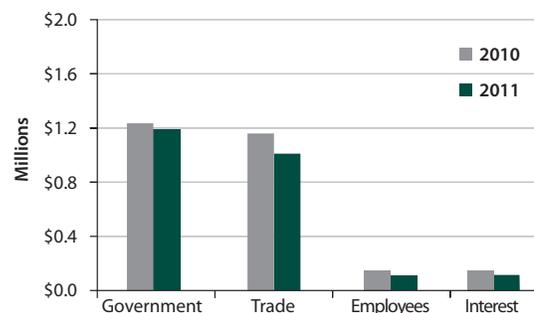
At the end of 2010-2011, Service New Brunswick also held \$9.3M in cash and receivables on behalf of Efficiency NB, as the result of a service contract with that agency. These amounts are segregated from Service New Brunswick's own cash on the balance sheet as offsetting asset and liability amounts.

Land Titles Assurance Cash

Since the implementation of Guaranteed Land Titles in 2000, the amount accumulated under Land Titles Assurance has grown to \$4.3M, an increase of \$0.3M during the year ended March 31, 2011. This amount is shown separately from other cash on the balance sheet. (See Land Titles Assurance under Long-Term Liabilities).

Accounts Receivable

Accounts receivable at March 31, 2011 were \$2.4M compared to \$2.7M last year. The composition of accounts receivable is:

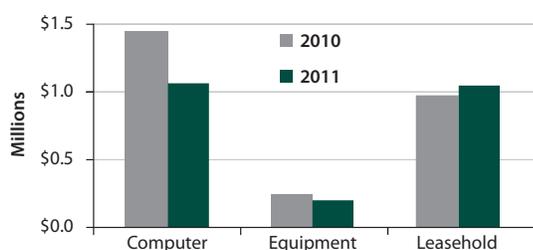




Due to the nature of the accounts, there is little risk of not collecting the amounts due. Most customers have taken advantage of our automated daily funds transfer service which provides account settlement within two business days. Other amounts are due from government and ongoing business partners.

Equipment

Service New Brunswick had tangible assets, net of accumulated amortization, of \$2.2M at March 31, 2011, compared to the March 31, 2010 balance of \$2.6M. Net tangible assets were comprised of:



System Development

System development amounted to \$12.7M at March 31, 2011. This is a \$1M increase from last year's balance of \$11.7M. Investments of \$3M in the property assessment (EvAN), licensing and permitting, and identity and access management systems, were offset by \$2M in 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 \$4.8M are down \$2.4M from last year's balance at March 31, 2010 of \$7.2M. Trade and Province of New Brunswick balances arise in the normal course of business. The \$1.3M 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 current portion of employee future benefit liabilities arising from an early retirement incentive offered to employees in the year ended March 31, 1996. Retirement allowance represents the current portion of employee future benefits liabilities. Both of these obligations are described under Long-term Liabilities below.

Deferred receipts are made up of project cost advances and customer deposits on account and amounted to \$0.3M at the end of fiscal 2010-2011.

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 \$2.6M at March 31, 2011.

In 1996, the Province offered an early retirement incentive package. The long-term portion of this accrued benefit obligation was \$0.9M at March 31, 2011.

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 \$4.3M in fees and has paid claims totalling \$0.1M. These funds ensure that the Corporation has the financial means to settle any potential claims.

Equity

Net assets exceed liabilities at March 31, 2011 by \$41.2M – up \$2.1M over last year. The increase is attributable solely to net income for the year just ended.

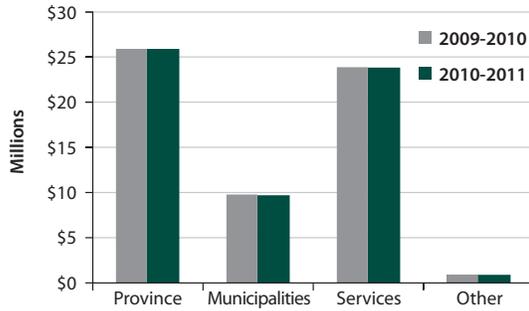


Income Statement

Revenues

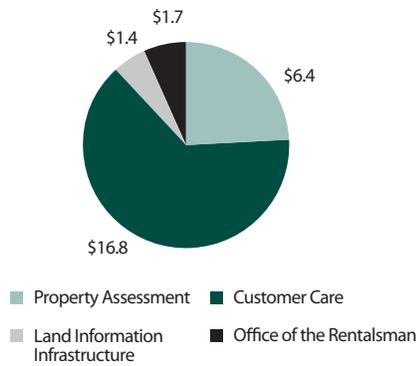
Revenues for the year ended March 31, 2011 were \$60.9M and \$60.3M for the previous year.

