



PURSuing EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2021
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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2021 EXECUTIVE REPORT

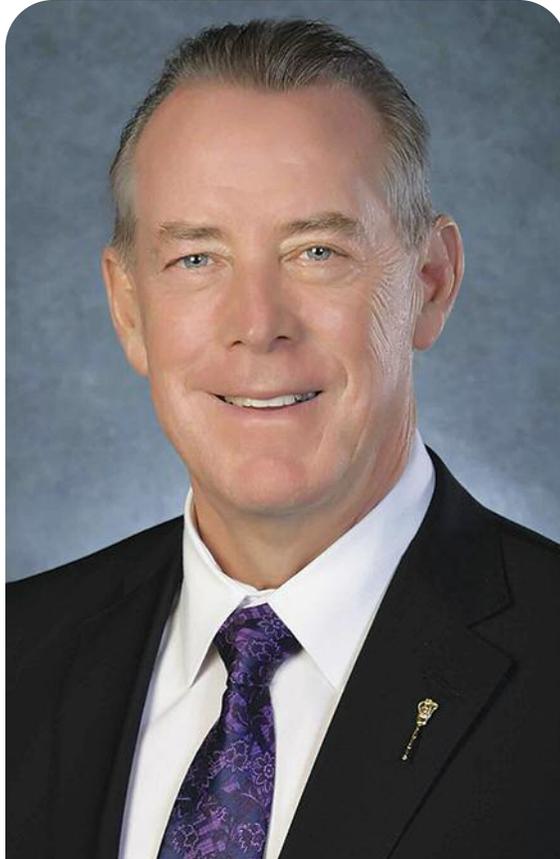
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The Honourable Russ Mirasty
Lieutenant Governor
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4T 1B7

Your Honour:

I have the honour to submit the 2021 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, 2021 to December 31, 2021.

Respectfully submitted,

A handwritten signature in black ink that reads "Don McMorris".

Don McMorris
Minister of Government Relations





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

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

Dear Sirs:

On behalf of the Board of Directors, I respectfully submit the 2021 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2021 to December 31, 2021.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Myron Knafelc', written in a cursive style.

Myron Knafelc
Chair, Board of Directors



Property Value





PURSuing EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2021
**BOARD
REPORT**



PURSuing EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2021
BOARD
REPORT



Pursuing excellence in
assessment policy and
services for Saskatchewan

Myron Knafelc,
Chair, Representing the Province



Randy Goulden,
Representing Urban

Jim Angus,
Representing the Province



John Wagner,
Representing Rural

Audrey Trombley,
Representing the Province



Dawn Luhning,
Representing Urban

Richard Marleau,
Representing Rural



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

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

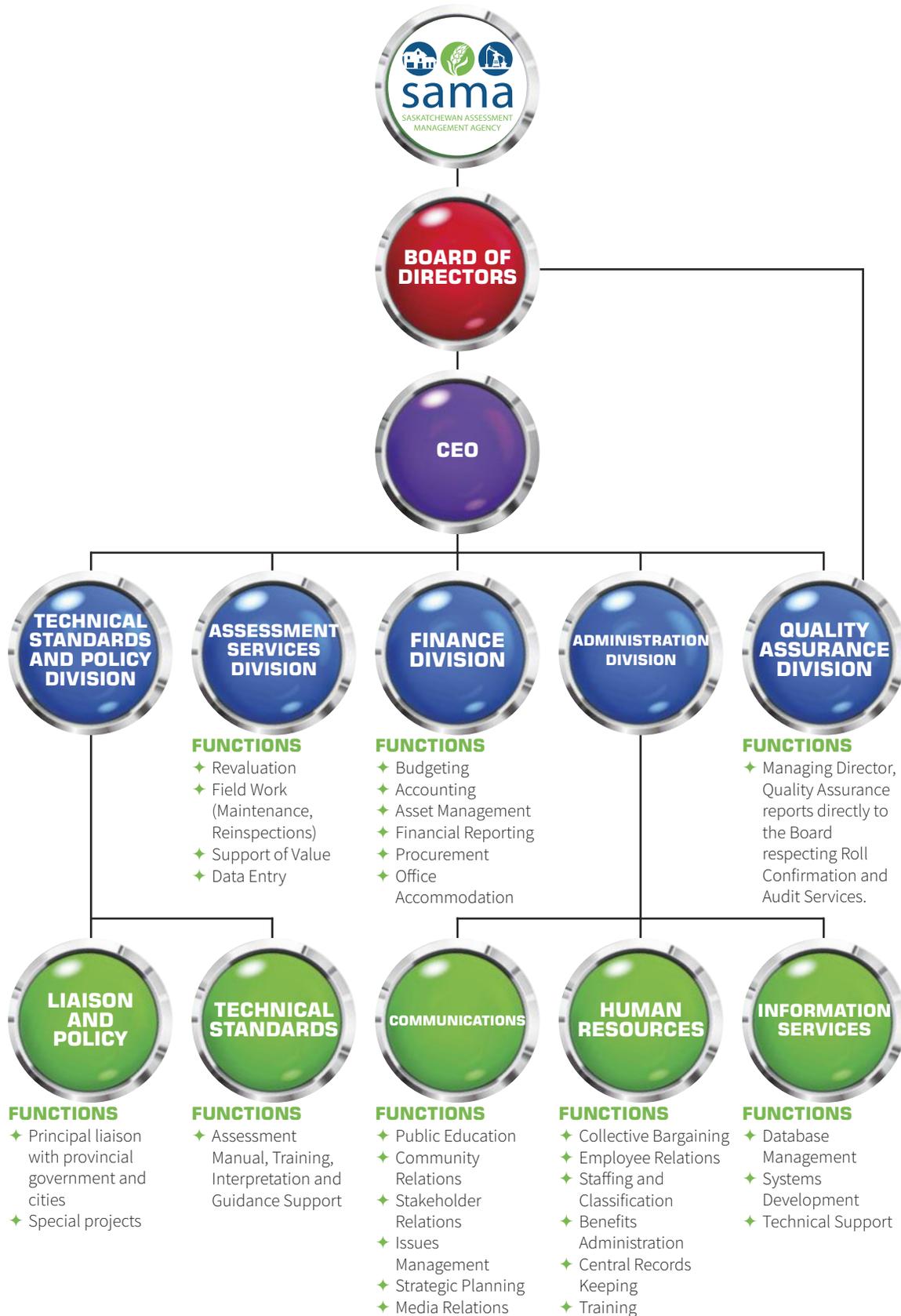
Responsibility for both the assessment system and assessment services – formerly held by the provincial government – was transferred to the independent Agency based on the recommendation of the Local Government Finance Commission. The Commission stated that the change would overcome a lack of local government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

In 2021, 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 \$2.2 Billion property tax base. In 2021, the Agency provided assessment valuation services to 757 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 871,000 properties in the province, including the City of Moose Jaw.

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





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

This includes oversight responsibility to ensure SAMA is:

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

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

BOARD STRUCTURE

For 2021, 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 ensures 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 need, 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 as opposed to 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 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.

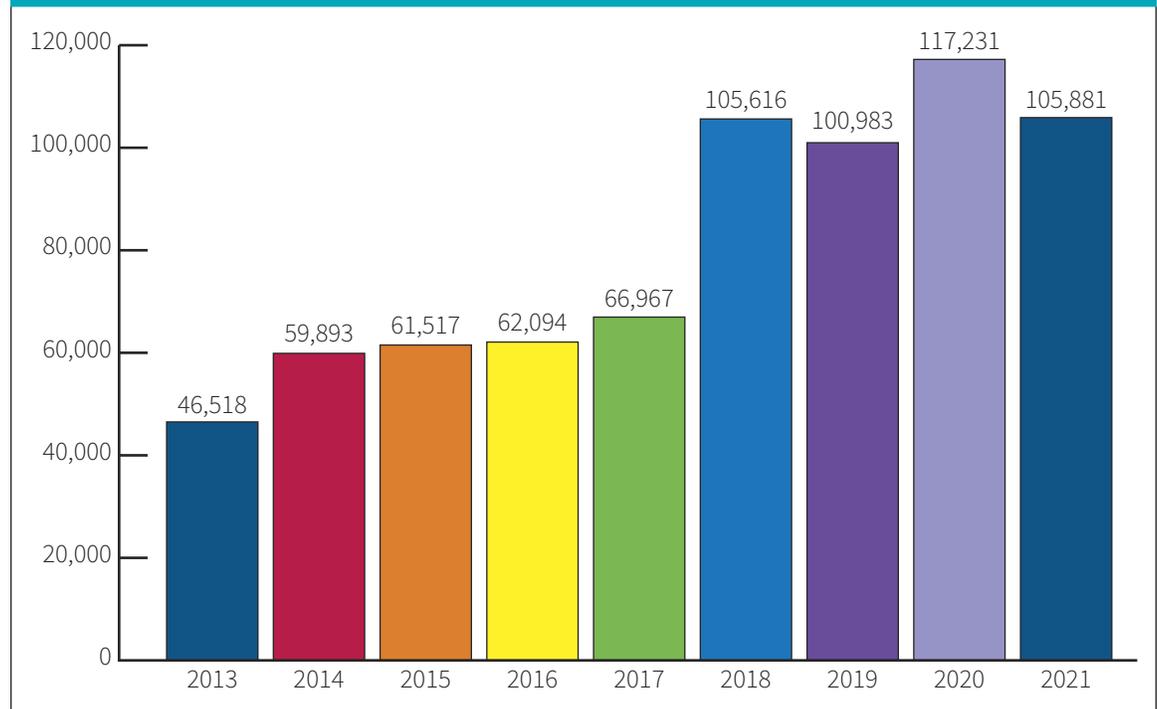


As Chair of the SAMA Board of Directors, I am committed to the overall success of SAMA and the Saskatchewan assessment system in general. The decisions and the strategic directions the Board approves for the Agency will affect the assessment system in the province for years to come. This requires that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

