



# 2020 ANNUAL REPORT

## VISION.....

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

## MISSION.....

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

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.....

### 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 Russ Mirasty  
Lieutenant Governor  
Government House  
4607 Dewdney Avenue  
Regina, Saskatchewan  
S4T 1B7

Your Honour:

I have the honour to submit the 2020 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, 2020 to December 31, 2020.

Respectfully submitted,

A handwritten signature in blue ink that reads "Don McMorris". The signature is written in a cursive, flowing style.

Don McMorris  
Minister of Government Relations

## LETTER OF TRANSMITTAL FROM THE CHAIR



The Honourable Don McMorris  
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. Roger Hayward, 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 2020 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2020 to December 31, 2020.

Yours sincerely,

A handwritten signature in blue ink, which appears to read "Myron Knafelc". The signature is stylized with a large, sweeping "M" and a long horizontal line underneath.

Myron Knafelc  
Chair, Board of Directors



sama

20ANNUAL REPORT20

PURSuing EXCELLENCE IN ASSESSMENT  
POLICY AND SERVICES FOR SASKATCHEWAN







# 2020 BOARD REPORT



# 2020

## BOARD REPORT





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

Al Heron was the mayor of Eston, but chose not to run for re-election in November 2020, and had to step away from his position as an elected representative from urban or northern municipalities in Saskatchewan on SAMA's Board.

Councillor Randy Goulden from the City of Yorkton was nominated to SAMA's Board of Directors in December 2020 to replace Al Heron, and was officially appointed to the Board when the order in council passed in early 2021.

In November 2020, Murry Purcell chose not to seek re-election as the Reeve for RM. No. 315 and had to step away from his position as an elected representative from rural municipalities in Saskatchewan on SAMA's Board.

Both SARM positions on SAMA's Board of Directors were up for nomination at the 2021 SARM Annual Convention. John Wagner, Reeve for the RM of Piapot No. 110 was re-elected to SAMA's Board, and Richard Marleau, Reeve for the RM of Auvergne No. 76 was elected to replace Murry Purcell.



## CORPORATE PROFILE

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

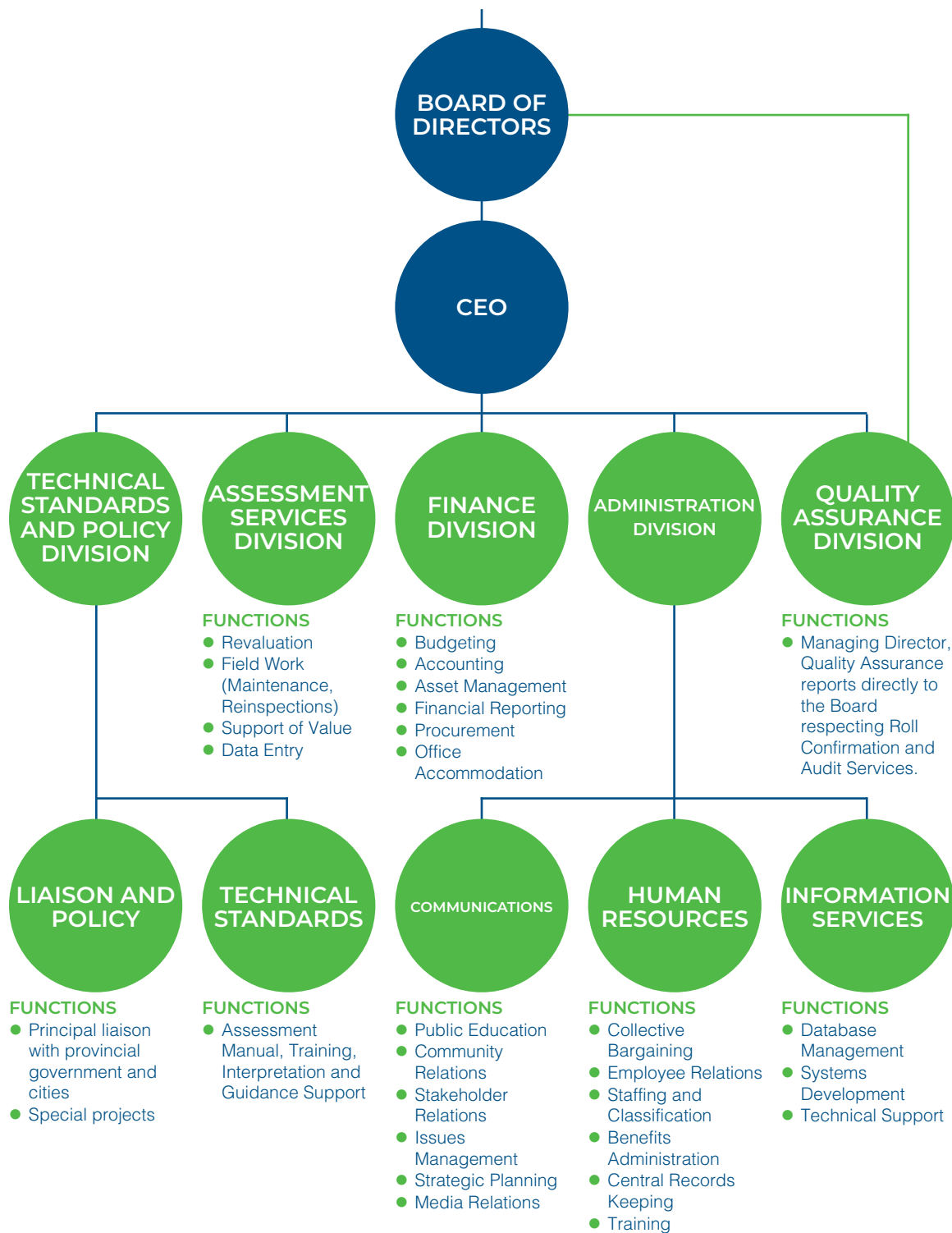
SAMA was formed in 1987 by *The Assessment Management Agency Act* to develop a fair property assessment system, and to provide municipalities and school divisions with cost-effective assessment services.

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 2020, SAMA was funded jointly by the Province and municipalities. The Agency received statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs and quality assurance. Since 2010, 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 \$265 Billion property assessment base, and a \$2.1 Billion property tax base. In 2020, the Agency provided assessment valuation services to 759 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 869,000 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 2020, the Agency's seven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

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

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

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

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

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



### GENERAL RESPONSIBILITIES OF THE BOARD

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

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

The Board's responsibilities include:

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

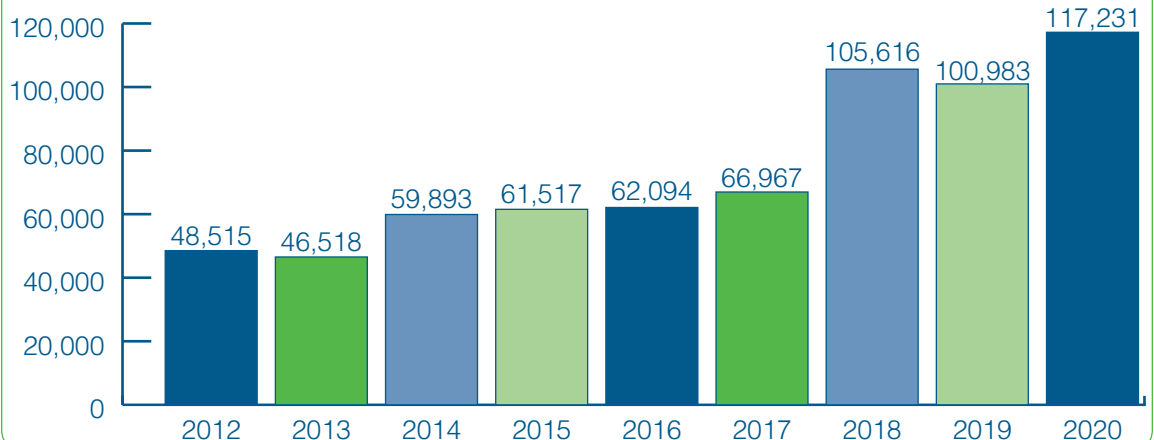
## STABLE SERVICE DURING CHALLENGING TIMES.....

2020 was a year that presented unexpected adversity due to operational adjustments necessary at the onset of the COVID-19 pandemic. Nevertheless, SAMA was still able to continue providing the assessment services required by stakeholders by adjusting our processes and continuing to prioritize our client's needs while accounting for the safety of our staff, clients, and the public. COVID-19 required the agency to adopt new methods of gathering data and made property valuation and support of values more challenging. Due to the resiliency of staff, use of technology and an existing pandemic policy that was already well established prior to the COVID-19 outbreak, SAMA was able to conduct over 110,000 property reviews during 2020, a new record high for the agency. It marked the third consecutive year of achieving over 100,000 reviews and kept SAMA on track to conduct a full reinspection of municipal clients over twelve years (2018-2029).

