

A N N U A L R E P O R T



PURSuing EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

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Saskatchewan Assessment Management Agency

VISION

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

MISSION

Under legislative mandate, SAMA develops, delivers and promotes a cost-effective property assessment system for Saskatchewan that is accurate, up-to-date, universal, equitable and understandable.

To do this we focus on five key responsibilities:

REGULATORY

We provide regulatory management of the property assessment system by determining methods of valuation, establishing rules of assessment, and preparing assessment manuals for assessors and appraisers.

DATABASE

We compile, manage and process a central information database of property assessment values and records.

QUALITY ASSURANCE

We conduct quality assurance audits to ensure accurate property assessment values by supervising the administration of the assessment provisions of the municipal Acts, and confirming municipal assessment rolls.

ASSESSMENT SERVICES

We provide property assessment valuation and defence of value services to municipalities.

COMMUNICATIONS

We provide information, consultation and education on property assessment practices to local governments and the public.

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Letter of Transmittal from the Minister

The Honourable Lynda Haverstock
Lieutenant Governor
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7



Harry Van Mulligen
Minister of
Government Relations

Your Honour:

I have the honour to submit the 2005 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, 2005 to December 31, 2005.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'H. Van Mulligen', written in a cursive style.

Harry Van Mulligen
Minister of Government Relations

Letter of Transmittal from the Chair

Honourable Harry Van Mulligen
Minister of Government Relations
Room 315, Legislative Building
Regina SK
S4S 0B3



Craig Melvin
SAMA Chair

Mr. David Marit, President
Saskatchewan Association of Rural Municipalities
2075 Hamilton Street
Regina SK
S4P 2E1

Mr. Lance Bean, President
Saskatchewan School Boards Association
400, 2222 - 13th Avenue
Regina SK
S4P 3M7

Mayor Don Schlosser, President
Saskatchewan Urban Municipalities Association
200, 2222 - 13th Avenue
Regina SK
S4P 3M7

Dear Sirs:

On behalf of the Board of Directors, I respectfully submit the 2005 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2005 to December 31, 2005.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Craig Melvin'.

Craig Melvin
Chair, Board of Directors



Corporate Profile

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

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

On January 1, 2005, amendments to *The Assessment Management Agency Act* came into force. Membership on the SAMA Board is governed by this Act. Changes made provided for the addition of a second member for the education sector and two additional members appointed by the provincial government. The Saskatchewan Assessment Appraisers' Association (SAAA) no longer names a member, bringing the total of SAMA Board members to eleven from the previous nine.

For 2005, the Agency's eleven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- 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;
- one member named by SUMA for cities with a population exceeding 30,000;
- two members named by the Saskatchewan School Boards Association;
- three members nominated by the Minister of Government Relations;
- one member nominated by the Minister of Government Relations based on a recommendation by the Minister of Learning; and,
- the chairperson of the Board, who is nominated by the Minister of Government Relations after consultation with (SARM), (SUMA) and the Saskatchewan School Boards Association.

To hold membership on the SAMA Board, the municipal and school division members must themselves be elected local government officials. Board members are appointed for a maximum three-year term and may be reappointed to subsequent terms.

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

Three additional committees have been established by the Board:

- Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests;
- The Agricultural Land Review Committee, representing stakeholder organizations, expert third parties and assessment professionals, focusing on improving agricultural land assessment; and
- The Technical Development Committee, representing assessment professionals, focusing on technical issues related to implementing a 2009 market value assessment system for urban properties. (term completed on January 1, 2006)

In addition to regular meetings of the advisory committees, SAMA holds an annual meeting, to which municipalities and school divisions 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 and school divisions;
- 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.

SAMA is funded jointly by the Province, municipalities, and school divisions. The Department of Learning pays the education sector requisition on behalf of school divisions. The Agency receives 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.

The balance of the Agency's revenue is provided by those municipalities that use the Agency's assessment services, and is obtained through a municipal requisition.

SAMA provides assessment valuation services to 804 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 752,000 properties.

SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from six regional offices – Melfort, Regina, Saskatoon, Swift Current, Weyburn and Yorkton – and one rural office in North Battleford.



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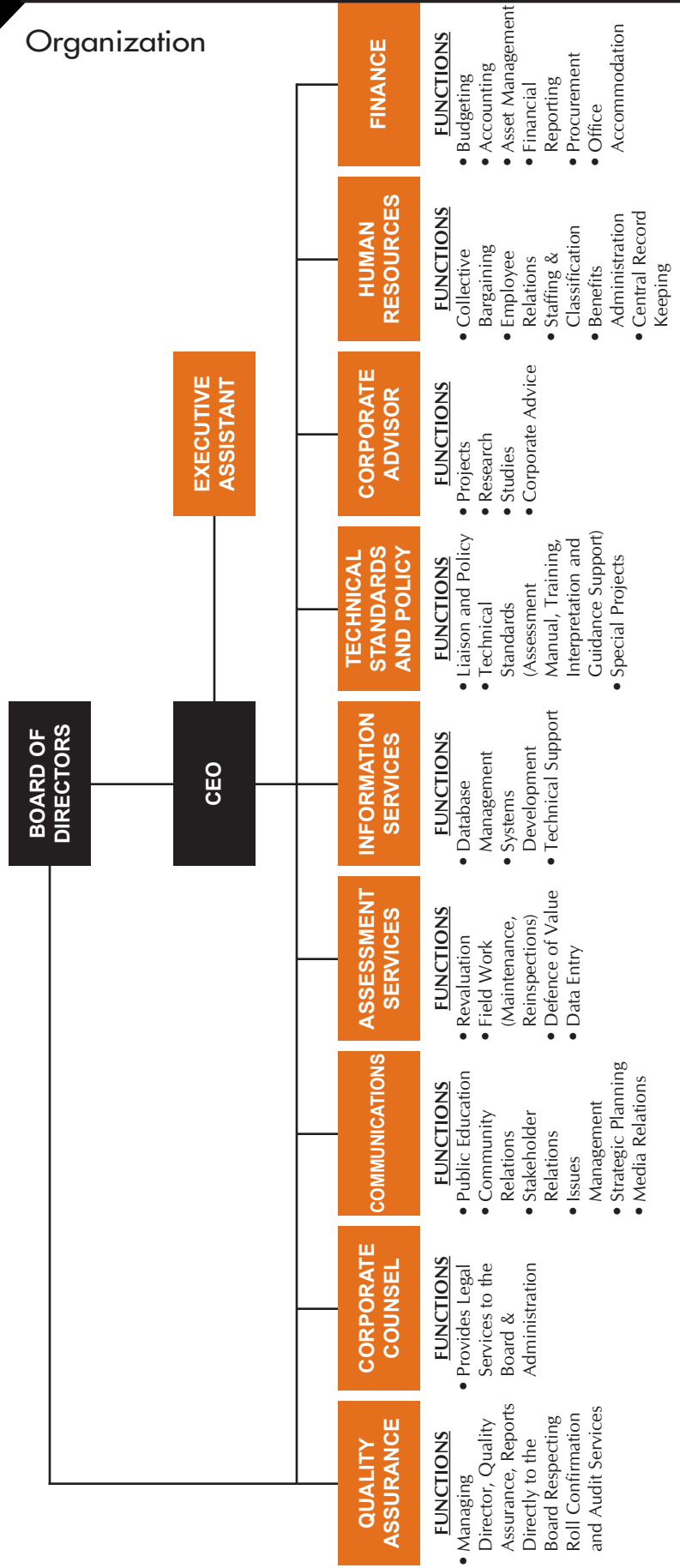
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SAMA
Saskatchewan Assessment
Management Agency

Organization



Board of Directors



Left to right: **Sharon Armstrong**, representing Urban; **Ron Thomas**, representing the Province; **Rick Brunsdon**, representing the Province; **Fred Clipsham**, representing Urban; **Craig Melvin**, Chair, representing the Province; **Arthur Scherr**, representing the Province; **Robert Schultz**, representing the Province; **Darryl Senecal**, representing Rural; **Dan Danielson**, representing Boards of Education; **John Wagner**, representing Rural

Missing from photo: **Richard Douglas**, representing Boards of Education (term ended December 2005)

Executive Team



Back row, left to right: **Gord Larson**, Project Manager, Saskatchewan Property Assessment Network; **Gordon Senz**, Managing Director, Quality Assurance Division; **Brad Korbo**, Director of Research; **Stuart McDonald**, Corporate Advisor; **Irwin Blank**, Managing Director, Technical Standards and Policy Division; **Timothy Furlong**, Managing Director, Assessment Services Division

Front row, left to right: **George Dobni**, Managing Director, Finance Division; **Rick Lee**, Managing Director, Information Services Division; **Margaret Duffy**, Managing Director, Communications Division; **Murray Cooney**, Chief Executive Officer; **Penny Gingras**, Executive Assistant; **Dona-Lynn Morley**, Corporate Counsel

Missing from photo: **Terry Zborowski**, Managing Director, Human Resources Division



Chair's Report

The SAMA Board of Directors is responsible for the regulation of assessment policies and governance of the property assessment system that is used by all urban, northern and rural municipalities in the province. This includes regulating assessment valuation procedures, conducting assessment research, consulting on policy with 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.