2021 – A YEAR IN REVIEW

SAMA had conducted a record number of property inspections in 2020 (117,231), and while our inspection numbers for 2021 were just shy of our 110,000 goal at 105,881, SAMA did set another record in 2021 for the number of property inspections during a revaluation year. 2021 also marked the fourth consecutive year of achieving over 100,000 property reviews and kept SAMA on track to conduct a full reinspection of municipal clients over twelve years (2018-2029). 2021 was also the final year of SAMA's 2018-2021 4-year planning cycle. The agency initially had a goal of completing 400,000 property reviews in that time frame and increased that goal to 420,000 reviews in 2019. This goal was achieved, with SAMA completing 429,000 reviews in the years 2018-2021.

TOTAL ANNUAL PROPERTY REVIEWS



Final values for the 2021 revaluation were delivered early in the year. Revaluation years typically bring much higher levels of assessment appeals, but SAMA saw fewer appeals (3,855) than had been seen in previous revaluations (7,230 in 2017 and 4,319 in 2013). However, property appeals continue to be an increasing challenge for SAMA as many relate to complex issues and often are on high-value properties that utilize multiple assessment approaches. External legal costs were at a record level for SAMA in 2021, due to the number of commercial property appeals at the Saskatchewan Court of Appeal. Having a highly trained staff and partnering with external legal counsel when necessary are essential when supporting values on behalf of municipal clients.

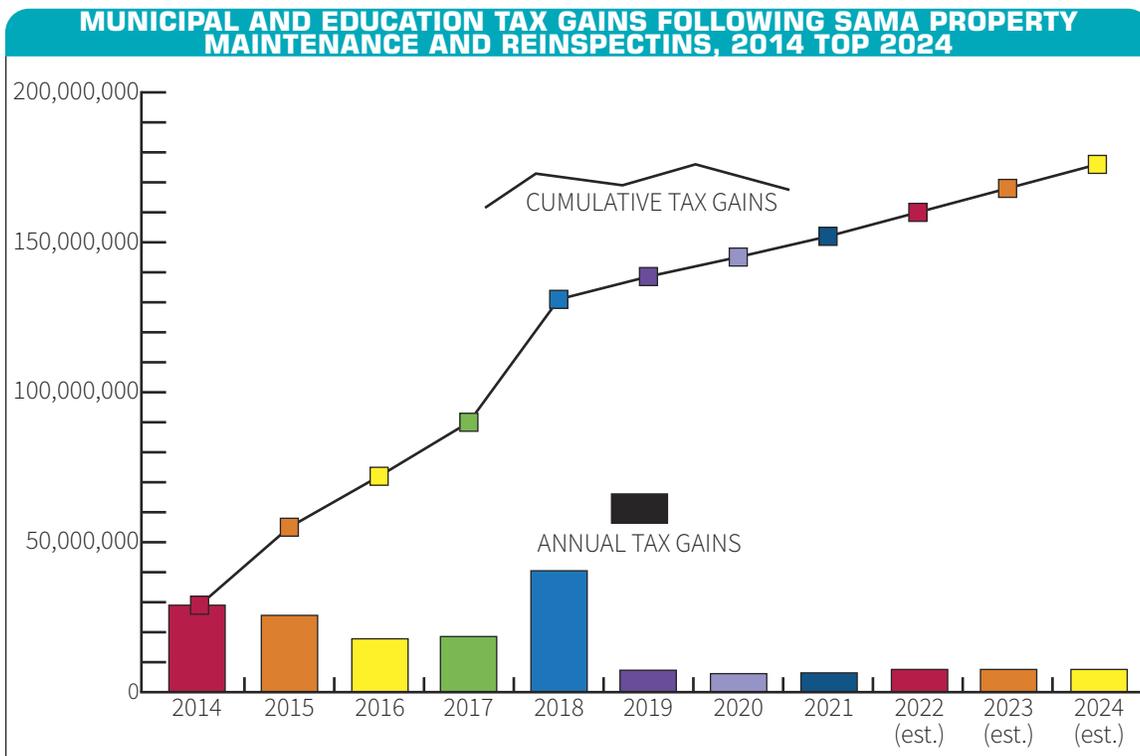


CAPTURING PROVINCIAL GROWTH

In 2014, SAMA implemented the Technology Infrastructure Program to increase our overall efficiency and effectiveness. Part of that implementation was the commitment to deliver 100,000 annual property reviews beginning in 2018. SAMA has delivered on this commitment for the past 4 years, which represents a full reinspection of approximately 1/3 of SAMA’s municipal clients in that time. The agency is on pace to complete a full provincial reinspection by the end of 2029.

The demand for SAMA’s services increases with the construction of more assessable properties in Saskatchewan. Economic growth for Saskatchewan, in terms of property component growth, was 0.3%. Total property counts for SAMA clients grew by 2,427 properties to 871,156. The largest growth, percentage wise, was in resource properties.

Assessments conducted by SAMA and implemented on 2021 tax rolls provided an additional estimated \$6.9 million in annually recurring tax revenues for the agency’s municipal clients and the education sector. Of the \$6.9 million, municipalities received approximately \$4.7 million, and the education sector received approximately \$2.2 million (approximately \$152M was added to municipal taxable assessments in 2021). It is important to note that this is annually recurring revenue (i.e. the \$6.9M annual revenue translates to \$69.0M over a ten-year span). The following chart uses actual results from 2014-2020 and an estimated increase of \$8M for each of the next three 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 \$176M in annual revenues that will continue in perpetuity.



Prior to 2014, SAMA estimated that there would be \$300M return after the first full ten years following completion and that estimate appears low. The estimated additional tax revenues received to date after the first seven years of measurement are more than \$700M.

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



CAPTURING PROVINCIAL GROWTH (continued)

Municipalities want a stable and predictable revenue source that is delivered inexpensively. Additionally, SAMA's clients 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.

2022-2025 STRATEGIC DIRECTIONS

In 2020, SAMA set out four strategic directions for 2022-2025, building off the Agency's 2018-2021 Strategic Directions:

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

- ◆ Current funding model is working, but subject to change from year to year.
- ◆ Incorporate enhancements to ensure the funding levels are predictable from year to year for SAMA and our stakeholders.
- ◆ Ensure funding model remains up-to-date and reflective of actual costs.
- ◆ Continue to cost share ongoing support costs for new technologies.
- ◆ Continue to emphasize fee-for-service concept tied to work effort and benefits received.
- ◆ Ensure all our actions demonstrate good stewardship of the resources that our stakeholders have entrusted to SAMA.