Revenues were received from the sources noted below:



Provincial Services

Provincial revenues increased by \$257K, but were later offset by a 1% reduction in funding during the last quarter of 2011, resulting in overall funding remaining constant at \$26.2M in 2010-2011 and in 2009-2010. Funding from the Province is transferred to Service New Brunswick to support services provided on behalf of the Province. It is allocated to:

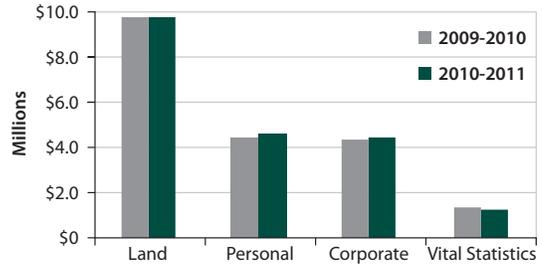


Property Assessment Funding

Funding for Property Assessment Services is based on a rate of 1.94 cents per \$100 of relevant property tax base. The Province provided \$6.4M while municipalities, rural communities and local service districts paid \$9.9M.

Registry Fees

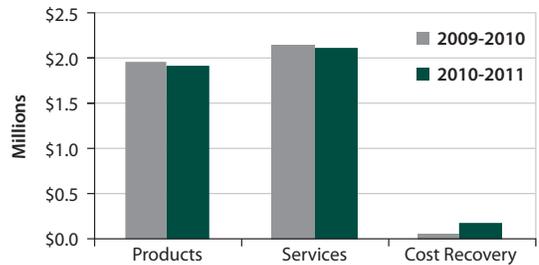
Service New Brunswick operates four registries: Land, Personal Property, Corporate, and Vital Statistics. Total registry fees were \$19.9M for the year ended March 31, 2011 compared to \$19.8M for the previous year.



Products and Services

Products and services revenues were \$4.3M for the year ended March 31, 2011 compared to \$4.2M for the year ended March 31, 2010.

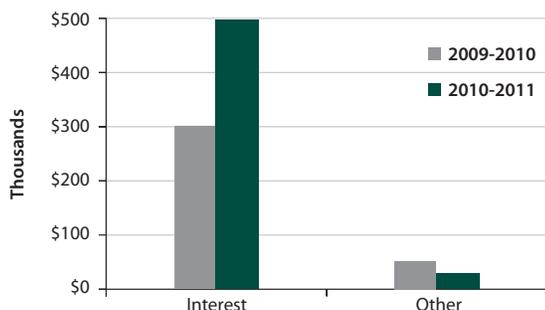
Product and services revenues are characteristically derived from two sources: the sale of a variety of products, mainly geographic information, and the provision of customer services on a fee for service basis, on behalf of provincial departments, federal government, municipalities, and utilities. Services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





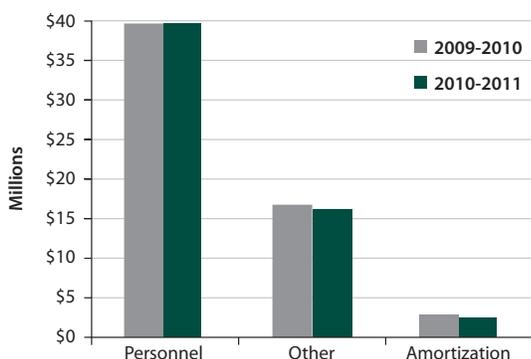
Other Revenues

Other revenues are received from interest and salary recoveries. Other revenues totalled \$0.5M in 2010-2011 and \$0.3M in 2009-2010.



