



# sama

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY



## *ANNUAL REPORT 2018*

PURSUING EXCELLENCE  
IN ASSESSMENT POLICY AND  
SERVICES FOR SASKATCHEWAN



## 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

The Honourable W. Thomas Molloy  
Lieutenant Governor  
Government House  
4607 Dewdney Avenue  
Regina, Saskatchewan  
S4T 1B7

Your Honour:

I have the honour to submit the 2018 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, 2018 to December 31, 2018.

Respectfully submitted,



A handwritten signature in blue ink, reading "Warren Kaeding".

Warren Kaeding  
Minister of Government Relations



## LETTER OF TRANSMITTAL FROM THE CHAIR

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

Mr. Ray Orb, President  
Saskatchewan Association of Rural Municipalities  
2301 Windsor Park Rd  
Regina SK  
S4V 3A4

Mr. Gordon Barnhart , President  
Saskatchewan Urban Municipalities Association  
Unit 305 - 4741 Parliament Avenue  
Regina, SK  
S4W 0T9

Dear Sirs/Madam:

On behalf of the Board of Directors, I respectfully submit the 2018 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2018 to December 31, 2018.

Yours sincerely,



A stylized, handwritten signature in blue ink, which appears to read 'Myron Knafelc'.

Myron Knafelc  
Chair, Board of Directors



# STRATEGY







# sama

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

## **BOARDREPORT2018**

**PURSuing EXCELLENCE  
IN ASSESSMENT POLICY AND  
SERVICES FOR SASKATCHEWAN**



sama

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

# **BOARDREPORT2018**



## SAMA BOARD OF DIRECTORS



**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.



## CORPORATE PROFILE

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.

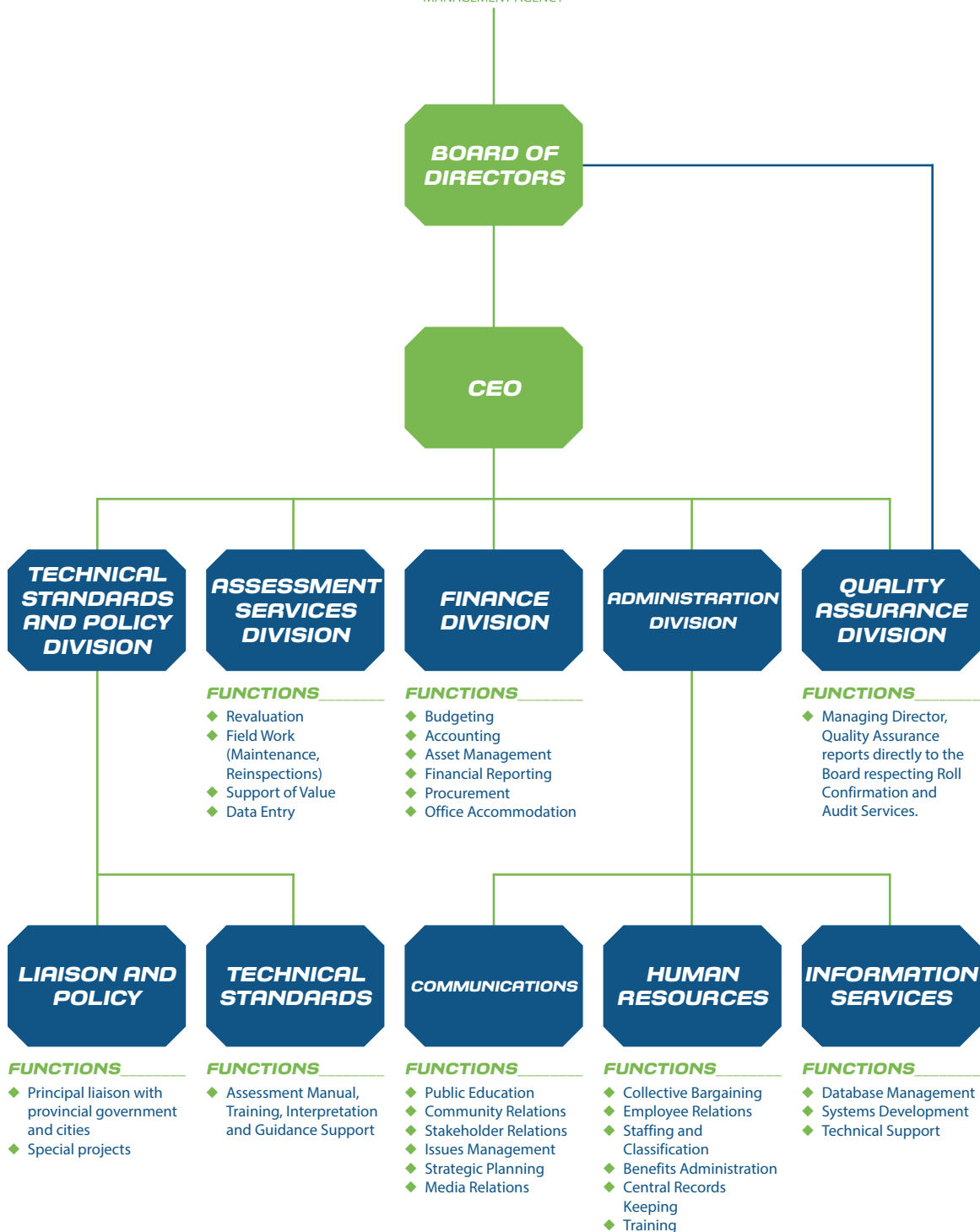
In 2018, SAMA was funded jointly by the Province and municipalities. The Agency received funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs and quality assurance. Since 2010, discretionary 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 \$2.1 Billion property tax base. In 2018, the Agency provided assessment valuation services to 762 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 862,000 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.







## BOARD STRUCTURE, MANDATE AND ROLE

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 2018, 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.



## BOARD STRUCTURE, MANDATE AND ROLE

### 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.



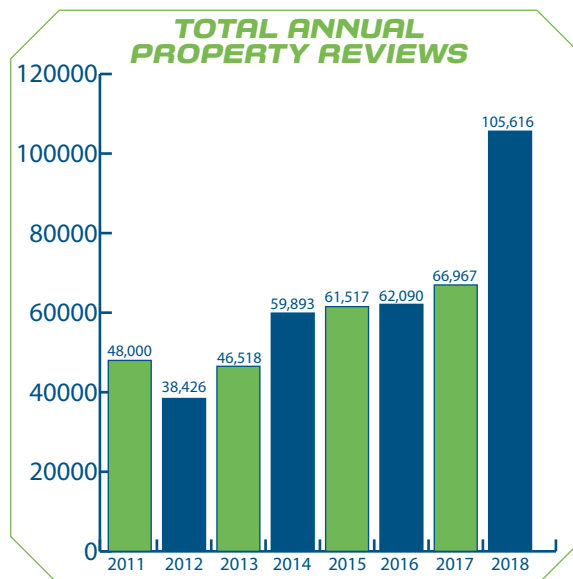
As Chair of the SAMA Board of Directors, I am committed to the overall success of SAMA and the Saskatchewan assessment system in general. The decisions and the strategic directions the Board charts for the Agency will affect the assessment system in the province for years to come. This requires that 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*.

### REACHING NEW LEVELS

In 2018 the Saskatchewan Assessment Management Agency (SAMA) completed its first full year of operation following the implementation of many policy and technological changes chiefly due to the Technology Infrastructure (TI) Program. The TI Program proved to be a success, with SAMA meeting its objective of completing 100,000 property reviews in the calendar year. Meeting this goal was due in large part to changes made to assessment procedures to make them more efficient, and because 2018 saw the rollout of Remote Data Collection (RDC) devices to all of SAMA's field assessment staff. This represented a doubling of SAMA's output (in terms of property reviews) from five years prior.