2. SIMPLIFY AND STREAMLINE TO IMPROVE EFFICIENCY AND EFFECTIVENESS

- ◆ Continue to streamline our operational programs to create a stable, more efficient agency.
- ◆ Simplify valuation models and policies to improve operational efficiency, quality and overall effectiveness.
- ◆ 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 INCREASING PROPERTY INSPECTIONS

- ◆ Objective is to inspect/review a minimum of 110,000 properties per year over the 2022 to 2025 period.
- ◆ Continue towards a maximum 12-year re-inspection cycle.
- ◆ Manage a modern technology environment to meet the evolving needs of the agency and its stakeholders.
- ◆ 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

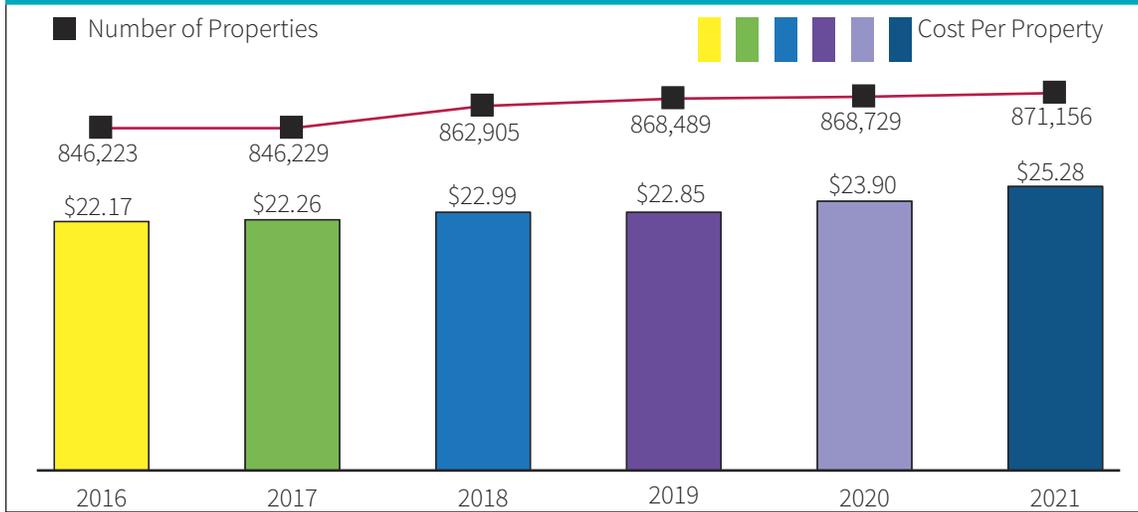
- ◆ Begin the adoption of a capabilities driven approach to strategy execution that aligns agency resources with the agency's strategic goals and objectives.
- ◆ Maintain a skilled, experienced and highly engaged workforce.
- ◆ Provide an environment that gives staff every opportunity to succeed.
- ◆ Focus on succession planning and skill development.
- ◆ Establish SAMA as a learning organization.

The 2022-2025 strategic directions, along with the supporting details, were adopted by the SAMA Board on December 11, 2020.



OPERATING COSTS

AGENCY OPERATING COST - COST PER PROPERTY



In 2021 the agency's operating cost per property increased to \$25.28 (871,156 properties and a total operational spending of \$22M). The 2021 operating cost per property represents an increase of more than 5% over the previous year (\$23.90 in 2020 and \$22.85 in 2019). The Canadian Consumer Price Index, a measure of inflation published by Statistics Canada, rose by 4.8% in 2021. 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 appeals brought forth by professional tax agents to the Court of Appeal.

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 2021, 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 previous revaluation, and the 2021 Revaluation saw 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.

Direction from SAMA's Board is to continue to stabilize provincial valuation policy going forward. Consistent with the previous 2017 Revaluation, SAMA's goal for 2021 was 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



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 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.



CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2021

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

CITY ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Dawn Luhning, Committee Chair	SAMA Board Member, City Sector
Myron Knafelc	SAMA Board Chair (ex officio)
John Wagner	SAMA Board Member
Jim Puffalt	City of Moose Jaw
Vacant	City of Moose Jaw
Vanessa Vaughan	City of Prince Albert
Greg Dionne	City of Prince Albert
Steve Ward	City of Regina
Jason Mancinelli	City of Regina
Bryce Trew	City of Saskatoon
Bev Dubois	City of Saskatoon
Michael Kehler	City of Swift Current
Vacant	City of Swift Current
Roger Hayward	Saskatchewan Urban Municipalities Association (SUMA), Board Member
Eric Bloc-Hanson	Saskatchewan School Boards Association (SSBA), Trustee
Rebecca Schultz	Saskatchewan Assessment Appraisers' Association (SAAA)

OBSERVERS:

Rod Nasewich	Ministry of Government Relations
Ron Boechler	Saskatchewan School Boards Association (SSBA), Trustee
Jean-Marc Nadeau	Saskatchewan Urban Municipalities Association (SUMA), Administration
Brenda Hendrickson	City of Moose Jaw
Dale Braitenbach	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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COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2021

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
Randy Goulden	SAMA Board Member, Urban Sector
Richard Marleau	SAMA Board Member, Rural Sector
Jim Angus	SAMA Board Member
Myron Knafelc	SAMA Board Chair (ex officio)
Anna Gardikiotis	Regina Downtown Business Improvement District
Noel Geremia	Saskatchewan REALTORS® Association
Kevin Johnson	Saskatchewan REALTORS® Association
Darren Bird	Saskatchewan Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Jennifer Henshaw	Canadian Federation of Independent Business
Wendy Kopeck	Building Owners and Managers Association
Ian Magdiak	Canadian Property Tax Association
Jim Bence	Hospitality Saskatchewan
Barry Wiebe	National Golf Course Owners Association, Saskatchewan Chapter
Monty Reich	Inland Terminal Association of Canada
Reg Hinz	Western Grain Elevator Association Tax Committee
Kirk Wasyluk	Canadian Energy Pipeline Association
Mark Pinney	Canadian Association of Petroleum Producers
Darwin Collins	Saskatchewan Mining Association
Corinne Li	Railway Association of Canada
Rebecca Schultz	Saskatchewan Assessment Appraisers' Association (SAAA)
Grace Muzyka	Saskatchewan Association of the Appraisal Institute of Canada
Ken Patsula	Public Works and Government Services Canada

OBSERVERS:

Abayomi Akintola	Ministry of Government Relations
Kareen Holtby	Ministry of Trade and Export Development
Chad Boyko	Saskatchewan Municipal Board
Suzanne Clarke	Public Works and Government Services Canada
Ken Dueck	Tourism Saskatchewan
Siân Pascoe	Canadian Association of Petroleum Producers
Steve Ward	City of Regina
Bryce Trew	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 (SARM)
Irwin Blank	SAMA CEO

ADMINISTRATIVE SUPPORT:

Darwin Kanius, Committee Secretary	SAMA
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RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2021

The Rural Advisory Committee is responsible for rural municipalities.

RURAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
John Wagner, Committee Chair	SAMA Board Member, Rural Sector
Richard Marleau	SAMA Board Member, Rural Sector
Myron Knafelc	SAMA Board Chair (ex officio)
Jim Angus	SAMA Board Member
Robin Thompson	SARM Division 1
Sacha Martens	SARM Division 2
Troy Heggstad	SARM Division 3
Norm Hall	SARM Division 4
Maurice Werezak	SARM Division 5
Kim Herbst	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
Jeff Sedor	Saskatchewan Assessment Appraisers' Association (SAAA)

OBSERVERS:

Veniesha Thompson	Ministry of Government Relations
Jay Meyer	Saskatchewan Association of Rural Municipalities (SARM), Administration
Scott Sander	Saskatchewan School Boards Association (SSBA), Administrator
Barry Hvidston	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, 2021

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
Randy Goulden, 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	Saskatchewan Urban Municipalities Association (SUMA), Administration (Cities)
Walter Streelasky	Saskatchewan Urban Municipalities Association (SUMA), Administration (Cities)
Bryan Matheson	Saskatchewan Urban Municipalities Association (SUMA), Administration (Towns)
Bruce Fidler	Saskatchewan Urban Municipalities Association (SUMA), Administration (Towns)
Mike Strachan	Saskatchewan Urban Municipalities Association (SUMA), Administration (Villages)
Jamie Brandrick	Saskatchewan Urban Municipalities Association (SUMA), Administration (Villages)
April Philips	Saskatchewan Urban Municipalities Association (SUMA), Administration, Board Member
Doug Allan	Provincial Association of Resort Communities of Saskatchewan (PARCS)
Marla Walton	Saskatchewan School Boards Association (SSBA), Trustee
Norma Hewitt-Lendrum	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 (UMAAS)
Irwin Blank, CEO	SAMA

ADMINISTRATIVE SUPPORT:

Kevin Groat, Committee Secretary	SAMA
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PURSuing EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2021
**EXECUTIVE
REPORT**



PURSuing EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2021
EXECUTIVE
REPORT



In 2021, SAMA CEO Irwin Blank announced his retirement from the Agency effective January 21, 2022. On December 1, 2021, Betty Rogers, SAMA's Managing Director of Administration was appointed as SAMA's new Chief Executive Officer.

Irwin Blank,
Chief Executive Officer



Gordon Senz,
Managing Director,
Quality Assurance

Todd Treslan,
Managing Director,
Assessment Services



Betty Rogers,
Managing Director,
Administration

Corinne Charko,
Executive Assistant



Mathew Ratch,
Managing Director,
Finance

Shaun Cooney,
Managing Director,
Technical Standards and Policy



In 2021, after a 40+ year career with SAMA, SAMA CEO Irwin Blank announced his retirement from the Agency effective January 21, 2022.