Expenses

Total expenses for the year ended March 31, 2011 were \$58.8M compared to \$59.8M 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 and amortization reflects depreciation of the Corporation's assets.



Salary and Employee Benefits

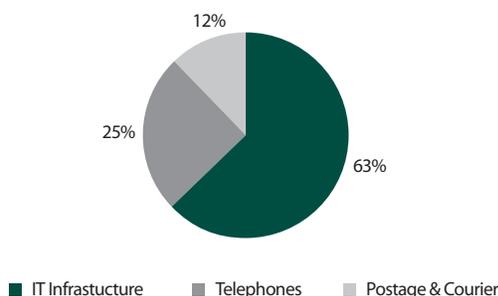
Salaries and related benefits amounted to \$39.6M for the year ended March 31, 2011 and \$39.8M for the previous year.

Space and Equipment Services

Expenses in this category were \$5.5M in 2010-2011 and \$5.6M in 2009-2010. The Corporation occupies space in more than 40 locations at an ongoing cost of \$4.3M. The remaining \$1.2M is for equipment services which includes computer and office equipment leases and maintenance.

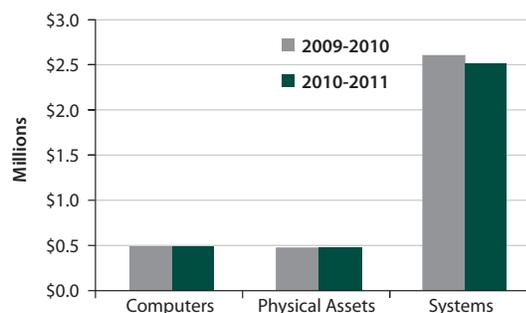
Communications and Computer Services

The Corporation spent \$5M on communications and computer services in 2010-2011. Three components are included in this category, information technology (IT) infrastructure, telephones, and postage and courier expenses:



Amortization

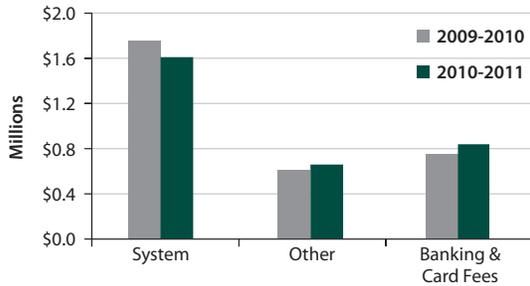
Service New Brunswick currently follows Canadian GAAP. Investments in systems and equipment having a useful life of four years or more are capitalized to the balance sheet and written off against income over time. Amortization expense totalled \$2.9M in 2010-2011, and \$3.3M in 2009-2010.





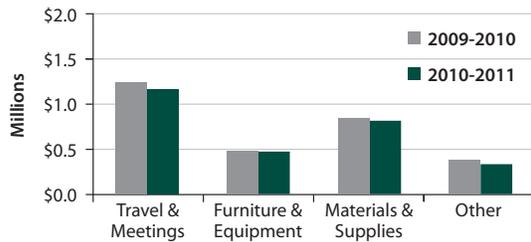
Professional Services

Costs in this category have remained unchanged at \$3.1M for the years ended March 31, 2011, and March 31, 2010. Professional services include consulting, project management, translation, board member per diems, audit and legal fees. Also included in this category are credit card discount and banking fees as well as WorkSafeNB administrative fees.



Other Expenses

Other expenses totalled \$2.6M for the year ended March 31, 2011 and \$2.9M the previous year.



Risks and Other Dependencies

Financial Restraints and Economic Climate

The current economic climate and fiscal realities may cause some revenue streams to decline while operating costs continue to rise. Budgeting and forecasting processes monitor and react to changes in revenues and expenditures throughout the year.

Priorities

Emergency situations or changes in our external environment, such as client needs, can result in initiatives being introduced at anytime during the year which could impact Service New Brunswick's ability to meet business plan objectives. The Corporation has processes in place to allow for the reallocation of resources to implement in-year initiatives and to adjust action plan prioritization.