Throughout 2020, due to both COVID and economic conditions, fewer new property improvements were constructed and demand for property maintenance on new builds was lower. On the other hand, SAMA clients registered a slightly higher number of property assessment appeals than were filed during previous revaluation cycles, continuing a trend that has been occurring for several years.

By having a pandemic plan in place well before 2020, and by having a dynamic technology infrastructure in place, SAMA was able to transition almost all staff to working from home in March of 2020. By keeping lines of communication open, being flexible with staff arrangements, and by leveraging technology, SAMA was able to continue doing property reviews, supporting values during appeals, and finalize preparations for the 2021 revaluation. Due to the nature of the agency's funding, SAMA did not experience a change in revenue and therefore wanted to make sure stakeholders were still receiving the service expected for those funds. Because of effective planning and implementation, SAMA still met nearly all its targets and had very high output levels during the year.

### TOTAL ANNUAL PROPERTY REVIEWS





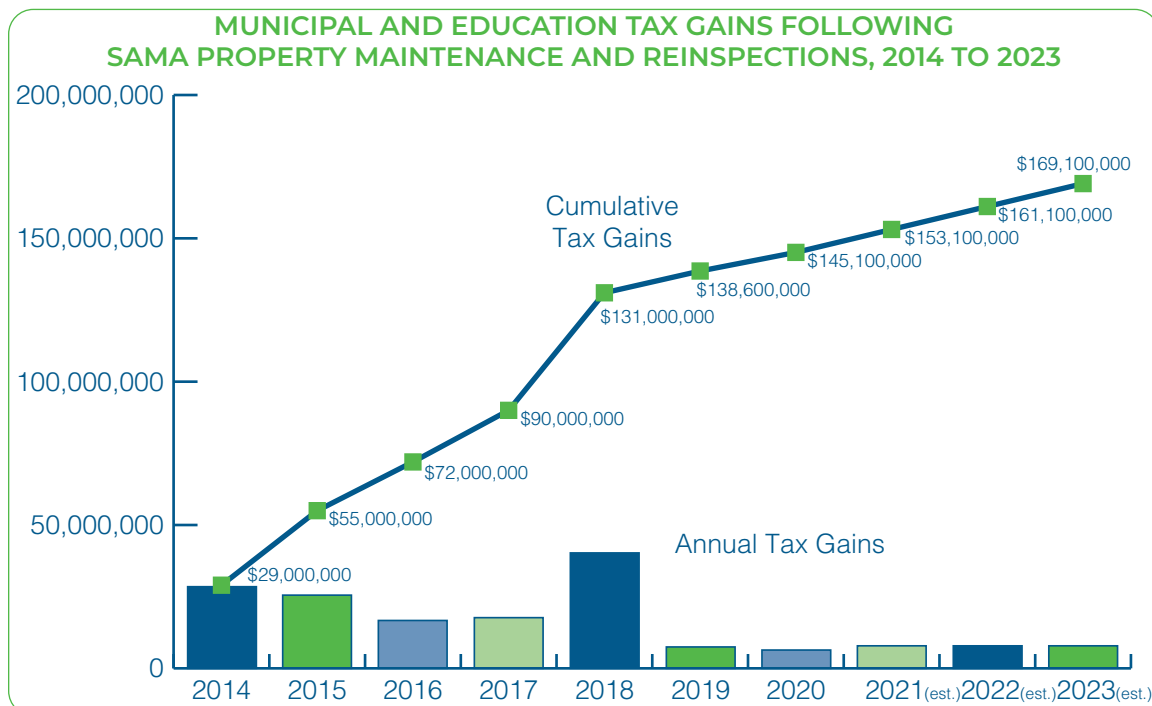
## A CONTINUED FOCUS ON DELIVERING 100,000 PROPERTY REVIEWS ANNUALLY .....

SAMA's made the commitment in 2014 to deliver 100,000 property reviews annually to client municipalities (upon implementation of the Technology Infrastructure (TI) Program). The TI Program was substantially completed in 2018 and SAMA has delivered on its commitment since then. By working with our funding stakeholders, the Agency has made investments in technology, valuation model simplification and process improvement over the last seven years to increase appraiser efficiency and effectiveness. The agency has now met the 100,000+ property inspection target for three consecutive years and is on pace to complete a full provincial reinspection within the next nine years. This means every property in the province will have been physically inspected by the end of 2029.

Economic growth for Saskatchewan slowed greatly in 2020, resulting in almost no net change in the number of property assets within Saskatchewan municipalities. Total property counts for SAMA clients grew by 240 properties or 0.03% to 868,729.

Although few net properties were added, maintenance and reinspection activities still lead to increasing taxable assessments that generate new revenue for municipalities and the education sector. The assessments conducted in the prior year and implemented on 2020 tax rolls provided an additional estimated \$6.48 million in annually recurring tax revenues for the agency's municipal clients and the education sector. Of the \$6.48 million, municipalities received approximately \$4.41 million and the education sector received approximately \$2.07 million (approximately \$496M was added to municipal taxable assessments in 2020). It is important to note that this is annually recurring revenue (i.e. the \$6.48M annual revenue translates to \$64.8M over a ten-year span).

The following chart uses actual results from 2014-2020 and an estimated increase of \$10M for each of the next five years. By the end of 2023, SAMA property reviews are estimated to result in almost \$1.1B in additional revenue for municipalities and the education sector and to have generated approximately \$169M in annual revenues that will continue in perpetuity.



## A CONTINUED FOCUS ON DELIVERING 100,000 PROPERTY REVIEWS ANNUALLY (continued)

With SAMA on pace to achieve a 12-year re-inspection cycle, the annual revenue that was being left on the table for municipalities and the education sector is being captured. Prior to the start of the TI Program, SAMA estimated that there would be \$300M return after the first full ten years following completion and that estimate appears to be low. The estimated additional tax revenues received to date after the first seven years of measurement are more than \$600M.

Besides just focusing on total output, the agency also strives to improve the quality of assessments.

Municipalities want a stable and predictable revenue source that is delivered inexpensively. SAMA's clients also want a system that is up-to-date, and ratepayers need to be treated fairly and equitably. SAMA is working on continuing to maintain a high level of quality control that will help the agency deliver accurate, understandable and fair assessments while also being transparent and accountable.

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



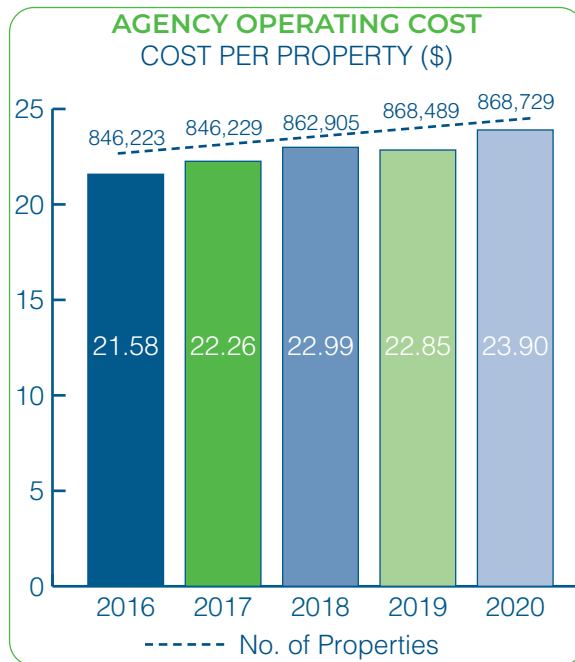
## 2018-2021 STRATEGIC DIRECTIONS (continued)

As part of the Agency's ongoing future planning, SAMA has set out our strategic directions for 2022-2025, and those strategic directions were adopted by our Board in December 2020. The strategic directions for the 2022-2025 period maintain the overall direction established by the Board in the prior cycle, with a continued focus on increasing the agency's capacity to provide inspections to our municipal clients, while seeking ongoing efficiency gains, optimizing the use of new technologies and continuing to support our professional staff to deliver on the Agency's commitments.

## OPERATING COSTS

In 2020 the agency's operating cost per property increased to \$23.90 (868,729 properties and a total operational spending of \$20.763M). The 2020 operating cost per property represents an increase of more than 4% over the previous year (\$22.85 in 2019). The 2020 Inflation Rate for Canada as calculated by Statistics Canada was 1.0% (1.9% in 2019 and 2.0% in 2018). SAMA's cost per property rose primarily due to lower than expected levels of property growth in Saskatchewan and a substantial increase in legal costs required to support a record number of appeals brought forth by professional tax agents to the Court of Appeal in 2020.

