



## VISION

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SAMA is the recognized leader and authority on property assessment, and Saskatchewan's service provider of choice.

## MISSION

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SAMA develops, regulates and delivers a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

To do this we focus on six key responsibilities:

### Governance

We provide leadership in methods of valuation and rules of assessment.

### Assessment Services

We provide property assessment valuation services.

### Information

We manage a comprehensive source of property assessment information for local governments, the Province, and other clients.

### Quality

We promote and practice quality control and conduct quality assurance audits.

### Communications

We consult with and inform local governments and the public about property assessment.

### Innovation

We incorporate best practices and utilize appropriate new technologies.

## SAMA CORE VALUES

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### Integrity

We practice ethical and high professional standards. We conduct our business with honesty and respect for others, by honouring our commitments, and being accountable for our actions.

### Professionalism

We are experts in our field, and value continuous learning and training to ensure we deliver quality products and services.

### Dedication

We are committed to improving every aspect of our property assessment system. We see every challenge as an opportunity to succeed.

### Solution-Focused

We work collaboratively with others to understand needs and provide the best possible solutions.





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|---|---|
| LETTER OF TRANSMITTAL FROM THE MINISTER | 2 |
| LETTER OF TRANSMITTAL FROM THE CHAIR    | 3 |

## 2017 BOARD REPORT

|   |    |
|---|----|
| SAMA BOARD OF DIRECTORS                       | 7  |
| CORPORATE PROFILE                             | 8  |
| ORGANIZATION                                  | 9  |
| BOARD STRUCTURE, MANDATE AND ROLE             | 10 |
| CHAIR REPORT                                  | 12 |
| ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS | 16 |

## 2017 EXECUTIVE REPORT

|                       |    |
|-----------------------|----|
| SAMA EXECUTIVE TEAM   | 23 |
| CEO REPORT            | 24 |
| ADMINISTRATIVE REPORT | 27 |

## 2017 FINANCIAL REPORT

|                                   |    |
|-----------------------------------|----|
| SUMMARY OF 2016 FINANCIAL RESULTS | 39 |
| AUDITOR'S REPORT                  | 40 |
| FINANCIAL STATEMENTS              | 41 |

## 2017 QUALITY ASSURANCE REPORT

|                                  |    |
|----------------------------------|----|
| QUALITY ASSURANCE                | 54 |
| 2017 CONFIRMED ASSESSMENT TOTALS | 56 |

|                          |    |
|--------------------------|----|
| SAMA CONTACT INFORMATION | 57 |
|--------------------------|----|



The Honourable Vaughn Solomon Schofield  
Lieutenant Governor  
Government House  
4607 Dewdney Avenue  
Regina, Saskatchewan  
S4T 1B7

Your Honour:

I have the honour to submit the 2017 Annual Report for the Saskatchewan Assessment Management Agency.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report documents the period January 1, 2017 to December 31, 2017.

Respectfully submitted,



A handwritten signature in blue ink, appearing to read "Warren Kaeding".

Warren Kaeding  
Minister of Government Relations



Honourable Warren Kaeding  
Minister of Government Relations  
Room 348, Legislative Building  
Regina SK  
S4S 0B3

Mr. Ray Orb, President  
Saskatchewan Association of Rural Municipalities  
200 - 2221 Cornwall Street  
Regina SK  
S4P 2L1

Mr. Gordon Barnhart, President  
Saskatchewan Urban Municipalities Association  
200, 2222 - 13th Avenue  
Regina SK  
S4P 3M7

Dear Sirs/Madam:

On behalf of the Board of Directors, I respectfully submit the 2017 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2017 to December 31, 2017.

Yours sincerely,



A blue-tinted handwritten signature of Myron Knafelc, written in a cursive style.

Myron Knafelc  
Chair, Board of Directors



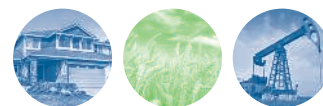






sama

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY



20BOARD

17REPORT





**20**BOARD  
**17**REPORT





L to R: **Al Heron**, representing Urban; **Jim Angus**, representing the Province; **Audrey Trombley**, representing the Province; **Myron Knafelc**, Chair, representing the Province; **Dawn Luhning**, representing Urban; **Murray Purcell**, representing Rural; **John Wagner**, representing Rural.



The Saskatchewan Assessment Management Agency (SAMA) is the recognized leader of property assessment in Saskatchewan.

SAMA was formed in 1987 by *The Assessment Management Agency Act* to develop a fair property assessment system, and to provide municipalities and school divisions with cost-effective assessment services.

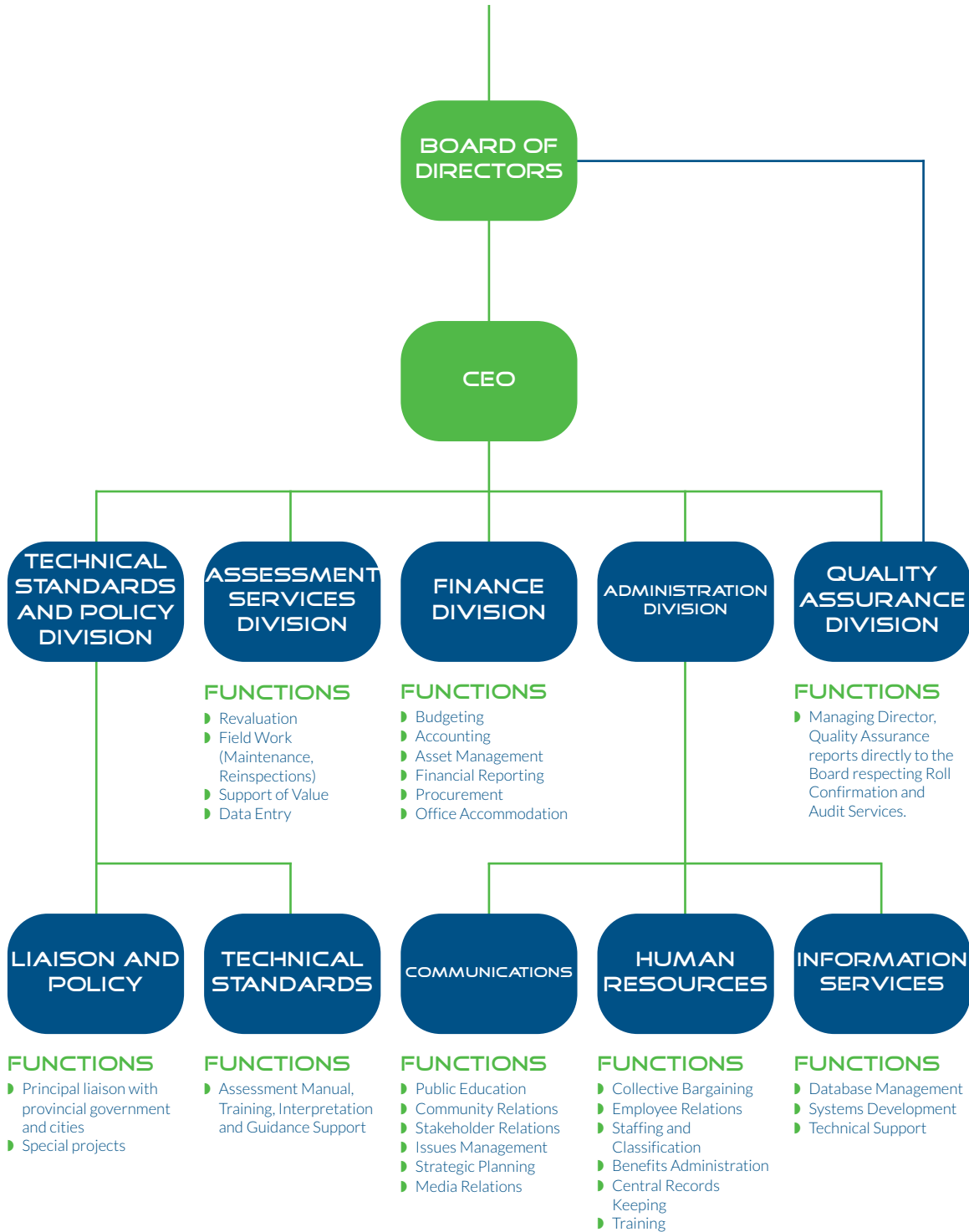
Responsibility for both the assessment system and assessment services – formerly held by the provincial government – was given to the independent Agency based on the recommendation of the Local Government Finance Commission. The Commission stated that the change would overcome a lack of local government authority in the assessment function, provide needed research and policy development and establish a higher priority for the assessment function.

In 2017, SAMA was funded jointly by the Province and municipalities. The Agency received statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs and quality assurance. Since 2010, statutory funding provided by the government also includes funding for the education sector. The balance of the Agency's revenue was primarily provided by the municipalities that use the Agency's assessment services, and was obtained through a municipal requisition.

SAMA is responsible for assessment governance of the \$242 Billion property assessment base, and a \$2.0 Billion property tax base. In 2017, the Agency provided assessment valuation services to 760 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 846,000 properties in the province, including the City of Moose Jaw.

SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from seven regional offices – Melfort, North Battleford, Regina, Saskatoon, Swift Current, Weyburn and Yorkton. In 2006, SAMA began providing assessment services under a fee-for-service contract to the City of Moose Jaw. The Agency maintains an office in Moose Jaw as part of that contractual agreement.







The SAMA Board of Directors (the Board) is responsible for the regulation of assessment policies and governance of the property assessment system used by all urban, northern and rural municipalities in the province.

This includes oversight responsibility to ensure SAMA is:

- ▶ regulating assessment valuation procedures;
- ▶ conducting assessment research;
- ▶ consulting on policy with the provincial government, the public, municipal governments and assessment stakeholders;
- ▶ confirming municipal assessment rolls;
- ▶ maintaining a central information database; and
- ▶ undertaking quality assurance functions, including primary and secondary audits.

SAMA consults extensively to ensure the implementation of assessment policies is equitable and understandable for property owners.

## BOARD STRUCTURE

For 2017, the Agency's seven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- ▶ three members named by the Ministry of Government Relations including the Board Chair;
- ▶ two members named by the Saskatchewan Association of Rural Municipalities (SARM);
- ▶ one member named by the Saskatchewan Urban Municipalities Association (SUMA) for urban and northern municipalities under 30,000; and
- ▶ one member named by SUMA for cities with a population exceeding 30,000.

Board members are appointed for a maximum three-year term, and may be reappointed to subsequent terms.

The officers of the Board are the Chair and Vice-Chair. The Minister of Government Relations appoints the Chair, whereas the Board elects the Vice-Chair.

The role of the Board Chair is to ensure the integrity of the Board's processes. The Chair is the only authorized Board member to act as public and media spokesman for the Board, unless specifically delegated to another Board member.

The role of the Vice-Chair is to assume the role of Board Chair when the Chair is absent or unable to act. All Board members are eligible for election as Vice-Chair.



## GENERAL RESPONSIBILITIES OF THE BOARD

The Board's role is to govern SAMA's affairs within the framework of relevant legislation and standards. The Board is responsible for the establishment and achievement of the Agency's vision, mission and strategic directions. The Board is also responsible for SAMA's stability and for communicating with stakeholders and other organizations to ensure that issues brought forward by SAMA's clients are dealt with adequately and respectfully. The Board is responsible for ensuring that it has sufficient information to monitor major areas of corporate performance.