On December 1, 2021, I was appointed as SAMA's new Chief Executive Officer, and it's my honour and privilege to take over from Irwin and continue the great work SAMA has been doing with our clients and stakeholders managing the province's assessment system.

It is my pleasure to provide this annual update on the progress the agency has made in 2021 towards meeting the objectives and expectations of our clients and stakeholders as set out in SAMA's 2018 to 2021 business and financial plan.

There were many highlights in 2021 including:

- ◆ 105,881 property reviews completed, which was very close to our property review/inspection target of 110,000.
- ◆ SAMA did meet our four year target of 420,000 property inspections with 429,000 reviews completed from 2018-2021.
- ◆ The Minister of Government Relations signed the SAMA 2025 Revaluation Board Orders establishing the 2025 Revaluation base date as January 1, 2023.
- ◆ SAMA's Technical Standards and Policy Division completed research and consultations with stakeholders on final recommendations to update the oil and gas and arable agricultural land models for the 2025 revaluation.
- ◆ SAMA implemented a year-long remote work pilot program in 2021, looking to study the possibility of some of our staff working remotely on a full or part time basis.
- ◆ The Agency received positive results on the 2021 municipal client survey.

More information on these achievements can be found in the subsequent sections of this report.

Along with our 2021 successes, there will be challenges and opportunities ahead for SAMA in 2022:

- ◆ Continuing to meet our target of 110,000 property reviews/inspections.
- ◆ Improving our timely delivery of maintenance. Although SAMA's maintenance delivery was improved over 2017, the previous revaluation year, it still did not meet our client's expectations. We continue to monitor our delivery of maintenance and look to improve the work we do to be able to meet the needs of our clients.
- ◆ The complexity, cost, and amount of property appeals going forward continues to be an area of concern that the Agency is actively monitoring.

Looking back on 2021, 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.



Betty Rogers
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 targeted 110,000 property reviews. SAMA met that goal in 2020, with 117,231 total property reviews, and was just shy of that goal in 2021 with 105,881 reviews. The agency had initially set a goal of completing 400,000 property reviews in these four years (2018-2021) and increased that goal to 420,000 reviews in 2019. This goal was achieved, with SAMA completing 429,000 reviews in the years 2018-2021.

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 2021 operating budget was \$21.97 million, a 2% increase over the 2020 budget. In 2014, SAMA implemented an update to our funding formula that saw changes to how the assessment system is supported. For 2021, Government continued to pay 100% of the cost of SAMA's governance functions (\$7.2 million in 2021). The Province also pays approximately 35% of SAMA's operations costs (based on benefits received to education). Municipalities pay approximately 65% of remaining operations costs (based on benefits received by the municipal sector).

As part of our funding plan, SAMA had a \$20 maintenance fee-for-service charge in 2021. 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 2021 amounted to \$379,380, a decrease of \$90,520 relative to the service revenue received in 2020 (\$469,900).

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 conducted a record number of property inspections (117,231).

In 2021, the Agency was just shy of our 110,000 goal at 105,881 completed inspections, however, this was a record for the number of property inspections completed during a revaluation year. 2021 also marked the fourth consecutive year of achieving over 100,000 property reviews and kept SAMA on track to conduct a full reinspection of municipal clients over twelve years (2018-2029). The agency had initially set a goal of completing 400,000 property reviews in the first four years of that cycle (2018-2021) and increased that goal to 420,000 reviews in 2019. This goal was achieved, with SAMA completing 429,000 reviews in the years 2018-2021.

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.



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 \$2.2 billion property tax base. The Agency provides assessment valuation services to 757 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. The 2021 Revaluation, which was implemented on January 1, 2021, saw 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.

SAMA also recently amended *The Saskatchewan Assessment Manual – 2019 Base Year* (2019 Manual) with approval from the Honourable Don McMorris, Saskatchewan's Minister of Government Relations, clarifying the definitions surrounding oil and gas well sites for the current revaluation cycle of 2021-2024. This will lead to greater predictability of assessments for the oil and gas industry and municipal governments in Saskatchewan.

2021 Revaluation information is posted on SAMA's website (www.sama.sk.ca) and the Agency is making use of SAMAView, a service of MySAMA, that allows the general public access to individual property assessments for all SAMA client jurisdictions, to communicate assessed values for the 2021 Revaluation.

SAMA has also begun preliminary work on the 2025 revaluation, which will have a base date of January 1, 2023.

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.

More information on SAMA's 2021 support of value work can be found in the Assessment Services update in the next section.

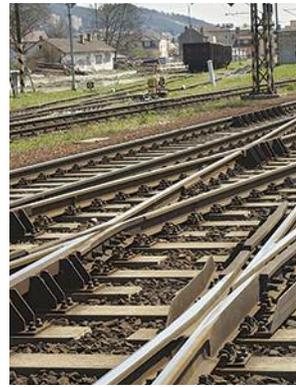


ASSESSMENT SERVICES

In 2021, The Assessment Services Division provided valuation services to 757 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 871,000 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.

2021 YEAR IN REVIEW

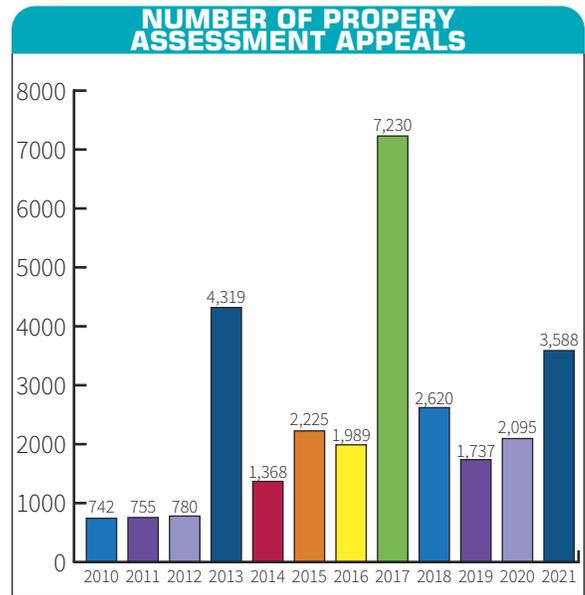
- ◆ In 2021, the Agency was just shy of our goal of 110,000 property reviews with 105,881 reviews completed.
- ◆ SAMA exceeded our 4-year goal of completing 420,000 property reviews from 2018-2021, with 429,000 total reviews in that timeframe.
- ◆ 34,398 maintenance changes were completed in 2021.
- ◆ 3,588 properties filed appeals in 2021 (there were 2,095 appeals in 2020, 1,737 appeals in 2019, 2620 appeals in 2018, and 7,230 appeals in 2017, the previous revaluation year).
- ◆ 71,483 properties reviewed, including:
 - 37,136 agricultural
 - 16,424 residential
 - 17,923 commercial and industrial
 - The 71,483 properties reviewed was a substantive increase over the 28,147 properties reviewed in 2017, the previous revaluation year.
- ◆ 89 service charters with municipalities were completed in 2021.



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 3,588 appeals in 2021, which is significantly less than the number received in 2017, the previous revaluation year (there were 7,230 appeals in 2017). The number resolved by agreement to adjust or that were withdrawn was 2,630 or 72.1% (72.1% in 2020, 65.4% in 2019, 75.8% in 2018, 73.0% in 2017 and 82.0% in 2016). In 2021, 958 appeals were heard by boards of revision, 123 are in progress at year-end and 151 were forwarded to the Saskatchewan Municipal Board.



2021's support of value work involved 31,366 direct labour hours, a large increase over recent years due to the revaluation (14,138 in 2020, 17,000 in 2019 and 22,000 in 2018). This allocation represents approximately 22% of SAMA's assessor resources (10.0% in 2020, 12.9% in 2019, 16.7% in 2018, 37.9% in 2017, a revaluation year). SAMA had set an appeal completion goal of 1.40 completed appeals per day and in 2021 the completes per day average was 1.02 (1.36 in 2020, 1.18 in 2019).

It should be noted that appeals have also become a more labor-intensive process, with an increase in scope and detail. The agency also uses specialized staff for more complex appeals and contracts lawyers for the most complex and risky appeals (including all appeals that advance to the Saskatchewan Court of Appeal).

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.