Labour Relations

Over the course of the 2010-2013 business plan, there are three union contracts that will need to be negotiated. The Province of New Brunswick is responsible to negotiate these contracts, and historically, it has been successful at reaching agreement, however there is a risk that there could be an impact on employees.

Security Breach

There is an increasing number of security threats in today's world of information technology and any breach could be challenging to manage. Service New Brunswick continuously monitors its systems for threats and weaknesses and has designated employees who are responsible for privacy and information security on a daily basis.

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, 2011

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ANNUAL REPORT 2010-2011

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 (GAAP).

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, 2011

Dan Rae, CGA
Vice President of Corporate Services



Independent Auditor's Report

To the Members of the Board of Directors

We have audited the accompanying financial statements of Service New Brunswick, which are comprised of the balance sheet as at March 31, 2011 and the statements of income and changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Service New Brunswick as at March 31, 2011 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
June 16, 2011

Ernst & Young LLP
Chartered Accountants



Balance Sheet As at March 31

Assets	2011	2010 <i>Restated – Note 14</i>
Current Assets		
Cash and cash equivalents	\$ 21,306,741	\$ 27,235,611
Short-term investments	10,000,000	-
Restricted assets (Note 5)	20,165,557	24,191,302
Accounts receivable (Note 6)	2,445,173	2,690,769
Prepaid expenses	967,151	880,082
	54,884,622	54,997,764
Long-term Assets		
Prepaid expenses	157,917	255,071
Long-term investments	-	5,000,000
Equipment (Note 7)	2,253,901	2,576,373
System development (Note 7)	12,692,117	11,771,856
	15,103,935	19,603,300
	\$ 69,988,557	\$ 74,601,064

Liabilities & Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 4,819,680	\$ 7,214,228
Partner liabilities (Note 9)	15,861,731	20,189,379
Deferred receipts	312,436	833,962
	20,993,847	28,237,569
Long-term Liabilities		
Retirement allowance (Notes 8 and 11b)	2,556,946	2,399,169
Early retirement incentive (Notes 8 and 11c)	921,932	908,574
Land titles assurance (Note 10)	4,303,826	4,001,923
	7,782,704	7,309,666
Equity	41,212,006	39,053,829
	\$ 69,988,557	\$ 74,601,064

Commitments (Note 12)
See accompanying notes

Derek Pleadwell
Chairperson

Sylvie Levesque-Finn
President



Statement of Income and Changes in Equity For the years ended March 31

Revenues	2011	2010 <i>Restated – Note 14</i>
Provincial services	\$ 26,232,030	\$ 26,240,004
Municipal services	9,974,034	9,694,426
Registry fees	19,956,584	19,835,669
Products and services	4,264,229	4,202,184
Interest	488,381	303,679
Salary recoveries	15,882	29,982
Software sales and consulting	8,875	13,100
	60,940,015	60,319,044

Expenses	2011	2010 <i>Restated – Note 14</i>
Personnel services	39,671,593	39,876,959
Space and equipment services	5,477,982	5,631,771
Communications and computer services	5,033,593	5,051,077
Professional services	3,088,898	3,066,653
Amortization	2,890,916	3,335,568
Travel and meetings	1,125,413	1,221,935
Materials and supplies	779,774	818,289
Furniture and equipment	468,153	476,864
Other	245,516	375,920
	58,781,838	59,855,036
Net Income (Note 14)	2,158,177	464,008
Opening Equity (as previously reported)	39,053,829	39,319,199
Prior Period Adjustment (Note 14)	-	(729,378)
Opening Equity (restated)	39,053,829	38,589,821
Ending Equity	\$ 41,212,006	\$ 39,053,829