The Board's primary responsibilities fall within nine general areas: statutory responsibilities, planning, financial stewardship, human resources stewardship, performance monitoring and accountability, risk management, community representation and advocacy, management of critical transitional phases and complaints review.

The Board's responsibilities include:

- Overseeing development and approval of a long-term corporate plan and approving annual budgets and operating plans.
- Defining and safeguarding the organizational mission, the values framework and operating principles within which it expects the Agency to be administered, and to review these periodically.
- Selecting a Chief Executive Officer (CEO) to whom the responsibility for administration of the Agency is delegated.
- Securing sufficient resources for the Agency to finance its programs adequately.
- Being accountable to the public and funders for the services of the Agency and expenditures of funds.
- Regularly reviewing the Agency's services to ensure that they are consistent with the purpose of the Agency, and that its programs are effective and relevant to community needs.
- Representing the Agency and its programs to stakeholders, and acknowledging stakeholder concerns.

The Board focuses on strategic leadership rather than administrative detail, highlighting important policy rather than operational matters.

## ACCOUNTABILITY

The Board is accountable to the Province of Saskatchewan and those municipalities that provide funds for the operation of the Agency. The Board is also accountable, in a more general sense, to exercise good stewardship of the Agency on behalf of the trust placed in it by the province, local governments, the general public and other stakeholders.

## RELATIONSHIP TO STAFF

The Board provides oversight and guidance to the CEO to ensure that SAMA's staff work cooperatively to carry out the objectives of the Agency. The Board relies on the ability, training, expertise and experience of staff to plan for, and provide services within, the Agency's mandate.



As Chair of the SAMA Board of Directors, I am committed to the overall success of SAMA and the Saskatchewan assessment system in general. The decisions and the strategic directions the Board charts for the Agency will affect the assessment system in the province for years to come. This requires that SAMA be held to a high standard as the Agency seeks to fulfill its Vision and Mission. By ensuring that the Agency's objectives are being met, and that we are continually improving our business processes, the Board makes certain SAMA is meeting the obligations set out in *The Assessment Management Agency Act*.

## MEETING OUR CLIENT'S NEEDS

In 2017 the Saskatchewan Assessment Management Agency (SAMA) completed the fourth year of the Technology Infrastructure (TI) Program. The TI Program was a challenge to the Agency's resources due to system delays that set the agency back in the first quarter of the year while SAMA maintained its core responsibilities during a revaluation year.

The highlight of the year's technological change was the completion of Phase 2 of the TI Program, and significant work done to prepare the Agency to implement Remote Data Collection (RDC) devices in early 2018. 2017 saw a unique situation with decreasing market values since the 2015 base date, combined with overall percentage increases and tax increases which led to challenges for the Agency. However, in delivering all the new maintenance and revaluation numbers to our clients, we were able to maintain the trust of our client municipalities.

SAMA was also dealing with a high number of assessment appeals in 2017 (approximately 7,200 total appeals). There is some risk moving into 2018, as a number of 2017 BOR (Board of Revision) decisions have been deferred to 2018, and new appeals in 2018 could be higher than expected. The results of these delayed BOR and SMB (Saskatchewan Municipal Board) decisions could affect the agency moving forward.

Economic growth for Saskatchewan in 2017, albeit at a slower pace than in recent years, resulted in continued growth in property assets within Saskatchewan municipalities. Property counts grew by 2,574 properties or 0.3% to 846,223.

The assessments conducted in 2017 by SAMA provided an additional estimated \$18.33 million in annually recurring tax revenues for the agency's municipal clients and the education sector. Of the \$18.33 million, municipalities received approximately \$12.04 million and the education sector received approximately \$6.29 million (the provincial average municipal mill rate was 8.4782 and the education sector mill rate was 4.4302).

The agency conducted 66,907 property reviews in calendar year 2017, up over the 62,094 property reviews in 2016 (an almost 8% increase). This increase represented the sixth consecutive annual increase in the agency's output of property reviews.

All of this work is focused on meeting our client's needs. Municipalities want a stable and predictable revenue source that is delivered inexpensively. Additionally, SAMA's clients want a system that is up-to-date. Ratepayers need to be treated fairly and equitably. SAMA strives to deliver all of this to our clients in a transparent and understandable fashion.

SAMA has been committed to our 2014-2017 goal to increase the number of property reviews from 50,000 to 100,000 per year by 2018, while also improving the quality of those assessments. SAMA is using technological innovation and efficiency gains to achieve a 12-year revaluation cycle, and capture the \$30+ million dollars of annual revenue that is currently being left on the table for municipalities.





## 2018-2021 STRATEGIC DIRECTIONS

In 2016, SAMA set out four strategic directions for 2018-2021, building off of the Agency's 2014-2017 Strategic Directions:

### 1. MAINTAIN AND ENHANCE THE STAKEHOLDER SUPPORTED FUNDING MODEL FOR SAMA

- The Agency will incorporate enhancements to ensure the funding levels are predictable from year to year and that our funding model remains up-to-date and reflective of actual costs. We will continue to cost share ongoing support costs for new technologies, and to emphasize fee for service concept tied to work effort and benefits received.

### 2. SIMPLIFY AND STREAMLINE TO IMPROVE EFFICIENCY AND EFFECTIVENESS

- The Agency is looking to reduce time spent on operational programs to create a stable, more efficient agency, to simplify our valuation models and policies to improve operational efficiency, quality and overall effectiveness and to utilize efficiency gains to deliver on the promise to improve our property inspection/review capacity while increasing overall product quality.

### 3. USE POLICY, PROCESS AND TECHNOLOGY CHANGES TOGETHER TO DELIVER ON THE PROMISE OF RADICALLY INCREASING PROPERTY INSPECTIONS

- SAMA is looking to inspect/review an average of 100,000 properties per year over the 2018 to 2021 period, and implement a 12 year re-inspection cycle beginning in 2018. The Agency will continue to support and maintain new technologies to ensure they remain current, and seek partnerships with organisations to leverage available resources and take maximum advantage of new technologies as they become available and financially feasible.

### 4. STRENGTHEN THE CAPABILITIES OF ALL EMPLOYEES

- The Agency will seek to maintain a skilled and experienced workforce, by providing an environment where staff have every opportunity to be successful.

The proposed 2018-2021 strategic directions, along with the supporting details, were adopted by the SAMA Board on December 16, 2016.

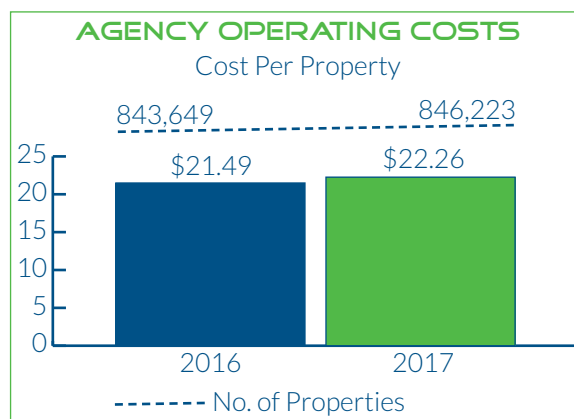
The 2018-2021 Business and Financial Plan was developed in 2017 with the input of our stakeholders and advisory committees.



## OPERATING COSTS

In 2017 the agency's operating cost per property rose to \$22.26 (846,223 properties and a total operational spending of \$18.833M). The 2017 operating cost per property represents a 3.5% increase over the previous year (\$21.49 per property in 2016). The 2017 Consumer Price Index for Canada (all items) was 1.9%.

Delivery of annual maintenance, revaluation and support of value services remain the agency's main priorities while also concentrating on progressing through the TI Program and mitigating increases to operating costs.



## TIMELY DELIVERY OF ASSESSMENT SERVICES

In 2017, the Board continued to be focused on timely delivery of annual assessment maintenance, increasing the volume of inspections, and improving the way the organization operates, with a particular emphasis on how the Agency can simplify our processes and implement new technologies that will allow the Agency to better meet our client's needs going forward.



## 2017 REVALUATION

On January 1, 2017, Saskatchewan implemented the 2017 Revaluation using January 1, 2015 as the base date. Saskatchewan's revaluations are based on a four-year cycle, and 2013 was the year of the last revaluation using a January 1, 2011 base date. The revaluation includes an updating of all assessments in the province to reflect economic and market conditions as of the new base date.

Saskatchewan has two valuation standards: the market valuation standard for residential and commercial properties, and the regulated property assessment valuation standard for agricultural land, heavy industrial property, railway roadway, pipelines and resource production equipment (mines and oil and gas wells).

The Saskatchewan Assessment Management Agency is responsible for the governance of the assessment system in the province. This includes researching and studying assessment valuation policy and best practices with regards to application of province-wide assessment valuation standards and policies. As of December 31, 2017 SAMA is the assessment service provider for 771 municipalities in the province. The cities of Prince Albert, Regina, Saskatoon and Swift Current provide for their own assessment services.

On November 28, 2016, the Government of Saskatchewan announced the percentages of value for the 2017 Revaluation. All percentages of value stayed the same with the exception of residential, multi-family and seasonal residential property, going up from 70% to 80%, and non-arable agricultural land (pasture) going up from 40% to 45%. Commercial and Industrial property remains at 100% of assessed value.

For 2017, assessment trends reflect a four year economic update between the 2013 and the 2017 revaluations (with corresponding base dates of January 1, 2011 and January 1, 2015). The variation between the two revaluations saw the 100% assessed value trend for the province increase from \$175 billion in 2013, to \$242 billion in 2017, a multiple of 1.38 times. Similarly, the taxable assessment trend rose 1.44 times, from \$111 billion in 2013 to \$160 billion in 2017.

The value of arable agricultural land in Saskatchewan has increased significantly since the 2013 revaluation, and saw the largest overall increase compared to other property types in 2017. The value of arable and pasture agricultural land have both increased by over two times for the 2017 revaluation. This increase in value is similar to increases for other categories of property that occurred between the 2009 and 2013 revaluation when residential, seasonal, and multi-family also increased by nearly two times.



Myron Knafelc  
Chair, Board of Directors





The SAMA Board maintains advisory committees to review policies and practices respecting assessments and to make recommendations to the Board concerning those policies and practices. Three of these committees are statutory:

- Urban Advisory Committee, representing urban and northern municipalities under 30,000 population;
- City Advisory Committee, representing cities with a population over 30,000; and,
- Rural Advisory Committee, representing rural municipalities.

One additional committee has been established by the Board:

- Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests;

SAMA also maintains a number of administrative committees to receive input and consultation on more detailed, procedural, technical and legislative issues:

- The City Assessors/SAMA Committee is a working committee comprised of assessment professionals representing all assessment service providers in the province including SAMA, the cities of Prince Albert, Regina, Saskatoon, Swift Current and a private contractor, CD Consulting. Two SAMA Board members sit as observers on the committee.

The committee provides a venue for these assessment professionals to meet on a regular basis to communicate, examine, discuss and provide recommendations on assessment specific topics regarding provincial level assessment policy, revaluation cycle programs, reinspection programs, support of value, quality assurance and mass appraisal best practices.

The committee has established and maintains a sub-committee called the Revaluation Team that is tasked to examine and give recommendations to the committee on more technical assessment issues relating to the upcoming 2017 Revaluation.

- The Legal and Legislative Review Committee represents legal counsel and technical experts from SAMA, the Cities, the Saskatchewan School Boards Association and the provincial ministries of Government Relations, Education and Justice and Attorney General. This group provides the Agency with valuable input and feedback on any proposed regulatory or legislative changes.