Overview

The year 2005 was a revaluation year for property assessment in Saskatchewan. The success of the 2005 revaluation depended upon the hard work, co-operation and commitment of all our partners, primarily municipalities and school divisions.

Public meetings across the province, special consideration for commercial and agricultural valuations, and tracking of specific 2005 revaluation issues were key features of the Board's implementation plan for this important year.

SAMA consults extensively to ensure the implementation of equitable, and understandable assessment policies for property owners. Municipalities and school divisions play an indispensable role in our assessment system and our successes are very much a collective achievement, providing a base to build on as we prepare for the future.

Legislation Update

The Municipalities Act came into force on January 1, 2006. This Act is a consolidation of *The Rural Municipality Act, 1989* and *The Urban Municipality Act, 1984* and will provide the legislative framework through which all municipalities exercise their powers and provide services, except those governed by *The Northern Municipalities Act* and *The Cities Act*.

The Municipalities Act is intended to grant municipalities broader powers and more flexibility to deal with matters that are of a local nature.

During the Fall 2005 session of the Saskatchewan legislature, the Honourable Len Taylor, Minister of Government Relations introduced three Bills:

- Bill 4 – *The Assessment Management Agency Amendment Act, 2005*;
- Bill 5 – *The Cities Amendment Act, 2005*; and
- Bill 6 – *The Municipalities Amendment Act, 2005*.

In response to requests from the municipal sector, assessment service providers and the commercial sector, the Minister proposed amendments to *The Cities Act*, *The Municipalities Act* and *The Assessment Management Agency Act*. These amendments will complete the legislative framework required to facilitate the move to a market value assessment system and enable the use of valuation methods such as the rental income approach. The Bills are expected to be passed in the Spring 2006 session of the legislature.



The assessment-related amendments are being proposed to assure SAMA and other assessment service providers that legislation will be in place for 2009 to support the final move to a market value based property assessment system for residential and commercial properties. Agricultural properties will continue to be assessed using the productivity system, and certain industrial properties will continue to be assessed using a regulated manual.

SAMA Funding

Municipalities contribute to SAMA's assessment services through an annual requisition fee. In 2005, this fee amounted to \$5.8 million out of a total budget of \$11.8 million.

The SAMA Board did not raise the municipal requisition fee in 2005 and will not do so in 2006.

The only source of revenue controlled entirely by the Agency is the requisition fee levied on municipalities. It is a challenge for the Agency to balance the amount of, and any increases to, the levy against the ability of many small municipalities to adequately fund the service.

In recognition of how important a stable, modern assessment system is to education funding in Saskatchewan, the Province, on behalf of school divisions, committed to a three-year \$2.5 million funding initiative starting with \$750,000 in 2004. In 2005, Saskatchewan Learning provided an additional \$875,000 and Government Relations added \$345,000 to its existing commitment.

Combined with special project funding for the SPAN computer system and income approach research, this new funding from the Province allowed SAMA to balance its budget in the 2005 fiscal year. An additional \$875,000 in new provincial school division funding for SAMA is anticipated in 2006.

The Agency is appreciative of the new education sector funding which reflects its requirements for a reliable assessment system. This additional funding stabilizes SAMA's operations at present service levels for 2006.

Governance

It is the role and responsibility of the SAMA Board of Directors to provide a long-term vision for the provincial assessment function and a plan to achieve it. The SAMA Board's mandate is to develop, deliver and promote a cost-effective property assessment system for Saskatchewan that is accurate, up-to-date, universal, equitable and understandable. Since its 1987 inception, the Board's focus has been to move Saskatchewan's property assessment to national and international standards.

The next steps for 2006-2009 are critical to achieving the final vision for the provincial assessment function. In particular, the necessary legislative regime must be approved, the Computer-Assisted Mass Appraisal (CAMA) system must continue to be developed and refined, and the required fiscal resources must be provided to support the plan. The Board's focus has been on directing these key final stages to modernize Saskatchewan's property assessment function. A compelling and broadly supported vision for the future has been created.



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Strategic Planning

The SAMA Board of Directors reviewed and updated its strategic plan in February 2005. The plan focuses on strategic directions and high-level commitments that include: successfully implementing the 2009 revaluation, securing stable funding, enhancing communications and relationships with stakeholders, and achieving desired legislative change.

The Board continues to monitor progress towards the realization of these strategic directions, and will sustain its attention to this document as a powerful tool contributing to SAMA's long-term success.

SAMA's Quality Assurance Function

The SAMA Board is determined to be responsive to the service needs of its clients. Effective January 1, 2005, the Quality Assurance Division now reports directly to the Board respecting audit and confirmation matters. This change was made in response to municipal concerns about the independence of SAMA's audit function.

As of January 1, 2005, changes to *The Assessment Management Agency Act* affecting the formal aspects of assessment quality assurance (previously the audit function) include provisions for a Primary Audit for roll confirmation, and a more detailed, Secondary assessment audit.

The Board has committed to a further review of the quality assurance function prior to the 2009 revaluation. The objective is to develop and finalize market value assessment (MVA) quality assurance standards in 2006, and to incorporate any changes needed to accommodate confirmation and quality assurance audit issues arising from the implementation of the full MVA system for urban properties.

SAMA Board of Directors 2005 Revaluation Regional Consultations

In October of 2005, the SAMA Board of Directors conducted a 2005 revaluation consultation tour of communities throughout Saskatchewan. The seven communities visited were Swift Current, Battleford, Yorkton, Weyburn, Melfort, La Ronge and Warman.

Local governments and property owners play an indispensable role in Saskatchewan's property assessment system. The SAMA Board is interested in knowing what direction they believe should be taken to continue developing, promoting and delivering a cost-effective property assessment system for the province. This series of consultation meetings followed the 2005 revaluation to receive public and local government input regarding assessment policy direction and the delivery of assessment valuation services.

The Board received a number of assessment-related concerns during the hearings. These concerns will be reviewed with the aim of improving the assessment system and Agency business processes. Other issues focused on education tax on property and the assessment appeal process, which are not under SAMA's jurisdiction. These issues were documented and forwarded to the Province for its consideration.

A report on the 2005 Revaluation consultation meetings entitled *Current Issues In Saskatchewan Property Assessment* is available on SAMA's website: www.sama.sk.ca under Publications, and has been distributed to municipalities and school divisions throughout the province. A Board review of the issues and concerns summarized in the report will contribute to shaping SAMA's future policy direction and ensuring a fair and equitable assessment system.

A Look Ahead to 2009

SAMA's move to market value for residential and commercial properties in 2009 will align Saskatchewan's assessment system with other assessment jurisdictions throughout Canada.

The shift from Saskatchewan's current fully regulated system to a more flexible, market value assessment system for 2009 will be a significant change. Agricultural properties will continue to be assessed using the current regulated system based on productive value.

In March 2005, SAMA hosted two "Move to Market Value 2009" non-technical informational workshops in Saskatoon and Regina. At these workshops, two assessment professionals from jurisdictions in Alberta and Ontario provided valuable lessons about the move from a cost-based, regulated system to market value. Those who attended learned about the significant challenges ahead, the need to plan carefully to introduce a market system, and how best to allocate necessary resources to achieve success.

The Technical Development Committee

SAMA's Board of Directors established the Technical Development Committee in early 2004 to advise on how best to move to market. With the participation of assessors from all independent jurisdictions, this committee advised on the basic policy direction for Saskatchewan's move to market value until its mandate was completed on January 1, 2006.

The Technical Development Committee was comprised of highly qualified professionals in the assessment industry representing large and small cities, the Appraisal Institute of Canada, the Saskatchewan Assessment Appraisers' Association, and SAMA itself.

Based on the Committee's recommendations, the SAMA Board developed the following vision for the 2009 Revaluation:

"To build public trust by providing fair, transparent, understandable and defensible property valuations in a results-based, mass appraisal, market value assessment system, used for the distribution of taxation.

The principles for the 2009 revaluation are to implement a market value system that:

- 1. Permits the use of the cost, sales comparison, and income approach where appropriate in all jurisdictions;*
- 2. Uses regulation for properties such as agricultural land, oil and gas well production equipment, linear property and heavy industrial property; and*
- 3. Sets the stage for a shorter revaluation cycle."*

The 2009 vision calls for a change from our current highly regulated and restricted property assessment system to a more flexible, results-focused market value assessment system.

The proposed MVA system is not new to Canada as all Canadian provinces are on this system for property assessment purposes.

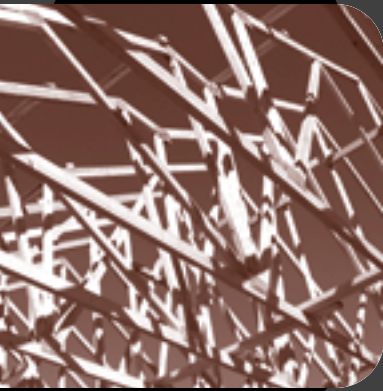
SAMA is working toward a future assessment system in which market value will be the standard by which values are created and measured for all residential and commercial properties.



Conclusion

I would like to thank each member of the SAMA Board of Directors, all stakeholder groups and SAMA personnel for their dedication and hard work throughout the important revaluation year of 2005. The SAMA Board values the support provided by the Agency's administration, and provincial assessment professionals. The Board looks forward to continuing its cooperative working relationship with municipalities, school divisions, local government associations and the Province.