2018 also continued the recent trend of decreasing market values since the 2015 base date combined with overall percentage increases and tax increases, which led to challenges for the Agency. Appeal levels continued to be at high levels and this is expected to continue as the agency inspects more properties annually, resulting in more notice of assessment changes being issued. The number of assessment appeals in 2018 was 2,624. This continues to be a challenge for SAMA because of the number of BOR (Board of Revision) decisions being delayed to late 2018 and some into 2019. New appeals in 2019 are also expected to be higher than in comparable years from the past. The results of these delayed BOR, as well as delayed SMB (Saskatchewan Municipal Board) decisions could affect the agency moving forward. As appeal proceedings increasingly deal with older assessments and data it takes appraisers longer to prepare for supporting values and the risk of assessment changes becomes larger for municipal clients.

Economic growth for Saskatchewan in 2018 resulted in continued increases of property assets within Saskatchewan municipalities. Property counts for SAMA clients grew by 16,682 properties or 1.97% to 862,905. This increase is primarily because in 2018 SAMA gained 4 new municipal clients – the cities of North Battleford and Meadow Lake and the towns of Battleford and Nipawin. Growth rates exclusive of the new clients is estimated to be just under 0.7%.





### **REACHING NEW LEVELS (continued)**

The assessments conducted in 2018 by SAMA provided an additional estimated \$41 million in annually recurring tax revenues for the agency's municipal clients and the education sector. Of the \$41 million, municipalities received approximately \$25.2 million and the education sector received approximately \$15.8 million (the provincial average municipal mill rate was 8.712 and the education sector mill rate was 4.451 with approximately \$3 billion dollars of taxable assessment added to SAMA's municipal clients in 2018).

The agency conducted 105,616 property reviews in calendar year 2018, up over the 66,967 property reviews in 2017 (an almost 58% increase). This increase represented the seventh consecutive annual increase in the agency's output of property reviews.

All 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 achieved the goal set years ago to double its capacity in terms of property reviews. The agency also strives to improve the quality of those assessments. SAMA is now on pace to achieve a 12-year re-inspection cycle and capture the 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 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.



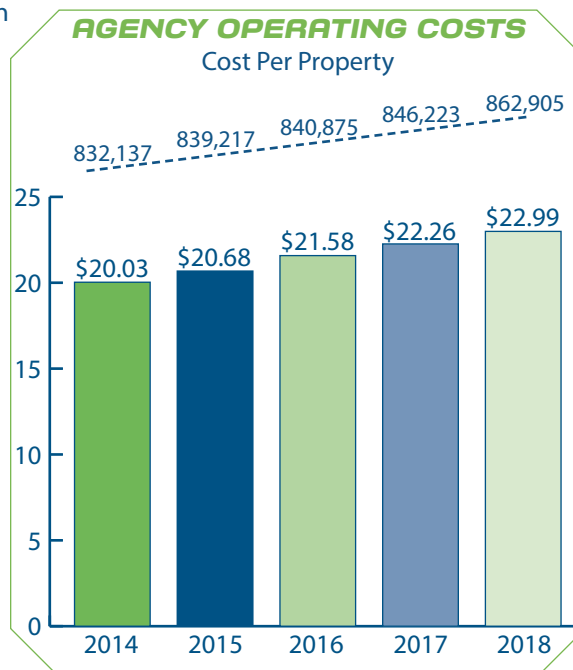
## OPERATING COSTS

In 2018 the agency's operating cost per property rose to \$22.99 (862,905 properties and a total operational spending of \$19.842M). The 2018 operating cost per property represents a 3.3% increase over the previous year (\$22.26 in 2017 and \$21.58 in 2016). The 2018 Inflation Rate for Canada as calculated by Statistics Canada was 2.0%.

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 2018, 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 an 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.



## 2021 REVALUATION

SAMA conducts revaluations based on a four-year cycle. 2017 was the year of the last revaluation, and the 2021 Revaluation will see assessed values updated to reflect a new 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.

Myron Knafelc  
Chair, Board of Directors





## ADVISORY COMMITTEES TO THE 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, and Swift Current. Two SAMA Board members sit as observers on the committee.

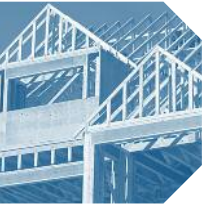
The committee provides a venue for these assessment professionals to meet on a regular basis to communicate, examine, discuss and provide recommendations on assessment specific topics regarding provincial level assessment policy, revaluation cycle programs, reinspection programs, support of value, quality 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 2021 Revaluation.

- ◆ The Legal and Legislative Review Committee represents legal counsel and technical experts from SAMA, the Cities, SUMA, SARM, and the provincial ministries of Government Relations, 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.



## ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

### CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2018

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	SAMA Board Chair (ex officio)
John Wagner	SAMA Board Member
Myron Gulka-Tiechko	City of Moose Jaw
Fraser Tolmie	City of Moose Jaw
Vacant	City of Prince Albert
Vacant	City of Prince Albert
Deborah Bryden	City of Regina
Gerry Krismer	City of Regina
Darcy Huisman	City of Saskatoon
Bev Dubois	City of Saskatoon
Gordon Barnhart	Saskatchewan Urban Municipalities Association (SUMA), Board Member
Eric Bloch-Hansen	Saskatchewan School Boards Association (SSBA), Trustee
Andrew Workman	Saskatchewan Assessment Appraisers' Association

### OBSERVERS:

Elissa Aitken	Ministry of Government Relations
Ron Boechler	Saskatchewan School Boards Association (SSBA), Trustee
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
Mike Voth	City of Saskatoon
Irwin Blank, CEO	SAMA

### ADMINISTRATIVE SUPPORT:

Shaun Cooney, Committee Secretary	SAMA
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## ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

### COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2018

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 (ex officio)
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
Jennifer Henshaw	Canadian Federation of Independent Business
Chris Johnson	Building Owners and Managers Association
Ian Magdiak	Canadian Property Tax Association
Jim Bence	Saskatchewan Hotel & Hospitality Association
Barry Wiebe	National Golf Course Owners Association, Saskatchewan Chapter
Shawn Graham	Inland Terminal Association of Canada
Reg Hinz	Western Grain Elevator Association Tax Committee
Kirk Wasylik	Canadian Energy Pipeline Association
Robert Rolfe	Canadian Association of Petroleum Producers
Darwin Collins	Saskatchewan Mining Association
Corinne Li	Railway Association of Canada
Susan Quiring	Saskatchewan Assessment Appraisers' Association
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
Dianne Ford	Saskatchewan Municipal Board
Ken Dueck	Tourism Saskatchewan
Gerry Krismer	City of Regina
Darcy Huisman	City of Saskatoon
Tim Furlong	City of Prince Albert
Brenda Hendrickson	City of Moose Jaw
Michael Kehler	City of Swift Current
Rod Wiens	Saskatchewan Association of Rural Municipalities
Irwin Blank	SAMA CEO

### ADMINISTRATIVE SUPPORT:

Darwin Kanius, Committee Secretary	SAMA
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## ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

### RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2018

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	SAMA Board Chair (ex officio)
Jim Angus	SAMA Board Member
Jeannie DeRochers	SARM Division 1
Delbert Schmidt	SARM Division 2
John Chavtur	SARM Division 3
Roman Charko	SARM Division 4
Wade Sira	SARM Division 5
Gordon Meyer	SARM Division 6
Rod Wiens	Saskatchewan Association of Rural Municipalities (SARM), Board Member
Garry Dixon	Provincial Association of Resort Communities of Saskatchewan (PARCS)
Tim Weinbender	Saskatchewan School Boards Association (SSBA), Trustee
Frances Simonson	Saskatchewan Assessment Appraisers' Association (SAAA)