In addition to regular meetings of the advisory committees, SAMA holds an annual meeting, to which municipalities can send voting delegates. Business conducted at the meeting includes:

- hearing the annual report of the Board of Directors;
- considering and adopting resolutions put forth by municipalities;
- considering changes proposed by the Agency to assessment legislation; and
- considering any reports made by the Agency on matters such as assessment policy or practice and assessment administration.



## CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2017

The City Advisory Committee is responsible for cities with a population exceeding 30,000 (Moose Jaw, Prince Albert, Regina, and Saskatoon).

## CITY ADVISORY COMMITTEE MEMBERS

| MEMBER                        | ORGANIZATION   |
|-------------------------------|--|
| Dawn Luhning, Committee Chair | SAMA Board Member, City Sector                                     |
| Myron Knafelc (ex officio)    | SAMA Board Chair   |
| John Wagner                   | SAMA Board Member  |
| Matt Noble                    | City of Moose Jaw  |
| Fraser Tomie                  | City of Moose Jaw  |
| Lee Atkinson                  | City of Prince Albert  |
| Mark Tweidt                   | City of Prince Albert  |
| Deborah Bryden                | City of Regina   |
| Gerry Krismer                 | City of Regina   |
| Shelley Sutherland            | City of Saskatoon  |
| Bev Dubois                    | City of Saskatoon  |
| Gordon Barnhart               | Saskatchewan Urban Municipalities Association (SUMA), Board Member |
| Eric Bloc-Hanson              | Saskatchewan School Boards Association (SSBA), Trustee             |
| Dwain Weeks                   | Saskatchewan Assessment Appraisers' Association (SAAA)             |

## OBSERVERS:

|                                  |  |
|----------------------------------|--|
| John Edwards                     | Ministry of Government Relations                                     |
| Ron Boechler                     | Saskatchewan School Boards Association (SSBA), Trustee               |
| Laurent Mougeot/Jean-Marc Nadeau | Saskatchewan Urban Municipalities Association (SUMA), Administration |
| Brenda Hendrickson               | City of Moose Jaw  |
| Tim Furlong                      | City of Prince Albert  |
| Vacant                           | City of Regina   |
| Darcy Huisman                    | City of Saskatoon  |
| Irwin Blank, CEO                 | SAMA   |

## ADMINISTRATIVE SUPPORT:

|                                   |      |
|-----------------------------------|------|
| Shaun Cooney, Committee Secretary | SAMA |
|-----------------------------------|------|



**COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2017**

The Commercial Advisory Committee is responsible for reviewing policies and practices respecting assessment, especially as they relate to commercial property, and to make recommendations to the Board concerning these policies and practices.

**COMMERCIAL ADVISORY COMMITTEE MEMBERS**

| MEMBER                                | ORGANIZATION  |
|---------------------------------------|---|
| Audrey Trombley, Committee Chair      | SAMA Board Member   |
| Al Heron                              | SAMA Board Member, Urban Sector                               |
| Murray Purcell                        | SAMA Board Member, Rural Sector                               |
| Jim Angus                             | SAMA Board Member   |
| Myron Knafelc                         | SAMA Board Chair  |
| Vacant                                | Regina Downtown Business Improvement District                 |
| Rob Lawrence                          | Association of Saskatchewan Realtors                          |
| Kevin Johnson                         | Association of Saskatchewan Realtors                          |
| Vacant                                | Saskatchewan Chamber of Commerce                              |
| John Hopkins                          | Regina & District Chamber of Commerce                         |
| Marilyn Braun-Pollon/Jennifer Henshaw | Canadian Federation of Independent Business                   |
| Ryan Weir                             | Building Owners and Managers Association                      |
| Ian Magdiak                           | Canadian Property Tax Association                             |
| Jim Bence                             | Saskatchewan Hotel & Hospitality Association                  |
| Barry Weibe                           | National Golf Course Owners Association, Saskatchewan Chapter |
| Shawn Graham                          | Inland Terminal Association of Canada                         |
| Reg Hinz                              | Western Grain Elevator Association Tax Committee              |
| Ken Marsh/Kirk Wasylik                | Canadian Energy Pipeline Association                          |
| Robert Rolfe                          | Canadian Association of Petroleum Producers                   |
| Darwin Collins                        | Saskatchewan Mining Association                               |
| Corinne Li                            | Railway Association of Canada                                 |
| Chandra Reilly                        | Saskatchewan Assessment Appraisers' Association (SAAA)        |
| Grace Muzyka                          | Saskatchewan Association of the Appraisal Institute of Canada |
| Ken Patsula                           | Public Works and Government Services Canada                   |

**OBSERVERS:**

|                    |  |
|--------------------|--|
| Norm Magnin        | Ministry of Government Relations                 |
| Jeremy Karwandy    | Ministry of Economy                              |
| Gerry Krismer      | City of Regina                                   |
| Darcy Huisman      | City of Saskatoon                                |
| Tim Furlong        | City of Prince Albert                            |
| Brenda Hendrickson | City of Moose Jaw                                |
| Vacant             | City of North Battleford                         |
| Michael Kehler     | City of Swift Current                            |
| Rod Weins          | Saskatchewan Association of Rural Municipalities |
| Ken Dueck          | Tourism Saskatchewan                             |
| Dianne Ford        | Saskatchewan Municipal Board                     |
| Irwin Blank        | SAMA CEO   |

**ADMINISTRATIVE SUPPORT:**

|                                    |      |
|------------------------------------|------|
| Darwin Kanius, Committee Secretary | SAMA |
|------------------------------------|------|



**RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2017**

The Rural Advisory Committee is responsible for rural municipalities.

**RURAL ADVISORY COMMITTEE MEMBERS**

| MEMBER                       | ORGANIZATION  |
|------------------------------|---|
| John Wagner, Committee Chair | SAMA Board Member, Rural Sector                                       |
| Murray Purcell               | SAMA Board Member, Rural Sector                                       |
| Myron Knafelc, (ex officio)  | SAMA Board Chair  |
| Jim Angus                    | SAMA Board Member   |
| Jeannie DeRochers            | SARM Division 1   |
| Brent Evans/Delbert Schmidt  | SARM Division 2   |
| John Chavtur                 | SARM Division 3   |
| David Popowich/Roman Charko  | SARM Division 4   |
| Doug Oleksyn/Wade Sira       | SARM Division 5   |
| Gordon Meyer                 | SARM Division 6   |
| Rod Weins                    | Saskatchewan Association of Rural Municipalities (SARM), Board Member |
| Garry Dixon                  | Provincial Association of Resort Communities of Saskatchewan (PARCS)  |
| Kim Gartner                  | Saskatchewan School Boards Association (SSBA), Trustee                |
| Roger Frey                   | Saskatchewan Assessment Appraisers' Association (SAAA)                |

**OBSERVERS:**

|                                 |   |
|---------------------------------|---|
| Brian Sych                      | Ministry of Government Relations  |
| Jay Meyer                       | Saskatchewan Association of Rural Municipalities (SARM), Administration |
| Tim Weinbender                  | Saskatchewan School Boards Association (SSBA), Administrator            |
| Garry Dziadyk/Michelle Buechler | Rural Municipal Administrators Association of Saskatchewan (RMAA)       |
| Irwin Blank                     | SAMA CEO  |

**ADMINISTRATIVE SUPPORT:**

|                                   |      |
|-----------------------------------|------|
| Steve Suchan, Committee Secretary | SAMA |
|-----------------------------------|------|



## URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2017

The Urban Advisory Committee is responsible for urban and northern municipalities, excluding cities with a population exceeding 30,000.

### URBAN ADVISORY COMMITTEE MEMBERS

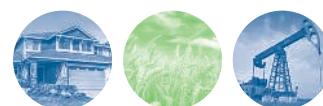
| MEMBER                           | ORGANIZATION   |
|----------------------------------|--|
| Al Heron, Committee Chair        | SAMA Board Member, Urban Sector                                      |
| Dawn Luhning                     | SAMA Board Member, City Sector                                       |
| Myron Knafelc (ex officio)       | SAMA Board Chair   |
| Audrey Trombley                  | SAMA Board Member  |
| Kevin Tooley                     | SUMA (Cities)  |
| Walter Streelasky                | SUMA (Cities)  |
| Barry Elderkin                   | SUMA (Towns)   |
| Bobby Woods/ Bruce Fidler        | SUMA (Towns)   |
| Mike Strachan                    | SUMA (Villages)  |
| John Quinn/Dale Domeij           | SUMA (Villages)  |
| Lee Finishen                     | Saskatchewan Urban Municipalities Association (SUMA), Board Member   |
| Howard Schweitzer                | Provincial Association of Resort Communities of Saskatchewan (PARCS) |
| Marla Walton                     | Saskatchewan School Boards Association (SSBA), Trustee               |
| Brandon Danielson                | Saskatchewan Assessment Appraisers' Association (SAAA)               |
| <b>OBSERVERS:</b>                |  |
| Kelly Munce                      | Ministry of Government Relations                                     |
| Laurent Mougeot/Jean-Marc Nadeau | Saskatchewan Urban Municipalities Association (SUMA), Administration |
| Theresa Wilson                   | Saskatchewan School Boards Association, Administrator (SSBA)         |
| Rod Audette                      | Urban Municipal Administrators Association of Saskatchewan (UMAS)    |
| Irwin Blank, CEO                 | SAMA   |
| <b>ADMINISTRATIVE SUPPORT:</b>   |  |
| Kevin Groat, Committee Secretary | SAMA   |





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SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY



20EXECUTIVE  
17REPORT







**L to R:** Todd Treslan, Managing Director, Assessment Services; Gordon Senz, Managing Director, Quality Assurance; Corinne Charko, Executive Assistant; Irwin Blank, Chief Executive Officer; Betty Rogers, Managing Director, Administration; Steve Suchan, Managing Director, Technical Standards and Policy; George Dobni, Managing Director, Finance.

**Note:** George Dobni retired as Managing Director, Finance in December, 2017. Mathew Ratch was appointed to the position in January, 2018.





It is my pleasure to provide this annual update on the progress the agency has made in 2017 towards meeting the objectives and expectations of our clients and stakeholders as set out in SAMA's 2014 to 2017 business and financial plan. The plan calls for SAMA to double our capacity to review and inspect properties by 2018 through the combination of business process improvements, simplified and streamlined valuation models, implementation of proven new technologies and well-trained and engaged professional staff.

Doing so will allow us to inspect the entire inventory of 846,000 properties across our 760 client municipalities in the next 12 years. One of the key benefits of updating the assessment data through these inspection programs is that it will capture the growth in properties for our clients that has been missed over the last few decades, which has left over 30 million dollars in annual revenue on the table. This is revenue that will be provided to municipalities and the education sector as we complete our property re-inspection program over the next twelve years starting in 2018.

2017 was a challenging year for SAMA and our municipal clients. Delays in the completion of SAMA's new Govern.net computer system led to a three month delay in the completion of our 2017 annual maintenance. This in turn delayed the release of the new 2017 revaluation assessments by a similar timeframe.

As an Agency we recognize that this delay is not acceptable. Be assured that the timely delivery of new assessments to our clients and the province, while meeting our strategic directions, is the Agency's number one priority going forward.



Irwin Blank  
Chief Executive Officer

## SAMA'S FUNDING AND WORKFORCE

In 2017 the agency had a budgeted and actual operational workforce of 150.75 permanent staff.