Craig Melvin
Chair, Board of Directors



Administrative Report - The Year in Review

Assessment Services

2005 Revaluation Program

SAMA's major program commitment for 2005 was the province-wide revaluation of all property to update assessment values to a June 30, 2002 base date. The Assessment Services division provided new assessment values to municipal assessors in January 2005 and continued to provide support services to municipalities throughout the year.

Approximately 752,000 properties were valued in 804 municipalities. Approximately 160,000 sales were reviewed to arrive at the rates and Market Adjustment Factors applied to the revalued properties.

Throughout the year, appraisers attended open houses and met often with municipal assessors, councils and property owners to explain property assessments and resolve local assessment issues. Those who attended Boards of Revision and Appeal Board hearings explained and defended assessment valuations provided by SAMA. A total of 3,691 property assessment appeals were filed with local Boards of Revision.

This appeal rate is a substantial improvement over the 7,400 property assessment appeals that were filed as a result of the 2001 revaluation. Based on 752,000 properties in 2005, the appeal rate was 0.5%.

Property Inspection Programs

SAMA maintained detailed property assessment records under 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 the municipality are reviewed under the general reinspection program.

The following is a summary of reinspection activities conducted by SAMA in 2005:

- reinspection of more than 9,960 agricultural parcels (quarter sections)
- reinspection of more than 7,110 building improvements
- reinspection of 8,948 industrial properties
- more than 36,796 non-industrial property assessments updated and 58,000 industrial property assessments updated under the annual maintenance program
- general reinspections implemented for 11 rural and 18 urban municipalities
- general reinspections initiated in an additional 15 rural and 48 urban municipalities

Another significant Assessment Services special project during 2005 included SAMA parcel matching to 100,917 Information Services Corporation (ISC) parcels. This assessment parcel matching project is essential to making full use of Geographic Information Systems (GIS) to display and analyse assessment information in the future. Work on the parcel-matching project is expected to continue through 2006.





Saskatchewan Property Assessment Network

The Saskatchewan Property Assessment Network (SPAN) is an integrated computer assessment information system that replaces the former Computer-Assisted Mass Appraisal (CAMA) system, designed in the 1970s.

The SPAN project has been fully funded by the provincial government. In 2002, the Province of Saskatchewan allotted \$990,000 in special funding to begin Phase I development of the four-phase Saskatchewan Property Assessment Network, or SPAN, replacing the current Computer Assisted Mass Appraisal (CAMA) system designed in the 1970s.

The annual \$990,000 SPAN development funding allotment from the Province will continue for 2006-2007, and was essential for completion of the SPAN project on April 15, 2005.

The new SPAN system improves SAMA's ability to retrieve and exchange information with assessment stakeholders and client municipalities, includes the functionality necessary to implement the market value assessment system, and integrates with Geographic Information Systems (GIS) applications.

The SPAN project has moved from the special capital project phase to the ongoing operational development, support and maintenance environment.

SAMA anticipates that the SPAN system operational environment will continue to improve significantly to better serve the Agency's needs and those of all our clients and stakeholders over the next months and years.

SAMA's successful development and implementation of the SPAN project provides the agency and its client municipalities with the benefits of an up-to-date, industry standard computer system to improve service to our clients and assessment stakeholders.

It is important to acknowledge all the SAMA personnel who contributed to the SPAN project for their dedication, perseverance and their willingness to make it a success.

SAMA wishes to acknowledge and thank the provincial government for fully funding the SPAN project.

Information Services

The Transitional Committee for Technical Change successfully completed its mandate in December 2005 and addressed procedural and technical issues related to SPAN.

Information Services upgraded SPAN server hardware in 2005, resulting in a two-fold performance increase. Once core SPAN components were implemented for Assessment Services, the SPAN team focused on delivering core components for Quality Assurance Division's Roll Confirmation, Roll Balancing and Audit applications. New technology issues contributed to delaying Quality Assurance's ability to carry out Roll Confirmation until September 2005.

An Electronic Funds Transfer (EFT) module was evaluated, selected and implemented to streamline the expense payment process, eliminate manual cheques and benefit employees by directly depositing expense reimbursement into their bank accounts.

The Agency acquired time and expense reporting modules to automate and track employee time and expenses. The time reporting module was piloted in late 2005; the expense module will be piloted in early 2006. The modules will be fully operational by mid-2006.

Information Services' primary focus is now on planning for the 2009 Revaluation to ensure resources are sufficient to automate new market valuation models (sales comparison and income) and new Marshall and Swift cost models.

The legacy CAMA archival project continued through 2005.

In 2005, the Desktop Support team worked to support staffing changes and new staff coming into the Agency. Information Services' network team added disk space and associated backup capability to Agency servers, and began the regional offices server upgrade project.

Human Resources

Despite a regional and national shortage of professional property assessment appraisers, SAMA made some moderate gains in filling some of its vacant appraiser positions. The Agency was able to attract several experienced assessment appraisers into previously vacant positions.

A professional workforce of 90 property assessment appraisers (including managers) and five data entry personnel worked to meet program commitments. An additional three appraiser positions remained vacant throughout the year.

SAMA remains committed to working with Lakeland Community College in Vermilion, Alberta to recruit new personnel. Anticipating a scarcity of assessment appraisers, the Agency continues its:

- \$5,000 sponsorship program for a limited number of second-year students at Lakeland Community College (students sign an employment commitment to SAMA)
- \$500 annual bursary, awarded to a first-year student with the highest grade point average in assessment appraisal studies

The Agency has also developed a comprehensive Training and Accreditation Program to develop future urban appraisers. Upon completion of this five-year program, the successful candidate will be a fully qualified and accredited assessment appraiser with a remaining three-year service commitment to the Agency.

Other significant SAMA employment changes in 2005 include the following:

- New Manager of the Revaluation Unit hired from British Columbia
- New Managers of the Weyburn and Saskatoon Regions
- New Training Co-ordinator
- Ten Summer Students in Industrial, Income and for the Marshall-Swift Project
- One Lakeland graduate in the Industrial Division
- Two Information Services Application Support Analysts to support CAMA development
- A temporary Desktop Support Technician to assist with Help Desk problems

Work continues on a succession and retention plan to assist the Agency in efficiently filling future vacancies.





Collective Bargaining

Contract negotiations with the SGEU and SAMA resulted in the ratification of a revised Collective Bargaining agreement which was signed in Saskatoon on February 28, 2005 and took effect on March 1, 2005. A pay equity strategy was negotiated between the SGEU and SAMA in late 2005.

The Competitive Assessment Environment

Since 1995, a provision in *The Assessment Management Agency Act* has been made available for municipalities, other than the four major cities of Moose Jaw, Prince Albert, Regina and Saskatoon, to use alternative assessment service.

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

In 2005, one urban municipality (Metinota) decided to receive its assessment services from a service provider other than SAMA. In total, as of December 31, 2005, there are 16 urban municipalities that do not use SAMA's services.

Confirmation of Assessment Rolls and Assessment Audit

The Quality Assurance Division conducted Confirmation audits of assessment rolls and Primary Audits for all municipalities in Saskatchewan to determine compliance with the requirements of the municipal Acts, *The Assessment Management Agency Act*, and the Saskatchewan Assessment Manual. For the year ending December 31, 2005, SAMA had issued confirmation certificates for 634 municipalities. One hundred and fourteen municipal assessment rolls for 2005 remained to be confirmed as at March 1, 2006.

Income Approach

Since 2002, the province has provided \$330,000 per annum towards SAMA's income approach project. The income approach is a commercial property assessment methodology integral to SAMA's future implementation of a market value assessment system. Income approach methodology is based on the assumption that commercial property value is directly related to the rental income it can generate over its economic lifetime. Where applicable, the income approach will provide the appraiser with an additional, important valuation tool to reflect property valuation accuracy.

Only income and operating expenses related to a property's operation are used for the income approach. Income or expenses associated with the operation of a business conducted on the property are not relevant or used in the property's valuation.

Over the last two years, income research pilot projects have been undertaken in a number of SAMA jurisdictions, including the City of Yorkton, and more recently, the City of Humboldt. Separate pilot income research projects were also undertaken on hotels, motels and apartments across SAMA jurisdiction municipalities. Findings from these pilot projects will guide market value assessment implementation across the province.

Throughout 2005, SAMA collected physical data, owners' names and mailing addresses, and took digital photographs for commercial properties located in the Cities of Humboldt, Melville and Weyburn. The income team investigated other commercial properties in specific jurisdictions to determine if the rental income approach could be used in the larger commercialized rural municipalities in the province.

SAMA will continue to work actively on the income approach project so that the necessary processes, systems, training and all required new data is in place for implementation in 2009.

Agricultural Land Review Committee

SAMA established an Agricultural Land Review Committee in May 2004 to review all aspects of arable and non-arable agricultural land property valuation models. The committee is currently analysing these models, and recommending improvements for the 2009 revaluation.

SAMA has established the following vision for the 2009 agricultural land model:

"To build public trust in the arable and non-arable agricultural land assessments by providing a mass appraisal valuation system that:

- is consistent with SAMA's Mission;
- is based on the potential productivity of the land;
- is defensible and stable; and
- uses objective and verifiable data."