### OBSERVERS:

Melissa Mcloy	Ministry of Government Relations
Jay Meyer	Saskatchewan Association of Rural Municipalities (SARM), Administration
Scott Sander	Saskatchewan School Boards Association (SSBA), Administrator
Mike Wirgess	Rural Municipal Administrators Association of Saskatchewan (RMAA)
Irwin Blank	SAMA CEO

### ADMINISTRATIVE SUPPORT:

Steve Suchan, Committee Secretary	SAMA
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## ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

### URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2018

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
Audrey Trombley	SAMA Board Member
Myron Knafelc	SAMA Board Chari (ex officio)
Kevin Tooley	SUMA (Cities)
Walter Streelasky	SUMA (Cities)
Barry Elderkin	SUMA (Towns)
Bruce Fidler	SUMA (Towns)
Mike Strachan	SUMA (Villages)
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
Mindy Olm	Saskatchewan Assessment Appraisers' Association (SAAA)

### OBSERVERS:

Kelly Munce	Ministry of Government Relations
Jean-Marc Nadeau	Saskatchewan Urban Municipalities Association (SUMA), Administration
Brian Hicke	Saskatchewan School Boards Association, Administrator (SSBA)
Rodney Audette	Urban Municipal Administrators Association of Saskatchewan (UMAS)
Irwin Blank, CEO	SAMA

### ADMINISTRATIVE SUPPORT:

Kevin Groat, Committee Secretary	SAMA
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SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

## ***EXECUTIVE REPORT 2018***

**PURSuing EXCELLENCE  
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**sama**

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

# **EXECUTIVE REPORT 2018**

## SAMA EXECUTIVE TEAM



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





It is my pleasure to provide this annual update on the progress the agency has made in 2018 towards meeting the objectives and expectations of our clients and stakeholders. 2018 was the year when SAMA was expected to deliver on our multi-year commitment of doubling the number of property inspections and reviews we completed relative to 2013 levels. Our objective for doing this was to improve the fairness and equity of all assessments and capture the dollars currently being left on the table for our clients. We intended to do this by developing and implementing simplified valuation models, improved business processes and new technologies over a four-year period. When we set this objective to double our annual inspections from 50,000 to 100,000 while improving assessment quality and employee engagement we called the objective our BHAG (big, hairy, audacious goal).

Our staff across the Agency really stepped up over the last four years to make the required changes to our processes and implement the new technologies. Their efforts paid off in 2018, when we achieved our BHAG by exceeding the 100,000-property inspection/review level for the first time in the Agency's history.

2018 was also the year when the Agency was to get back on track delivering assessment maintenance to our clients on time. 2018 proved to be a successful year on the assessment maintenance front as well, with maintenance being delivered by the negotiated delivery dates for 85% of our clients, which was a new high for the Agency.

The Agency also had a very positive and productive year on the assessment policy side as we were able to successfully develop our new 2019 base year assessment manual and cost guides in consultation with our assessment stakeholders. These are the assessment documents that will be used for the next revaluation cycle from 2021 to 2024.

During the year we continued to move forward on our long-term technology improvements with the implementation of our new Govern mobile technology for completing assessment work in the field and the development of a new mobile-friendly SAMA website. We also started the development process for our new "MySAMA" web portal that will provide a new web-based application to our municipal clients for requesting and receiving annual assessment maintenance when the application is completed in 2019.

I would like to take this opportunity to thank our funding stakeholders from the Province, SARM and SUMA, and all our municipal clients for supporting the Agency financially to allow us to achieve our strategic objectives. I would also like to thank our Board for establishing and maintaining a clear, client-focused strategy for the Agency and doing everything in their authority to provide the resources and governance oversight required to deliver on those objectives. I also thank the staff in SAMA for persevering through the development years, handling all the changes extremely well and doing what was necessary to deliver on our commitments.

Our challenge going forward will be to sustain the 100,000 inspection levels while improving the quality of our work and continuing to meet our legislative mandate, including revaluation preparation and appeals support. That objective remains quite daunting, however given the dedication of our solution-oriented staff, the continued support from our municipal clients and the province, and the wise counsel provided by SAMA's Board, I am confident that we can continue to improve our service and deliver on our commitments for 2019 and each year going forward.



Irwin Blank  
Chief Executive Officer



### **SAMA'S FUNDING AND WORKFORCE**

In 2018 the agency had a budgeted and actual workforce of 156.25 permanent staff. This was an increase of two-and-a-half assessment field staff assigned to SAMA's new clients.

The total budget decreased \$184,000 (2.6%) to \$20.297 million. This was due to the transition from restricted capital funding of \$1.236M from years 2014-17 to \$0.6M of ongoing technology funding that began in 2018. In terms of actual revenues, the municipal revenue increased \$151,458 (1.9%) over the 2017 level. This includes revenue from 4 new clients, a 2% increase to the municipal requisition and a \$288,000 reduction in the move from restricted TI funding to ongoing technology funding. The provincial funding decreased \$300,000 with the move from restricted TI funding to ongoing operational technology funding. The actual funding party shares for 2018 were 55.2% provincial and 44.8% municipal (56.8% and 43.2% in 2017, respectively).

Restricted capital funding for the TI Program ended in 2017, but 2018 saw the addition of a new funding for technology maintenance and initiatives. The funding party shares for SAMA were \$324,000 from municipalities and \$300,000 from the Province.

SAMA's workforce had been at the 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. 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 were dedicated to increasing our reinspection capacity, while sustaining all 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 helps to improve efficiency of data collection activities are improving the quality of assessed values (and equity of values) and adding taxable value to the assessment rolls as our inventory is updated over time. This ensures 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. Municipalities and the province are continuing to provide additional revenue to keep the new technology current and supported going forward.

SAMA's TI Program is made up of four phases that were 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 MySAMA portal that will allow municipalities to conduct their assessment service business with SAMA over web-based applications.



### **SAMA'S TECHNOLOGY INFRASTRUCTURE (TI) PROGRAM (continued)**

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Remote data collection (RDC) tablets were implemented in the summer of 2018 and will eliminate paper-based data collection and manual data entry methods. Before RDCs were implemented, processes required 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 (SPAN).

Tablets now allow electronic assessment records to be downloaded, updated and uploaded to SAMA's 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 launched in December 2016. In 2017, SAMA completed the implementation of Phase 2, and began developing and testing RDC technology. Full roll out of the production system, RDC devices and associated training for all appraisers was completed in May of 2018, following the completion of assessment maintenance. The MySAMA portal, which will launch in April 2019, is a secure online platform for SAMA's clients to exchange maintenance information with the Agency.

### **INCREASED PRODUCTIVITY**

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The use of GIS and remote data collection technologies was expected to improve the inspection efficiency of urban property and agricultural land substantially when 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, was essential to the Agency's strategy to double the property review capacity of staff between 2014 and 2018. Previously, SAMA's appraisal staff spent two to three days in the office for every day in the field. New technology has allowed 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.

One of SAMA's major strategic objectives was to review/inspect 100,000+ properties in 2018. In mid-December the Agency surpassed that mark, in what we see as a big success for our clients and stakeholders. 2018 was the first year of a 12-year cycle, where SAMA plans to complete 100,000 inspections a year, and physically reinspect every property in the province in that 12-year span.

### **BUSINESS PROCESS IMPROVEMENT**

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The adoption of the new RDC technology has opened new options for our staff to seek ongoing business process improvements to ensure SAMA is making optimum use of the new technologies going forward. Business process improvement work is ongoing in this area through continuing improvements in the new application, and in modifications to how our staff do their work in both the office and field. SAMA has also automated several regularly occurring administrative processes in 2018 to allow our professional staff to focus more of their time on higher value work for our clients.

The Agency also began work on a new MySAMA web portal in 2018 that is expected to substantially improve our client's ability to submit annual maintenance requests and self-serve necessary assessment reports when the new application is completed in April of 2019.