See accompanying notes



Statement of Cash Flows

For the years ended March 31

	2011	2010
		<i>Restated – Note 14</i>
Cash and cash equivalents provided by (used in):		
Operating Activities		
Net income	\$ 2,158,177	\$ 464,008
Amortization	2,890,916	3,335,568
Deferred employee benefits	171,135	667,186
Disposal of equipment and systems	-	18,326
	5,220,228	4,485,088
Changes in non-cash working capital balances:		
Accounts receivable	245,596	490,161
Prepaid expenses	10,085	(297,281)
Accounts payable and accrued liabilities	(2,394,548)	1,104,059
Deferred receipts	(521,526)	196,621
	2,559,835	5,978,648
Investing Activities		
Additions to equipment	(574,838)	(1,069,972)
Additions to system development	(2,913,867)	(2,305,462)
Sale (purchase) of long-term investment certificates	5,000,000	(5,000,000)
Purchase of short-term investments	(10,000,000)	-
	(8,488,705)	(8,375,434)
Net decrease in cash during the year	(5,928,870)	(2,396,786)
Cash and cash equivalents, beginning of year	27,235,611	29,632,397
Cash and cash equivalents, end of year	\$ 21,306,741	\$ 27,235,611

See accompanying notes



Notes to Financial Statements For the year ended March 31, 2011

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

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 investments 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 rate 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 other 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 rate 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 recognition

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

The Corporation's 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</i>	<i>duration of lease up to 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 values of financial instruments which comprise cash and cash equivalents, accounts receivable, partner receivables, accounts payable and 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 income is subject to interest rate fluctuations. A change of 1% will affect interest income 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 2011	Year Ended 2010
Accounts receivable	\$ 665,272	\$ 800,561
Accounts payable	694,768	725,348
Net (owed by) due to the Corporation	\$ (29,496)	\$ 75,213



4. Related Entity Transactions (continued)

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

	Year Ended 2011	Year Ended 2010
Revenue	\$ 38,578,840	\$ 38,885,473
Expenses	2,776,504	2,551,047
Net revenue	\$ 35,802,336	\$ 36,334,426

5. Restricted Assets

Restricted assets are comprised of the following amounts:

	Year Ended 2011	Year Ended 2010
Partner cash and receivables (Note 9)	\$ 15,861,731	\$ 20,189,379
Land titles assurance cash (Note 10)	4,303,826	4,001,923
	\$ 20,165,557	\$ 24,191,302

6. Accounts Receivable

Year Ended 2011			
	Accounts Receivable	Allowance for Doubtful Accounts	Net
Current			
Trade	\$ 807,763	\$ 8,046	\$ 799,717
HST rebate	527,004	-	527,004
Province of New Brunswick	665,272	-	665,272
Corporate Registry	224,550	25,888	198,662
Employee computer loans	115,926	-	115,926
Accrued interest	138,592	-	138,592
	\$ 2,479,107	\$ 33,934	\$ 2,445,173

Year Ended 2010			
	Accounts Receivable	Allowance for Doubtful Accounts	Net
Current			
Trade	\$ 923,473	\$ 8,374	\$ 915,099
HST rebate	436,219	-	436,219
Province of New Brunswick	800,561	-	800,561
Corporate Registry	219,187	21,073	198,114
Employee computer loans	146,413	-	146,413
Accrued interest	194,363	-	194,363
	\$ 2,720,216	\$ 29,447	\$ 2,690,769



6. Accounts Receivable (continued)

The Corporation's trade accounts receivable do not represent a 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

Year Ended 2011			
Equipment	Cost	Accumulated Amortization	Net
Computers and software	\$ 5,157,345	\$ 4,062,881	\$ 1,094,464
Furniture and equipment	1,397,893	1,282,751	115,142
Leasehold improvements	4,069,755	3,025,460	1,044,295
	\$ 10,624,993	\$ 8,371,092	\$ 2,253,901
System development			
Systems	\$ 34,934,429	\$ 27,967,028	\$ 6,967,401
Databases	1,018,040	1,018,040	-
Work in process	5,724,716	-	5,724,716
	\$ 41,677,185	\$ 28,985,068	\$ 12,692,117

Year Ended 2010			
Equipment	Cost	Accumulated Amortization	Net
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
System development			
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
	\$ 38,763,317	\$ 26,991,461	\$ 11,771,856



8. Accounts Payable and Accrued Liabilities

	Year Ended 2011	Year Ended 2010
Current		
Trade	\$ 2,355,827	\$ 3,820,992
Salary and benefit accruals	1,366,885	2,234,289
Retirement allowance (Note 11b)	330,900	295,700
Early retirement incentive (Note 11c)	71,300	71,300
Payroll deductions	-	66,599
Province of New Brunswick	694,768	725,348
	\$4,819,680	\$ 7,214,228