SAMA partnered with Saskatchewan Agriculture and Food to conduct a province-wide rent study on both arable and non-arable (pasture) land. Information from this rent study has proven valuable for SAMA's Agricultural Land Committee productivity model research work.

In December 2005, the Agricultural Land Review Committee extended its mandate to July 1, 2006 so it can continue reviewing practices used to value agricultural land for property tax purposes in other jurisdictions across North America, with particular emphasis on methods for converting productivity indexes to a value per acre.

For the future, SAMA's Agricultural Land Review Committee will provide recommendations to the SAMA Board and rural stakeholders as represented on SAMA's Rural Advisory Committee, for approval and implementation in 2009.



2005 Confirmed Assessed Value Totals by Tax Status

URBAN MUNICIPALITIES

	CITIES	DISTRICTS	TOWNS	VILLAGES
TAXABLE:				
Non-Arable	754,178	0	539,320	191,320
Other Agricultural	7,085,857	40,205	8,810,843	6,818,421
Residential	10,552,528,333	14,963,760	1,984,711,413	451,297,611
Multi-Unit	2,170,369,155	0	75,424,771	7,260,190
Seasonal Residential	0	29,972,460	14,041,230	12,130,510
Commercial and Industrial	4,205,382,090	1,528,400	479,082,331	71,705,362
Elevators	23,985,620	0	46,702,200	10,569,641
Railway R/W and Pipeline	26,622,800	0	9,468,675	10,983,675
Taxable Total	16,986,728,033	46,504,825	2,618,780,783	570,956,730

EXEMPT:				
Non-Arable	1,529,166	0	179,920	27,920
Other Agricultural	20,092,948	0	1,304,490	609,108
Residential	103,992,774	0	59,266,201	9,196,499
Multi-Unit	44,602,256	0	3,616,480	1,038,380
Seasonal Residential	0	0	0	401,170
Commercial and Industrial	4,209,293,496	1,207,500	943,018,119	295,136,448
Elevators	0	0	10,950	1,058,969
Railway R/W and Pipeline	33,470,710	0	3,318,300	1,971,975
Exempt Total	4,412,981,350	1,207,500	1,010,714,460	309,440,469

PROVINCIAL GRANT-IN-LIEU				
Non-Arable	42,240	0	200	0
Other Agricultural	867,825	0	17,600	5,995
Residential	29,412,385	0	14,270,620	3,336,830
Multi-Unit	126,630,580	0	9,821,000	2,734,970
Seasonal Residential	0	0	0	0
Commercial and Industrial	369,489,632	17,200	18,684,500	2,984,100
Elevators	0	0	0	0
Railway R/W and Pipeline	0	0	2,475	0
Provincial Grant-in-Lieu Total	526,442,662	17,200	42,796,395	9,061,895

FEDERAL GRANT-IN-LIEU				
Non-Arable	0	0	0	0
Other Agricultural	200,525	0	89,375	0
Residential	21,094,108	0	1,885,100	1,634,640
Multi-Unit	19,468,559	0	386,750	254,590
Seasonal Residential	0	0	0	0
Commercial and Industrial	156,836,704	0	14,846,700	2,459,800
Elevators	0	0	0	0
Railway R/W and Pipeline	2,000,700	0	0	0
Federal Grant-in-Lieu Total	199,600,596	0	17,207,925	4,349,030

2005 assessed values for Urban, Rural and Northern municipalities are calculated based on the following percentages of fair value for the June 30, 2002 base year:

Non-Arable Land	40%
Other Agricultural	55%
Residential/Seasonal	70%
Multi-Unit Residential	70%
Commercial and Industrial	100%
Elevators	75%
Railway R/W and Pipeline	75%

¹ Assessment rolls for 2005 have not been confirmed as at March 1, 2006 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2005 assessment totals in the above table:



RESORT VILLAGES	TOTAL URBAN MUNICIPALITIES	RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	SASKATCHEWAN ¹ TOTAL
32,360	1,517,178	610,092,468	124,120	611,733,766
39,820	6,893,863,663	104,060	22,795,146	6,916,762,869
88,534,400	13,092,035,517	667,510,351	124,874,454	13,884,420,322
519,120	2,253,573,236	5,594,820	8,096,970	2,267,265,026
200,065,550	256,209,750	243,503,856	3,115,840	502,829,446
6,126,300	4,763,824,483	3,211,558,399	58,121,300	8,033,504,182
0	81,257,461	240,697,762	0	321,955,223
22,725	47,097,875	1,518,395,845	8,625	1,565,502,345
295,340,275	20,518,310,646	13,391,217,164	194,445,369	34,103,973,179
35,760	1,772,766	13,462,240	730,320	15,965,326
50,930	22,057,476	23,649,688	267,245	45,974,409
903,351	173,358,825	519,641,251	8,808,030	701,808,106
0	49,257,116	584,080	575,890	50,417,086
10,064,950	10,466,120	12,248,224	43,610	22,757,954
5,407,200	5,454,062,763	658,838,311	70,944,000	6,183,845,074
0	1,069,919	21,246,165	0	22,316,084
0	38,760,985	118,071,305	0	156,832,290
16,462,191	5,750,805,970	1,367,741,264	81,369,095	7,199,916,329
0	42,440	27,341,900	0	27,384,340
0	891,420	2,588,910	0	3,480,330
192,640	47,212,475	622,300	63,350	47,898,125
0	139,186,550	0	0	139,186,550
0	0	2,730	0	2,730
1,755,400	392,930,832	22,788,000	8,713,300	424,432,132
0	0	0	0	0
0	2,475	28,617,300	0	28,619,775
1,948,040	580,266,192	81,961,140	8,776,650	671,003,982
0	0	82,508,320	0	82,508,320
0	289,900	5,386,810	0	5,676,710
0	24,613,848	5,805,870	709,730	31,129,448
0	20,109,899	4,689,860	0	24,799,759
0	0	0	0	0
4,200	174,147,404	42,925,800	2,732,700	219,805,904
0	0	0	0	0
0	2,000,700	2,604,900	0	4,605,600
4,200	221,161,751	143,921,560	3,442,430	368,525,741
City of Moose Jaw N. Village of Beauval N. Village of Cole Bay N. Village of Cumberland House N. Village of Jans Bay N. Village of La Loche N. Village of Pelican Narrows N. Village of Sandy Bay Northern Sask. Admin District Resort Village of Bird's Point Resort Village of Island View Resort Village of Manitou Beach Resort Village of Wakaw Lake Resort Village of West End R.M. of Aberdeen No. 373 R.M. of Abernethy No. 186 R.M. of Arborfield No. 456 R.M. of Baildon No. 131 R.M. of Bone Creek No. 108 R.M. of Buchanan No. 304 R.M. of Buckland No. 491 R.M. of Cambria No. 006 R.M. of Cana No. 214	R.M. of Clayton No. 333 R.M. of Corman Park No. 344 R.M. of Craik No. 222 R.M. of Fertile Valley No. 285 R.M. of Fox Valley No. 171 R.M. of Garden River No. 490 R.M. of Good Lake No. 274 R.M. of Grant No. 372 R.M. of Hazel Dell No. 335 R.M. of Hudson Bay No. 394 R.M. of Insinger No. 275 R.M. of King George No. 256 R.M. of Laird No. 404 R.M. of Lajord No. 128 R.M. of Lake Lenore No. 399 R.M. of Lakeland No. 521 R.M. of Leask No. 464 R.M. of Loon Lake No. 561 R.M. of Lost River No. 313 R.M. of Lumsden No. 189 R.M. of Martin No. 122 R.M. of Meadow Lake No. 588 R.M. of Montrose No. 315	R.M. of Moosomin No. 121 R.M. of Morse No. 165 R.M. of Mount Pleasant No. 002 R.M. of Norton No. 069 R.M. of Oakdale No. 320 R.M. of Paddockwood No. 520 R.M. of Paynton No. 470 R.M. of Porcupine No. 395 R.M. of Prince Albert No. 461 R.M. of Redburn No. 130 R.M. of Shellbrook No. 493 R.M. of Sherwood No. 159 R.M. of Spiritwood No. 496 R.M. of Tisdale No. 427 R.M. of Vanscoy No. 345 R.M. of Walpole No. 092 R.M. of Webb No. 138 Town of Allan Town of Arborfield Town of Bienfait Town of Big River Town of Bruno Town of Coronach	Town of Hanley Town of Langham Town of Maple Creek Town of Martensville Town of Morse Town of Rosetown Town of Rouleau Town of Shellbrook Town of Tisdale Town of Unity Town of Vonda Town of Wapella Town of Whitewood Village of Abernethy Village of Aneroid Village of Belle Plaine Village of Bracken Village of Brownlee Village of Caronport Village of Duff Village of Ernfold Village of Eyebrow Village of Fairlight	Village of Findlater Village of Flaxcombe Village of Girvin Village of Gladmar Village of Margo Village of Mervin Village of North Portal Village of Pangman Village of Paynton Village of Plunkett Village of Rhein Village of Ridgedale Village of Rockhaven Village of Ruddell Village of Shamrock Village of Stewart Valley Village of Stockholm Village of Stornoway Village of Togo Village of Waseca Village of Weirdale Village of Willowbrook