## ASSESSMENT SERVICES

The Assessment Services Division provides valuation services to 762 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 862,000 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.

## 2018 YEAR IN REVIEW

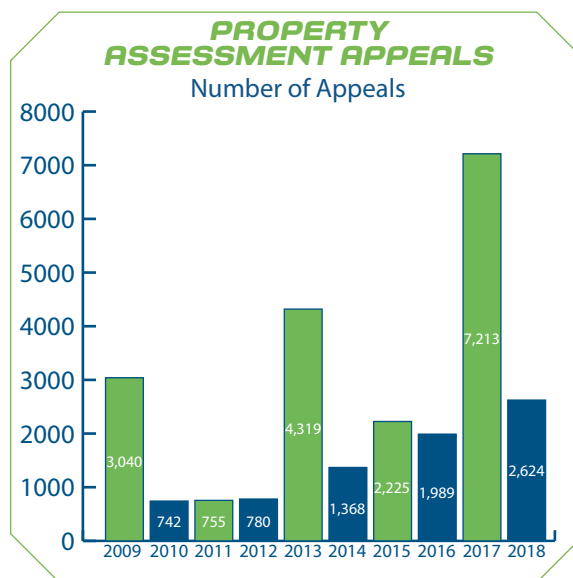
- ◆ One of SAMA's major strategic objectives was to review/inspect 100,000+ properties in 2018. In mid-December the Agency surpassed that mark, in what is a big success for both our clients and stakeholders and the Agency. 2018 was the first year of a 12-year cycle, where SAMA plans to complete 100,000 inspections a year, and physically reinspect every property in the province in that 12-year span.
- ◆ 44,668 maintenance changes were completed
- ◆ 2,624 properties filed appeals in 2018 (there were 7,213 appeals in 2017, the most recent revaluation year, and 1,989 appeals in 2016, 2,225 in 2015 and 1,368 in 2014).
- ◆ Over 60,948 properties reviewed, including:
  - 28,577 agricultural
  - 15,336 residential and commercial
  - 17,035 industrial
  - The 60,948 properties reviewed was a substantial increase over the 28,147 properties reviewed in 2017.
- ◆ 90 service charters with municipalities were completed in 2018.



## 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.

There were 2,624 appeals in 2018, and with 2018 being the second year of a revaluation cycle, we would expect a lower total than the 7,213 appeals we saw in 2017, a revaluation year. The 2,624 appeals in 2018 represent 0.31% of properties in the province (there were 7,213 appeals in 2017, the most recent revaluation year, and 1,989 appeals in 2016, 2,225 in 2015 and 1,368 in 2014).





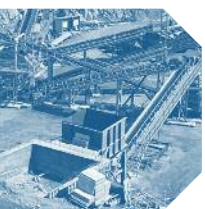
## SUPPORT OF VALUE (continued)

2018's support of value work involved over 22,000 direct labour hours, representing approximately 16.7% of SAMA's assessor resources (37.9% of resources in 2017, a revaluation year and 7.6% of resources in 2016 – a non-revaluation year). In the previous two revaluation cycles the number of appeals were 5,342 (2009 to 2012) and 11,890 (2013 to 2016). In the first two years of the current cycle SAMA has already had 9,837 appeals. The demand for support of value has and will continue to force SAMA to allocate a large portion of resources and is an area of risk for both the agency and its stakeholders. 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 defense 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



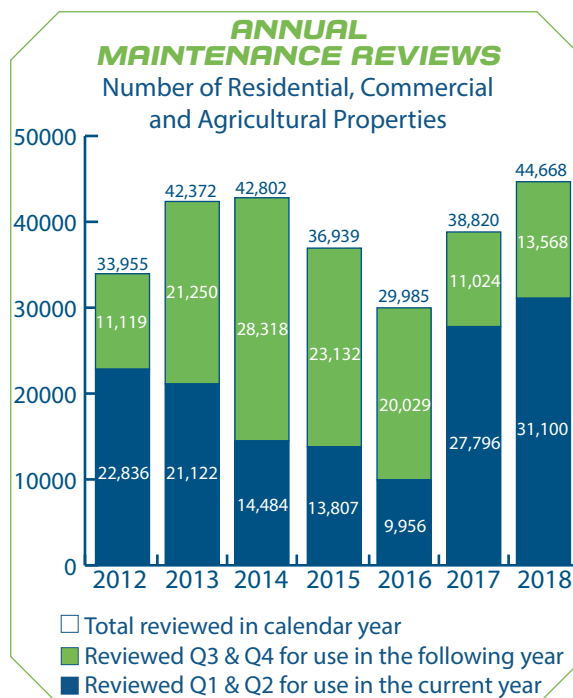
SAMA ensures detailed property assessment records are kept current through the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties 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 2018, the agency reviewed 44,668 properties. Of these, 31,100 were for use on 2018 municipal assessment rolls, and in Q3 and Q4 the agency reviewed 13,568 properties for use on 2019 municipal assessment rolls.

The agency continues to level out the annual maintenance workload by advancing some maintenance to the preceding year 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.



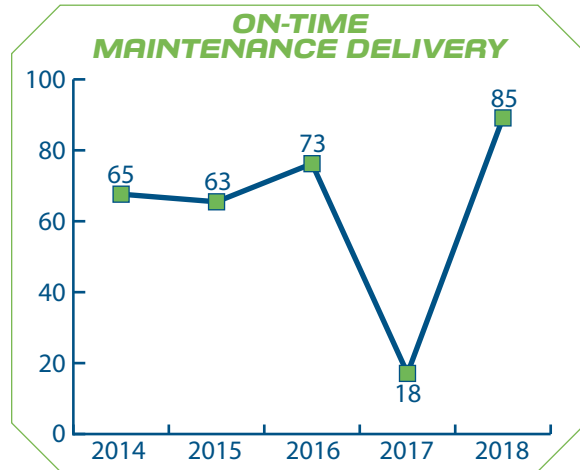
## MAINTENANCE (continued)

In terms of SAMA's maintenance fee-for-service initiative, the agency invoiced for 24,190 residential, commercial and agricultural maintenance requests. This was a small decrease from the chargeable reviews done in the past two years (24,700 in 2017 and 25,812 in 2016).

The volume of standardized oil and gas annual maintenance (94,009 properties) tends to overshadow the volume of other industrial property assessments. In 2018, the agency also updated 6,800 properties via renditions received from resource companies and conducted a flow line review of 16,577 properties.

SAMA delivered on-time 85% of maintenance by the date requested, a major improvement over 2017 where only 18% of municipalities received maintenance on schedule (on-time delivery was 73% in 2016 and 63% in 2015).

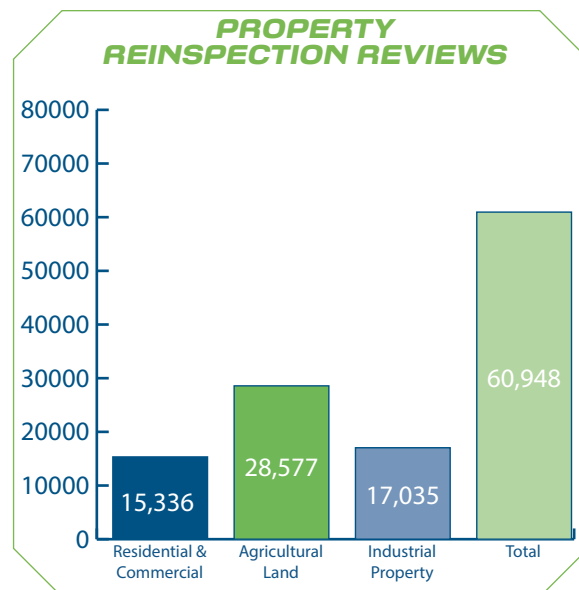
Furthermore, 92% of clients received their maintenance packages either by the requested date or within three weeks of it. 2018 was a return to more normal levels after delays in 2017. Changes in 2017 resulted in the delivery of annual maintenance inspection results being delayed approximately two months. 2018 represents the highest level achieved by SAMA since tracking of on-time maintenance delivery began.