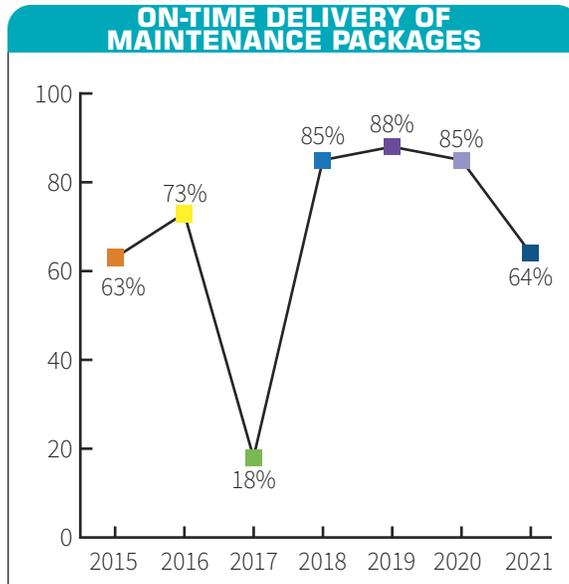
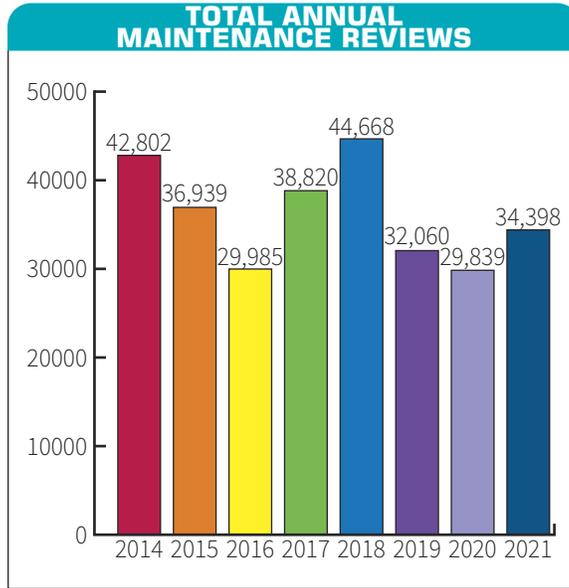
In 2021, the agency reviewed 34,398 properties (29,839 in 2020). These represent 20,988 reviews that were for use on 2021 municipal assessment rolls and 13,410 that were for use on 2022 municipal assessment rolls.

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 2021, SAMA invoiced for 18,987 residential, commercial, industrial and agricultural maintenance requests. This was a decrease from the chargeable reviews invoiced in previous years (23,945 in 2020, 20,606 in 2019, 24,190 in 2018, 24,700 in 2017 and 25,812 in 2016). The maintenance fee-for-service came into effect in 2016.

The volume of standardized oil and gas annual maintenance (94,791 properties in 2021) tends to overshadow the volume of other industrial property assessments. In 2021, the agency also received and started processing 6,478 properties via renditions received from resource companies (13,902 in 2020) and conducted a flow line and tank review of 15,963 properties (21,089 in 2020).

The agency's goal for 2021 was to deliver 85% of maintenance packages to municipalities by their specified date. SAMA delivered on-time to 64% of municipalities who requested their 2021 maintenance packages by a specific date and by May 1 for municipalities who do not have a preferred delivery date (on-time delivery was 85% in 2020, 88% in 2019, 85% in 2018, 18% in 2017, 73% in 2016 and 63% in 2015). 83% of municipalities received their maintenance within three weeks of the requested date. Revaluation years have continued to be a challenge for SAMA in delivering maintenance on time. Planning and procedural changes are being implemented to advance the maintenance program in future years to ensure deliveries occur on time (particularly for 2025). Initiatives planned include further advancement of the property inspection program and completing market analysis at an earlier date than has been done in previous revaluations.

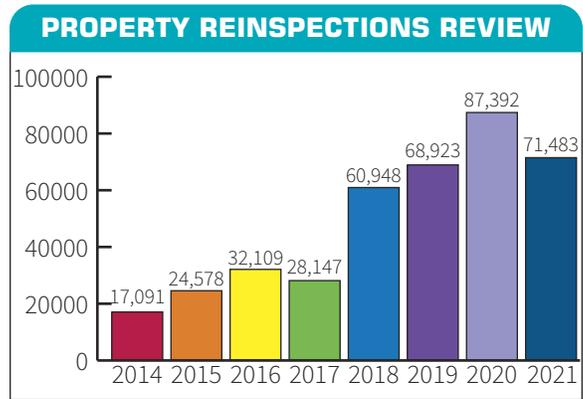
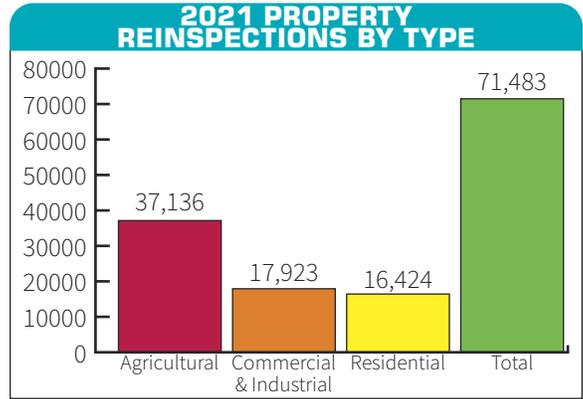


REINSPECTION PROGRAM

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.

The Agency reinspected 71,483 properties in 2021 (87,392 in 2020, 68,923 in 2019, 60,498 in 2018, 28,147 in 2017, 32,109 in 2016 and 24,578 in 2015). The agency reinspected 37,136 agricultural properties (20 rural municipalities), 16,424 residential properties and 17,923 commercial and industrial properties. Reinspections were targeted at 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 revaluation year in 2021. During the 2018-2021 four-year period SAMA conducted 289K reinspections, compared to 102K in the 2014-17 period.

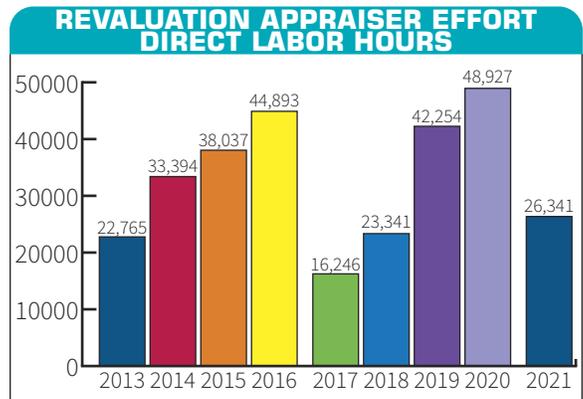


REVALUATION PROGRAM

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. 2021 was the first year of the current cycle of 2021-2024. Revaluation work represented 26,341 direct labor hours or 18% of the resources of SAMA's appraisal staff (48,927 hours and 22% in 2020).

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 2021 was 4,943 (4,421 in 2020 and 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.



2021 REVALUATION

SAMA conducts revaluations based on a four-year cycle. 2021 was a revaluation year and saw 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 was to continue to stabilize major assessment policy, with consideration for refinement on selected items where there is consensus with stakeholders.

2021 MUNICIPAL CLIENT SURVEY RESULTS

SAMA conducted a client satisfaction survey between October 21st and November 3rd, 2021, contacting 150 randomly selected municipal clients. The survey asked the main assessment contact for each of the surveyed client municipalities to rate SAMA's service in the areas of recent contacts with SAMA, customer service, overall satisfaction, the 2021 revaluation and assessment maintenance. The survey was conducted by a third party following a similar methodology to our previous surveys (conducted in 2009, 2011, 2013, 2015, 2017 and 2019) with similar questions being asked of our clients to ensure that we could make accurate comparisons of our satisfaction levels.

The 2021 results emphasize the importance of service delivery and continue to support SAMA's current direction of working to improve our maintenance service for our client municipalities.

Some highlights of the survey include:

- ◆ SAMA received the highest ever customer service rating (3.82 out of 4) of the 7 surveys that have been completed.
- ◆ SAMA has a 99% overall client satisfaction rate.
- ◆ SAMA's very satisfied rating moved to 83% compared to 81% in the last survey.
- ◆ 40% of the clients rated maintenance service as excellent; down from 48% in the previous survey. 57% of the clients rated maintenance service as good; up from 43% in the previous survey. In total, 97% of SAMA's clients now rate our maintenance service as either Excellent or Good, up from 91% in 2019 (83% in 2017, 91% in 2015, 94% in 2013, 92% in 2011 and 81% in 2009).
- ◆ 100% of our clients would recommend SAMA to others, up from 97% in 2019 and 95% in 2017.
- ◆ Approximately 3% of our clients experienced problems related to our service or the assessments we provide which is down from 8% in 2019 and 23% in 2017.

Although our survey results indicate a high-level of satisfaction with the work we do in the province, as an Agency, we are continually striving to improve the quality of the work we do.



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 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 757 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.

AMENDMENTS TO THE SASKATCHEWAN ASSESSMENT MANUAL – 2019 BASE YEAR

In 2021, SAMA implemented some amendments to The Saskatchewan Assessment Manual – 2019 Base Year (2019 Manual) that will lead to greater predictability of assessments for the oil and gas industry and municipal governments in Saskatchewan.