2001-2005 Confirmed Taxable Assessment Totals

URBAN MUNICIPALITIES

	CITIES	DISTRICTS	RESORTS, TOWNS AND VILLAGES	URBAN MUNICIPALITIES TOTAL	RURAL MUNICIPALITIES TOTAL	NORTHERN MUNICIPALITIES TOTAL	SASKATCHEWAN TOTAL
2001	16,050,705,693	0	3,780,517,143	19,831,222,836	15,717,227,244	436,898,120	35,985,348,200 ^{2,5}
PERCENT CHANGE 2000-01	15.86	0	8.94	14.48	7.81	6.86	11.37
2002	16,278,474,523	0	3,771,133,587	20,049,608,110	15,927,623,088	432,701,425	36,409,932,623 ²
PERCENT CHANGE 2001-02	1.42	0	-0.25	1.10	1.34	-0.96	1.18
2003	16,301,115,837	0	3,812,254,509	20,113,370,346	16,106,037,470	435,711,765	36,655,119,581 ²
PERCENT CHANGE 2002-03	0.14	0	1.09	0.32	1.12	0.70	0.67
2004	16,712,489,765	0	3,841,061,470	20,553,551,235	16,250,893,151	434,618,055	37,239,062,441 ^{2,4}
PERCENT CHANGE 2003-04	2.52	0	0.76	2.19	0.90	-0.25	1.59
2005	16,986,728,033	46,504,825	3,485,077,788	20,518,310,646	13,391,217,164	194,445,369	34,103,973,179 ^{1,3}
PERCENT CHANGE 2004-05	1.64	0	-9.27	-0.17	-17.60	-55.26	-8.42

¹2005 assessed values are calculated based on the following percentages of fair value for the June 30, 2002 base year:

Urban, Rural and Northern Municipalities:

Non-Arable Land	40%	Commercial and Industrial	100%
Other Agricultural	55%	Elevators	75%
Residential/Seasonal	70%	Railway R/W and Pipeline	75%
Multi-Unit Residential	70%		

²2001-2004 assessed values are calculated based on the following percentages of fair value for the June 30, 1998 base year:

Urban, Rural and Northern Municipalities:

Non-Arable Land	50%	Seasonal Residential	70%
Other Agricultural	55%	Commercial and Industrial	100%
Residential	70%	Elevators	75%
Multi-Unit Residential	70%	Railway R/W and Pipeline	75%

³Assessment rolls for 2005 have not been confirmed as at March 1, 2006 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2005 assessment totals in the above table:

City of Moose Jaw	R.M. of Buchanan No. 304	R.M. of Lakeland No. 521	R.M. of Sherwood No. 159	Town of Shellbrook	Village of Gladmar
N. Village of Beauval	R.M. of Buckland No. 491	R.M. of Leask No. 464	R.M. of Spiritwood No. 496	Town of Tisdale	Village of Margo
N. Village of Cole Bay	R.M. of Cana No. 214	R.M. of Loon Lake No. 561	R.M. of Tisdale No. 427	Town of Unity	Village of Mervin
N. Village of Cumberland House	R.M. of Clayton No. 333	R.M. of Lost River No. 313	R.M. of Vanscoy No. 345	Town of Vonda	Village of North Portal
N. Village of Jans Bay	R.M. of Corman Park No. 344	R.M. of Lumsden No. 189	R.M. of Walpole No. 092	Town of Wapella	Village of Pangman
N. Village of La Loche	R.M. of Craik No. 222	R.M. of Martin No. 122	R.M. of Webb No. 138	Town of Whitewood	Village of Paynton
N. Village of Pelican Narrows	R.M. of Fertile Valley No. 285	R.M. of Meadow Lake No. 588	Town of Allan	Village of Abernethy	Village of Plunkett
N. Village of Sandy Bay	R.M. of Fox Valley No. 171	R.M. of Montrose No. 315	Town of Arborfield	Village of Aneroid	Village of Rhein
Northern Sask. Admin District	R.M. of Garden River No. 490	R.M. of Moosomin No. 121	Town of Bienfait	Village of Belle Plaine	Village of Ridgedale
Resort Village of Bird's Point	R.M. of Good Lake No. 274	R.M. of Morse No. 165	Town of Big River	Village of Bracken	Village of Rockhaven
Resort Village of Island View	R.M. of Grant No. 372	R.M. of Mount Pleasant No. 002	Town of Bruno	Village of Brownlee	Village of Ruddell
Resort Village of Manitou Beach	R.M. of Hazel Dell No. 335	R.M. of Norton No. 069	Town of Coronach	Village of Caronport	Village of Shamrock
Resort Village of Wakaw Lake	R.M. of Hudson Bay No. 394	R.M. of Oakdale No. 320	Town of Hanley	Village of Duff	Village of Stewart Valley
Resort Village of West End	R.M. of Insinger No. 275	R.M. of Paddockwood No. 520	Town of Langham	Village of Ernfold	Village of Stockholm
R.M. of Aberdeen No. 373	R.M. of King George No. 256	R.M. of Paynton No. 470	Town of Maple Creek	Village of Eyebrow	Village of Stornoway
R.M. of Abernethy No. 186	R.M. of Laird No. 404	R.M. of Porcupine No. 395	Town of Martensville	Village of Fairlight	Village of Togo
R.M. of Arborfield No. 456	R.M. of Lajord No. 128	R.M. of Prince Albert No. 461	Town of Morse	Village of Findlater	Village of Waseca
R.M. of Balldon No. 131	R.M. of Lake Lenore No. 399	R.M. of Redburn No. 130	Town of Rosetown	Village of Flaxcombe	Village of Weirdale
R.M. of Bone Creek No. 108		R.M. of Shellbrook No. 493	Town of Rouleau	Village of Girvin	Village of Willowbrook

⁴Assessment rolls for 2004 have not been confirmed as at March 1, 2006 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2004 assessment totals in the above table:

Northern Village of Cole Bay	Village of Girvin
R.M. of Cana No. 214	Village of North Portal
	Village of Rockhaven

⁵Assessment rolls for 2001 have not been confirmed as at March 1, 2006 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2001 assessment totals in the above table:

Town of Arelee	R.M. of Shellbrook No. 493
Town of Shellbrook	

Advisory committees to the Board of Directors

City Advisory Committee - as at December 31, 2005

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

MEMBERS	REPRESENTING
Fred Clipsham, Committee Chair	SAMA Board Member (Urban)
Craig Melvin	SAMA Board Chair (Province)
Dan Danielson	SAMA Board Member (Education)
Rick Brunsdon (non-voting)	SAMA Board Member (Province)
Robert Schultz (non-voting)	SAMA Board Member (Province)
Mayor Al Schwinghamer	City of Moose Jaw
Garry McKay, Manager	City of Moose Jaw
Mayor Pat Fiacco	City of Regina
Suzanne Bartel	City of Regina
Donna Birkmaier, Councillor	City of Saskatoon
Marlys Bilanski	City of Saskatoon
Lee Atkinson	City of Prince Albert
Greg Dionne	City of Prince Albert
Don Schlosser	Sask. Urban Municipalities Assoc.
Paul Malone	Sask. School Boards Assoc.
Vacant	Sask. Assessment Appraisers' Assoc.

OBSERVERS

Laurent Mougeot, Executive Director	Sask. Urban Municipalities Assoc.
Maryellen Carlson, Assistant Deputy Minister	Sask. Government Relations
John Edwards, Executive Director Policy Development	Sask. Government Relations
Don Barr, City Assessor	City of Regina
Vacant	City of Regina
Gord Lawson, City Assessor	City of Saskatoon
Bruce Richards	City of Saskatoon
Joe Day, City Assessor	City of Prince Albert
Dave Pierce, City Assessor	City of Moose Jaw
Curt Van Parys, Regina RCSSD	Sask. School Boards Assoc.

ADMINISTRATIVE SUPPORT

Murray Cooney, CEO	SAMA
Irwin Blank, Committee Secretary	SAMA





Commercial Advisory Committee – as at December 31, 2005

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.

MEMBERS	REPRESENTING
Craig Melvin, Committee Chair	SAMA Board Chair (Province)
Fred Clipsham (non-voting)	SAMA Board Member (Cities)
Sharon Armstrong (non-voting)	SAMA Board Member (Urban)
John Wagner (non-voting)	SAMA Board Member (Rural)
Richard Douglas (non-voting)	SAMA Board Member (Education)
Rick Brunsdon (non-voting)	SAMA Board Member (Province)
Arthur Scherr (non-voting)	SAMA Board Member (Province)
Grace Muzyka	Saskatoon Broadway Business Improvement District; Sask. Assoc. of the Appraisal Institute of Canada
Tracy Fahlman	Regina Downtown Business Improvement District
Ted Mitchell	Saskatoon Regional Economic Development Authority
Rob Lawrence	Sask. Real Estate Association
Gil Dobroskay	Sask. Real Estate Association
Kevin Olmstead	Sask. Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Marilyn Braun-Pollin	Canadian Federation of Independent Business
Brian Jamieson	Building Owners and Managers Assoc.
Ken Love	Canadian Property Tax Assoc.
Ken McKinlay	Sask. Home Builders' Association
Tom Mullin	Hotels Assoc. of Saskatchewan
Murray Sadownick	National Golf Course Owners Assoc., Saskatchewan Chapter
Dale Cumming	Inland Terminal Assoc. of Canada
Reg Hinz	Western Grain Elevator Assoc. Tax Committee
Rick Johnston	Canadian Energy Pipeline Assoc.
Dave Loader	Canadian Assoc. of Petroleum Producers
Darrell Zwarych	Sask. Mining Assoc.
Ike Zacharopoulos	Railway Association of Canada
Ian McGilp	Tourism Saskatchewan
Mike Schulkowsky	Sask. Assessment Appraisers' Assoc.