## 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.

The agency reviewed 60,948 properties in 2018 (28,147 in 2017, 32,109 in 2016 and 24,578 in 2015), which included 28,577 agricultural properties, 15,336 residential / commercial properties and 17,035 industrial properties, targeting areas and municipalities where the assessments were estimated to be the furthest out-of-date.



## REINSPECTION PROGRAM (continued)

SAMA has reached a level of reinspection that, if maintained, will allow the agency to meet its goal of reaching a 12-year reinspection cycle. The 2018 reinspection program number of 60,948 is a turning point and is due to the successful completion of a large portion of the TI Program along with business process improvements brought in with the new technologies. The reinspection level of 2018 is more than double the amount of reinspections done in any other calendar year except 2016.

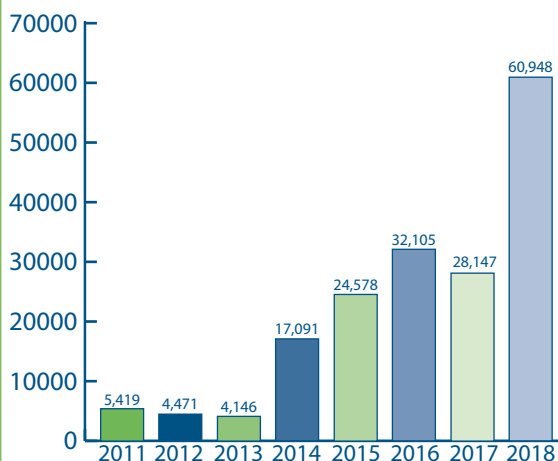
## REVALUATION PROGRAM

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 of the new assessments for the next revaluation.

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. 2018 was the second year of the current cycle of 2017-2020. Revaluation represented 23,340 direct hours or 17.1% of the resources of SAMA's appraisal staff. In 2014, year 2 of the 2013-2016 cycle, revaluation efforts represented 28.2% of all direct labour hours. The balance of unverified sales at the end of 2018 was 4,786. By spending less time on revaluation efforts, SAMA has been able to allocate more time to maintenance, reinspection and support of value activities.

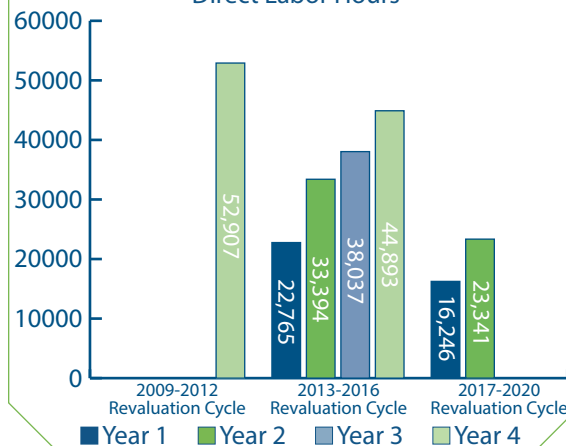
### PROPERTY REINSPECTION REVIEWS

Number of Properties



### REVALUATION APPRAISER EFFORT

Direct Labor Hours



## 2021 REVALUATION

SAMA conducts revaluations based on a four-year cycle. 2017 was the year of the last revaluation, and the 2021 Revaluation will see assessed values updated to reflect a new 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.



### 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 who had previously received their assessment services from an independent assessment service provider opted back in to SAMA's assessment services, and an additional four municipalities, Battleford, North Battleford, Meadow Lake and Nipawin, transitioned their assessment services back to SAMA in 2018. SAMA is pleased to welcome these new municipal clients and is honored to continue to be the assessment service provider of choice for all our 762 client municipalities.

### 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 Govern.net system.





### 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 refinements of selected items related to regulated property assessment valuation models:
  - Review of ag-land productivity models;
  - Review of railway roadway model;
  - Development of new heavy industrial wind turbine model;
  - 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 (CoreLogic 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 2018, 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 2018 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 was made up of four phases that were 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 has improved the speed, reliability and functionality of the system, as well as paved the way for Phase 3, which saw the implementation of remote data collection devices in early 2018.

Phase 4 of the program is the development of MySAMA, a secure online portal that will allow municipalities to submit maintenance information to SAMA online and access completed maintenance packages to download and use. SAMA's municipal clients will also be able to view a dashboard that tracks the status of maintenance. In addition, MySAMA will provide the general public an easy to use sales verification form to streamline the work SAMA does verifying sales. These two items are the first of many planned services that will be available through MySAMA.

MySAMA will begin with a pilot project with select municipalities beginning in March 2019. SAMA will begin contacting municipalities in waves over the course of summer 2019 and getting them signed up to use the portal.



## ADMINISTRATIVE REPORT

### **SAMAVIEW**

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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.

Looking ahead to 2019, SAMA will be updating and improving our SAMAView application by upgrading and modernizing the technology used in the application.

### **WHAT ARE THE BENEFITS OF SAMAVIEW?**

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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 2019**

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In 2019, SAMA's IS branch will be implementing several upgrades to SAMA's technological systems, including:

- ◆ Govern upgrades;
- ◆ Printer refresh for Central Office;
- ◆ Data center move and migration;
- ◆ Development of custom interfaces into Govern (Sales and Income Analysis); and
- ◆ Deployment of Skype and Onedrive.



# ADMINISTRATIVE REPORT

## HUMAN RESOURCES

For the year 2018, the Agency's budgeted number of employees was 150.25 permanent positions, which includes 106.5 positions in the Assessment Services division.

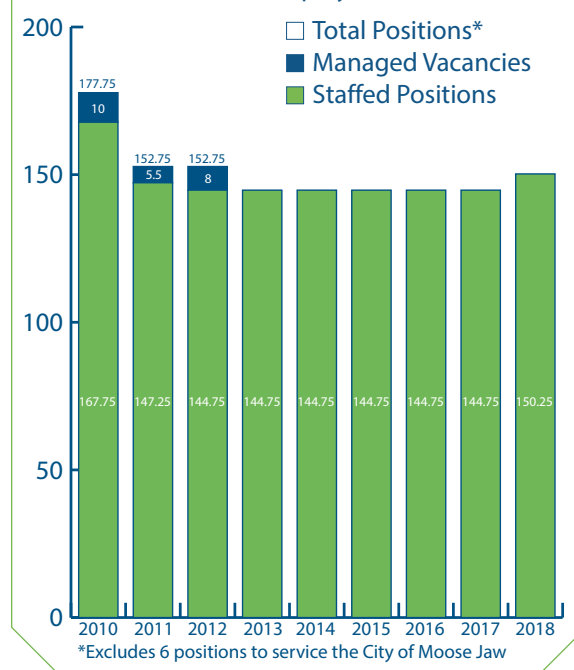
These numbers do not include 6 positions that are part of our assessment service contract with the City of Moose Jaw.

Items of note for 2018:

- ◆ 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 SAMA conducted 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;
- ◆ Implemented a new HR/Finance software system; and,
- ◆ Created a new SAMA leadership development program.

### STAFFING LEVELS

Number of Employees (FTEs)



## 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 award, which is available to a first-year full-time student enrolled in the Real Estate Appraisal and Assessment diploma program, and is awarded to the student with the highest cumulative grade point average in assessment appraisal studies; and
- ◆ Attendance at the annual Business Job Fair at Lakeland Community College's Lloydminster campus.