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



## TIMELY DELIVERY OF ASSESSMENT SERVICES

In 2020, 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, 2020

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 Luhnning, Committee Chair	SAMA Board Member, City Sector
Myron Knafelc	SAMA Board Chair (ex officio)
John Wagner	SAMA Board Member
Jim Puffalt	City of Moose Jaw
Fraser Tolmie	City of Moose Jaw
Vanessa Vaughan	City of Prince Albert
Greg Dionne	City of Prince Albert
Steve Ward	City of Regina
Joel Murray	City of Regina
Darcy Huisman	City of Saskatoon
Bev Dubois	City of Saskatoon
Michael Kehler	City of Swift Current
Gordon Barnhart	Municipalities of Saskatchewan, Board Member
Eric Bloc-Hanson	Saskatchewan School Boards Association (SSBA), Trustee
Andrew Workman	Saskatchewan Assessment Appraisers' Association (SAAA)

### OBSERVERS:

Elissa Aitken	Ministry of Government Relations
Ron Boechler	Saskatchewan School Boards Association (SSBA), Trustee
Jean-Marc Nadeau	Municipalities of Saskatchewan, Administration
Brenda Hendrickson	City of Moose Jaw
Vacant	City of Prince Albert
Deborah Bryden	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, 2020

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 Weibe	National Golf Course Owners Association, Saskatchewan Chapter
Shawn Graham	Inland Terminal Association of Canada
Reg Hinz	Western Grain Elevator Association Tax Committee
Kirk Wasyluk	Canadian Energy Pipeline Association
Mark Pinney (interim)	Canadian Association of Petroleum Producers
Darwin Collins	Saskatchewan Mining Association
Corinne Li	Railway Association of Canada
Susan Quiring	Saskatchewan Assessment Appraisers' Association (SAAA)
Grace Muzyka	Saskatchewan Association of the Appraisal Institute of Canada
Ken Patsula	Public Works and Government Services Canada

### OBSERVERS:

Norm Magnin	Ministry of Government Relations
Kareen Holtby	Ministry of Economy
Ken Dueck	Tourism Saskatchewan
Steve Ward	City of Regina
Darcy Huisman	City of Saskatoon
Vanessa Vaughan	City of Prince Albert
Brenda Hendrickson	City of Moose Jaw
Michael Kehler	City of Swift Current
Rod Wiens	Saskatchewan Association of Rural Municipalities
Robert Rolfe	Canadian Association of Petroleum Producers
Siân Pascoe	Canadian Association of Petroleum Producers
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, 2020.....

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
Troy Heggestad	SARM Division 3
Roman Charko	SARM Division 4
Wade Sira	SARM Division 5
Gordon Meyer	SARM Division 6
Judy Harwood	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:

Kim Hardy, Committee Secretary	SAMA
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## ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

### URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2020

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 Chair (ex officio)
Kevin Tooley	Municipalities of Saskatchewan (Cities)
Walter Streelasky	Municipalities of Saskatchewan (Cities)
Barry Elderkin	Municipalities of Saskatchewan (Towns)
Bruce Fidler	Municipalities of Saskatchewan (Towns)
Mike Strachan	Municipalities of Saskatchewan (Villages)
Dale Domeij	Municipalities of Saskatchewan (Villages)
Lee Finishen	Municipalities of Saskatchewan, Board Member
Doug Allan	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)
Rod Audette	Urban Municipal Administrators Association of Saskatchewan (UMAS)
Irwin Blank, CEO	SAMA

### ADMINISTRATIVE SUPPORT:

Kevin Groat, Committee Secretary	SAMA
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# 2020

## EXECUTIVE REPORT





## SAMA EXECUTIVE TEAM



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



2020 was a year of preparation, performance and change due to an unexpected challenge.

One of our major objectives for 2020 was to prepare preliminary and final values for the 2021 revaluation. Another major objective for the year was to maximize our inspection performance by reaching a new record of property inspections and reviews. The unexpected challenge came in the form of a world-wide pandemic that changed how we do business in ways we had not anticipated when our plans for the year were established in mid-2019.

In SAMA's case, the pandemic put the work our Board, management and staff had accomplished over the last ten years to the test. Over this time period we had worked hard to develop and implement new mobile technologies, simplify our valuation models, and modify our business practices to improve our capacity to meet our legislative mandate all while delivering as much as twice as many property reviews and inspections compared to the prior decade. As part of that long-term initiative, SAMA had also adopted a comprehensive change management system and more recently, implemented a strong leadership development program.

All of these initiatives came together when COVID concerns became serious in Saskatchewan, allowing us to shift our staff from working in the office to working remotely over the course of a week and continue to shift and adapt to the changing environment throughout 2020. Through the dedicated efforts of all our staff we were able to deliver assessment operational and governance services safely and effectively to local governments, assessment stakeholders and the province without interruption in 2020.

SAMA started on the path of mobile computing six years prior to 2020 for the express purpose of doubling our inspection capacity by 2018 while continuing to meet the balance of our legislated mandate. The strategy for achieving this was to combine ongoing business process improvements, valuation model simplification and the implementation of new technologies to increase SAMA's capacity to inspect and review properties to over 100,000 properties per year. Through the clear vision and consistent governance of our Board and the dedicated efforts of all our staff we were able to successfully make that transition, delivering over 100,000 property inspections and reviews in each of 2018 and 2019.

In 2019, the province provided SAMA with additional revenue for the express purpose of further increasing SAMA's inspection capacity, leading to SAMA adding new appraisal staff positions for the first time in a decade and increasing our inspection objective to 110,000 property reviews for 2020.

As detailed in the Board report that precedes this message, the Agency was able to meet and exceed that new 110,000 property inspection objective in 2020, in spite of operational adjustments required by COVID-19, setting a new inspection record in the process.

The benefit of the agency's shift to a mobile workforce extended beyond our assessment service functions to each division of the Agency. 2020 was a year when we learned we could be successful in completing our policy, research, quality control, audit and confirmation, human resource, finance, communications, and information service objectives whether working in the office or working remotely.

The details of those successes are described elsewhere in the annual report, however, I want to make special mention of the exceptional work done by the multi-division COVID response team led by our Administration Division, for establishing, modifying and refining our work processes throughout the year to steer us safely through the pandemic while continuing to meet our service objectives.

### EXECUTIVE REPORT (continued)

The year was very successful on an overall basis with our staff consistently demonstrating our core values of integrity, dedication, professionalism and being solution-focused while remaining respectful of everyone they interacted with throughout the year.

With that said, I would be remiss if I did not identify some areas where the move to a remote work environment and virtual meeting environment reduced our effectiveness.

One major area where we struggled to meet our objectives on a timely basis was in our finalization of our 2021 assessments for the 2021 revaluation. The more complex analysis and quality control work that requires the collaboration of market analysts and technical specialists working together took longer to complete remotely than it does when these individuals are working together. This led to the delayed delivery of preliminary values to some of our municipal clients relative to the deadlines we had established with our stakeholders.

Another area where the agency was challenged in 2020 was in getting municipal administrators and local councils engaged in reviewing their preliminary 2021 assessments in the fall of 2020. Those municipal reviews of our preliminary assessments provide a very useful check on the new assessments, assisting us in identifying and addressing any issues or concerns with the new assessments prior to the final numbers being produced and posted on the local assessment roll. This lack of engagement was likely due to the very necessary attention required by all jurisdictions to deal with the COVID pandemic. A portion of this lack of attention may also be due to the timing of municipal elections for most municipalities, which had the effect of delaying the review of these new assessments until after the elections in November.

As an Agency we believe we have produced and delivered high quality 2021 assessments for all of our clients, however we would have preferred having more of an opportunity to inform municipal councils about local assessment shifts, answer their questions and ensure councils were fully informed about any assessment changes in their jurisdiction prior to the delivery of the final 2021 assessments in the first quarter of 2021.

Looking back on 2020, the year proved to be an overall success with the agency achieving many of the business objectives established by our Board and funding stakeholders for the year. That would not have happened without the continued support of our urban, rural and provincial government stakeholders, the clear, consistent direction provided by our Board of Directors and the resilience and dedication of SAMA's Executive, management and our staff.

Special thanks are due to each of these groups for helping make 2020 another very positive and successful year for SAMA.



Irwin Blank  
Chief Executive Officer

### 2018 – 2021 BUSINESS AND FINANCIAL PLAN

The 2018-2021 Business and Financial Plan was developed in 2017 with the input of our stakeholders and advisory committees. The 2018 to 2021 plan lays out the objectives SAMA and our stakeholders expect to see over the four years of the plan. For the first two years of the plan, SAMA set the lofty target of carrying out 100,000 property inspections per year. A goal the Agency met in both years. For 2020 and 2021, SAMA is targeting 110,000 property reviews. SAMA met that goal in 2020, with 117,231 total property reviews.