OBSERVERS

Vacant	Sask. Government Relations
Colleen Mackenzie	Sask. Industry & Resources - Industry Development
Bruce Wilson	Sask. Industry & Resources
Don Barr	City of Regina
Gord Lawson	City of Saskatoon
Joe Day	City of Prince Albert
Dave Pierce	City of Moose Jaw
Cameron Duncan	City of North Battleford
Mike Kehler	City of Swift Current
Murray Cooney, CEO	SAMA

ADMINISTRATIVE SUPPORT

Stuart McDonald, Committee Secretary SAMA

Rural Advisory Committee – as at December 31, 2005

The Rural Advisory Committee is responsible for rural municipalities.

MEMBERS	REPRESENTING
John Wagner, Committee Chair	SAMA Board Member (Rural)
Craig Melvin	SAMA Board Chair (Province)
Darryl Senecal	SAMA Board Member (Rural)
Richard Douglas	SAMA Board Member (Education)
Robert Schultz (non-voting)	SAMA Board Member (Province)
Sharon Armstrong (non-voting)	SAMA Board Member (Urban)
Ron Thomas (non-voting)	SAMA Board Member (Province)
Doug Oleksyn, Councillor, R.M. of Shellbrook No. 493	Rural Municipalities
Robert Webb, Reeve, R.M. of Big Quill No. 308	Rural Municipalities
Dale Forland, Councillor, R.M. of Britannia No. 502	Rural Municipalities
Neil Seaman, Reeve, R.M. of Huron No. 223	Rural Municipalities
Morgan Powell, Reeve, R.M. of Miry Creek No. 229	Rural Municipalities
William Barmby, Councillor, R.M. of Stanley No. 215	Rural Municipalities
Roy Orb	Sask. Assoc. of Rural Municipalities
Richard Eberts	Provincial Assoc. of Resort Communities of Sask.
Jack Rowswell	Sask. School Boards Assoc.
Ken Johnson	Sask. Assessment Appraisers' Assoc.

OBSERVERS

Ken Engel, Executive Director	Sask. Assoc. of Rural Municipalities
Mark Brothen	Sask. Government Relations
Robert Thurmeier	Rural Municipal Administrators Assoc. of Sask.
Barb Zelinski, Administrator	R.M. of Corman Park No. 344
Rod Quintin	Sask. School Boards Assoc.
Murray Cooney, CEO	SAMA

ADMINISTRATIVE SUPPORT

Irwin Blank	SAMA
Brad Korbo, Committee Secretary	SAMA





Urban Advisory Committee – as of December 31, 2005

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

MEMBERS	REPRESENTING
Sharon Armstrong, Committee Chair	SAMA Board Member (Urban)
Craig Melvin	SAMA Board Chair (Province)
Fred Clipsham	SAMA Board Member (Urban)
Arthur Scherr	SAMA Board Member (Province)
Dan Danielson (non-voting)	SAMA Board Member (Education)
Ron Thomas (non-voting)	SAMA Board Member (Province)
Darryl Senecal (non-voting)	SAMA Board Member (Rural)
Randy Goulden, Councillor, City of Yorkton	Urban Municipalities (Cities)
Rob Stephanson, Councillor, City of Weyburn	Urban Municipalities (Cities)
Gordon Yarde, Alderman, Town of Battleford	Urban Municipalities (Towns)
Tom Farnden, Alderman, Town of Carlyle	Urban Municipalities (Towns)
Mayor Barry Gunther, Resort Village of Sun Valley	Urban Municipalities (Villages)
Mayor Gary Kaytor, Village of Dysart	Urban Municipalities (Villages)
Roy Challis	Sask. School Boards Assoc.
Vern Noble	Provincial Assoc. of Resort Communities of Sask.
Don Schlosser, President	Sask. Urban Municipalities Assoc.
Michael J. Kehler	Sask. Assessment Appraisers' Assoc.

OBSERVERS

Laurent Mougeot, Executive Director	Sask. Urban Municipalities Assoc.
Keith Comstock	Sask. Government Relations
Bob Smith, City of Weyburn	City Commissioner
Rodney Audette	Urban Municipalities Administrators Assoc. of Sask.
Rod Quintin	Sask. School Boards Assoc.
Murray Cooney, CEO	Chief Executive Officer, SAMA

ADMINISTRATIVE SUPPORT

Timothy P. Furlong, Committee Secretary SAMA
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Agricultural Land Review Committee – as at December 31, 2005

The Agricultural Land Review Committee represents stakeholder organizations, expert third parties and assessment professionals, and focuses on improving agricultural land assessment.

MEMBERS	REPRESENTING
Darryl Senecal, Committee Chair	SAMA Board Member (Rural)
Craig Melvin	SAMA Board Chair (Province)
John Wagner	SAMA Board Member (Rural)
Ray Orb	Sask. Assoc. of Rural Municipalities
Orin Balas	Sask. Stock Growers Assoc.
Dr. Richard Schoney	University of Saskatchewan
Lorne Tangjerd	Sask. Agriculture & Food
John Kiss	Sask. Crop Insurance
Don Sweet	Prairie Farm Rehabilitation Administration
John Warkentin	Sask. Assoc. of the Appraisal Institute of Canada
Jim Zemluk	Sask. Assessment Appraisers' Assoc.
Ken Johnson	Sask. Assessment Appraisers' Assoc.
Murray Cooney, CEO	SAMA
Irwin Blank	SAMA
Brad Korbo	SAMA
Kevin Groat	SAMA
Graham Stearns	SAMA
Steve Suchan, Committee Secretary	SAMA

ANNUAL REPORT



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Technical Development Committee – term completed January 1, 2006

The Technical Development Committee represented assessment professionals, and focused on technical issues related to implementing a 2009 market value assessment system for residential and commercial properties.

MEMBERS	REPRESENTING
Richard Douglas, Committee Chair	SAMA Board Member (Education)
Craig Melvin	SAMA Board Chair (Province)
Fred Clipsham	SAMA Board Member (Urban)
Rick Brunsdon	SAMA Board Member (Province)
Dave Pierce	City of Moose Jaw
Don Barr	City of Regina
Cameron Duncan	City of North Battleford
Gord Lawson	City of Saskatoon
Joe Day	City of Prince Albert
Lonnie Kaal	City of Yorkton
Michael J. Kehler	City of Swift Current
Dave Gabruch	Appraisal Institute of Canada
Robert Schultze	Sask. Assessment Appraisers' Assoc.
Mike Schulkowsky	Sask. Assessment Appraisers' Assoc.
Murray Cooney, CEO	SAMA
Irwin Blank	SAMA
Brad Korbo	SAMA
Tim Furlong	SAMA
Gord Senz	SAMA
Todd Treslan	SAMA
Tanya Walker, Committee Secretary	SAMA
OBSERVERS	
Dona-Lynn Morley	SAMA
Norman Magnin	Sask. Government Relations

Auditor's Report

To the Board of Directors of
Saskatchewan Assessment Management Agency

We have audited the balance sheet of Saskatchewan Assessment Management Agency as at December 31, 2005 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the agency as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan
February 17, 2006



Saskatchewan Assessment Management Agency

Balance Sheet

As at December 31, 2005

	<u>2005</u>	<u>2004</u>
CURRENT ASSETS		
Cash	\$ 1,706,476	\$ 1,440,842
Accounts receivable and accrued interest	159,436	139,458
Province of Saskatchewan grant receivable	458,750	455,000
Prepaid expenses	224,592	63,042
	<u>2,549,254</u>	<u>2,098,342</u>
CAPITAL ASSETS (Note 3)		
	<u>5,361,499</u>	<u>5,306,517</u>
	<u>\$ 7,910,753</u>	<u>\$ 7,404,859</u>
CURRENT LIABILITIES		
Accounts payable	\$ 532,110	\$ 761,283
Current portion of capital lease	-	24,617
Current portion of deferred contributions related to SPAN (Note 6)	552,12	-
Demand loan related to SPAN (Note 4)	1,661,524	2,176,114
	<u>2,745,755</u>	<u>2,962,014</u>
DEFERRED CONTRIBUTIONS (Note 5)		
	507,820	428,070
DEFERRED CONTRIBUTIONS RELATED TO SPAN (Note 6)		
	<u>2,656,613</u>	<u>2,947,500</u>
	<u>5,910,188</u>	<u>6,337,584</u>
NET ASSETS		
Net assets invested in capital assets	491,241	64,410
Internally restricted net assets (Note 7)	1,180,423	715,467
Unrestricted net assets	328,901	287,398
	<u>2,000,565</u>	<u>1,067,275</u>
	<u>\$ 7,910,753</u>	<u>\$ 7,404,859</u>