## ADMINISTRATIVE REPORT

### EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS

Throughout 2018, 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 2019

In 2019, SAMA's HR branch will be working on several initiatives, including:

- ◆ Finalizing the Leadership Development Program, with a targeted implementation date of the third quarter of 2019; and
- ◆ Engaging in Employee Survey action planning in 2019.

### COMMUNICATIONS

In 2018, SAMA's Communications Branch was focused on improving the way we connect with our clients and stakeholders, with a focus on informing our clients with regards to the Technology Infrastructure (TI) Program.

SAMA Communications is responsible for drafting and updating the Agency's various pieces of informational literature; all 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. In early 2019, SAMA launched a completely updated and redesigned website, taking advantage of newer technologies that make the website more easy to navigate and more mobile friendly.







# sama

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

## ***FINANCIAL REPORT 2018***

**PURSuing EXCELLENCE  
IN ASSESSMENT POLICY AND  
SERVICES FOR SASKATCHEWAN**



**sama**

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

# **FINANCIAL REPORT 2018**



## SUMMARY OF 2018 FINANCIAL RESULTS

### REVENUES

Total provincial funding decreased by \$312,000 in 2018 and total municipal funding increased by \$151,458 in 2018. The largest change from 2017 to 2018 was elimination of restricted capital funding (\$612,000 from the Province and \$623,463 from municipalities in 2017) and the creation of new technology maintenance funding (\$300,000 from the Province and \$325,158 from municipalities in 2018).

Operating revenues increased by \$1,073,177 or 5.6% to \$20,363,997 from \$19,290,820 in 2017.

- ◆ The provincial operating grant increased \$300,000 to \$10,538,000 from \$10,238,000 in 2017. The \$300,000 was requested as additional grant money for technology maintenance costs (the total grant, including capital funding, decreased from \$10,850,000 in 2017 to \$10,538,000 in 2018).
- ◆ Municipal operating revenue increased \$774,921 over 2017 comprising a planned 2% uniform increase to all client municipalities, updating property counts from the previous year, the addition of fees for technology maintenance and the addition of four new client municipalities for SAMA (after factoring in elimination of \$623,463 in capital funding, total municipal funding increased \$151,458).
- ◆ All other operating revenues decreased \$1,744 to \$1,276,640 from \$1,278,384 in 2017.

### OPERATING EXPENSES

Total operating expenses increased by \$2,392,887 to \$19,841,544 from \$17,448,657 in 2017.

- ◆ Salaries and benefits increased \$1,610,575 over 2017 primarily because of the following:
  - The return of existing permanent staff to operational expenses following four years of their salaries and benefits being capitalized as part of the TI Program (from 2014 to 2017 their wages and benefits were recognized as a transfer to the capital fund).
  - The addition of new positions to service new clients in 2018: the cities of North Battleford and Meadow Lake and the towns of Battleford and Nipawin.
  - Implemented reclassification plans for staff and recognized an estimated payable for retroactive pay, pending the settlement of the Agency's collective bargaining agreement (the in-scope staff contract expired December 31, 2016).
- ◆ Professional fees increased \$186,172 primarily because of increased legal costs required to support property appeals.
- ◆ Computer expenses increased \$349,896 because of increased annual software maintenance costs related to the Govern system and outsourced hosting services.
- ◆ Travel expenses increased by \$139,533 due to increased staff time spent in field conducting property inspections.

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

The Agency recorded an operating deficit of \$382,533 in 2018 after \$904,986 was transferred to the capital fund for purchase of capital assets.

- ◆ The decrease in net assets of \$382,533 (excluding capital assets) in 2018 consisted of a \$1,103,577 decrease in unrestricted net assets and a \$721,044 increase in amounts held in reserve.
- ◆ The net increase in reserves of \$721,044 is the result of 2018 reserve expenditures of \$618,956 and reserve replenishments of \$1,340,000 (primarily a new \$1,000,000 reserve for governance that was created following a prior period accounting adjustment).



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Saskatchewan Assessment Management Agency

### Opinion

We have audited the financial statements of Saskatchewan Assessment Management Agency (the "Agency"), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenses and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Agency's Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Agency's Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.



### INDEPENDENT AUDITOR'S REPORT (continued)

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit 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 Agency's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Debitte LLP*

Chartered Professional Accountants  
Regina, Saskatchewan  
February 28, 2019





# FINANCIAL STATEMENTS

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY


### STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

	2018	2017 (Restated - Note 11)
<b>CURRENT ASSETS</b>		
Cash	\$ 2,135,145	\$ 3,209,006
Accounts receivable and accrued interest	119,723	54,972
Municipal invoices receivable	11,840	3,738
Province of Saskatchewan grant receivable	2,634,500	2,712,500
Government remittance receivable	34,756	62,577
Prepaid expenses	601,818	478,141
	<b>5,537,782</b>	<b>6,520,934</b>
<b>CAPITAL ASSETS (Note 3)</b>	<b>6,719,037</b>	<b>5,830,197</b>
	<b>\$ 12,256,819</b>	<b>\$ 12,351,131</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,460,226	\$ 917,303
Deferred revenue	85,780	282,797
	<b>1,546,006</b>	<b>1,200,100</b>
<b>DEFERRED CONTRIBUTIONS RELATED TO TI PROGRAM (Note 5)</b>	<b>4,008,736</b>	<b>4,331,065</b>
	<b>5,554,742</b>	<b>5,531,165</b>
<b>NET ASSETS</b>		
Capital fund	<b>3,604,252</b>	<b>3,339,608</b>
Operating fund:		
Reserves (Note 6)	<b>2,912,807</b>	<b>2,191,763</b>
Unrestricted	<b>185,018</b>	<b>1,288,595</b>
	<b>3,097,825</b>	<b>3,480,358</b>
	<b>6,702,077</b>	<b>6,819,966</b>
	<b>\$ 12,256,819</b>	<b>\$ 12,351,131</b>

See accompanying notes

#### APPROVED BY THE BOARD



Director



Director

# FINANCIAL STATEMENTS

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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

Year ended December 31, 2018

	<b>Budget 2018</b> (Unaudited)	<b>Actual 2018</b>	<b>Actual 2017</b> (Restated - Note 11)
<b>REVENUES</b>			
Province of Saskatchewan operating grant	\$ 10,742,000	\$ 10,538,000	\$ 10,238,000
Municipal invoices	8,586,000	8,549,357	7,774,436
Fees	258,500	188,728	226,193
Interest	25,000	106,186	61,376
Appraisal and assessment services	626,000	908,347	928,249
Miscellaneous	59,500	73,379	62,566
	<b>20,297,000</b>	<b>20,363,997</b>	<b>19,290,820</b>
<b>EXPENSES</b>			
Geospatial imagery	86,940	60,000	60,000
Bank and payroll charges	89,000	20,288	32,514
Communications	20,000	24,774	29,589
Computer services, software and supplies	1,482,740	1,610,199	1,260,303
Insurance	22,000	20,162	18,756
Land titles information	212,400	184,572	184,733
Office	467,150	461,410	439,611
Printing and data licensing	227,410	94,396	118,734
Professional	413,110	542,305	356,133
Rent	1,212,920	1,258,439	1,198,217
Salaries and benefits	14,510,020	14,370,931	12,760,356
Staff training and development	255,770	315,860	251,036
Travel and accommodation	847,980	878,208	738,675
	<b>19,847,440</b>	<b>19,841,544</b>	<b>17,448,657</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>449,560</b>	<b>522,453</b>	<b>1,842,163</b>
Transfer to Capital Fund	(449,560)	(904,986)	(1,384,463)
Operating fund balance, beginning of year, as previously reported	-	2,480,358	2,022,658
Prior period adjustment (Note 11)	-	1,000,000	1,000,000
<b>Operating fund balance, beginning of year, as restated</b>	<b>-</b>	<b>3,480,358</b>	<b>3,022,658</b>
Operating fund balance, end of year	-	3,097,825	3,480,358
Reserves (Note 6)	-	(2,912,807)	(2,191,763)
<b>UNRESTRICTED FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 185,018</b>	<b>\$ 1,288,595</b>