The amendments will stabilize assessments by clarifying the definitions surrounding oil and gas well sites for the duration of the current 2021 to 2024 assessment cycle. They came into effect on November 12, 2021 and will have a minimal impact on existing assessed values.

SAMA established a committee consisting of representatives from the oil and gas industry, the Saskatchewan Association of Rural Municipalities (SARM), the Saskatchewan Ministry of Government Relations and SAMA to develop and propose the amendments.

The amendments were originally identified as part of SAMA's regular consultation process ahead of the 2025 Revaluation. However, upon hearing from industry and stakeholders, the committee identified a need to propose such amendments prior to 2025. The 2019 Manual amendments were officially approved by the Honourable Don McMorris, Saskatchewan's Minister of Government Relations, in November 2021.

The amendments will be in effect for the remainder of the 2021 revaluation cycle, which ends in 2024. After that, a new manual for the 2025 Revaluation that includes these changes will be implemented.

2025 REVALUATION RESEARCH AND CONSULTATIONS

SAMA Technical Standards and Policy (TS&P) division has begun preliminary work on the 2025 revaluation, which will have a base date of January 1, 2023. In addition to regular 2025 Revaluation consultation, research, publication, and computer updating of all valuation models, the following comprehensive model reviews are now in progress and are at various stages of completion. These will be reported on further at SAMA's March 2022 Advisory Committee meetings for finalization of the next *Saskatchewan Assessment Manual – 2023 Base Year* (2023 Manual):

- ◆ 2025 Oil and Gas Model Review - The 2025 Oil and Gas Assessment Review Committee (ARC) held their final consultation meeting with stakeholders on September 8, 2021, with consensus now achieved on the model recommendations. Further work will be conducted in 2022 regarding equipment consolidation within the 2023 Manual.
- ◆ 2025 Transmission Pipeline Model Review - The 2025 Pipeline Assessment Review Committee met for the second time on November 25th, 2021. TS&P continue to review initial industry feedback in advance of future stakeholders consultations.
- ◆ 2025 Agricultural Arable Land Model Review - The Arable Land Review Committee (ALRC) met on September 8 for a final meeting. A set of 2025 arable model recommendations have been agreed to by stakeholders and further work will occur in 2022 on areas of potential variable consolidation within the 2023 Manual.
- ◆ 2025 Solar Farm Model Development - The Solar Power Assessment Review Committee met for the first time on November 30th, 2021. A request for information has been developed by SAMA to gather information on costs related to solar farm installations. TS&P will review the submissions and set a meeting in the first quarter of 2022 for further discussion and consideration.

SAMA values the collaborative process and the input of our Board of Directors and Stakeholders when looking to review and adjust our assessments models and procedures.

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) 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 2021, SAMA's Information Services Branch (IS) continued to focus on ensuring the Agency is served by current and efficient technology.

2021 TECHNOLOGY HIGHLIGHTS

- ◆ Completed the Revaluation Report Automation project.
- ◆ Completed a data center Request for Proposal.
- ◆ All IS staff completed ITILv4 training. ITIL is a set of best practices for information services activities. The following ITILv4 practices were implemented in 2021:
 - Incident Management,
 - Problem Management,
 - Service Request Management, and
 - Change Management.
- ◆ Completed a rewrite of SAMA's Quality Assurance Division's PAD application.
- ◆ Replaced the existing Help Desk tool with FreshService.
- ◆ Completed the modernization and migration of SAMANet to SharePoint.
- ◆ Began the development of SAMA's Enterprise Architecture focusing on the development of a business capability model for SAMA.
- ◆ Established an IS Governance Committee to ensure IS initiatives are aligned with agency priorities and an IS Working Group to assist in the prioritization of IS work activities.

LOOKING AHEAD TO 2022

In 2022, SAMA's IS branch will be working on the following:

- ◆ Continue the rollout of ITILv4 with the adoption/implementation of the following practices:
 - IT Asset management,
 - Capacity and Performance management, and
 - Monitoring and Event Management.
- ◆ Complete the migration of the agency's Crystal Reports environment to Microsoft SSRS.
- ◆ Continue with Report Automation Project with the automation of maintenance reports.
- ◆ Continue with the Enterprise Architecture initiative focusing on the following:
 - Linking agency capabilities with technologies and systems.
 - Begin work on an Enterprise Data Model.
 - Assess the current state of remote (field) work technologies and applicability to SAMA.
- ◆ Review SAMA's business continuity / disaster recovery requirements and develop a recovery plan.
- ◆ Replace 70 laptops as part of the agency technology refresh program.

HUMAN RESOURCES

For the year 2021, the Agency's budgeted number of employees was 163.25 permanent positions, which includes 118.25 positions in the Assessment Services division.

Items of note for 2021:

- ◆ 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 April 2021, with the assistance of our survey partner TalentMap, the Agency conducted a pulse engagement survey. This survey provided feedback to support initiatives in enabling effective remote work and maintaining employee engagement and productivity during the pandemic as well as gathering information on the levels of employee engagement.
- ◆ Human Resources continued to streamline human capital information and services through further growth of our Human Resource Information System.
- ◆ SAMA normally holds an annual Agency-wide staff meeting and appreciation banquet in September, however, the meeting was cancelled in 2021.
- ◆ SAMA's management team completed the senior leadership development program and increased its leadership pipeline by completing a future leaders development program.

WORKFORCE PLANNING

The Agency continues to address workforce planning by:

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

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

- ◆ \$500 annual award, which is available to a first-year full-time student enrolled in the Real Estate Appraisal and Assessment diploma program, and is awarded to the student with the highest cumulative grade point average in assessment appraisal studies; and,
- ◆ Attendance at the annual Business Job Fair at Lakeland Community College's Lloydminster campus.

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 2021. 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 2021, three SAMA employees were successful in attaining their Certified Assessment Evaluator designation from the International Association of Assessing Officers (IAAO).

LOOKING AHEAD TO 2022

In 2022, SAMA's HR branch will be working on several initiatives, including:

- ◆ Summer student recruitment to support the agency's 2022 property inspection program;
- ◆ Continued focus on leadership and professional growth opportunities for staff;
- ◆ Negotiating a collective agreement with the SGEU bargaining unit;
- ◆ Continued work on succession and key-person risk and replacement planning; and,
- ◆ Conducting a full employee engagement survey to gauge progress on employee engagement initiatives.

COMMUNICATIONS

In 2021, SAMA's Communications Branch was focused on improving the way we connect with our clients and stakeholders, and effectively communicating both internally and externally.

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). 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 2021, SAMA completely updated SAMANet, our staff intranet.

We refreshed the intranet so we can:

- ◆ support the achievement of the Agency's 2021-2025 business objectives;
- ◆ have the content organized in such a way that it supports the goal of helping employees get things done; and,
- ◆ assist employees who are working remotely to access SAMA content and information.

SAMA held our Annual Meeting virtually in 2021 due to the COVID-19 pandemic.

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) is a vital part of how we communicate with our stakeholders, our client municipalities, and the public.



PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2021
FINANCIAL
REPORT



PURSuing EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2021

FINANCIAL REPORT

REVENUES

Total provincial remained the same in 2021 as 2020 and 2019 (\$11,388,000) and total municipal funding increased by \$110,673 (1.2%) in 2021 to \$9,068,692 (\$8,958,019 in 2020).

Total operating revenues increased by \$329,036 (1.5%) to \$21,807,816 from \$21,478,780 in 2020.

- The provincial operating grant remained at \$11,388,000 in 2021. SAMA's budget request was an increase of \$228,000 for a total of \$11,616,000.
- Municipal operating revenue increased \$110,673 (1.2%) to \$9,068,692 from \$8,958,019 in 2020. The change is comprised of \$163,469 from a planned 2.0% uniform increase to the base charge for all client municipalities, \$37,724 due to updated property counts from the previous year, and (\$90,520) due to a decrease in the number of properties requested for inspection by municipalities and subject to the \$20 maintenance fee.
- All other operating revenues increased \$218,363 (14.3%) to \$1,351,124 from \$1,132,761 in 2020 due to a large increase in revenues from contract services and new registered users of the SAMAView system.

OPERATING EXPENSES

Total operating expenses increased from the previous year by \$1,258,035 (6.1%) to \$22,021,391 from \$20,763,356 in 2020.

- Salaries and benefits increased \$609,353 (3.9%) to \$16,217,333 from \$15,607,980 in 2020. The increase was due to a wage and benefits increase to all staff of 2.0%, an expansion of the summer student program and fewer permanent staff vacancies in 2021 as compared to 2020.
- Professional fees increased \$508,336 (80.4%) to \$1,140,602 from \$632,266 in 2020. The increase was due to a large increase in external legal services used in the support of value (property assessment appeals) process.