The operating budget increased \$531,000 (2.8%) to \$19.281 million. In terms of actual revenues, the municipal revenue increased \$495,000 (6.8%) over the 2016 level and the provincial funding remained unchanged. The actual funding party shares for 2017 were 56.8% provincial and 43.2% municipal (58.4% and 41.6% in 2016, respectively).

Actual capital funding party shares for SAMA were \$624,000 from municipalities (unchanged from 2016) and \$612,000 provincial. There were no changes in the levels of capital funding from 2016.

SAMA's workforce has been at same level of full-time equivalent staff for six years (excluding non-permanent staff being funded via four-year TI Program restricted funds). Business process improvements and improvements via the TI Program have created productivity gains that have increased the output per staff member and decreased the cost--per-property of SAMA's service. Change and continual improvement have gradually become part of the agency's workforce culture.



## SAMA'S TECHNOLOGY INFRASTRUCTURE (TI) PROGRAM

SAMA's 2014 to 2017 funding plan was focused on improving the Agency's ability to deliver services to our client municipalities by simplifying valuation policies, implementing new technologies and improving our processes. The Agency's Technology Infrastructure (TI) Program made up a large part of this effort. Resources freed up through efficiency gains in our production process are being dedicated to increasing our reinspection capacity, while sustaining all of our core functions related to assessment maintenance and revaluation activities.

SAMA is focusing on improving our reinspection capabilities because the majority of properties in the province have not been physically reinspected in over 17 years. Implementing simplified residential and commercial valuation models alongside technology that would help to improve efficiency of data collection activities would also improve the quality of assessed values (and equity of values) and add taxable value to the assessment rolls as our inventory is updated over time. This would ensure a more stable and reliable assessment system for Saskatchewan's municipalities.

Acquiring and implementing new technologies required a total capital investment of \$4.9 million. Technology development funding is being allocated to SAMA's funding parties on an equal basis – \$612,000 to the Province and \$612,000 to SAMA's client municipalities for the four years of the program. The municipal portion of technology funding is being financed through a capital funding levy from 2014-2017. The Province committed to providing capital funding for the program for 2015-2017.

SAMA's TI Program is made up of four phases that are being implemented over the course of the four-year program. The phases include major upgrades to our internal computer system including a comprehensive Geographic Information System (GIS), system changes that will allow appraisers to conduct their field inspections using remote data collection tablets, and a web portal to allow municipalities to conduct their assessment service business with SAMA over web based applications.

Using remote data collection tablets will eliminate current paper-based data collection and manual data entry methods. Current processes require the manual preparation of work lists, the printing of forms, maps and photos, and the manual recording of data on worksheets and subsequent re-entry of the data into SAMA's computer system.

Tablets will allow electronic assessment records to be downloaded, updated and uploaded to the computer system, eliminating a lot of manual effort and reducing the problem of transposition errors.

Phase 1 of the TI Program, which saw the updating of the user interface for our computer system, is already completed and implemented. Phase 2 of the program, which saw the updating of the internal workings of our computer system was initially launched in December, 2016. In 2017, SAMA completed the implementation of Phase 2, and also began developing and testing remote data collection (RDC) technology. Full roll out of the production system, RDC devices and associated training for all appraisers is scheduled for early May of 2018, following the completion of assessment maintenance.

SAMA is also working to address identified stakeholder needs and requirements necessary for the implementation of a web portal. In September of 2017 SAMA engaged a local firm with expertise in web portal design to assist us in establishing the detailed requirements for a web portal that will be used to prepare and release a Request for Proposal (RFP) in the second quarter of 2018. Following that, SAMA will begin to develop the web portal with the successful bidding company.



## INCREASED PRODUCTIVITY

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The use of GIS and remote data collection technologies is expected to improve the inspection efficiency of urban property by 50% and agricultural land by 35% when they are completed and implemented. The use of new technologies, combined with the simplification of some of our valuation models and improved business processes that take full advantage of the new technologies, is essential to the Agency's strategy to double the property review capacity of staff between 2014 and 2018. Currently, SAMA's appraisal staff spend two to three days in the office for every day in the field. New technology would allow staff to spend one day in the office for every day in the field, effectively doubling our inspection capacity when combined with our other planned efficiency gains.

## BUSINESS PROCESS IMPROVEMENT

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In 2008, SAMA embarked on a business process improvement strategy that focuses on reducing waste, variation and imbalance. It is a common sense approach to working with complex processes ensuring that clients' and stakeholders' needs are successfully met.

One of the strengths of the process is its focus: the people most familiar with the actual work determine the necessary process improvements and plan the necessary changes. Significant progress has been achieved to date in terms of efficiency gains in SAMA's work processes. Process improvements are playing a large part of SAMA's 2014-2017 proposed process and efficiency gains. For example, in 2017 SAMA completed approximately 67,000 property reviews, up over 44% from the same period four years ago, due largely to business process improvements and technology changes.



## ASSESSMENT SERVICES

The Assessment Services Division provides valuation services to 760 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 846,000 properties in the province, including the City of Moose Jaw. Core processes include inspection of properties through annual maintenance and general reinspections, revaluations (every four years), and support of value.



## 2017 YEAR IN REVIEW

- 38,820 maintenance changes were completed
- 7,213 properties filed appeals in 2017 (there were 4,321 appeals in 2013, the most recent revaluation year, and 1,989 appeals in 2016, 2,225 in 2015 and 1,368 in 2014).
- Over 28,000 properties reviewed through reinspections, including:
  - 12,194 agricultural
  - 9,296 residential and commercial
  - 6,657 industrial
- In 2017, SAMA completed 28,147 reinspections, a substantial increase over the 4,146 properties reinspected 4 years ago in 2013 (the last revaluation year).
- In SAMA's client satisfaction survey, 95% of respondents said they would recommend SAMA's services to other clients.
- 58 municipalities have signed service charters in 2017



## SUPPORT OF VALUE

SAMA provides its client municipalities with property assessment expertise to validate assessments at open houses and ratepayer/council meetings, and all levels of appeal (Board of Revision, Saskatchewan Municipal Board and Court of Appeal). SAMA also identifies and monitors precedent-setting assessment appeals that may have policy or procedural implications.

Once every four years the agency revalues all properties in each of its client municipalities to reflect a more current valuation base date. The highest number of appeals generally occur in the first year of a revaluation, followed by a reduced level in Years 2, 3 and 4. 2017 was a revaluation year and, as expected, the number of appeals was much higher than the previous 3 years. 2017 involved the revaluation of 846,223 properties (818,388 properties in 2013 and 783,011 in 2009), and appeals in 2017 were initiated on 0.85% or 7,213 properties (there were 4,321 appeals in 2013, the most recent revaluation year, and 1,989 appeals in 2016, 2,225 in 2015 and 1,368 in 2014).

The 7,213 appeals in 2017 represent a large increase over the previous year and the previous revaluation year (5,224 more than 2016 and 2,892 more than 2013), although the number resolved by agreement to adjust or that were withdrawn was 5,267 (73.0% of total appeals). 82.0% of total appeals were withdrawn or adjusted in 2016. The 7,213 appeals represent an appeal rate of 0.85% (7,213 appeals of the 846,223 properties). Additionally, the value of properties appealed was equal to 4.0% of the property database (\$3.6B of the \$88.3B total database). As a result of appeals, SAMA clients had a \$620.0M or 0.70% decrease to taxable assessments (-0.28% in 2016, -0.20% in 2015 and -0.33% in 2014).

2017's support of value work involved over 45,000 direct labour hours, representing 37.9% of SAMA's assessor resources. In the previous two revaluation cycles the number of appeals were 5,342 (2009 to 2012) and 11,890 (2013 to 2016). If the increase in appeals seen in 2017 are also seen in years 2018-2020, the agency should expect 19,856 appeals in the current cycle. The demand for support of value has and will continue to force SAMA to allocate a portion of its gains in efficiencies from other areas to deal with appeals rather than expanding the provincial reinspection program. In addition to a general increase, there has also been an increase in appeals to the Saskatchewan Municipal Board when compared to the previous revaluation cycle.

SAMA is mitigating its appeal risk by:

- enhancing defence of value training for staff and improving documentation to explain and support assessment appeal decisions
- working through the SAMA City Assessor group to encourage the Saskatchewan Municipal Board to meet with assessment service providers and applicants to discuss ways to improve the timelines of appeal decisions

## PROPERTY INSPECTION PROGRAMS

SAMA ensures detailed property assessment records are kept current through the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties in a municipality can be reviewed under the general reinspection program. General reinspections ensure that all properties in a municipality are fairly and equitably valued.





## MAINTENANCE

The annual maintenance program reviews and updates all properties with developments or changes that may affect the property's assessed value. The municipality submits a list of the properties affected, and the agency reviews each identified property and provides the municipality with an updated assessed value for their assessment roll.

In 2017, the agency reviewed 27,796 properties for use on 2017 municipal assessment rolls, and in the third and fourth quarters of the year the agency reviewed 11,024 properties for use on 2018 municipal assessment rolls.

The agency continues to level out the annual maintenance workload by advancing some maintenance to the preceding year in order to spread the work more evenly over the last months of the calendar year. This helps the agency to provide more timely delivery of the service to client municipalities.

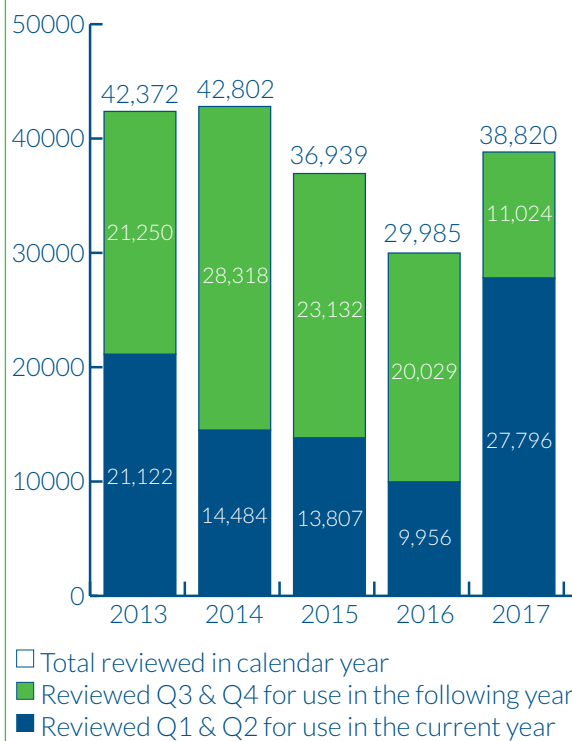
In terms of SAMA's maintenance fee-for-service initiative, the agency completed 24,700 chargeable residential, commercial and agricultural maintenance requests. This was a decrease from the 25,812 chargeable reviews done in 2016.

The volume of standardized oil and gas annual maintenance (91,237 properties) tends to overshadow the volume of other industrial property assessments. In 2017, the agency also updated 9,800 properties via renditions received from resource companies, reviewed 3,304 properties via the industrial maintenance program and conducted a flow line review of 5,400 properties.