See accompanying notes

APPROVED BY THE BOARD

 _____ Director

 _____ Director

Saskatchewan Assessment Management Agency

Statement of Revenues and Expenses

Year ended December 31, 2005

	Budget 2005	Actual 2005	Actual 2004
	(Unaudited)		
REVENUES			
Province of Saskatchewan operating grant	\$ 4,910,000	\$ 4,860,000	\$ 4,500,000
Province of Saskatchewan restricted grant (Notes 5 and 6)	330,000	979,015	200,735
Requisitions from municipalities	5,801,000	5,799,530	5,801,077
Requisitions from Sask. Learning on behalf of school divisions	1,625,000	1,625,000	750,000
Fees	130,000	215,759	108,179
Interest	30,000	63,935	31,480
Appraisal and assessment services	10,000	4,720	14,438
Miscellaneous	464,000	131,825	106,865
	13,300,000	13,679,784	11,512,774
EXPENSES			
Aerial photography	75,000	63,151	21,342
Amortization (Note 3)	136,500	759,204	286,324
Bank charges	10,000	14,615	11,905
Communications	37,500	58,086	31,473
Computer software, supplies and services	806,210	849,732	320,824
GST	-	-	1,612
Insurance	11,200	14,075	13,588
Interest on capital leases	-	351	5,061
Land titles information	300,000	180,126	227,241
Office expenses other than rent	535,530	630,767	473,828
Printing	107,300	70,658	80,103
Professional	50,000	95,804	77,746
Rent	621,170	635,846	542,316
Salaries and benefits	9,952,800	8,682,091	8,619,324
Tools and supplies	3,000	2,980	1,493
Travel and accommodation	653,790	689,008	580,812
	13,300,000	12,746,494	11,294,992
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ 933,290	\$ 217,782

See accompanying notes



Saskatchewan Assessment Management Agency

Statement of Changes in Net Assets

Year ended December 31, 2005

	Invested in Capital <u>Assets</u>	Internally Restricted <u>Net Assets</u>	Unrestricted <u>Net Assets</u>	2005 Total	2004 <u>Total</u>
NET ASSETS, BEGINNING OF YEAR	\$ 64,410	\$ 715,467	\$ 287,398	\$ 1,067,275	\$ 849,493
Excess (deficiency) of revenues over expenses	(30,438)	(1)	963,728	933,290	217,782
Transfers (Note 7)	-	464,956	(464,956)	-	-
Investment in capital assets	457,269	-	(457,269)	-	-
NET ASSETS, END OF YEAR	\$ 491,241	\$ 1,180,423	\$ 328,901	\$ 2,000,565	\$ 1,067,275

See accompanying notes

(1)
Consists of:

Amortization of deferred contributions related to capital assets (Note 6)	\$ 728,766
Amortization expense (Note 3)	(759,204)
Decrease in net assets invested in capital assets	(30,438)



Statement of Cash Flows

Year ended December 31, 2005

	<u>2005</u>	<u>2004</u>
OPERATING		
Excess of revenues over expenses	\$ 933,290	\$ 217,782
Items not affecting cash		
Amortization of capital assets (Note 3)	759,204	286,324
Amortization of deferred SPAN contributions (Note 6)	(728,766)	-
	<u>963,728</u>	<u>504,106</u>
Changes in non-cash working capital		
Accounts receivable and accrued interest	(19,978)	43,060
Province of Saskatchewan grant receivable	(3,750)	-
Prepaid expenses	(161,550)	12,066
Accounts payable	(229,173)	322,143
Deferred contributions	79,750	129,265
	<u>629,027</u>	<u>1,010,640</u>
INVESTING		
Purchase of capital assets	(814,186)	(1,755,410)
SPAN contributions received (Note 6)	990,000	990,000
	<u>175,814</u>	<u>(765,410)</u>
FINANCING		
Repayment of capital lease obligations	(24,617)	(141,954)
Advance from demand loan	329,000	1,454,980
Repayment on demand loan	(843,590)	(273,780)
	<u>(539,207)</u>	<u>1,039,246</u>
INCREASE IN CASH	265,634	1,284,476
CASH, BEGINNING OF YEAR	1,440,842	156,366
CASH, END OF YEAR	\$ 1,706,476	\$ 1,440,842

See accompanying notes



Notes to the Financial Statements

December 31, 2005

1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (SAMA) was established under the authority of *The Assessment Management Agency Act* (AMA) on March 1, 1987.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Canadian generally accepted accounting principles (GAAP) and reflect the following significant accounting principles:

a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Actual results could differ from those estimates.

b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term investments with maturities of three months or less.

c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing balance method, except for leasehold improvements and mainframe computer equipment, which are being amortized using the straight-line method over the lives of the assets.

d) Computer Software Development Costs

Computer software development costs are expensed unless they meet the criteria for capitalization provided for under GAAP. Costs are capitalized only to the extent that their recovery is reasonably assured. These costs are amortized over the anticipated period of benefit beginning when the development reaches substantial completion.

Expenditures related to the development of the Saskatchewan Property Assessment Network (SPAN) are being capitalized. The project, which began in June 2002 and was substantially completed in January 2005, will allow the Agency to modernize the computer system used for provincial property assessment. Costs directly related to the project have been capitalized, with the exception of those related to training. The determination of future benefit to be realized from the project is one that involves significant management judgment. This project is dependent upon annual funding from the Province of Saskatchewan.

e) Reserves

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Revenue Recognition

SAMA follows the deferral method of accounting for grants and other contributions received from the Province of Saskatchewan. Approved operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued.

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.

3. CAPITAL ASSETS

The SPAN system was substantially completed in 2005, and as a result, amortization was recorded for the year.

	Rate	December 31, 2005		
		Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	\$ 113,955	\$ 113,955	\$ -
Desktop computer equipment	40%	1,567,526	1,386,828	180,698
Furniture and equipment	20%	587,650	461,164	126,486
Leasehold improvements	1/5	408,618	384,420	24,198
SPAN system	1/10	5,521,208	552,121	4,969,087
SPAN - computer equipment	40%	234,312	176,646	57,666
SPAN - leasehold improvements	1/5	2,470	-	2,470
SPAN - furniture and equipment	20%	894	-	894
December 31, 2005		\$ 8,436,633	\$ 3,075,134	\$ 5,361,499

	Rate	December 31, 2004		
		Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	\$ 113,955	\$ 113,955	\$ -
Desktop computer equipment	40%	1,381,067	1,266,515	114,552
Furniture and equipment	20%	533,766	429,170	104,596
Leasehold improvements	-	376,170	368,089	8,081
SPAN system	-	5,019,100	-	5,019,100
SPAN - computer equipment	40%	195,314	138,201	57,113
SPAN - leasehold improvements	1/5	2,470	-	2,470
SPAN - furniture and equipment	20%	605	-	605
December 31, 2004		\$ 7,622,447	\$ 2,315,930	\$ 5,306,517

Amortization expense for the year comprised the following:

	2005	2004
Amortization of equipment and leasehold improvements	\$ 207,083	\$ 286,324
Amortization of SPAN system	552,121	-
	\$ 759,204	\$ 286,324

4. DEMAND LOAN

SAMA has an agreement with a bank to provide an unsecured line of credit in the amount of \$5,000,000. The amount outstanding is repayable on demand and bears interest at prime. This balance is repayable in quarterly instalments plus interest with total repayments concluded by March, 2008.





5. DEFERRED CONTRIBUTIONS

Under Section 18(3) of AMA, the Agency is entitled to receive additional funding from the Province of Saskatchewan subject to any terms and conditions that the Minister may prescribe. In 2005, a restricted contribution was received for the development of the 'income approach' for commercial assessment. The Agency is required to demonstrate to the Province that the conditions attached to the funding are being met. Deferred contributions represent unspent resources from this externally restricted funding.

Deferred contributions, beginning of year	\$ 428,070
Restricted contribution received during the year	330,000
Eligible expenditures during the year	(250,250)
Deferred contributions, end of year	\$ 507,820

6. DEFERRED CONTRIBUTIONS RELATED TO SPAN

In 2005, the Agency received a restricted contribution for the development and implementation of SPAN. The Agency is required to demonstrate to the Province that the conditions attached to the funding are being met. As of December 31, 2005 the SPAN system was substantially complete and therefore amortization recorded on the system during the year was recognized as revenue.

Deferred contributions, beginning of year	\$ 2,947,500
Restricted contribution received during the year	990,000
Amortization of deferred contributions	(728,766)
	3,208,734
Current portion	(552,121)
Deferred contributions, end of year	\$ 2,656,613

During the year, SPAN capitalized expenditures incurred were as follows:

	<u>2005</u>	<u>2004</u>
SPAN system development costs capitalized (Note 4)	\$ 502,108	\$ 1,664,267
SPAN hardware and software costs capitalized	38,999	-
SPAN furniture and equipment costs capitalized	289	-
SPAN leasehold improvement costs capitalized	-	106
	\$ 541,396	\$ 1,664,373

7. INTERNALLY RESTRICTED NET ASSETS

	<u>2005</u>	<u>2004</u>
Reserve for Communications	\$ 50,000	\$ 50,000
Reserve for Computer Enhancements	709,009	446,167
Reserve for Professional Fees	366,414	164,300
Reserve for Travel	55,000	55,000
	\$ 1,180,423	\$ 715,467

a) Reserve for Communications

A reserve has been established to provide for the purchase of goods and services required for communication related to the assessment revaluation system. There were no charges to the reserve in the current or prior year.

b) Reserve for Computer Enhancements

A reserve has been established to provide for the purchase of computer software and equipment necessary for assessment revaluation processes. In 2005, \$267,842 (2004 - nil) was transferred to the reserve. There were no charges to the reserve in the current or prior year.