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

The Agency recorded an addition to unrestricted funds of \$49,071 in 2021, with the year-end balancing increasing to \$278,459 after ending 2020 with \$229,388.

Net reserve expenditures for the year were \$316,972. The year-end reserves balance is \$3,870,708, down from \$4,187,680 in 2020. The main reserves expenditure in 2021 was the summer student program. No reserve allocations were made in 2021.

The capital fund decreased \$2,599,761 (12.4%) in 2021 from \$3,057,816 at the end of 2020. 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, 2021, and the statements of revenues and expenses and changes in fund balances and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2021, and the results of its operations and its cash flows for the years 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The financial statements of the Agency for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 26, 2021.

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 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Regina, Saskatchewan

February 25, 2022

MNP LLP
Chartered Professional Accountants

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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

Year ended December 31, 2021

	Budget 2021 (Unaudited)	Actual 2021	Actual 2020
REVENUE			
Province of Saskatchewan operating grant	\$ 11,616,000	\$ 11,388,000	\$ 11,388,000
Municipal invoices	9,070,000	9,068,692	8,958,019
Appraisal and assessment services	629,000	850,767	692,394
Fees	340,000	452,368	355,789
Interest	40,000	24,362	49,045
Miscellaneous	20,000	23,627	35,533
	21,715,000	21,807,816	21,478,780
EXPENSES			
Bank and payroll charges	15,000	6,984	3,937
Communications	20,000	16,072	12,804
Computer services, software and supplies	1,650,000	1,668,869	1,627,817
Geospatial imagery	85,000	60,000	60,000
Insurance	22,000	28,679	25,811
Land titles information	195,000	171,214	143,409
Office	518,000	488,992	450,717
Printing and data licensing	170,000	76,731	123,729
Professional	486,000	1,140,602	632,266
Rent	1,275,000	1,329,244	1,327,267
Salaries and benefits	15,886,000	16,217,333	15,607,980
Staff training and development	305,000	267,437	299,203
Travel and accommodation	950,000	549,234	448,416
	21,577,000	22,021,391	20,763,356
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	138,000	(213,575)	715,424
Transfer to capital fund	(400,000)	(54,326)	(148,439)
Operating fund balance, beginning of year	-	4,417,068	3,850,083
Operating fund balance, end of year	(262,000)	4,149,167	4,417,068
Reserves (Note 6)	262,000	(3,870,708)	(4,187,680)
UNRESTRICTED FUND BALANCE, END OF YEAR	\$ -	\$ 278,459	\$ 229,388

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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

Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE		
Province of Saskatchewan and municipal restricted grant (Note 5)	\$ 460,801	\$ 460,801
EXPENSES		
Amortization of capital assets	973,182	1,041,771
DEFICIENCY OF REVENUES OVER EXPENSES	(512,381)	(580,970)
Inter-fund transfers		
For purchase of capital assets	54,326	148,439
CAPITAL FUND, BEGINNING OF YEAR	3,057,816	3,490,347
CAPITAL FUND, END OF YEAR	\$ 2,599,761	\$ 3,057,816

See accompanying notes

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

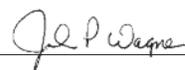
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 1,742,568	\$ 2,157,671
Accounts receivable and accrued interest	25,656	114,412
Municipal invoice receivable	8,144	31,405
Province of Saskatchewan grant receivable	2,847,000	2,847,000
Government remittance receivable	33,869	26,500
Prepaid expenses	572,538	333,052
	<u>5,229,775</u>	<u>5,510,040</u>
CAPITAL ASSETS (Note 3)	5,364,565	6,283,422
	<u>\$ 10,594,340</u>	<u>\$ 11,793,462</u>
CURRENT LIABILITIES		
Accounts payable	\$ 837,792	\$ 907,052
Government remittances payable	1,029	1,029
Deferred contributions relating to TI program (Note 5)	460,800	460,801
Deferred and unearned revenue	241,786	184,891
	<u>1,541,407</u>	<u>1,553,773</u>
DEFERRED CONTRIBUTIONS RELATED TO TI PROGRAM (Note 5)	2,304,005	2,764,805
	<u>3,845,412</u>	<u>4,318,578</u>
NET ASSETS		
Capital fund	2,599,761	3,057,816
Operating fund		
Reserves (Note 6)	3,870,708	4,187,680
Unrestricted	278,459	229,388
	<u>4,149,167</u>	<u>4,417,068</u>
	<u>6,748,928</u>	<u>7,474,884</u>
	<u>\$ 10,594,340</u>	<u>\$ 11,793,462</u>

See accompanying notes

APPROVED BY THE BOARD



Director



Director

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF CASH FLOWS

Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING		
Excess of revenues over expenses:		
Operating fund	\$ (213,575)	\$ 715,424
Capital fund	(512,381)	(580,970)
Items not affecting cash:		
Amortization of capital assets	973,182	1,041,771
	<u>247,226</u>	<u>1,176,225</u>
Changes in non-cash working capital:		
Accounts receivable and accrued interest	88,756	(88,796)
Government remittances receivable	(7,369)	16,198
Municipal requisitions receivable	23,261	(15,466)
Prepaid expenses	(239,486)	385,001
Accounts payable	(69,260)	(272,488)
Deferred revenue	56,895	43,288
Deferred contribution - TI Program	(460,800)	(460,801)
	<u>(360,777)</u>	<u>783,161</u>
INVESTING		
Purchase of capital assets	(54,326)	(507,487)
(DECREASE) INCREASE IN CASH	(415,103)	275,674
CASH, BEGINNING OF YEAR	2,157,671	1,881,997
CASH, END OF YEAR	\$ 1,742,568	\$ 2,157,671

See accompanying notes

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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*.

COVID-19:

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. This pandemic had a limited effect on the Agency’s financial performance and the Agency did not receive any government assistance relating to the COVID-19 pandemic in the current year.

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. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. 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



SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

December 31, 2021

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, 2021, the most significant financial liabilities are accounts payable.

3. CAPITAL ASSETS

		Accumulated	2021	2020
	Cost	Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 2,161,184	\$ 1,973,402	\$ 187,782	\$ 285,085
Furniture and equipment	1,196,801	1,024,507	172,294	188,570
Leasehold improvements	431,640	386,123	45,517	72,382
SPAN system	5,940,000	5,940,000	-	-
TI Program (Note 2(e))	7,697,480	2,738,508	4,958,972	5,737,385
	\$ 17,427,105	\$ 12,062,540	\$ 5,364,565	\$ 6,283,422

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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 2020) repayable on demand and bearing interest at bank prime plus 0.5% (2.95% on December 31, 2021). As at December 31, 2021 there was \$nil (\$nil in 2020) outstanding.

5. DEFERRED CONTRIBUTIONS RELATED TO TI PROGRAM

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 3,225,606	\$ 3,686,407
Amounts amortized to revenue	(460,801)	(460,801)
	2,764,805	3,225,606
Current portion to be recognized within one year	(460,800)	(460,801)
	\$ 2,304,005	\$ 2,764,805

6. INTERNALLY RESTRICTED RESERVES

Operating fund reserve

	<u>2021</u>	<u>2020</u>
Operating fund reserves, beginning of year	\$ 4,187,680	\$ 3,702,840
Reserves made during the year	—	800,000
Approved expenditures made during the year (net of transfers)	(316,972)	(315,160)
Operating fund reserves, end of year	\$ 3,870,708	\$ 4,187,680

The balance in operating fund reserves comprised the following:

	<u>2021</u>	<u>2020</u>
Reserve for technology	\$ 450,406	\$ 450,406
Reserve for professional fees	1,332,374	1,372,374
Reserve for travel	115,000	115,000
Reserve for governance	700,000	1,000,000
Reserve for SAMA operations	1,272,928	1,249,900
	\$ 3,870,708	\$ 4,187,680



SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

6. INTERNALLY RESTRICTED RESERVES (continued)

(a) Reserve for technology

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes.

(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 2021, \$nil (\$383,000 in 2020) was transferred to the reserve and approved expenditures were \$40,000 (\$61,320 in 2020).

(c) Reserve for travel

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

(d) Reserve for governance

A reserve has been established to provide for SAMA governance expenditures in the event of future revenue shortfalls. In 2021, \$300,000 (\$nil in 2020) was transferred out of the reserve.

(e) Reserve for SAMA operations

A reserve has been established to provide for SAMA operations in the event of future revenue shortfalls. In 2021, \$300,000 (\$417,000 in 2020) was transferred to the reserve and approved expenditures were \$276,972 (\$253,840 in 2020).



SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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 2022 and 2028. Annual lease payments are as follows:

2022	\$	1,091,102
2023		947,739
2024		998,360
2025		998,360
2026 and thereafter		1,936,196

The Agency has contracts for computer services outsourcing set to expire in 2026 with the following payments as follows:

2022	\$	365,550
2023		364,350
2024		363,150
2025		361,950
2026		177,888

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, 2021 the employer’s contribution rate is 8.1% of an employee’s salary.

The total pension contributions by the Agency for employees in PEPP was \$1,106,529 (\$1,058,766 in 2020).



SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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>2021</u>	<u>2020</u>
Operating expenses	\$ 2,066,342	\$ 2,085,235
Government remittances receivable	33,869	26,500
Government remittances payable	1,029	4,181

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

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

10. ECONOMIC DEPENDENCE

The Agency is economically dependent on the Province of Saskatchewan due to the extent of its funding of the Agency’s operations, 52% (53% in 2020).





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.



2021

QUALITY
ASSURANCE
DIVISION
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) 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 2021 assessment roll year, Certificates of Confirmation were issued for 747 municipalities (98.2% of all returns submitted to SAMA for 2021). As at March 1, 2022 confirmation audits were in progress for 3 municipal assessment rolls. 11 assessment returns have not yet been submitted for 2021. Assessment rolls that were confirmed for 2021 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 2021, 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 2021.

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 2021. The second table summarizes year over year percentage change for confirmed taxable assessment totals by tax class from 2019 through 2021. More specific confirmed assessment information by municipality is available on the SAMA website.



2021 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

2021		URBAN MUNICIPALITIES				
CONFIRMED ASSESSMENTS		CITIES	TOWNS	VILLAGES	RESORT VILLAGES	TOTAL URBAN MUNICIPALITIES
TAXABLE	Non-Arable	2,498,965	1,626,210	1,153,485	737,325	6,015,985
	Other Agricultural	68,866,427	50,329,259	28,794,065	536,745	148,526,496
	Residential	44,372,007,263	8,542,017,140	1,990,018,744	826,931,056	55,730,974,203
	Multi-Unit	8,900,730,146	494,409,420	33,028,688	17,284,080	9,445,452,334
	Seasonal Residential	0	49,197,920	39,049,200	1,254,557,104	1,342,804,224
	Commercial and Industrial	17,450,072,756	1,619,612,038	245,155,464	40,778,325	19,355,618,583
	Elevators	67,154,505	111,177,513	27,910,930	0	206,242,948
	Railway R/W and Pipeline	102,476,935	34,990,675	34,524,875	48,705	172,041,190
	Taxable Total	70,963,806,997	10,903,360,175	2,399,635,451	2,140,873,340	86,407,675,963
EXEMPT	Non-Arable	2,107,005	1,200,465	285,210	176,715	3,769,395
	Other Agricultural	103,347,366	8,123,830	2,591,820	548,900	114,611,916
	Residential	633,460,980	212,886,215	50,847,864	30,478,720	927,673,779
	Multi-Unit	450,649,716	13,886,420	1,019,072	0	465,555,208
	Seasonal Residential	0	372,480	97,520	60,610,160	61,080,160
	Commercial and Industrial	16,321,056,579	1,853,417,054	454,201,453	35,992,060	18,664,667,146
	Elevators	90,780	3,068,862	8,967,510	0	12,127,152
	Railway R/W and Pipeline	48,371,950	6,752,400	3,867,330	0	58,991,680
	Exempt Total	17,559,084,376	2,099,707,726	521,877,779	127,806,555	20,308,476,436
PROVINCIAL GRANT-IN-LIEU	Non-Arable	0	1,125	0	0	1,125
	Other Agricultural	2,310,445	11,110	0	0	2,321,555
	Residential	118,964,700	34,853,200	6,019,200	0	159,837,100
	Multi-Unit	540,703,083	36,761,920	4,905,680	0	582,370,683
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	1,254,435,207	67,465,180	9,625,060	2,717,790	1,334,243,237
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	645,660	1,034,365	0	0	1,680,025
	Provincial Grant-in-Lieu Total	1,917,059,095	140,126,900	20,549,940	2,717,790	2,080,453,725
FEDERAL GRANT-IN-LIEU	Non-Arable	0	3,420	0	0	3,420
	Other Agricultural	1,216,415	611,435	0	0	1,827,850
	Residential	85,944,760	10,186,400	4,321,920	0	100,453,080
	Multi-Unit	979,200	399,680	481,200	0	1,860,080
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	483,194,805	37,700,985	6,187,660	0	527,083,450
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	10,510,680	5,024,180	1,317,330	0	16,852,190
	Federal Grant-in-Lieu Total	581,845,860	53,926,100	12,308,110	0	648,080,070
2019-2021		URBAN MUNICIPALITIES				
CONFIRMED TAXABLE ASSESSMENTS		CITIES	TOWNS/VILLAGES/RESORT VILLAGES		MUNICIPAL TOTALS	
TAXABLE	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	
	2021	70,963,806,997	15,443,868,966		86,407,675,963	
% CHANGE 2020-21	-13.49	-2.27		-11.68		



2021 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

RURAL RURAL MUNICIPALITIES	NORTHERN NORTHERN MUNICIPALITIES	SASKATCHEWAN SASKATCHEWAN TOTAL
3,923,492,257	89,325	3,929,597,567
35,764,057,010	158,510	35,912,742,016
8,844,676,421	409,444,656	64,985,095,280
255,557,120	46,136,624	9,747,146,078
2,395,223,346	12,544,400	3,750,571,970
12,810,636,446	126,772,230	32,293,027,259
1,229,418,511	0	1,435,661,459
5,060,347,861	15,555	5,232,404,606
70,283,408,972	595,161,300	157,286,246,235
93,852,185	4,083,165	101,704,745
265,683,656	1,338,095	381,633,667
4,089,062,810	21,784,400	5,038,520,989
8,592,640	3,627,200	477,775,048
100,159,774	246,720	161,486,654
1,376,442,943	140,066,995	20,181,177,084
43,520,931	0	55,648,083
372,880,380	0	431,872,060
6,350,195,319	171,146,575	26,829,818,330
88,429,500	0	88,430,625
5,958,535	0	8,280,090
17,154,295	128,240	177,119,635
167,120	398,720	582,936,523
0	0	0
127,676,600	27,385,640	1,489,305,477
279,047	0	279,047
72,063,000	0	73,743,025
311,728,097	27,912,600	2,420,094,422
110,285,145	0	10,288,565
23,636,030	0	25,463,880
14,658,800	2,271,760	117,383,640
12,316,320	0	14,176,400
0	0	0
148,708,605	3,587,765	679,379,820
0	0	0
49,357,885	0	66,210,075
358,962,785	5,859,525	1,012,902,380
RURAL MUNICIPAL TOTALS	NORTHERN MUNICIPAL TOTALS	SASKATCHEWAN PROVINCIAL TOTAL
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
70,283,408,972	595,161,300	157,286,246,235
10.05	-59.96	-3.61

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

¹2021 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	85%
Elevators	85%
Railway R/W and Pipeline	85%

²2019 - 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 2020 to 2021 inclusive have not been confirmed as at March 1, 2022 for the following municipalities, therefore their aggregate assessed values are not included in the confirmed assessment totals in the adjoining tables.

- ³2021 MUNICIPALITIES**
- City of Martensville
 - City of Meadow Lake
 - City of Moose Jaw
 - City of North Battleford
 - N. Village of Buffalo Narrows
 - N. Village of La Loche
 - N. Village of Pelican Narrows
 - N. Village of Sandy
 - Northern Sask. Admin District
 - Town of Fleming
 - Town of Stoughton
 - Town of Zealandia
 - Village of Atwater
 - Village of Buchanan

- ⁴2020 MUNICIPALITIES**
- N. Village of Sandy Bay

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Web: www.sama.sk.ca

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Moose Jaw

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Moose Jaw SK S6H 3J8
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North Battleford SK S9A 0Z5
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Regina

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Regina SK S4P 0K6
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Saskatoon

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Saskatoon SK S7K 0L4
Tel: 306.933.5385 | TF: 800.667.5203 (in Saskatchewan)



Swift Current

203 - 350 Cheadle Street West
Swift Current SK S9H 4G3
Tel: 306.778.8444 | Fax: 306.778.8445 | TF: 800.498.0574 (in Saskatchewan)

Weyburn

100 B 18th Street
Weyburn SK S4H 2W4
Tel: 306.848.2397 | Fax: 306.848.2399 | TF: 800.498.0575 (in Saskatchewan)

Yorkton

45B Palliser Way
Yorkton SK S3N 4C5
Tel: 306.786.1370 | Fax: 306.786.1372 | TF: 800.498.0576 (in Saskatchewan)





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