9. Partner Liabilities

The Corporation collects cash on behalf of the Province of New Brunswick ("Province") 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 2011		
	Cash	Receivables	Total
Efficiency NB	\$ (1,278,836)	\$ 10,578,062	\$ 9,299,226
Other provincial	4,439,105	202,159	4,641,264
Other partners	1,921,241	-	1,921,241
	\$ 5,081,510	\$10,780,221	\$ 15,861,731

	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
	\$ 7,006,778	\$13,182,601	\$ 20,189,379



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 charge, based on an actuarial estimate, to provide for a fund to cover 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 2011	Year Ended 2010
Opening balance	\$ 4,001,923	\$ 3,672,942
Assurance fees collected	304,419	328,981
Less: claims	2,516	-
Ending balance	\$ 4,303,826	\$ 4,001,923

11. Employee Future Benefits

- a) 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, 2011, the Corporation expensed contributions of \$2,152,580 under the terms of the plan. The comparable amount for the year ended March 31, 2010 was \$2,536,002. The Corporation has no direct liability or entitlement to any unfunded liability or surplus in the plan related to its current or former employees.
- b) 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 \$3,323,175 as at March 31, 2011. At the end of this fiscal year, the Corporation had recorded a total liability of \$2,887,846 (2010 - \$2,694,869).

	Year Ended 2011	Year Ended 2010
Accrued benefit obligation		
Beginning balance	\$ 3,233,488	\$ 2,838,617
Current service cost	237,400	230,500
Interest cost on obligation	220,600	191,500
Benefit payments	(368,313)	(27,129)
Accrued benefit obligation	\$ 3,323,175	\$ 3,233,488
Reconciliation of accrued benefit obligation to accrued benefit liability		
Accrued benefit obligation	\$ 3,323,175	\$ 3,233,488
Unamortized transitional amount	(435,329)	(538,619)
Accrued benefit liability	2,887,846	\$ 2,694,869
Accrued benefit liability		
Opening balance	\$ 2,694,869	\$ 2,183,311
Retirement allowance expense	561,290	538,687
Benefit payments	(368,313)	(27,129)
Ending balance	\$ 2,887,846	\$ 2,694,869
Current portion	(330,900)	(295,700)
Long-term portion	2,556,946	2,399,169

**11. Employee Future Benefits (continued)**

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 (15 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. The amount of the obligation and expense recorded is equal to the actuarial reduction that the employee would have otherwise had to forego, were it not for the fact that the Province waived this penalty for eligible employees. The Corporation annually reduces the recorded obligation by the amount it remits to the Province, and annually increases the obligation to match the actuarially determined estimate of the obligation. The estimate is based on an annual discount rate of 4.96%. The benefit obligation was \$993,232 at March 31, 2011 and \$979,874 at March 31, 2010.

	2011	2010
		<i>Restated – Note 14</i>
Early retirement obligation		
Current portion	\$ 71,300	\$ 71,300
Long-term portion	921,932	908,574
Total obligation	\$ 993,232	\$ 979,874

12. Lease Commitments

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

2012	\$ 3,378,053
2013	3,182,488
2014	2,970,274
2015	2,402,518
2016	1,991,935
Thereafter	3,499,307
	\$ 17,424,575

**13. Future Accounting Pronouncements**

The Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants has amended public sector accounting standards to permit other government organizations to determine if they will apply International Financial Reporting Standards 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. It is not expected that the conversion to the PSAB standards will have a material impact on the Corporation's financial position or results of operations.

14. Prior Period Adjustments

The 2009-2010 Opening Equity balance has been restated to reflect the increase in the early retirement liability incurred in 1996. This increase is based on an actuarial review, and is necessitated by the fact that the liability was not re-valued on a regular basis. Consequently, its value was understated in prior periods. The adjustment to the 2009-2010 Opening Equity balance is \$729,378. The 2009-2010 Net Income figure has also been restated by \$238,784 to reflect the increase in the liability and offsetting expense for the 2009-2010 fiscal reporting period.