The business plan also included a proposed four year budget plan that called for a 2% cost of living increase to the base requisition, adjustments for any property growth, no change to the maintenance service fee and a reduced technology infrastructure annual fee to cover ongoing technology maintenance and updates.

SAMA's 2020 operating budget, excluding the City of Moose Jaw contract, was \$ 20.892 million.

In 2014, SAMA implemented an update to our funding formula that saw changes to how the assessment system is supported. For 2020, Government continued to pay 100% of the cost of SAMA's governance functions (\$6.974 million in 2019). The Province also pays approximately 37% of SAMA's operations costs (based on benefits received to education). Municipalities pay approximately 63% of remaining operations costs (based on benefits received by the municipal sector).

As part of our funding plan, SAMA has a \$20 maintenance fee-for-service charge. This fee for service concept is a way of linking some of the cost of assessment services to municipalities who are experiencing the highest levels of growth, and having those municipalities pay for a portion of the extra assessment services they need relative to similar municipalities with less growth. The \$20 maintenance fee, which remained fixed at the same level in the Agency's 2018 to 2021 Business and Financial Plan, represents approximately 1/5 of the cost of an average maintenance review for the Agency.

Actual service revenue in 2020 amounted to \$469,900, an increase of \$57,620 relative to the service revenue received in 2019 (\$412,280).

### INCREASED PRODUCTIVITY

Starting in 2018, one of SAMA's major strategic objectives was to review/inspect 100,000+ properties every year. 2018 was the first year of a 12-year cycle, where SAMA planned to complete 100,000 inspections a year, and physically reinspect every property in the province in that 12-year span. In 2018 and 2019, the Agency surpassed our goal, inspecting approximately 105,000 and 100,000 properties respectively.

For 2020, following the receipt of additional provincial revenue in 2019 intended to further increase the Agency's inspection capacity, SAMA adjusted our inspection goal to 110,000 inspections, and despite some of the challenges the year brought, SAMA met our goal and completed 117,231 total property reviews.

SAMA sees this as a big success for our clients and stakeholders. Thank you for your continued funding support, which allows SAMA to sustain our operations and implement new technologies to attain this major objective.

### 2020 TECHNOLOGY UPDATES.....

Although 2020 did not have as many technological additions to the agency, there were still many improvements made. Late in 2020 SAMA implemented a major initiative: revaluation report automation. These advancements will speed up the revaluation preparation process and will improve both consistency and accuracy.

### 2021 REVALUATION.....

The Saskatchewan Assessment Management Agency (SAMA) is the leader and authority on property assessment, and Saskatchewan's service provider of choice (Agency Vision). The Agency is responsible for assessment governance of the \$265 Billion property assessment base, and a \$2.1 Billion property tax base. In 2020, the Agency provided assessment valuation services to 759 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 869,000 properties in the province.

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. The legislated base date means that 2021 values reflect a property's value as of January 1, 2019.

Assessments in Saskatchewan are retrospective. In other words, the date of valuation for a property is in the past. For 2021 to 2024, property values are reflective of the market conditions as of a base date of January 1st, 2019.

SAMA cannot consider market data from after January 1, 2019 when implementing new values with the 2021 Revaluation. Market data from January 1, 2019 - January 1, 2023 will be used for the subsequent 2025 Revaluation.

The 2021 Revaluation will continue to use the market valuation standard for the assessment of residential and commercial properties. The regulated property assessment valuation standard will continue to be used for the assessment of agricultural land, heavy industrial property, railway roadway, pipelines and resource production equipment (mines and oil and gas wells).

For the 2021 Revaluation, all property types will have their values updated in relation to the **January 1, 2019** base date, regardless of being subject to a market valuation standard or a regulated property valuation standard.

The 2021 Revaluation continues SAMA's goal of stabilizing the assessment system from a governance perspective by not introducing any major changes to assessment policy.

### ONGOING CHALLENGES.....

One of the ongoing challenges for SAMA continues to be property appeals. Not only due to the number of appeals, but also because of the complexity and comprehensive nature of many cases, support of value functions use a large portion of SAMA's labor and financial resources. Commercial and industrial assessment appeals continue to be a high-risk area for both SAMA and its stakeholders. Having a highly trained staff and partnering with external legal counsel when necessary are essential when supporting values on behalf of municipal clients.



## EXECUTIVE REPORT



### ONGOING CHALLENGES (continued)

Support of value during the appeals process is an activity that uses appraisal resources rather than having them concentrate on property inspections or evaluation related activities. 2020 was a year of property market values holding relatively steady but there were also major changes in the economic conditions of some commercial sectors. Although the 2,095 appeals (1,741 in 2019) was only slightly more than expected, appeals continue to be of an increasing complexity and risk due to their high assessment values and the increasing number of professional tax agents operating in Saskatchewan. More and more appeals are progressing to the Court of Appeal, greatly increasing SAMA time on each appeal and SAMA's costs for external legal counsel.

## ADMINISTRATIVE REPORT

### ASSESSMENT SERVICES

In 2020, The Assessment Services Division provides valuation services to 759 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 869,000 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.

### 2020 YEAR IN REVIEW

- Starting in 2018, one of SAMA's major strategic objectives was to review/inspect 100,000+ properties every year. 2018 was the first year of a 12-year cycle, where SAMA planned to complete 100,000 inspections a year, and physically reinspect every property in the province in that 12-year span. In 2018 and 2019, the Agency surpassed our goal, inspecting 105,616 and 100,983 properties respectively.

For 2020, following the receipt of additional provincial revenue in 2019 intended to further increase the Agency's inspection capacity, SAMA adjusted our inspection goal to 110,000 inspections, and despite some of the challenges the year brought, SAMA met our goal and completed 117,231 total property reviews.

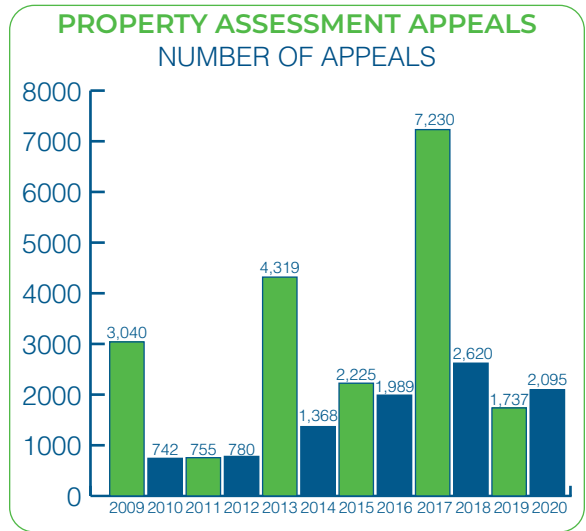
- 29,839 maintenance changes were completed in 2020.
- 2,095 properties filed appeals in 2020 (there were 1,737 appeals in 2019, 2620 appeals in 2018, and 7,233 appeals in 2017, the previous revaluation year).
- 87,392 properties reviewed, including:
  - 40,272 agricultural
  - 23,920 residential and commercial
  - 23,200 industrial
  - The 87,392 properties reviewed was an increase over the 68,923 and 60,948 properties reviewed in 2019 and 2018 respectively, and a substantive increase over the 28,147 properties reviewed in 2017.
- 97 service charters with municipalities were completed in 2020.



## 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 2,095 appeals in 2020, which is consistent with the number received in 2016, the last year 4 of a revaluation cycle (there were 1,989 appeals in 2016). The number of appeals resolved by agreement to adjust or that were withdrawn was 1,511 or 72.1% (65.4% in 2019, 75.8% in 2018, 73.0% in 2017 and 82.0% in 2016). In 2020, 340 appeals were heard by boards of revision, 203 are in progress at year-end and 62 were forwarded to the Saskatchewan Municipal Board. It was also a very busy year for SAMA in dealing with appeals from past years: during 2020 the SMB heard 70 appeals from 2017, 2018 and 2019 that involved SAMA municipal clients.



2020's support of value work involved 14,138 direct labour hours in 2020 (17,000 in 2019 and 22,000 in 2018), representing approximately 10% of SAMA's assessor resources (12.9% in 2019, 16.7% in 2018, 37.9% of resources in 2017, a revaluation year). 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. SAMA has set an appeal completion goal of 1.10 completed appeals per day and in 2020 the completes per day average was 1.36 (1.18 in 2019).

In addition to a general increase in appeals to local boards of revision, there has also been an increase in appeals to the Saskatchewan Municipal Board and the Court of Appeal when compared to previous revaluation cycles.

SAMA has formed an appeal support committee to ensure that appeals are handled effectively and on a timely basis. The committee tracks appeal levels and shares information amongst appraisers to help them be more successful in supporting values during the appeal process. During the current revaluation cycle SAMA has been able to deal with a record number of appeals while at the same time doubling the number of property reviews conducted. SAMA's win ratio has substantially improved in the past two years, particularly at the Saskatchewan Municipal Board and Court of Appeal levels.