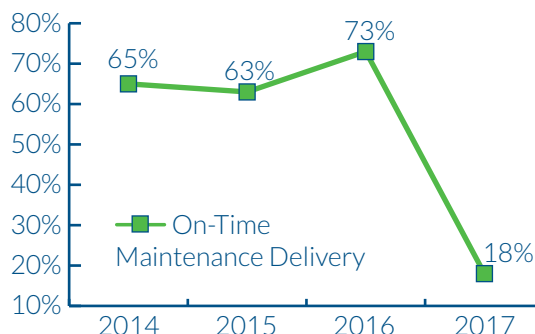
SAMA delivered on-time 18% of municipalities who requested their 2017 maintenance packages in the first part of 2017 (on-time delivery was 73% in 2016 and 63% in 2015). Delivery of the final computer-aided mass appraisal software from our vendor was delayed by approximately 12 months. Concurrent to this upgrade, the source file the agency relies on for producing oil and gas assessments was reformatted by the province. This required a complete rebuilding of the process of taking the source file and integrating it into the computer aided mass appraisal software. During these delays SAMA communicated with its municipal clients to keep them up-to-date on revised delivery dates and provide assurance that the delays experienced in 2017 will not be repeated in future years.

### ANNUAL MAINTENANCE REVIEWS

Number of Residential, Commercial and Agricultural Properties



### ON-TIME MAINTENANCE DELIVERY



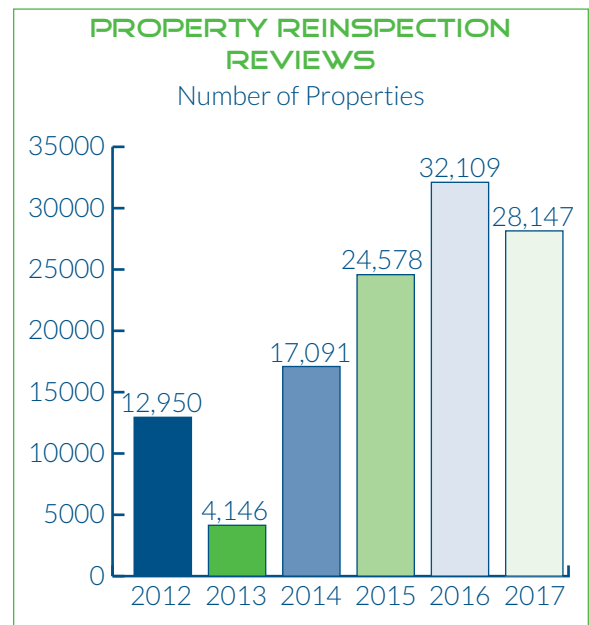
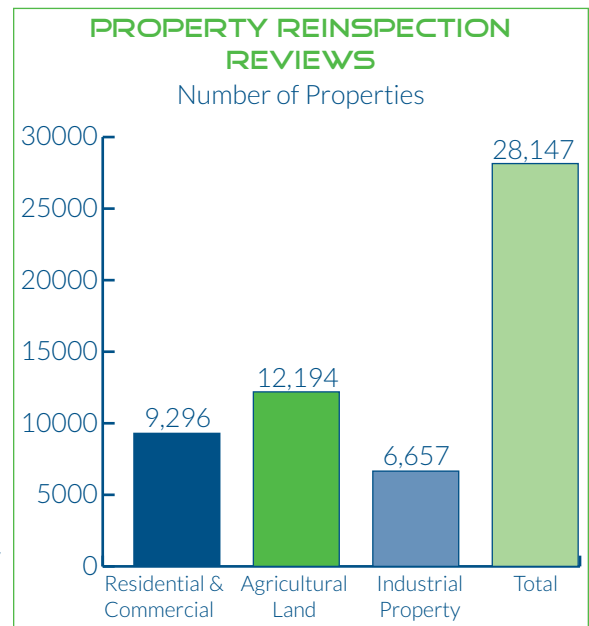
## REINSPECTION PROGRAM

Over time, property assessments become dated because of property improvements, and gradual wear and tear, that are not identified through an annual maintenance review. The general reinspection program undertakes to review each property to reestablish a uniform base of up-to-date property records for municipalities.

SAMA was able to allocate resources to its reinspection program in 2017 despite it being a revaluation year and there being heavy demands for staff time to work on support of value activities.

The agency reinspected 28,147 properties in 2017 (32,109 in 2016 and 24,578 in 2015). The agency reinspected 12,194 agricultural properties, 9,236 residential properties and 6,717 commercial properties, targeting areas and municipalities where the assessments were estimated to be the furthest out-of-date.

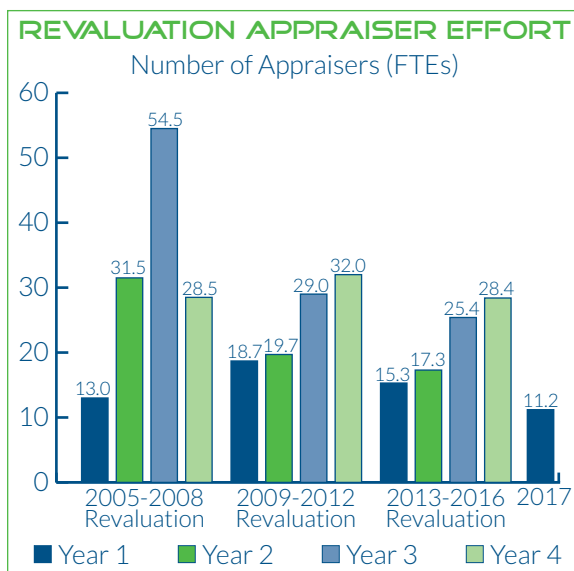
SAMA's continues to make progress towards its goal of reaching a 12-year reinspection cycle. The 2017 reinspection program number of 28,147 is a substantial increase over the 4,146 properties reinspected 4 years ago in 2013 (the last revaluation year).



## REVALUATION PROGRAM

The appraiser resources used to deliver the revaluation program vary from year to year over a four-year revaluation cycle. The focus in Year 1 is on implementation and support of value, in Year 2 on sales verification, in Year 3 on market analysis and Year 4 on quality assurance and finalization.

One of the agency's goals has been to decrease the amount of hours spent on the quadrennial revaluation. Business process improvement changes to the sales verification and market analysis processes have resulted in a significant reduction in total appraiser time on revaluation activities. 2017 was the first year of the current cycle of 2017-2020. The 11.2 FTE's spent on revaluation is a decrease of nearly 27% when compared to 2013 (the last year 1 of the previous cycle).



## 2017 REVALUATION

2017 was a revaluation year for Saskatchewan. The agency's efforts were concentrated on support of value for the 2017 revaluation and property maintenance related to the growing property base in the province.

The Assessment Services Division distributed preliminary 2017 property values to municipalities in the summer and fall of 2016 and prepared final 2017 property values by the end of 2016 for delivery to municipalities in February, 2017.

SAMA's goal to communicate value changes well ahead of the 2017 Revaluation allowed municipalities and government time to review and provide feedback on the preliminary values and generate policies and budgets with as much information as possible.



## THE COMPETITIVE ASSESSMENT ENVIRONMENT

Since 1995, a provision in The Assessment Management Agency Act has been made available that allows municipalities to use alternative assessment services.

In November 2004, the Province amended this legislation to require that municipalities wishing to undertake their own valuation services receive written consent from all affected school divisions as well as SAMA. Before this amendment, municipalities were only required to consult with school divisions and receive the written consent of SAMA.

SAMA and the Minister of Government Relations' consent are now needed for a municipality to opt out, or opt back into, SAMA's valuation services. Any municipality that carries out its own valuations and revaluations is not required to make requisition payments to the Agency. Jurisdictions that employ their own appraisal personnel still must follow the regulated Saskatchewan Assessment Manual and provincial assessment legislation.

The Assessment Management Agency Act contains separate legislation recognizing that the Major cities of Moose Jaw, Prince Albert, Regina and Saskatoon will provide for their own assessment services. The cities of Saskatoon, Regina, Prince Albert and Swift Current do not use SAMA's valuation services. In 2006, the city of Moose Jaw entered into a long-term assessment services contract with SAMA.

In 2014, 10 municipalities opted back in to SAMA's assessment services, and four additional municipalities are set to transition their assessment services back to SAMA starting in 2018.

## TECHNICAL STANDARDS AND POLICY

The Technical Standards and Policy Division (TS&P) is responsible for researching and studying assessment valuation policy and best practices with regards to application of province-wide assessment valuation standards and policies. This involves considerable consultations with the Province, clients and stakeholders to ensure transparency and support on assessment policy matters. As part of this liaison process, TS&P is involved in the provision of assessment information to the Province, municipalities, school divisions and the public.

The TS&P division advises the Board and the Province with respect to property assessment legislation, prepares assessment related Board Orders, and also prepares manuals, guidelines, handbooks and other materials required in the assessment of property. Valuation materials may be revaluation cycle specific; such as the regulated *Assessment Manual* and the non-regulated *SAMA Cost Guide*, or may not be tied to a specific revaluation cycle, such as the non-regulated *Market Value Assessment in Saskatchewan Handbook*.

TS&P is responsible for liaising with independent assessment service providers regarding assessment policy and valuation practices. These activities include quality coordination and control activities to ensure consistent application of assessment valuation practices, which includes facilitating and overseeing the provincial revaluation cycle that occurs every four years. Further to this, TS&P provides technical support for assessment service providers that use SAMA's computerized assessment valuation system, the Saskatchewan Property Assessment Network (SPAN).

TS&P's also has a leadership role in identifying new computer based technologies to improve the efficiency of SAMA's mass appraisal processes as well as accuracy of assessments. In this regard, TS&P staff had an integral role regarding the implementation of SAMA's four-year capital project for new technology.



## 2021 REVALUATION PREPARATIONS

In keeping with the administration of the traditional four year revaluation cycle policy processes, TS&P has initiated preparations for the next revaluation scheduled for 2021, which will use a base date of January 1, 2019. Current direction by SAMA's Board is to continue to stabilize provincial valuation policy going forward. Therefore, consistent with the 2017 revaluation, SAMA's goal is to continue to stabilize major assessment policy, with consideration for refinement on selected items where there is consensus with stakeholders:

- Development, communication, and implementation of revaluation related Board Orders:
  - Establishment of the 2021 revaluation base date to be January 1, 2019;
  - Specifying market value evidence requirements for non-regulated property assessments; and
  - Specifying quality assurance standards for non-regulated property assessments.
- Initiated a consultation process with stakeholders regarding assessment policy with possible refinement of selected items related to regulated property assessment valuation models:
  - Review of ag-land productivity models;
  - Review of the oil and gas resource production equipment "production adjustment factor" (PAF); and
  - Miscellaneous housekeeping improvements.

TS&P is also exploring the possible future expansion of the sales comparison approach for residential properties.

## ACCESSING REVALUATION BOARD ORDERS, PUBLICATIONS AND OTHER COST GUIDES

Revaluation related Board Orders and publications can be found on SAMA's website ([www.sama.sk.ca](http://www.sama.sk.ca)) and accessed free of charge. The exception would be valuation rates established under license using Marshall & Swift (Core Logic Inc.) costing publications *Marshall Valuation Service* and *The Residential Cost Handbook*.

SAMA's major publications include the *Saskatchewan Assessment Manual (2015 Base Year)*, *SAMA's 2015 Cost Guide* and the *Market Value Assessment in Saskatchewan Handbook*. *The Saskatchewan Assessment Manual* has the force of regulation and must be complied with, while the *Cost Guide* and *Market Value Handbook* do not – they are documents within the market valuation standard.

Hard copies of the revaluation publications as well as the Marshall costing publications are available for a fee that covers the cost to print the documents and any applicable third party license fees.

Marshall & Swift (Core Logic Inc.) is a recognized industry leader in costing of commercial and residential property with regards to the application of the cost approach. Other assessment service providers may also refer to the Marshall costing publications. SAMA uses the *Marshall Valuation Service* for the majority of commercial properties valued using the cost approach. *The Residential Cost Handbook* is the basis for estimating replacement costs for both single and multi-family residences. For clarification, the *Assessment Manual*, *SAMA's Cost Guide*, *Handbook* and Marshall costing publications complement each other in the application of the cost approach.