# FINANCIAL STATEMENTS

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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

Year ended December 31, 2018

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Province of Saskatchewan and municipal restricted grant (Note 5)	\$ 322,329	\$ -
<b>EXPENSES</b>		
Amortization of capital assets	962,671	299,869
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>(640,342)</b>	<b>(299,869)</b>
Transfer to Capital Fund	904,986	1,384,463
<b>CAPITAL FUND, BEGINNING OF YEAR</b>	<b>3,339,608</b>	<b>2,255,014</b>
<b>CAPITAL FUND, END OF YEAR</b>	<b>\$ 3,604,252</b>	<b>\$ 3,339,608</b>

See accompanying notes



# FINANCIAL STATEMENTS

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### STATEMENT OF CASH FLOWS

Year ended December 31, 2018

	2018	2017
<b>OPERATING</b>		
Excess of revenues over expenses:		
Operating fund	\$ 522,453	\$ 1,842,163
Capital fund	(640,342)	(299,869)
Items not affecting cash:		
Amortization of capital assets	962,671	299,869
	<b>844,782</b>	<b>1,842,163</b>
Changes in non-cash working capital:		
Accounts receivable and accrued interest	(64,751)	(16,516)
Government remittances receivable	27,821	(5,824)
Municipal invoices receivable	(8,102)	(3,738)
Province of Saskatchewan grant receivable	78,000	-
Prepaid expenses	(123,677)	170,135
Accounts payable	542,923	187,240
Deferred revenue	(197,017)	25,441
Deferred contributions related to TI Program	(322,329)	1,235,463
	<b>777,650</b>	<b>3,434,364</b>
<b>INVESTING</b>		
Purchase of capital assets	(1,851,511)	(1,997,846)
<b>(DECREASE) INCREASE IN CASH</b>	<b>(1,073,861)</b>	<b>1,436,518</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>3,209,006</b>	<b>1,772,488</b>
<b>CASH, END OF YEAR</b>	<b>\$ 2,135,145</b>	<b>\$ 3,209,006</b>

See accompanying notes





## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2018

#### 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, 2018

#### 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 continued until 2018 with amortization of the costs commencing in 2018 when the TI Program was 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, 2018

#### 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, 2018, the most significant financial liabilities are accounts payable.

#### 3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2018 Net Book Value</u>	<u>2017 Net Book Value</u>
Computer and equipment	\$ 1,893,997	\$ 1,419,540	\$ 474,457	\$ 360,731
Furniture and equipment	1,085,297	884,605	200,692	164,014
Leasehold improvements	405,057	306,567	98,490	16,470
SPAN system	5,940,000	5,940,000	-	-
TI Program (Note 2(f))	6,530,158	584,760	5,945,398	5,288,982
	<u>\$ 15,854,509</u>	<u>\$ 9,135,472</u>	<u>\$ 6,719,037</u>	<u>\$ 5,830,197</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 (2017 - \$1,500,000) repayable on demand and bearing interest at bank prime plus 0.50%. As at December 31, 2018, there was \$nil (2017 - \$nil) outstanding.



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2018

#### 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. The changes for the year are as follows:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 4,331,065	\$ 3,095,602
Contributions received	-	1,235,463
Amounts amortized to revenue	(322,329)	-
<b>Ending balance</b>	<b>\$ 4,008,736</b>	<b>\$ 4,331,065</b>

#### 6. INTERNALLY RESTRICTED RESERVES

##### Operating Fund Reserves

	<u>2018</u>	<u>2017</u>
Operating fund reserves, beginning of year	\$ 2,191,763	\$ 1,636,610
Reserves made during the year	1,340,000	764,000
Approved expenditures made during the year (net of transfers)	(618,956)	(208,847)
<b>Operating fund reserves, end of year</b>	<b>\$ 2,912,807</b>	<b>\$ 2,191,763</b>

The balance in operating fund reserves comprised the following:

	<u>2018</u>	<u>2017</u>
Reserve for computer enhancements	\$ 89,406	\$ 114,406
Reserve for governance	1,000,000	-
Reserve for professional fees	1,221,661	1,475,617
Reserve for travel	115,000	115,000
Reserve for SAMA operations	486,740	486,740
	<b>\$ 2,912,807</b>	<b>\$ 2,191,763</b>





## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2018

#### 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 2018, \$nil (2017 - \$nil) was transferred to the reserve and approved expenditures were \$25,000 (2017 - \$nil).

###### b) Reserve for governance

A reserve has been established to provide for SAMA governance expenditures in the event of future revenue shortfalls. In 2018, \$1,000,000 (2017 - \$nil) was transferred to the reserve.

###### c) 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 2018, \$340,000 (2017 - \$764,000) was transferred to the reserve and approved expenditures were \$593,956 (2017 - \$208,847).

###### d) 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.

###### e) Reserve for SAMA operations

A reserve has been established to provide for SAMA operations in the event of future revenue shortfalls. In 2018, \$nil (2017 - \$nil) 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 2018, \$946,525 (2017 - \$622,080 transferred to) was transferred from the reserve. The total reserve in the capital fund at December 31, 2018 is \$893,951 (2017 - \$1,840,476).



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2018

#### 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 2019 and 2028. Annual lease payments are as follows:

2019	\$	1,259,795
2020		1,262,097
2021		1,158,394
2022		1,057,750
2023		971,070
2024 and thereafter		3,955,956

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

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 \$928,547 (2017 - \$865,829).



## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2018

#### 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>2018</u>	<u>2017</u>
Operating expenses	\$ 1,915,187	\$ 1,835,051
Government remittances receivable	34,756	62,577

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, 52% (2017 – 53%).

#### 11. PRIOR PERIOD ADJUSTMENT

Certain comparative figures have been reclassified to conform with the current year's presentation.

During the year, the Agency determined that the funding received from the Province of Saskatchewan is discretionary. The comparative figures have been restated to appropriately report the Province of Saskatchewan grant receivable. The restatement resulted in an increase in the operating fund balance at January 1, 2017 of \$1,000,000 and an increase in the Province of Saskatchewan grant receivable as at December 31, 2017 of \$1,000,000.





# sama

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

## **QUALITY ASSURANCE REPORT 2018**

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.

**PURSUEING EXCELLENCE  
IN ASSESSMENT POLICY AND  
SERVICES FOR SASKATCHEWAN**





**sama**

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

# **QUALITY ASSURANCE REPORT 2018**

200 - 2201 11TH AVENUE  
REGINA SK | S4P 0J8  
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## QUALITY ASSURANCE

### ***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



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



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**

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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 2018 assessment roll year, Certificates of Confirmation were issued for 746 municipalities (100% of all returns submitted to SAMA for 2018). As at March 1, 2019 confirmation audits were in progress for 3 municipal assessment rolls. 16 assessment returns have not yet been submitted for 2018. Assessment rolls that were confirmed for 2018 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 2018, 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 2018.

### **QUALITY ASSURANCE MAINTAINS AND PUBLISHES INFORMATION RELATED TO PROPERTY ASSESSMENT AUDITS AND ASSESSMENT ROLL CONFIRMATIONS ON THE SAMA WEBSITE**

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Reports and information regarding assessment roll confirmations is kept current, and is generally updated within a few days following SAMA Board meetings.

### **A SUMMARY OF CONFIRMED ASSESSMENT TOTALS**

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These totals are presented in the two tables that follow. The first table summarizes confirmed assessment totals by tax class and municipal type for 2018. The second table summarizes year over year percentage change for confirmed taxable assessment totals by tax class from 2016 through 2018. More specific confirmed assessment information by municipality is available on the SAMA website.