## 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 2020, the agency reviewed 29,839 properties. Of these, 18,170 were for use on 2020 municipal assessment rolls, and the agency reviewed 11,669 properties for use on 2021 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.

For 2020, SAMA invoiced for 23,495 residential, commercial, industrial, and agricultural maintenance requests under the Agency's maintenance fee-for-service initiative (this was work done in 2019 but invoiced for 2020). This was an increase from the chargeable reviews invoiced in the past three years (20,606 in 2019, 24,190 in 2018, 24,700 in 2017 and 25,812 in 2016). This fee came into effect in 2016.

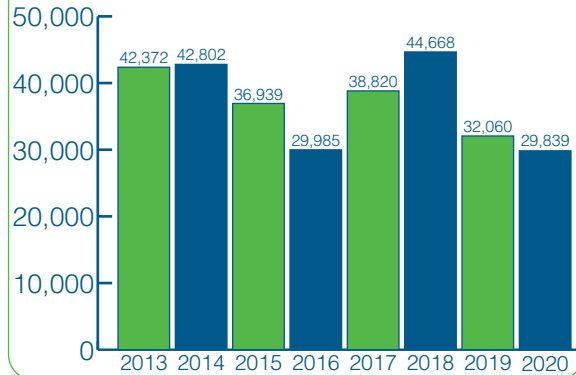
The volume of standardized oil and gas annual maintenance (94,904 properties) tends to overshadow the volume of other industrial property assessments. In 2020, the agency also received and started processing 21,000 properties via renditions from resource companies and conducted a flow line and tank review of 21,089 properties.

SAMA delivered on-time 85% of maintenance by the date requested and delivered 94.7% of maintenance within three weeks of requested dates (on-time delivery was 88% in 2019, 84% in 2018, 18% in 2017, 73% in 2016 and 63% in 2015).

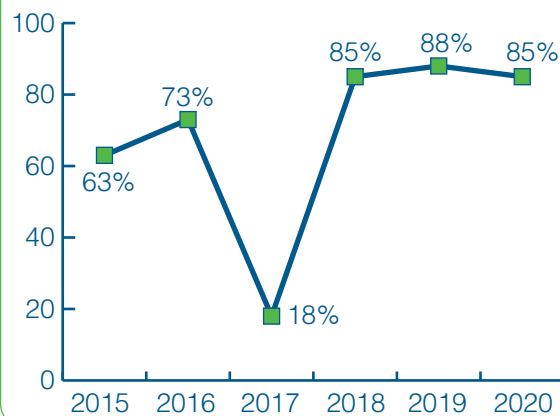
## REINSPECTION PROGRAM

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 re-establish a uniform base of up-to-date property records for municipalities.

**ANNUAL MAINTENANCE REVIEWS**  
NUMBER OF RESIDENTIAL, COMMERCIAL  
AND AGRICULTURAL PROPERTIES



**ON-TIME DELIVERY**  
**OF MAINTENANCE PACKAGES**

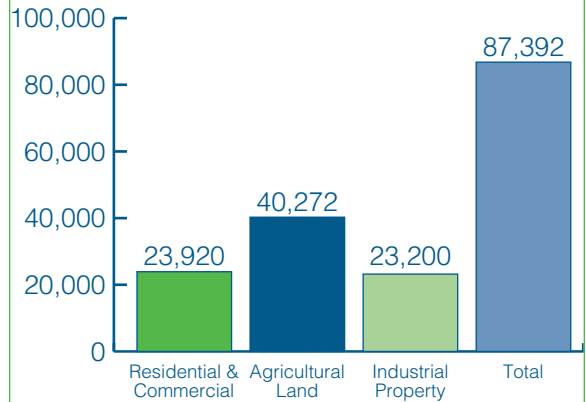


## REINSPECTION PROGRAM (continued)

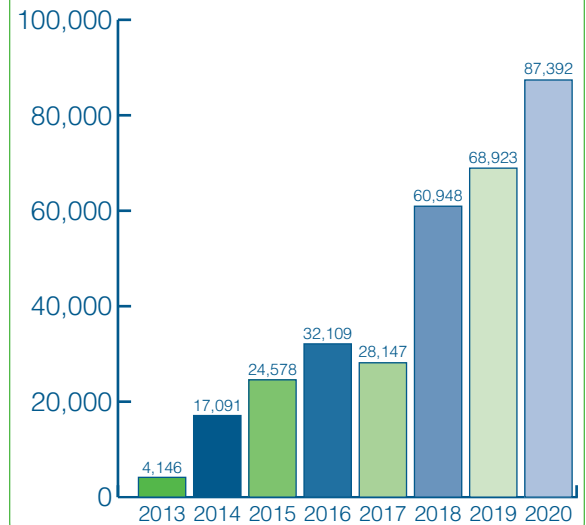
The agency reviewed 87,392 properties in 2020 (68,923 in 2019, 60,948 in 2018, 28,147 in 2017, 32,109 in 2016 and 24,578 in 2015), which included 40,272 agricultural properties in 24 Rural Municipalities, 23,920 residential/commercial properties and 23,200 industrial properties, targeting areas and municipalities where the assessments were estimated to be the furthest out-of-date.

SAMA has reached a level of reinspection that, if maintained, will allow the agency to meet its goal of reaching a 12-year re-inspection cycle. 2018 was a turning point for SAMA and the agency was able to conduct a record number of reinspections for a third consecutive year in 2020. The agency is now conducting more than three times as many annual reinspections when compared to five years ago.

### PROPERTY REINSPECTION REVIEWS NUMBER OF PROPERTIES



### PROPERTY REINSPECTION REVIEWS NUMBER OF PROPERTIES



## REVALUATION PROGRAM

SAMA must conduct a province-wide revaluation every four years, with 2021 being a revaluation year. To effectively deliver a provincial revaluation for all properties, many hours of data analysis and policy work must be done. To deliver not only an accurate revaluation, but also a cost-effective one, the agency has a goal to control the number of hours spent on the quadrennial revaluation. 2020 was the fourth and final year of the current cycle of 2017-2020. Revaluation represented 48,927 direct labor hours or 34% of the resources of SAMA's appraisal staff (42,253 hours and 32% in 2019). In 2016, year 4 of the 2013-2016 cycle, revaluation efforts were 44,893 direct labour hours.

The agency must also analyze property sales in a timely and thorough manner to create accurate models using the sales approach. SAMA has a continual goal of reducing the number of current unverified property sales reviews. The balance of unverified sales at the end of 2020 was 4,421 (4,786 in 2019).

By spending less time on revaluation efforts, SAMA has been able to allocate more time to maintenance, reinspection and support of value activities. For the 2017-2020 cycle, SAMA has spent 130,768 hours on the revaluation. This is a decrease of over 8,000 hours or 6.0% from the 2013-2016 revaluation cycle.



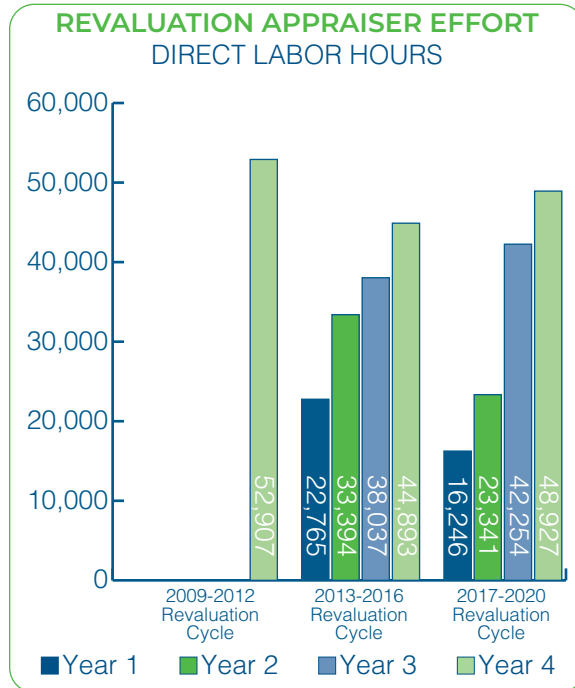
## 2021 REVALUATION

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 into 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 honored to continue to be the assessment service provider of choice for all our 758 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.

### 2021 REVALUATION.....

For 2020, in keeping with the administration of the traditional four-year revaluation cycle policy processes, TS&P was engaged in preparations for the 2021 Revaluation, 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 was to continue to stabilize major assessment policy for the 2021 Revaluation.