## INFORMATION SERVICES

In 2017, SAMA's Information Services Branch (IS) was focused on ensuring the Agency is served by up to date and efficient technology. One of the branch's main focuses for 2017 was the continued implementation of SAMA's Technology Infrastructure (TI) program.

## TECHNOLOGY INFRASTRUCTURE (TI) PROGRAM

SAMA's 2014 to 2017 funding plan was focused on improving our employees' ability to deliver services to our client municipalities by simplifying valuation policies, implementing new technologies and improving our processes. The Agency's TI Program made up a large part of this effort.

SAMA's TI Program is made up of four phases that are being implemented over the course of the four-year program. In 2015, Phase 1 work was completed on updating the user interface of our internal computer system, which is called Govern. The new interface made inputting information faster and more efficient improving the quality of the data in the system and allowing SAMA's appraisers to spend more time in the field and less time doing data entry. Phase 2 of the TI Program began in 2015 and was implemented in December 2016. Phase 2 saw the internal workings of the Govern system updated and modernized. This will improve the speed, reliability and functionality of the system, as well as pave the way for the implementation of remote data collection in Phase 3.

Phase 4 of the program will see SAMA develop a business to business web portal, which will seek to improve the way we interact with our clients and the public using online tools.

Phase 3 and 4 of the TI Program will be finalized in 2018.

## SAMAVIEW

SAMAView is a website application that allows the general public access to individual property assessments for all SAMA client jurisdictions. SAMA continues to support the use of SAMAView as a way of maintaining the transparency of assessments to the public.

You can access SAMAView by going to SAMA's website ([www.sama.sk.ca](http://www.sama.sk.ca)) and clicking on the SAMAView link.

## WHAT ARE THE BENEFITS OF SAMAVIEW?

With SAMAView you can:

- ▶ Verify your property assessment information;
- ▶ Compare your assessment to similar or neighbouring properties; and
- ▶ Get a general idea of assessed values in your municipality.



## LOOKING AHEAD TO 2018

In 2018, SAMA's IS branch will be implementing several upgrades to SAMA's technological systems, including:

- Support and Deployment of Remote Data Collection (RDC) devices;
- Windows 10 Implementation;
- Office 365 Implementation;
- Set up of a new office in Melfort; and
- Laptop Refresh for users not receiving RDC.

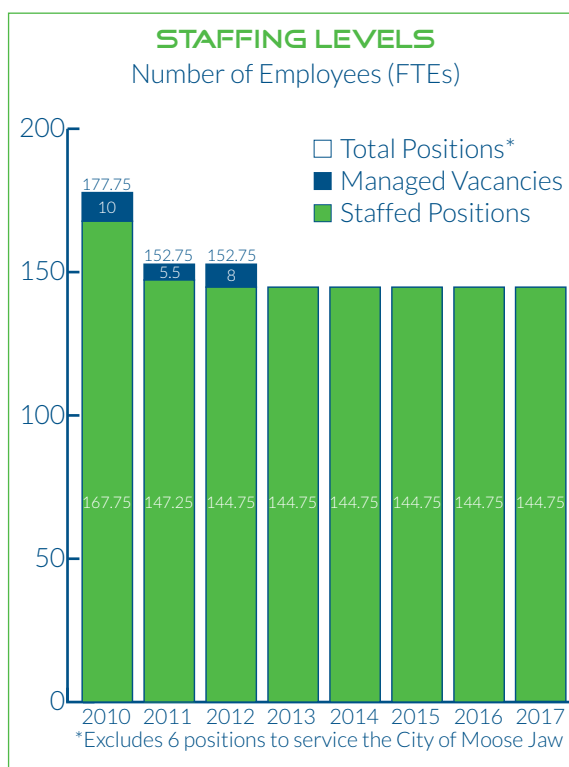
## HUMAN RESOURCES

For the year 2017, the Agency's budgeted number of employees was 144.75 permanent positions, which includes 106.5 positions in the Assessment Services division. After close to six years without a staffing level change, SAMA added 3.5 permanent positions in the last quarter of 2017 to account for four municipalities who will be opting back into SAMA's services for 2018. The cost for these 3.5 new positions were fully covered by the requisition fees provided by the four new SAMA client municipalities, and will bring SAMA's 2018 budgeted number of employees to 148.25.

These numbers do not include 6 positions that are part of our assessment service contract with the City of Moose Jaw.

Items of note for 2017:

- The Agency is constantly striving to become a better organization - more productive, innovative, service-oriented and better managed. This includes being attuned and responsive to employee needs. We examine the way we run our organization by conducting regular employee engagement surveys. We have conducted employee surveys in 2007, 2009, 2011, 2013, and 2015 and have improved a number of areas as a result of employee feedback. SAMA will conduct a survey in 2018 to continue to measure our progress as an Agency at engaging our employees.
- Held our annual Agency-wide staff meeting and appreciation banquet in September.



## WORKFORCE PLANNING

The Agency continues to address workforce planning by:

- ▶ Recruiting people with the right type of attitude and motivation that are committed to their work, and building a high performance work environment that helps retain key talent and fully engages the right people; and
- ▶ Enhancing the Agency's employee engagement strategies to build and sustain a healthy and viable organization.

SAMA remains committed to working with Lakeland Community College in Vermilion, Alberta to recruit new personnel. The Agency continues its:

- ▶ \$500 annual bursary, awarded to a first-year student with the highest grade point average in assessment appraisal studies; and
- ▶ Attendance at the annual Business Job Fair at Lakeland Community College's Lloydminster campus.

## EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS

Throughout 2017, SAMA continued to place significant emphasis on the development and training of our employees. SAMA's employees continue to have considerable success with their attainment of professional accreditations.

The success of SAMA's efforts in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees, and the Agency's ability to attract and retain a talented and skilled workforce in a highly competitive market.

## LOOKING AHEAD TO 2018

In 2018, SAMA's HR branch will be initiating a number of new programs, including:

- ▶ The implementation of a new HR/Finance software system; and
- ▶ Creating a new SAMA leadership development program.

## COMMUNICATIONS

In 2017, SAMA's Communications Branch was focused on the various communications programs surrounding the 2017 Revaluation. This included the implementation of a 2017 Revaluation Communications Plan, which involved updating our educational literature, and helping to more publicly position the Agency to deal with the impacts of the 2017 Revaluation.

SAMA Communications is responsible for drafting and updating the Agency's various pieces of informational literature; all of the Agency's pamphlets and brochures are available on our website ([www.sama.sk.ca](http://www.sama.sk.ca)). The Communications branch is also responsible for media relations, organizing SAMA's Annual Meeting, representing the Agency at various stakeholder conventions and coordinating appearances at local conferences and town hall meetings.

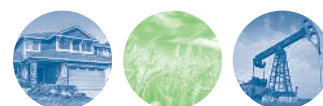
SAMA is committed to ensuring that the Agency is served by modern and efficient technology. From a communications perspective, SAMA's website ([www.sama.sk.ca](http://www.sama.sk.ca)) is a vital part of how we communicate with our stakeholders, our client municipalities and the public.





sama

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY



20FINANCIAL  
17REPORT







## OPERATING REVENUES

Operating revenues increased by \$913,818 or 5% to \$19,290,820 from \$18,377,002 in 2016

- The provincial grant remained unchanged from 2016 at \$10,238,000.
- Municipal revenue increased \$495,519 over 2016 comprising a planned 3.0% uniform increase to all client municipalities (\$202,964), updating property counts from 2013 levels (\$351,819) and a decrease in property maintenance review revenue of \$59,264.
- Other revenue increased \$418,299 mainly because of increases in assessment services contracts with First Nations (\$167,458), Ministry of Parks, Culture and Sport (\$125,000) and new client municipalities start-up costs (\$77,695).

## OPERATING EXPENSES

Total operating expenses increased by \$376,018 or 2.2% to \$17,448,657 from \$17,072,639 in 2016.

- Salaries and benefits increased \$318,267 over 2016 primarily because of the following:
  - Workers' compensation (WCB) premiums increased by \$120,053 to \$135,223 from \$15,170 in 2016. SAMA received a WCB surplus distribution of \$120,834 in 2016.
  - Implemented Phase 1 of an in-scope reclassification plan (\$107,000).
  - Salary increments and other adjustments (\$91,214).
- Professional fees increased \$76,146 primarily because of increased external legal expenses required to support commercial property appeals.
- Travel expenses decreased by \$54,218 in 2017 largely because of less in-person training, at Central Office, for the new computer system, as compared to the prior year.

## OPERATING SURPLUS, RESERVE ALLOCATION AND THE TECHNOLOGY INFRASTRUCTURE (TI) PROGRAM

The Agency recorded an operating surplus of \$457,700 in 2017 after \$1,384,463 was transferred to the capital fund for purchase of capital assets including \$860,974 in development costs for the TI Program.

- The increase in net assets of \$457,700 (excluding capital assets) in 2017 consisted of a \$97,453 decrease in unrestricted net assets and a \$555,153 increase in amounts held in reserve.
- The net increase in reserves of \$555,153 is the result of 2017 reserve expenditures of \$208,847 and reserve replenishments of \$764,000.
- The four-year TI Program was launched in 2014 with first-year funds of \$623,860 provided by client municipalities and agency internal reserve re-allocations of \$640,500. In 2015, 2016 and 2017 both the Province and municipalities contributed to the TI program in the annual amounts of \$612,000 and \$623,871, respectively. 2017 TI expenditures totalled \$1,507,867 (\$1,835,242 in 2016). The majority of capitalized TI Program costs are payments to external information technology firms working on system development and internal wages and benefits.



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Saskatchewan Assessment Management Agency

We have audited the accompanying financial statements of Saskatchewan Assessment Management Agency, which comprise the statement of financial position as at December 31, 2017, and the statements of revenues and expenses and changes in fund balances, and cash flows for the year 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 accounting standards for not-for-profit organizations, 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.