7. INTERNALLY RESTRICTED NET ASSETS (continued)

c) Reserve for Professional Fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals and defense of value arising from assessment revaluations. In 2005, \$202,114 (2004 - nil) was transferred to the reserve, and approved expenditures were nil (2004 - \$1,052).

d) Reserve for Travel

A reserve has been established to provide for travel costs that will be incurred relating to the physical reinspection of property in municipalities. There were no charges to the reserve in the current or prior year.

8. COMMITMENTS

The association has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, and North Battleford with monthly rental payments totalling \$48,343. The leases are to expire between 2006 and 2007.

9. PENSION EXPENSE

Employees of the Agency belong to one of two pension plans. Employees hired after October 1, 1977, make contributions to the Public Employees Pension Plan (PEPP), a defined-contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act* and employee contributions are matched by the Agency. Employees hired prior to October 1, 1977, who did not elect to transfer to the PEPP by October 1, 1978, make contributions to the Public Service Superannuation Plan (PSSP), a defined-benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the Province of Saskatchewan - General Revenue Fund.

The total pension cost to the Agency for employees in PEPP was \$409,275 (2004 - \$361,055).

10. 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 common control 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>2005</u>	<u>2004</u>
Operating expenses	\$ 1,327,885	\$1,199,698
Accounts receivable	25	355
Accounts payable	<u>41,983</u>	<u>6,875</u>

In addition, the Agency pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department 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.

11. ECONOMIC DEPENDENCE

SAMA is economically dependent on the Province of Saskatchewan due to the extent of government funding the Agency's operations (42%) and the SPAN project (100%).





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ANNUAL REPORT

PROVINCIAL INTEREST EXPENDITURES

Auditor's Report

To the Board of Directors of
Saskatchewan Assessment Management Agency

We have audited the attached Schedule of Provincial Interest Expenditures of the Saskatchewan Assessment Management Agency as at December 31, 2005. These expenditures were calculated in accordance with the methodology as described in Note 2 to the Schedule. This financial information is the responsibility of the Agency's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, the Schedule presents fairly, in all material respects, the Provincial Interest Expenditures of the Agency as at December 31, 2005 in accordance with the methodology referred to above and described in Note 2 to the Schedule.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan,
February 17, 2006





Schedule of Provincial Interest Expenditures

Saskatchewan Assessment Management Agency

Year Ended December 31, 2005

Cost Classifications	Salaries & Benefits	Other Costs	Total Expenses
Research and policy	\$ 1,071,100	\$ 532,802	\$ 1,603,902
Maintenance of computer database	652,448	1,016,095	1,668,543
Provide assessment information	561,942	269,249	831,191
Quality assurance	1,538,584	118,790	1,657,374
Total Provincial Interest Expenditures	3,824,074	1,936,936	5,761,010
Field operations	4,858,015	2,127,469	6,985,484
TOTAL EXPENSES OF THE AGENCY	\$ 8,682,089	\$ 4,064,405	\$ 12,746,494

See accompanying notes

APPROVED BY THE BOARD

 _____ Director

 _____ Director



Saskatchewan Assessment Management Agency

Notes to the Schedule of Provincial Interest Expenditures

December 31, 2005

1. STATUTORY REQUIREMENT

Saskatchewan Assessment Management Agency (“the Agency”) is required to provide a schedule of expenditures for the amounts provided to the Agency pursuant to subsections 18(2) and (3) of *The Assessment Management Agency Act* (“the Act”).

Section 18(2) of the Act stipulates that the Minister of Finance shall pay to the Agency in each fiscal year out of the General Revenue Fund (“GRF”), the amount of \$4,000,000 in instalments agreed on between the Minister of Finance and the Agency for the purpose of:

- (a) assessment research and policy development;
- (b) maintaining a central database;
- (c) providing assessment information;
- (d) assuring the quality of assessments.

Section 18(3) of the Act provides that “Where funds have been provided by the Legislature for the purpose, the Minister may make loans or grants to the agency, in addition to the amount to be paid pursuant to subsection (2), or to municipalities, subject to any terms and conditions that he or she may prescribe.”

2. METHODOLOGY

The Schedule of Provincial Interest Expenditures (the “Schedule”) was prepared by management.

All of the Agency’s expenses are allocated to cost centers within the cost classifications identified on the Schedule.

Direct costs have been allocated to the five cost categories. The indirect cost allocations have been made by management using its best estimates and judgement. These costs have been allocated to the cost categories primarily on the basis of the number of employees and their activities within each cost category.

3. USE OF ESTIMATES

The preparation of the Schedule in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of expenditures during the year. Actual results could differ from those estimations.





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Swift Current

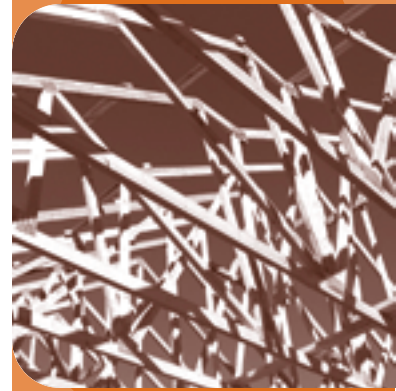
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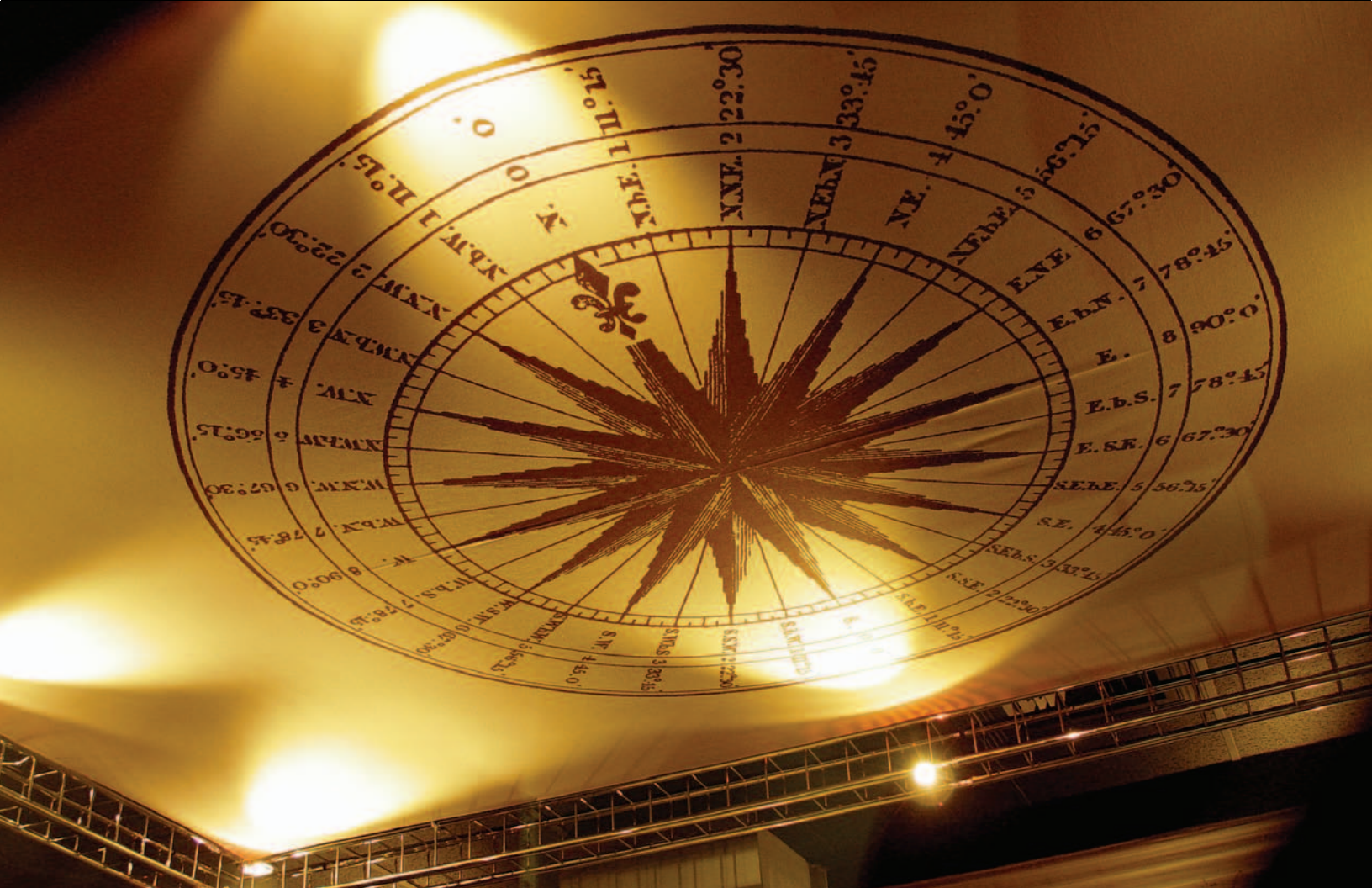
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Saskatchewan Assessment
Management Agency

A N N U A L R E P O R T



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