During 2020, TS&P concluded the regular consultation process with stakeholders regarding 2021 assessment policy with refinements of selected items related to regulated property assessment valuation models. The following work also occurred in relation to finalizing the 2021 Revaluation Assessment Publications:

- Continued working on updates to the 2021 revaluation publications;
- Consulted and obtained support from stakeholders and SAMA's Advisory Committees for amendments to the *Saskatchewan Assessment Manual – 2019 Base Year* (Manual) and the *Market Value Assessment in Saskatchewan Handbook* (Handbook);
- Obtained Board and Ministerial approval for a number of amendments to the regulated 2019 Base Year Manual, needed to have force of law; and,
- Finalized amendments to the Handbook and obtained Board approval in time for use of the Handbook amendments with 2021 Revaluation.

TS&P also continued its quality coordination and 2021 Revaluation oversight responsibilities. Activities include working with assessment service providers to promote best practices in valuation as well as regular reporting of the revaluation progress. Deliverables include quarterly reports to the SAMA Board which are in turn shared with the Province. Quarterly reporting began in the fourth quarter of 2018 and will be completed in the first quarter of 2021 with the implementation of the revaluation.





### 2025 REVALUATION

SAMA's Technical Standards and Policy Division is already conducting advance work for the 2025 Revaluation. This preliminary work for 2025 includes a full oil and gas well assessment model review. This model review has engaged assessment professionals and industry technical experts to review and update the current oil and gas models used by SAMA. The review is required to ensure the models reflect current oil and gas practices and technologies and ultimately provide accurate assessment valuations that are fair and equitable. A similar, but smaller scale review of our pipeline assessment models for 2025 also commenced in 2020.

SAMA's Technical Standards and Policy Division is also working with the University of Saskatchewan (U of S) Soil Science Department on a full review of the arable agricultural land productivity-based assessment model. In conducting this research, which relies on more current yield and climate data, the basic structure of the productivity model, which is accepted across the rural sector, will be preserved. This review will be used to recommend model improvements for 2025 including potential re-weighting of the model, possible areas of simplification, and how new technology may create efficiencies for future agricultural assessments. As with the oil and gas and pipeline model reviews, consultations will be held with stakeholder groups and SAMA's Advisory Committees to seek their input into the agricultural model review for 2025.

### 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 (2019 Base Year)*, *SAMA's 2019 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. The 2019 publications, for use with the 2021 Revaluation, are available on SAMA's website.

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.

### INFORMATION SERVICES.....

In 2020, 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 2020 was following up on the launch of three major new pieces of technology from 2019: our updated external website, the MySAMA web portal and our updated SAMAView service.

### 2020 TECHNOLOGY HIGHLIGHTS.....

- Revaluation report automation project;
- A network upgrade to Sasktel Smart Firewall Service;
- Consolidating our File Server system;
- Implementing enhancements to Office 365;
- Automating SAMA's Revaluation Report Tool\Process;
- Enhancing and adding new information to the GIS environment, which is used internally by SAMA staff; and,
- Continuing to monitor and upgrade our internal govern computer system as required.

### SAMAVIEW.....

In December 2019 SAMA launched our updated SAMAView service. SAMAView is a tool that allows the general public access to individual property assessments for all SAMA client jurisdictions and is housed within the MySAMA framework.

The old SAMAView website was built on outdated technology and needed to be fully rebuilt from the ground up. The old site did not allow for a mobile friendly interface or for SAMA to incorporate new imagery features (GIS) going forward. The rebuilt SAMAView has increased speed and performance and allowed for a more user-friendly interface. The updated SAMAView gives users the ability to see assessed values for both the current and previous year for comparison purposes, something the previous SAMAView did not offer. SAMA also has the ability to potentially offer additional services in the future, particularly with respect to commercial customers and increased GIS capabilities.

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

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

With SAMAView you can:

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

### LOOKING AHEAD TO 2021.....

In 2021, SAMA's IS branch will be implementing several upgrades to SAMA's technological systems, including:

- Adoption and rollout of ITIL v4 (series best practices for the delivery of information technology within a business) and the implementation of a new ITIL compliant service management tool.
- With SAMA's existing datacenter hosting agreement coming to "end of term," SAMA's IS Branch will issue a Request for Proposal (RFP) to select a data center provider for the next 5-year term.
- Complete a rewrite of the Quality Assurance Division's applications.
- Begin work on an enterprise architecture that will provide a holistic view of how SAMA's systems, data/information and business processes connect.
- Begin work on automating SAMA's maintenance reports for a mid-2022 completion.
- Migrate SAMA's intranet to SharePoint and explore opportunities that SharePoint will provide to improve communications and collaboration across the agency.

### HUMAN RESOURCES.....

For the year 2020, the Agency's budgeted number of employees was 163.25 permanent positions, which includes 118.5 positions in the Assessment Services division.

Items of note for 2020:

- The Agency constantly strives 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. In June 2020, with the assistance of our survey partner TalentMap, the Agency conducted a COVID-19 feedback survey. This survey provided feedback to support initiatives in enabling effective remote work and maintaining employee engagement and productivity during the pandemic.
- SAMA normally holds an annual Agency-wide staff meeting and appreciation banquet in September, however, the meeting was cancelled in 2020.
- Beginning in 2019, SAMA implemented the first phase of a new SAMA leadership development program. The second phase of the program for emerging leaders began in 2020.

### 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.

### WORKFORCE PLANNING (continued)

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.

### EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS

Even with the added challenges of working throughout the COVID-19 pandemic, SAMA continued to place significant emphasis on the development and training of our employees in 2020. 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.

In 2020, eleven SAMA employees were successful in attaining their Certified Assessment Evaluator designation from the International Association of Assessing Officers (IAAO).

### LOOKING AHEAD TO 2021

In 2021, SAMA's HR branch will be working on several initiatives, including:

- Summer student recruitment to support the agency's 2021 property inspection program;
- Continued focus on leadership and professional growth opportunities for staff;
- Continued work on succession and key-person risk and replacement planning; and,
- Conducting a pulse survey to gauge progress on employee engagement initiatives.

### COMMUNICATIONS

In 2020, SAMA's Communications Branch was focused on improving the way we connect with our clients and stakeholders, and effectively communicating both internally and externally during the COVID-19 pandemic.

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.

In 2020, SAMA held our Annual Meeting virtually due to the COVID-19 pandemic and will do so again in 2021.

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.



# 2020 FINANCIAL REPORT





# 2020

## FINANCIAL REPORT



## SUMMARY OF 2020 FINANCIAL RESULTS



### REVENUES

Total provincial funding remained the same in 2020 as 2019 (\$11,388,000) and total municipal funding increased by \$262,041 (3.0%) in 2020 to \$8,958,019.

Total operating revenues increased by \$403,669 (1.9%) to \$21,478,780 from \$21,075,111 in 2019.

- The provincial operating grant remained at \$11,388,000 in 2020. SAMA's budget request was an increase of \$228,000 for a total of \$11,616,000.
- Municipal operating revenue increased \$262,041 to \$8,958,019 from \$8,695,978 in 2019. The change is comprised of a planned 2.0% uniform increase to the base charge for all client municipalities, updated property counts from the previous year, and an increase in the number of properties requested for inspection by municipalities in the previous year and subject to the \$20 maintenance fee in 2020.
- All other operating revenues increased \$141,628 (14.3%) to \$1,132,761 from \$991,133 in 2019, mainly due to a large increase in revenues from new registered users of the SAMAView system.

### OPERATING EXPENSES

Total operating expenses increased from the previous year by \$916,380 to \$20,763,356 from \$19,846,976 in 2019.

- Although the number of permanent positions did not change, 2020 was the first full year with seven new appraiser positions that had been added in 2019 through additional funding received from the Province.
- Salaries and benefits increased \$1,035,853 (7.1%) over 2019 primarily due to the increase in the Agency's staff count related to increased funding from the Province and a wage and benefits increase to all staff of just over 2.0% as per the current Collective Bargaining Agreement and a corresponding adjustment to out-of-scope salaries.

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

The Agency recorded an addition to unrestricted funds of \$82,145 in 2020, with the year-end balance increasing to \$229,388 after ending 2019 with \$147,243

Net reserve allocations for the year were \$566,985. The year-end reserves balance is \$4,417,068, up from \$3,850,083 in 2019. \$800,000 was added to reserves in 2020 and reserve expenditures were \$233,015.

The capital fund decreased 12.4% to \$3,057,816 in 2020 from \$3,490,347 at the end of 2019. The reduction in the capital fund balance is due to amortization of the TI Program

### 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, 2020, 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, 2020, 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.

### 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.

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 REPORT

### 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 skepticism 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.