### Auditor's 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 auditor's 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 auditor considers 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 is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Assessment Management Agency as at December 31, 2017, and the results of its operations and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants  
Licensed Professional Accountants

February 27, 2018  
Regina, Saskatchewan



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

|  | <u>2017</u>   | <u>2016</u>  |
|--|---------------|--------------|
| <b>CURRENT ASSETS</b>  |               |              |
| Cash   | \$ 3,209,006  | \$ 1,772,488 |
| Accounts receivable  | 54,972        | 38,456       |
| Municipal invoices receivable                                    | 3,738         | -            |
| Province of Saskatchewan grant receivable                        | 1,712,500     | 1,712,500    |
| Government remittances receivable                                | 62,577        | 56,753       |
| Prepaid expenses   | 478,141       | 648,276      |
|  | 5,520,934     | 4,228,473    |
| <b>CAPITAL ASSETS (Note 3)</b>                                   | 5,830,197     | 4,132,220    |
|  | \$ 11,351,131 | \$ 8,360,693 |
| <b>CURRENT LIABILITIES</b>                                       |               |              |
| Accounts payable   | \$ 917,303    | \$ 730,063   |
| Deferred revenue   | 282,797       | 257,356      |
|  | 1,200,100     | 987,419      |
| <b>DEFERRED CONTRIBUTIONS RELATED TO<br/>TI PROGRAM (Note 5)</b> | 4,331,065     | 3,095,602    |
|  | 5,531,165     | 4,083,021    |
| <b>NET ASSETS</b>  |               |              |
| Capital fund   | 3,339,608     | 2,255,014    |
| Operating fund   |               |              |
| Reserves (Note 6)  | 2,191,763     | 1,636,610    |
| Unrestricted   | 288,595       | 386,048      |
|  | 2,480,358     | 2,022,658    |
|  | 5,819,966     | 4,277,672    |
|  | \$ 11,351,131 | \$ 8,360,693 |

See accompanying notes

APPROVED BY THE BOARD



Director



Director



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES AND  
CHANGES IN FUND BALANCE - OPERATING FUND

Year ended December 31, 2017

|   | Budget<br>2017<br>(Unaudited) | Actual<br>2017 | Actual<br>2016 |
|---|-------------------------------|----------------|----------------|
| <b>REVENUES</b>                                   |                               |                |                |
| Province of Saskatchewan<br>operating grant       | \$ 10,545,000                 | \$ 10,238,000  | \$ 10,238,000  |
| Municipal invoices                                | 7,768,200                     | 7,774,436      | 7,278,917      |
| Fees  | 321,000                       | 237,219        | 239,815        |
| Interest  | 20,000                        | 61,376         | 31,158         |
| Appraisal and assessment services                 | 574,290                       | 928,249        | 487,388        |
| Miscellaneous                                     | 52,500                        | 51,540         | 101,724        |
|   | 19,280,990                    | 19,290,820     | 18,377,002     |
| <b>EXPENSES</b>                                   |                               |                |                |
| Geospatial imagery                                | 86,940                        | 60,000         | 67,818         |
| Bank and payroll charges                          | 50,000                        | 32,514         | 31,823         |
| Communications                                    | 18,000                        | 29,589         | 31,904         |
| Computer services, software and supplies          | 1,282,460                     | 1,260,303      | 1,308,043      |
| Insurance   | 22,000                        | 18,756         | 19,620         |
| Land titles information                           | 212,400                       | 184,733        | 186,433        |
| Office  | 508,070                       | 439,611        | 398,748        |
| Printing and data licensing                       | 227,350                       | 118,734        | 95,509         |
| Professional                                      | 356,300                       | 356,133        | 279,987        |
| Rent  | 1,250,500                     | 1,198,217      | 1,158,758      |
| Salaries and benefits                             | 13,731,190                    | 12,760,356     | 12,442,142     |
| Staff training and development                    | 255,650                       | 251,036        | 258,961        |
| Travel and accommodation                          | 832,490                       | 738,675        | 792,893        |
|   | 18,833,350                    | 17,448,657     | 17,072,639     |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>           | 447,640                       | 1,842,163      | 1,304,363      |
| Transfer to Capital Fund                          | (244,380)                     | (1,384,463)    | (1,059,355)    |
| <b>Operating fund balance, beginning of year</b>  | -                             | 2,022,658      | 1,777,650      |
| Operating fund balance, end of year               | 203,260                       | 2,480,358      | 2,022,658      |
| Reserves (Note 6)                                 | -                             | (2,191,763)    | (1,636,610)    |
| <b>UNRESTRICTED FUND BALANCE,<br/>END OF YEAR</b> | \$ 203,260                    | \$ 288,595     | \$ 386,048     |



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES AND  
CHANGES IN FUND BALANCE - CAPITAL FUND

Year ended December 31, 2017

|   | <u>2017</u>  | <u>2016</u>  |
|---|--------------|--------------|
| REVENUES                                | \$ -         | \$ -         |
| EXPENSES                                |              |              |
| Amortization of capital assets (Note 3) | 299,869      | 160,734      |
| Amortization of intangible asset        | -            | 6,754        |
| DEFICIENCY OF REVENUES OVER EXPENSES    | (299,869)    | (167,488)    |
| Transfer to Capital Fund                | 1,384,463    | 1,059,355    |
| CAPITAL FUND, BEGINNING OF YEAR         | 2,255,014    | 1,363,147    |
| CAPITAL FUND, END OF YEAR               | \$ 3,339,608 | \$ 2,255,014 |

See accompanying notes





## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

## STATEMENT OF CASH FLOWS

Year ended December 31, 2017

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| <b>OPERATING</b>                             |                     |                     |
| Excess of revenues over expenses:            |                     |                     |
| Operating fund                               | \$ 1,842,163        | \$ 1,304,363        |
| Capital fund                                 | (299,869)           | (167,488)           |
| Items not affecting cash:                    |                     |                     |
| Amortization of capital assets               | 299,869             | 160,734             |
| Amortization of intangible asset             | -                   | 6,754               |
|  | <u>1,842,163</u>    | <u>1,304,363</u>    |
| Changes in non-cash working capital:         |                     |                     |
| Accounts receivable                          | (16,516)            | 13,896              |
| Municipal invoices receivable                | (3,738)             | -                   |
| Government remittances receivable            | (5,824)             | (27,824)            |
| Prepaid expenses                             | 170,135             | (223,199)           |
| Accounts payable                             | 187,240             | 70,651              |
| Deferred revenue                             | 25,441              | 84,650              |
| Deferred contributions related to TI Program | 1,235,463           | 1,235,871           |
|  | <u>3,434,364</u>    | <u>2,458,408</u>    |
| <b>INVESTING</b>                             |                     |                     |
| Purchase of capital assets                   | (1,997,846)         | (1,911,940)         |
| <b>FINANCING</b>                             |                     |                     |
| Repayment of obligation under capital lease  | -                   | (29,228)            |
| <b>INCREASE IN CASH</b>                      | <u>1,436,518</u>    | <u>517,240</u>      |
| <b>CASH, BEGINNING OF YEAR</b>               | <u>1,772,488</u>    | <u>1,255,248</u>    |
| <b>CASH, END OF YEAR</b>                     | <u>\$ 3,209,006</u> | <u>\$ 1,772,488</u> |

See accompanying notes



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2017

#### 1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (the "Agency") was established under the authority of *The Assessment Management Agency Act* (the "Act") on March 1, 1987. The Agency is exempt from income taxes pursuant to Section 149(1) of The Income Tax Act.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("NPO Standards") and reflect the following policies:

##### a) *Use of estimates*

The preparation of financial statements in conformity with NPO Standards requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. A key component of the financial statements requiring management to make estimates is the useful life of long-lived assets. Actual results could differ from those estimates.

##### b) *Fund accounting*

The Operating Fund accounts for the Agency's program delivery and administrative activities. The Capital Fund reports the assets, revenue and expenses related to the Agency's capital assets.

##### c) *Capital assets*

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing balance method, except for leasehold improvements, which are being amortized using the straight-line method over the lease term.

##### d) *Impairment of long-lived assets*

When a tangible capital asset or an intangible asset that is subject to amortization no longer has any long-term service potential for the Agency, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of revenues and expenses and changes in fund balances.

##### e) *Intangible asset*

The Agency has no intangible assets with an indefinite life. Other intangible assets are accounted for at cost. Amortization is based on their estimated useful life using the straight line method.



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) *Technology Infrastructure Program development costs*

Expenditures related to the development of the Technology Infrastructure ("TI") Program were capitalized. The project began in 2014 and will continue until 2018 with amortization of the costs to begin in 2018 once the TI Program is put into use. The project purpose is to significantly improve the computer system used for provincial property assessment and thereby increase the Agency's inspection capacity. Costs directly related to the project have been capitalized with the exception of those related to training.

g) *Reserves*

Reserves are established by Board of Directors' approval through appropriations of unrestricted net assets.

h) *Revenue recognition*

The Agency follows the deferral method of accounting for grants and other contributions received from the Province of Saskatchewan, and the municipal requisitions from participating municipalities. Approved operating grants and municipal requisitions are recorded as revenue in the period to which they relate. Grants and municipal requisitions approved but not received at the end of an accounting period are accrued. Other revenues are recognized as revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collection is reasonably assured.

Externally restricted contributions for future expenses are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions for capital assets are deferred and recognized as revenue in the period the related amortization of the capital assets occurs.



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) *Financial instruments*

The Agency initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Agency recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

j) *Liquidity risk*

The Agency's objective is to have sufficient liquidity to meet its liabilities when due. The Agency monitors its cash balance and cash flows generated from operations to meet its requirements. As at December 31, 2017, the most significant financial liabilities are accounts payable.

## 3. CAPITAL ASSETS

|                         | <u>Cost</u>          | <u>Accumulated<br/>Amortization</u> | <u>2017<br/>Net Book<br/>Value</u> | <u>2016<br/>Net Book<br/>Value</u> |
|-------------------------|----------------------|-------------------------------------|------------------------------------|------------------------------------|
| Computer and equipment  | \$ 1,463,967         | \$ 1,103,236                        | \$ 360,731                         | \$ 161,071                         |
| Furniture and equipment | 1,009,706            | 845,692                             | 164,014                            | 152,800                            |
| Leasehold improvements  | 300,346              | 283,876                             | 16,470                             | 37,234                             |
| SPAN system             | 5,940,000            | 5,940,000                           | -                                  | -                                  |
| TI Program (Note 2(f))  | 5,288,982            | -                                   | 5,288,982                          | 3,781,115                          |
|                         | <u>\$ 14,003,001</u> | <u>\$ 8,172,804</u>                 | <u>\$ 5,830,197</u>                | <u>\$ 4,132,220</u>                |

## 4. DEMAND LOAN

The Agency has an authorized demand loan with the Royal Bank of Canada to a maximum amount of \$1,500,000 (2016 - \$1,500,000) repayable on demand and bearing interest at bank prime plus 0.50%. As at December 31, 2017, there was \$nil (2016 - \$nil) outstanding.

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2017

## 5. DEFERRED CONTRIBUTIONS RELATED TO TI PROGRAM

The TI Program is a four-year capital project for new technology requiring an investment of \$4,900,000. A capital funding levy of \$623,860 from client municipalities was implemented in 2014 to provide a portion of the financing and was continued into 2015, 2016 and 2017. The Province granted SAMA \$612,000 in each of 2015, 2016 and 2017 for the program as well.

The Agency is required to demonstrate to provincial municipal organizations, the Saskatchewan Association of Rural Municipalities and the Saskatchewan Urban Municipalities Association that the conditions attached to the funding are being met.

## 6. INTERNALLY RESTRICTED RESERVES

## Operating Fund Reserves

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| Operating fund reserves, beginning of year                       | \$ 1,636,610        | \$ 1,418,330        |
| Reserves made during the year                                    | 764,000             | 522,772             |
| Approved expenditures made during the year<br>(net of transfers) | (208,847)           | (304,492)           |
| <b>Operating fund reserves, end of year</b>                      | <b>\$ 2,191,763</b> | <b>\$ 1,636,610</b> |

The balance in operating fund reserves comprised the following:

|                                   | <u>2017</u>         | <u>2016</u>         |
|-----------------------------------|---------------------|---------------------|
| Reserve for computer enhancements | \$ 114,406          | \$ 114,406          |
| Reserve for professional fees     | 1,475,617           | 920,464             |
| Reserve for travel                | 115,000             | 115,000             |
| Reserve for SAMA operations       | 486,740             | 486,740             |
|                                   | <b>\$ 2,191,763</b> | <b>\$ 1,636,610</b> |





## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2017

## 6. INTERNALLY RESTRICTED RESERVES (CONTINUED)

## Operating Fund Reserves

a) *Reserve for computer enhancements*

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2017, \$nil (2016 - \$97,272) was transferred to the reserve and approved expenditures were \$nil (2016 - \$60,000).

b) *Reserve for professional fees*

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals, support of value, GIS development and recruitment and retention. In 2017, \$764,000 (2016 - \$276,500) was transferred to the reserve and approved expenditures were \$208,847 (2016 - \$244,492).

c) *Reserve for travel*

A reserve has been established to provide for travel costs that will be incurred relating to the physical re-inspection of property in municipalities.

d) *Reserve for SAMA operations*

A reserve has been established to provide for SAMA operations in the event of future revenue shortfalls. In 2017, \$nil (2016 - \$149,000) was transferred to the reserve.