## QUALITY ASSURANCE

2018		URBAN				
TAXABLE	CONFIRMED ASSESSMENTS	CITIES	TOWNS	VILLAGES	RESORT VILLAGES	ALL URBAN MUNICIPALITIES
	Non-Arable	1,116,795	1,569,455	1,220,085	887,715	4,794,050
	Other Agricultural	48,364,869	36,145,575	22,074,561	466,785	107,051,790
	Residential	48,990,904,058	8,580,992,428	1,952,092,475	748,175,920	60,272,164,881
	Multi-Unit	9,583,014,874	479,230,400	32,109,712	14,366,560	10,108,721,546
	Seasonal Residential	0	51,932,960	40,270,240	1,130,340,240	1,222,543,440
	Commercial and Industrial	19,574,457,941	1,685,950,031	269,520,397	55,514,250	21,585,442,619
	Elevators	73,147,020	102,814,390	28,959,390	0	204,920,800
	Railway R/W and Pipeline	104,110,900	32,409,500	34,059,800	42,500	170,622,700
	Taxable Total	78,375,116,457	10,971,044,739	2,380,306,660	1,949,793,970	93,676,261,826
EXEMPT	Non-Arable	8,738,580	1,072,620	167,985	349,110	10,328,295
	Other Agricultural	78,232,772	5,562,370	1,959,210	767,690	86,522,042
	Residential	733,308,051	210,574,628	48,058,384	33,743,200	1,025,684,263
	Multi-Unit	528,628,187	23,967,440	478,688	0	553,074,315
	Seasonal Residential	0	305,120	1,034,720	58,814,160	60,154,000
	Commercial and Industrial	16,910,439,202	2,005,827,589	514,218,318	44,090,950	19,474,576,059
	Elevators	1,863,380	274,900	363,300	0	2,501,580
	Railway R/W and Pipeline	50,325,100	8,047,400	3,910,300	0	62,282,800
	Exempt Total	18,311,535,272	2,255,632,067	570,190,905	137,765,110	21,275,123,354
PROVINCIAL GRANT-IN-LIEU	Non-Arable	0	945	0	0	945
	Other Agricultural	263,805	59,895	0	0	323,700
	Residential	136,342,820	37,140,320	6,950,480	0	180,433,620
	Multi-Unit	665,799,500	41,456,400	6,796,480	0	714,052,380
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	1,523,248,650	55,662,400	9,703,800	2,885,500	1,591,500,350
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	601,100	1,003,000	0	0	1,604,100
	Provincial Grant-in-Lieu Total	2,326,255,875	135,322,960	23,450,760	2,885,500	2,487,915,095
FEDERAL GRANT-IN-LIEU	Non-Arable	0	2,745	0	0	2,745
	Other Agricultural	963,345	369,380	0	0	1,332,725
	Residential	181,896,160	10,747,680	4,573,920	0	197,217,760
	Multi-Unit	23,971,760	386,240	527,600	0	24,885,600
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	561,771,900	39,705,600	7,963,900	0	609,441,400
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	12,930,900	3,312,600	1,251,900	0	17,495,400
	Federal Grant-in-Lieu Total	781,534,065	54,524,245	14,317,320	0	850,375,630
2016-2018		URBAN				
TAXABLE	CONFIRMED TAXABLE ASSESSMENTS	CITIES	TOWNS/VILLAGES/RESORT VILLAGES		MUNICIPAL TOTALS	
	2016	59,368,060,740	11,095,060,064		70,463,120,804	
	% CHANGE 2015-16	2.42	2.38		2.41	
	2017	70,050,042,375	14,285,710,138		84,335,752,513	
	% CHANGE 2016-17	17.99	28.76		19.69	
	2018	78,375,116,457	15,301,145,369		93,676,261,826	
	% CHANGE 2017-18	11.88	7.11		11.08	



## QUALITY ASSURANCE

RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	SASKATCHEWAN <sup>1</sup> PROVINCIAL TOTAL
3,067,775,966	262,620	3,072,832,636
28,455,335,546	2,403,775	28,564,791,111
8,542,673,921	536,048,560	69,350,887,362
205,549,035	48,085,980	10,362,356,561
2,391,920,565	167,300,720	3,781,764,725
13,686,447,064	872,280,900	36,144,170,583
1,057,177,917	0	1,262,098,717
4,719,289,150	495,800	4,890,407,650
62,126,169,164	1,626,878,355	157,429,309,345
84,041,045	6,622,155	100,991,495
173,182,537	1,310,870	261,015,449
3,731,271,727	36,188,160	4,793,144,150
11,670,965	1,677,280	566,422,560
128,070,807	10,857,760	199,082,567
1,448,609,028	204,154,600	21,127,339,687
36,652,279	0	39,153,859
390,201,100	0	452,483,900
6,003,699,488	260,810,825	27,539,633,667
127,297,530	0	127,298,475
10,436,030	0	10,759,730
2,671,040	276,160	183,380,820
165,920	431,840	714,650,140
0	6,800	6,800
131,925,000	36,094,400	1,759,519,750
0	0	0
72,477,700	0	74,081,800
344,973,220	36,809,200	2,869,697,515
188,614,620	0	188,617,365
21,826,200	0	23,158,925
15,433,600	2,952,880	215,604,240
15,453,200	243,360	40,582,160
0	9,920	9,920
196,955,800	7,689,300	814,086,500
0	0	0
13,239,000	0	30,734,400
451,522,420	10,895,460	1,312,793,510
RURAL MUNICIPAL TOTALS	NORTHERN MUNICIPAL TOTALS	SASKATCHEWAN PROVINCIAL TOTALS
38,380,272,057	1,258,520,428	110,101,913,289
4.08	23.66	3.19 <sup>2</sup>
52,088,267,185	1,314,678,933	137,738,698,631
35.72	4.46	25.10 <sup>1,4</sup>
62,126,169,164	1,626,878,355	157,429,309,345
19.27	23.75	14.30 <sup>1,3</sup>

**IMPORTANT**  
**THE FOLLOWING**  
**FACTS APPLY**  
**TO BOTH TABLES**

**Assessed values are calculated based on the following percentages for Urban, Rural and Northern Municipalities:**

	2016 <sup>2</sup>	2017-2018 <sup>1</sup>
Non-Arable Land	40%	45%
Other Agricultural	55%	55%
Residential/Seasonal	70%	80%
Multi-Unit Residential	70%	80%
Commercial and Industrial	100%	100%
Elevators	100%	100%
Railway R/W and Pipeline	100%	100%

**<sup>3</sup>Assessment rolls for 2018 have not been confirmed as at March 1, 2019 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2018 assessment totals in the adjoining table:**

#### MUNICIPALITY

City of Humboldt	City of North Battleford
City of Yorkton	N. Village of Pelican Narrows
N. Village of Pinehouse	N. Village of Sandy Bay
Resort Village of Echo Bay	Resort Village of Grandview Beach
R.M. of Blaine Lake No. 434	R.M. of Morris No. 312
Town of Eston	Town of Maple Creek
Village of Brownlee	Village of Duff
Village of Findlater	Village of Hyas
Village of Manor	Village of Margo
Village of Netherhill	

**<sup>4</sup>Assessment rolls for 2017 have not been confirmed as at March 1, 2019 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2017 assessment totals in the adjoining table:**

#### MUNICIPALITY

N. Village of Sandy Bay	Village of Hyas
Village of Margo	





## NOTES



## SAMA CONTACT INFORMATION

### SAMA CENTRAL OFFICE

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North Battleford SK S9A 0Z5  
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#### WEYBURN

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TF: 800-498-0575 (in Saskatchewan)

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**sama**

SASKATCHEWAN ASSESSMENT  
MANAGEMENT AGENCY

## **ANNUAL REPORT 2018**



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