*Deloitte LLP*

Chartered Professional Accountants  
February 26, 2021  
Regina Saskatchewan



# FINANCIAL STATEMENTS

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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

Year ended December 31, 2020

	Budget 2020 (Unaudited)	Actual 2020	Actual 2019
<b>Revenue</b>			
Province of Saskatchewan operating grant	\$ 11,616,000	\$ 11,388,000	\$ 11,388,000
Municipal invoices	8,886,000	8,958,019	8,695,978
Fees	244,000	355,789	136,708
Interest	50,000	49,045	120,704
Appraisal and assessment services	650,000	692,394	637,138
Miscellaneous	96,000	35,533	96,583
	21,542,000	21,478,780	21,075,111
<b>Expenses</b>			
Geospatial imagery	85,000	60,000	60,000
Bank and payroll charges	24,000	3,937	14,344
Communications	20,000	12,804	46,592
Computer services, software and supplies	1,630,000	1,627,817	1,630,503
Insurance	21,000	25,811	20,274
Land titles information	190,000	143,409	180,530
Office	455,400	450,717	418,388
Printing and data licensing	170,000	123,729	81,331
Professional	501,000	632,266	405,479
Rent	1,264,999	1,327,267	1,292,310
Salaries and benefits	15,574,601	15,607,980	14,572,127
Staff training and development	293,000	299,203	310,762
Travel and accommodation	913,000	448,416	814,336
	21,142,000	20,763,356	19,846,976
<b>Excess of revenues over expenses</b>	400,000	715,424	1,228,135
Transfer to capital fund	(400,000)	(148,439)	(475,877)
Operating fund balance, beginning of year	—	3,850,083	3,097,825
Operating fund balance, end of year	—	4,417,068	3,850,083
Reserves (Note 6)	—	(4,187,680)	(3,702,840)
<b>Unrestricted fund balance, end of year</b>	\$ —	\$ 229,388	\$ 147,243

The accompanying notes are an integral part of the financial statements.

# FINANCIAL STATEMENTS

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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

Year ended December 31, 2020

	2020	2019
<b>Revenue</b>		
Province of Saskatchewan and municipal restricted grant (Note 5)	\$ 460,801	\$ 322,329
<b>Expenses</b>		
Amortization of capital assets	1,041,771	912,111
<b>Deficiency of revenues over expenses</b>	(580,970)	(589,782)
Transfer to capital fund	148,439	475,877
Capital fund, beginning of year	3,490,347	3,604,252
<b>Capital fund, end of year</b>	\$ 3,057,816	\$ 3,490,347

*The accompanying notes are an integral part of the financial statements.*

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

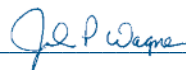
	2020	2019
<b>Assets</b>		
Current assets		
Cash	\$ 2,157,671	\$ 1,881,997
Accounts receivable and accrued interest	114,412	25,616
Municipal invoices receivable	31,405	15,939
Province of Saskatchewan grant receivable	2,847,000	2,847,000
Government remittances receivable	26,500	42,698
Prepaid expenses	333,052	718,053
	5,510,040	5,531,303
Capital assets (Note 3)	6,283,422	6,817,706
	\$ 11,793,462	\$ 12,349,009
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 908,081	\$ 1,180,569
Deferred contributions relating to TI program (Note 5)	460,801	322,329
Deferred revenue	184,891	141,603
	1,553,773	1,644,501
Deferred contributions related to TI program (Note 5)	2,764,805	3,364,078
	4,318,578	5,008,579
<b>Net assets</b>		
Capital fund	3,057,816	3,490,347
<b>Operating fund</b>		
Reserves (Note 6)	4,187,680	3,702,840
Unrestricted	229,388	147,243
	4,417,068	3,850,083
	7,474,884	7,340,430
	\$ 11,793,462	\$ 12,349,009

The accompanying notes are an integral part of the financial statements.

Approved by the Board



, Director



, Director



# FINANCIAL STATEMENTS

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### STATEMENT OF CASH FLOWS

Year ended December 31, 2020

	2020	2019
<b>Operating activities</b>		
Excess of revenues over expenses		
Operating fund	\$ 715,424	\$ 1,228,135
Capital fund	(580,970)	(589,782)
Items not affecting cash		
Amortization of capital assets	1,041,771	912,111
	1,176,225	1,550,464
Changes in non-cash working capital		
Accounts receivable and accrued interest	(88,796)	94,107
Government remittances receivable	16,198	(7,942)
Municipal invoices receivable	(15,466)	(4,099)
Province of Saskatchewan grant receivable	—	(212,500)
Prepaid expenses	385,001	(116,235)
Accounts payable	(272,488)	(279,657)
Deferred revenue	43,288	55,823
Deferred contributions related to TI Program	(460,801)	(322,329)
	783,161	757,632
<b>Investing activity</b>		
Purchase of capital assets	(507,487)	(1,010,780)
Increase (decrease) in cash	275,674	(253,148)
Cash, beginning of year	1,881,997	2,135,145
<b>Cash, end of year</b>	<b>2,157,671</b>	<b>1,881,997</b>

The accompanying notes are an integral part of the financial statements.

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2020

#### 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-lives assets. Actual results could differ from those estimates.

##### (b) Fund accounting

The financial statements have been prepared using fund accounting as follows:

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 is being amortized using the straight-line method over the lease term. The estimated useful lives and rates are as follows:

Computer equipment	40% declining balance
Furniture and equipment	20% declining balance
Leasehold improvements	Straight-line over lease term
TI program	10 years straight-line

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2020

#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-down of tangible capital assets is recognized as an expense in the statement of revenues and expenses. A write-down should not be reversed.

##### (e) Technology Infrastructure Program development costs

Expenditures related to the development of the Technology Infrastructure ("TI") Program which met the internally generated asset recognition criteria were capitalized. The project purpose is to significantly improve the computer system used for provincial property assessment. Subsequent to initial recognition, it is accounted for at cost less accumulated amortization. Costs are amortized on a straight-line basis over an estimated ten year useful life.

##### (f) Reserves

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

##### (g) 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, 2020

#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (h) *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.

##### (i) *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, 2020, the most significant financial liabilities are accounts payable.

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2020

#### 3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2020 Net book value</u>	<u>2019 Net book value</u>
Computer and equipment	\$ 2,133,299	\$ 1,848,214	\$ 285,085	\$ 357,927
Furniture and equipment	1,170,359	981,789	188,570	201,941
Leasehold improvements	431,640	359,258	72,382	80,513
TI program	7,697,480	1,960,095	5,737,385	6,177,325
	<u>\$ 11,432,778</u>	<u>\$ 5,149,356</u>	<u>\$ 6,283,422</u>	<u>\$ 6,817,706</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 (\$1,500,000 in 2019) repayable on demand and bearing interest at bank prime plus 0.5% (2.45% on December 31, 2020). As at December 31, 2020 there was nil (nil in 2019) outstanding.

#### 5. DEFERRED CONTRIBUTIONS RELATED TO TI PROGRAM

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 3,686,407	\$ 4,008,736
Amounts amortized to revenue	(460,801)	( 322,329)
	<u>3,225,606</u>	<u>3,686,407</u>
Current portion to be recognized within one year	(460,801)	( 322,329)
	<u>\$ 2,764,805</u>	<u>\$ 3,364,078</u>

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2020

#### 6. INTERNALLY RESTRICTED RESERVES

Operating fund reserve

	<u>2020</u>	<u>2019</u>
Operating fund reserves, beginning of year	\$ 3,702,840	\$ 2,912,808
Reserves made during the year	800,000	1,136,000
Approved expenditures made during the year (net of transfers)	(315,160)	(345,968)
Operating fund reserves, end of year	\$ 4,187,680	\$ 3,702,840

The balance in operating fund reserves comprised the following:

	<u>2020</u>	<u>2019</u>
Reserve for technology	\$ 450,406	\$ 450,406
Reserve for professional fees	1,372,374	1,050,694
Reserve for travel	115,000	115,000
Reserve for governance	1,000,000	1,000,000
Reserve for SAMA operations	1,249,900	1,086,740
	\$ 4,187,680	\$ 3,702,840

##### (a) Reserve for technology

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2020 nil (\$361,000 in 2019) was transferred to the reserve and approved expenditures were nil (nil in 2019).

##### (b) Reserve for professional fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals, support of value, GIS development and recruitment and retention. In 2020, \$383,000 (\$175,000 in 2019) was transferred to the reserve and approved expenditures were \$61,320 (\$345,968 in 2019).

##### (c) Reserve for travel

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





## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2020

#### 6. INTERNALLY RESTRICTED RESERVES (continued)

##### (d) Reserve for governance

A reserve has been established to provide for SAMA governance expenditures in the event of future revenue shortfalls.

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

A reserve has been established to provide for SAMA operations in the event of future revenue shortfalls. In 2020, \$417,000 (600,000 in 2019) was transferred to the reserve and approved expenditures were \$253,840 (nil in 2019).

#### 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 2021 and 2028. Annual lease payments are as follows:

2021	\$ 1,158,394
2022	1,057,750
2023	971,070
2024	1,004,120
2025 and thereafter	2,951,836

The Agency has contracts for computer services outsourcing set to expire in 2021 with the following payments as follows:

2021	\$ 189,308
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#### 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, 2020 the employer's contribution rate is 7.8% of an employee's salary.