## Capital Fund Reserve

A reserve has been established for costs incurred to design and implement a four-year program to make improvements to the Agency's central assessment database. In 2017, \$622,080 (2016 - \$354,058) was transferred to the reserve. The total reserve in the capital fund at December 31, 2017 is \$1,840,476 (2016 - \$1,218,396).



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2017

## 7. COMMITMENTS

The Agency has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, Moose Jaw and North Battleford. The leases are to expire between 2018 and 2028. Annual lease payments are as follows:

|                     |    |           |
|---------------------|----|-----------|
| 2018                | \$ | 1,247,965 |
| 2019                |    | 1,200,160 |
| 2020                |    | 1,181,556 |
| 2021                |    | 1,078,007 |
| 2022                |    | 977,363   |
| 2023 and thereafter |    | 4,938,053 |

The Agency has contracts for TI Program development and computer services outsourcing with the following payments due over the next four years:

|      |    |         |
|------|----|---------|
| 2018 | \$ | 283,528 |
| 2019 |    | 272,388 |
| 2020 |    | 253,888 |
| 2021 |    | 189,308 |

## 8. PENSION EXPENSE

Employees make contributions to the Public Employees' Pension Plan ("PEPP"), a defined-contribution plan.

In accordance with the Agency's union agreement with its employees effective January 1, 2016 the employer's contribution rate is 7.6% of an employee's salary.

The total pension contributions by the Agency for employees in PEPP was \$865,829 (2016 - \$881,762).



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

## NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2017

## 9. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Agency by virtue of significant influence by the Province of Saskatchewan, non-Crown corporations and enterprises subject to joint control and significant influence by the Province of Saskatchewan and investee corporations accounted for under the equity method (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

|                                   | <u>2017</u>  | <u>2016</u>  |
|-----------------------------------|--------------|--------------|
| Operating expenses                | \$ 1,835,051 | \$ 1,896,908 |
| Government remittances receivable | 62,577       | 56,753       |

In addition, the Agency pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to (from) related parties and the terms of settlement are described separately in these financial statements and notes thereto.

## 10. ECONOMIC DEPENDENCE

The Agency is economically dependent on the Province of Saskatchewan due to the extent of its funding of the Agency's operations, 53% (2016 – 56%).









Quality Assurance undertakes statutory property assessment audits, and manages the assessment roll confirmation process to ensure that a municipality's property assessments are generally accurate and compliant.



## SAMA IS THE REGULATORY AGENCY RESPONSIBLE FOR PROPERTY ASSESSMENT IN SASKATCHEWAN.

SAMA's independent Quality Assurance Division is responsible for the assessment roll confirmation process, undertaking assessment audits (annual confirmation and primary audits on all municipalities) to ensure that municipalities' assessments are prepared and administered in accordance with the requirements set out in applicable legislation.

## QUALITY ASSURANCE DIVISION IS INDEPENDENT FROM THE REST OF THE AGENCY.

It has no involvement in property assessment valuation, or setting of policy respecting property assessment valuation. Quality Assurance is accountable directly to the SAMA Board of Directors through the Managing Director of Quality Assurance.

## THE SAMA BOARD OF DIRECTORS DEVELOPED AND ADOPTED VISION, MISSION, AND PRINCIPLES SPECIFICALLY FOR THE AGENCY'S QUALITY ASSURANCE (OVERSIGHT) MANDATE.

The Vision, Mission, and Principles establish the Board's position and expectations regarding the property assessment audit mandates, and the efforts undertaken by Quality Assurance in conducting its audit work.

### QUALITY ASSURANCE



#### VISION

The SAMA Board, through its independent and directly accountable QA Division, fosters public trust by ensuring property assessments meet prescribed statutory requirements.

#### MISSION

To provide unbiased, responsive, professional and collaborative audits of mass appraisal valuation processes and municipal Rolls through an independent and directly accountable QA Division.

For more information regarding Quality Assurance and the audits undertaken by the division, please visit the SAMA website ([www.sama.sk.ca](http://www.sama.sk.ca)) and refer to the document 'Property Assessment Audits in Saskatchewan Guide' under the Audit Guides option.



## THE CONFIRMATION AUDIT

---

This audit reviews for accuracy and statutory compliance of a municipality's assessment roll. The confirmation audit is initiated once a municipality submits an assessment return to Quality Assurance. The return form (established by Board Order) requires the municipality to report all changes made to their assessment roll since it was last confirmed.

For the 2017 assessment roll year, Certificates of Confirmation were issued for 712 municipalities (95% of all returns submitted to SAMA for 2017). As at March 1, 2018 confirmation audits were in progress for 17 municipal assessment rolls, and 39 assessment returns have not yet been submitted for 2017. Assessment rolls that were confirmed for 2017 met the statutory accuracy and compliance requirements. Quality Assurance provided considerable assistance to municipalities over the year in resolving various assessment roll issues.

## THE PRIMARY AUDIT

---

This audit reviews the compliance of appraisal level for improved residential and commercial properties that have sold. Legislation requires these two property types to be valued using the "market valuation standard." The appraisal level audit reviews the median ratio of assessment to adjusted sale price for the two property types at the municipal level to ensure there is compliance with the statutory median assessment to sale ratio range of 0.98 to 1.02. When the median assessment to sale ratio is 1.00, that indicates that on average, these property types are assessed at the same level as the sale prices. Both the confirmation and primary audits must successfully pass in order for Quality Assurance to recommend the municipality's assessment roll for confirmation by the SAMA Board of Directors.

For 2017, all primary audits undertaken passed, and were compliant with the regulated ratio.

## THE SECONDARY AUDIT

---

This audit is a detailed or comprehensive audit concerning matters of property assessment statutory compliance. Secondary audits would typically focus on matters of egregious statutory non-compliance. Secondary audits were not required in 2017.



## 2017 CONFIRMED ASSESSMENT TOTALS

For reference to 2017 and earlier confirmed assessment totals please go to the following SAMA website link: [www.sama.sk.ca](http://www.sama.sk.ca) Confirmed assessment reports are accessed under the "Roll Confirmation Reports" tab.

[www.sama.sk.ca](http://www.sama.sk.ca)

### samaView

## Assessment Information Online

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- Order Sales Information
- Appealing an assessment
- Providing Information to SAMA
- FAQs about assessment
- Find nearest SAMA office

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- Using SAMA's services
- Educational Publications
- Forms
- Audit Guides
- Roll Confirmation Reports**
- Statutory Audit Reports

**Online Publications**

- 2011 Assessment Manual
- Market Value Handbook
- 2011 Cost Guide
- 2015 Assessment Manual
- 2015 Cost Guide
- ... or order a copy of these publications

**What's New**

- 2018 Business Plan
- 2018 SAMA Annual Meeting

Confirmed assessment totals are not included in the Quality Assurance Division portion of the SAMA Annual Report for 2017. The reason is there are too many (56 – see listing below) municipalities that do not have a confirmed assessment roll as at March 1, 2018. That amount would affect the reliability of the aggregate confirmed assessments. However, at the municipal level, confirmed totals are reliable and are available on the SAMA website.

|                               |                                  |                               |                       |
|-------------------------------|----------------------------------|-------------------------------|-----------------------|
| City of Estevan               | Resort Village of Kannata Valley | R.M. of Morris No. 312        | Town of Radisson      |
| City of Humboldt              | Resort Village of Manitou Beach  | R.M. of Nipawin No. 487       | Village of Arran      |
| City of Martensville          | R.M. of Bjorkdale No. 426        | R.M. of Prince Albert No. 461 | Village of Duff       |
| City of Meadow Lake           | R.M. of Corman Park No. 344      | R.M. of Sherwood No. 159      | Village of Fenwood    |
| City of Melfort               | R.M. of Cut Knife No. 439        | R.M. of Snipe Lake No. 259    | Village of Goodeve    |
| City of North Battleford      | R.M. of Dufferin No. 190         | R.M. of Spiritwood No. 496    | Village of Goodsoil   |
| City of Prince Albert         | R.M. of Eagle Creek No. 376      | R.M. of Tecumseh No. 065      | Village of Hyas       |
| City of Warman                | R.M. of Edenwold No. 158         | R.M. of Vanscoy No. 345       | Village of Laird      |
| City of Weyburn               | R.M. of Hoodoo No. 401           | R.M. of Weyburn No. 067       | Village of Manor      |
| N. Town of La Ronge           | R.M. of Leask No. 464            | Town of Allan                 | Village of Margo      |
| N. Village of Buffalo Narrows | R.M. of Livingston No. 331       | Town of Arcola                | Village of Meota      |
| N. Village of Pelican Narrows | R.M. of Lost River No. 313       | Town of Eston                 | Village of Mistatim   |
| N. Village of Pinehouse       | R.M. of Mckillop No. 220         | Town of Kindersley            | Village of Netherhill |
| N. Village of Sandy Bay       | R.M. of Meota No. 468            | Town of Qu'Appelle            | Village of Plunkett   |





SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

## SAMA CENTRAL OFFICE

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Regina SK S4P 0J8

Phone: 306.924.8000 Fax: 306.924.8070 Toll Free: 1.800.667.7262 (In Saskatchewan)

Web: [www.sama.sk.ca](http://www.sama.sk.ca)

## SAMA REGIONAL OFFICES

### MELFORT

1121 Main Street  
Box 1089  
Melfort SK S0E 1A0  
Tel: 306-752-6142 | Fax: 306-752-6151  
TF: 800-216-4427 (in Saskatchewan)

### MOOSE JAW

228 Main Street North, 4th Floor  
Moose Jaw SK S6H 3J8  
Tel: 306-694-4425 | Fax: 306-694-4505  
TF: 866-398-7889 (in Saskatchewan)

### NORTH BATTLEFORD

303 1101-101st Street  
North Battleford SK S9A 0Z5  
Tel: 306-446-7665 | Fax: 306-446-7568  
TF: 800-824-2570 (in Saskatchewan)

### REGINA

330 - 2505 11th Avenue  
Regina SK S4P 0K6  
Tel: 306-924-8080 | Fax: 306-924-8088  
TF: 800-498-0578 (in Saskatchewan)

### SASKATOON

300 333-25th Street East  
Saskatoon SK S7K 0L4  
Tel: 306-933-5385 | Fax: 306-933-7997  
TF: 800-667-5203 (in Saskatchewan)

### SWIFT CURRENT

350 Cheadle Street West  
Swift Current SK S9H 4G3  
Tel: 306-778-8444 | Fax: 306-778-8445  
TF: 800-498-0574 (in Saskatchewan)

### WEYBURN

314-110 Souris Avenue  
Weyburn SK S4H 2Z8  
Tel: 306-848-2397 | Fax: 306-848-2399  
TF: 800-498-0575 (in Saskatchewan)

### YORKTON

45B Palliser Way  
Yorkton SK S3N 4C5  
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TF: 800-498-0576 (in Saskatchewan)



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