The total pension contributions by the Agency for employees in PEPP was \$1,058,766 (\$948,827 in 2019).

## SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

### NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2020

#### 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>2020</u>	<u>2019</u>
Operating expenses	\$ 2,085,235	\$ 1,880,029
Government remittances receivable	26,500	42,698
Government remittances payable	\$ 4,181	1,029

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

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

#### 10. ECONOMIC DEPENDENCE

The Agency is economically dependent on the Province of Saskatchewan due to the extent of its funding of the Agency's operations, 53% (54% in 2019).



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.



# 2020 QUALITY ASSURANCE REPORT



# 2020 QUALITY ASSURANCE REPORT

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



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

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

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

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

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

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



### VISION

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



### MISSION

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

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





### THE CONFIRMATION AUDIT.....

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

For the 2020 assessment roll year, Certificates of Confirmation were issued for 751 municipalities (99.6% of all returns submitted to SAMA for 2020). As at March 1, 2021 confirmation audits were in progress for 3 municipal assessment rolls. 9 assessment returns have not yet been submitted for 2020. Assessment rolls that were confirmed for 2020 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 2020, 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 2020.

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

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.....

These totals are presented in the two tables that follow. The first table summarizes confirmed assessment totals by tax class and municipal type for 2020. The second table summarizes year over year percentage change for confirmed taxable assessment totals by tax class from 2018 through 2020. More specific confirmed assessment information by municipality is available on the SAMA website.

## QUALITY ASSURANCE

### 2020 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS.....

2020 CONFIRMED ASSESSMENTS		URBAN MUNICIPALITIES				
TAXABLE		CITIES	TOWNS	VILLAGES	RESORT VILLAGES	TOTAL URBAN MUNICIPALITIES
	Non-Arable	1,163,065	1,744,110	1,158,030	616,725	4,681,930
	Other Agricultural	57,052,795	36,739,740	23,455,658	454,355	117,702,548
	Residential	51,053,339,378	8,732,683,532	1,997,633,015	797,263,040	62,580,918,965
	Multi-Unit	10,169,050,302	482,672,160	33,143,520	15,528,480	10,700,394,462
	Seasonal Residential	0	52,597,280	39,079,760	1,272,930,000	1,364,607,040
	Commercial and Industrial	20,534,192,603	1,784,520,791	276,980,223	48,628,900	22,644,322,517
	Elevators	104,482,200	113,822,460	25,022,025	0	243,326,685
	Railway R/W and Pipeline	108,051,500	32,425,000	33,517,700	42,500	174,036,700
	Taxable Total	82,027,331,843	11,237,205,073	2,429,989,931	2,135,464,000	97,829,990,847
EXEMPT	Non-Arable	9,467,845	1,127,340	170,730	57,870	10,823,785
	Other Agricultural	78,452,557	5,356,120	2,092,310	767,690	86,668,677
	Residential	714,651,066	199,546,864	53,062,256	34,160,880	1,001,421,066
	Multi-Unit	497,503,790	14,844,160	1,121,920	0	513,469,870
	Seasonal Residential	0	305,120	1,034,720	68,399,280	69,739,120
	Commercial and Industrial	17,370,683,160	2,096,168,537	538,960,877	44,511,500	20,050,324,074
	Elevators	181,100	2,875,540	193,300	0	3,249,940
	Railway R/W and Pipeline	49,172,900	7,146,500	3,614,200	0	59,933,600
	Exempt Total	18,720,112,418	2,327,370,181	600,250,313	147,897,220	21,795,630,132
PROVINCIAL GRANT-IN-LIEU	Non-Arable	21,870	945	0	0	22,815
	Other Agricultural	2,183,190	19,360	0	0	2,202,550
	Residential	154,505,120	36,796,960	6,179,200	0	197,481,280
	Multi-Unit	732,165,800	43,066,560	6,211,680	0	781,444,040
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	1,566,171,333	72,888,900	10,471,000	3,603,300	1,653,134,533
	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	2,455,648,413	153,775,725	22,861,880	3,603,300	2,635,889,318
FEDERAL GRANT-IN-LIEU	Non-Arable	0	2,745	0	0	2,745
	Other Agricultural	962,045	511,775	0	0	1,473,820
	Residential	172,294,260	10,718,320	4,524,240	0	187,536,820
	Multi-Unit	0	386,240	419,280	0	805,520
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	538,136,400	39,954,600	9,318,900	0	587,409,900
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	12,930,900	4,142,800	1,251,900	0	18,325,600
	Federal Grant-in-Lieu Total	724,323,605	55,716,480	15,514,320	0	795,554,405
2018-2020 CONFIRMED TAXABLE ASSESSMENTS		URBAN MUNICIPALITIES			MUNICIPAL TOTALS	
TAXABLE		CITIES	TOWNS/VILLAGES/RESORT VILLAGES			
	2018	82,140,671,237	15,590,924,394		97,731,595,631	
	% CHANGE 2017-18	17.26	9.14		15.88	
	2019	82,972,575,092	15,796,717,181		98,769,292,273	
	% CHANGE 2018-19	1.01	1.32		1.06	
	2020	82,027,331,843	15,802,659,004		97,829,990,847	
	% CHANGE 2019-20	-1.14	0.04		-0.95	



## 2020 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS.....

RURAL RURAL MUNICIPALITIES	NORTHERN NORTHERN MUNICIPALITIES	SASKATCHEWAN SASKATCHEWAN TOTAL
3,216,320,885	455,085	3,221,457,900
28,579,669,714	2,372,590	28,699,744,852
9,056,537,116	567,065,440	72,204,521,521
235,435,365	47,799,160	10,983,628,987
2,328,563,469	165,779,360	3,858,949,869
14,241,985,527	702,473,250	37,588,781,294
1,165,398,865	0	1,408,725,550
5,041,293,650	495,800	5,215,826,150
63,865,204,591	1,486,440,685	163,181,636,123
80,881,988	6,664,995	98,370,768
220,145,622	1,310,870	308,125,169
4,035,290,846	38,490,560	5,075,202,472
10,726,965	2,428,960	526,625,795
128,303,563	9,341,840	207,384,523
1,533,001,617	219,116,800	21,802,442,491
40,425,035	0	43,674,975
376,928,950	0	436,862,550
6,425,704,586	277,354,025	28,498,688,743
91,172,205	0	91,195,020
9,814,475	0	12,017,025
9,171,880	277,120	206,930,280
165,920	420,880	782,030,840
11,925	6,800	18,725
138,805,400	39,307,500	1,831,247,433
9,900	0	9,900
72,498,700	0	74,102,800
321,650,405	40,012,300	2,997,552,023
92,469,870	0	92,472,615
18,812,420	0	20,286,240
15,532,000	3,582,560	206,651,380
14,695,600	243,360	15,744,480
0	9,920	9,920
206,076,700	7,592,100	801,078,700
0	0	0
26,370,900	0	44,696,500
373,957,490	11,427,940	1,180,939,835
RURAL MUNICIPAL TOTALS	NORTHERN MUNICIPAL TOTALS	SASKATCHEWAN PROVINCIAL TOTAL
62,369,143,079	1,657,914,275	161,758,652,985
19.74	26.11	17.44
63,158,735,506	1,514,073,040	163,442,100,819
1.27	-8.68	1.04
63,865,204,591	1,486,440,685	163,181,636,123
1.12	-1.83	-0.16

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

<sup>1</sup>2018-2020 assessed values are calculated based on the following percentages for Urban, Rural and Northern Municipalities:

Non-Arable Land	45%
Other Agricultural	55%
Residential/Seasonal	80%
Multi-Unit Residential	80%
Commercial and Industrial	100%
Elevators	100%
Railway R/W and Pipeline	100%

Assessment rolls for 2018 to 2020 inclusive have not been confirmed as at March 1, 2021 for the following municipalities, therefore their aggregate assessed values are not included in the confirmed assessment totals in the adjoining tables.

### <sup>2</sup>2020 MUNICIPALITIES

City of Martensville  
Town of Nipawin  
Village of Killaly  
City of Meadow Lake  
Village of Chamberlain  
Village of Lancer  
N. Village of Sandy Bay  
Village of Duff  
Village of Netherhill  
Resort Village of Tobin Lake  
Village of Ebenezer  
Village of Plunkett

### <sup>3</sup>2019 MUNICIPALITIES

N. Village of Sandy Bay  
Village of Netherhill

### <sup>4</sup>2018 MUNICIPALITIES

Village of Netherhill



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### SAMA CENTRAL OFFICE.....

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#### MOOSE JAW.....

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#### NORTH BATTLEFORD.....

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#### SASKATOON.....

300 333-25th Street East  
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#### SWIFT CURRENT.....

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#### YORKTON.....

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