

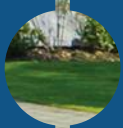


2019



ANNUAL REPORT

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



VISION

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

MISSION

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

We focus on six key responsibilities:

Governance

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

Assessment Services

We provide property assessment valuation services.

Information

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

Quality

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

Communications

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

Innovation

We incorporate best practices and utilize appropriate new technologies.

SAMA CORE VALUES

Integrity

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

Professionalism

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

Dedication

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

Solution-Focused

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

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▶ LETTER OF TRANSMITTAL FROM THE MINISTER

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

Your Honour:

I have the honour to submit the 2019 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, 2019 to December 31, 2019.

Respectfully submitted,



A handwritten signature in blue ink that reads "Lori Carr".

Lori Carr
Minister of Government Relations

▶ LETTER OF TRANSMITTAL FROM THE CHAIR

The Honourable Lori Carr
Minister of Government Relations
Room 348, Legislative Building
Regina SK
S4S 0B3

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

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

Dear Sirs/Madam:

On behalf of the Board of Directors, I respectfully submit the 2019 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2019 to December 31, 2019.

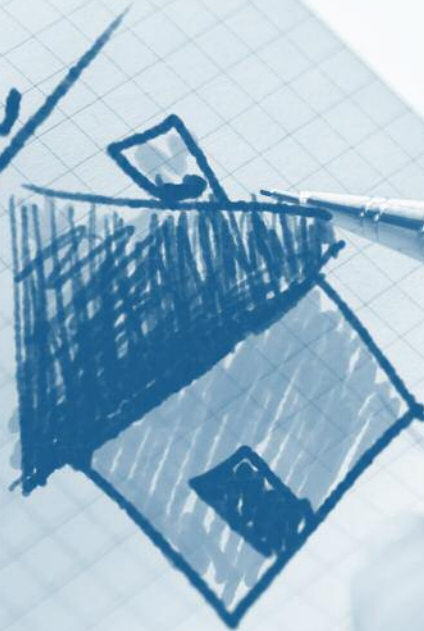
Yours sincerely,



A handwritten signature in blue ink, appearing to read 'Myron Knafelc', positioned below the portrait.

Myron Knafelc
Chair, Board of Directors

Property Value





2019



BOARD REPORT

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



2019



sama

SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY

BOARD REPORT

PURSUING EXCELLENCE
IN ASSESSMENT POLICY AND
SERVICES FOR SASKATCHEWAN



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

▶ CORPORATE PROFILE

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

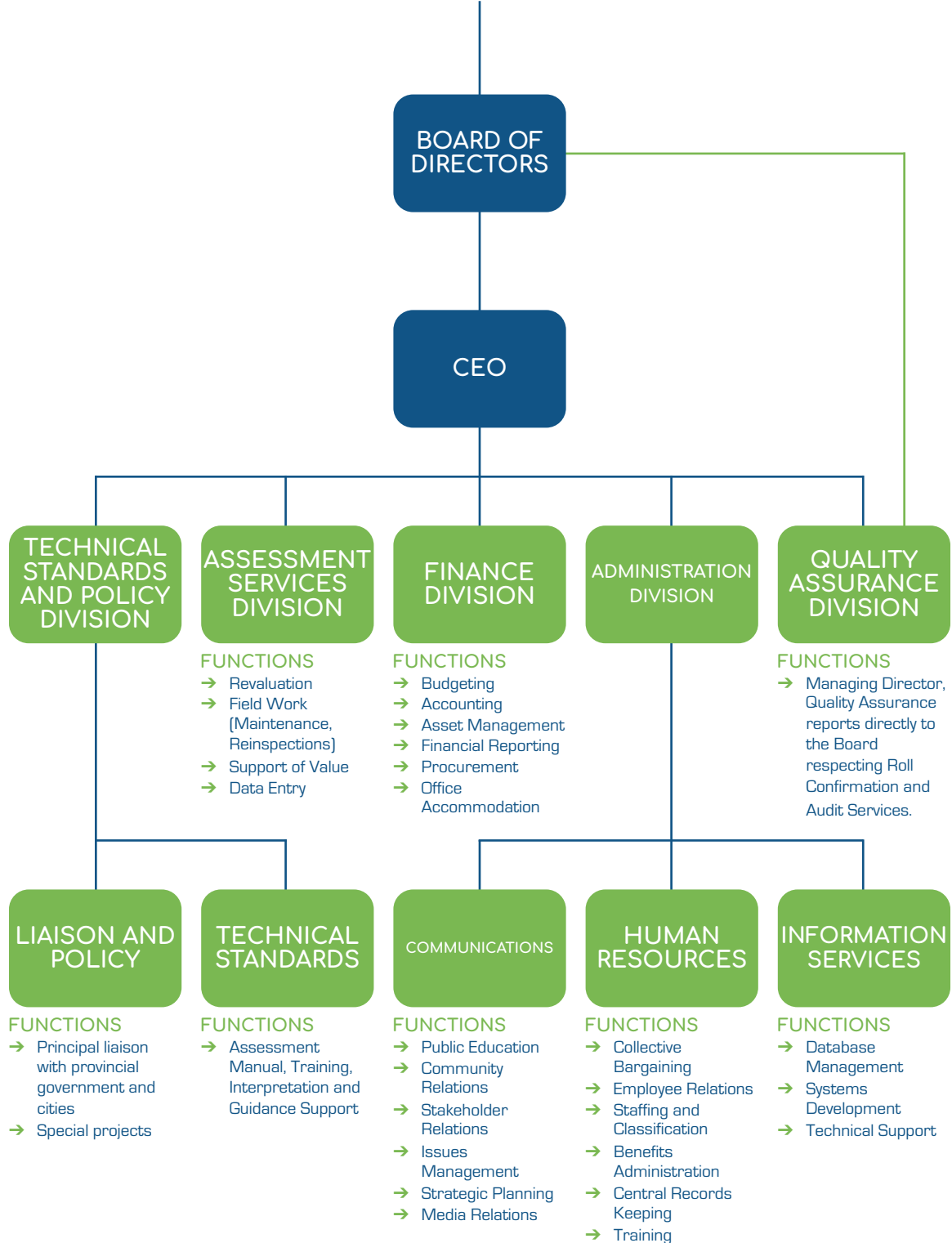
SAMA was formed in 1987 by *The Assessment Management Agency Act* to develop a fair property assessment system, and to provide municipalities and school divisions with cost-effective assessment services.

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

In 2019, 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 \$242 Billion property assessment base, and a \$2.1 Billion property tax base. In 2019, the Agency provided assessment valuation services to 758 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 868,000 properties in the province, including the City of Moose Jaw.

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



▶ BOARD STRUCTURE, MANDATE AND ROLE

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

This includes oversight responsibility to ensure SAMA is:

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

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

BOARD STRUCTURE

For 2019, the Agency's seven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

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

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

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

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

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

▶ BOARD STRUCTURE, MANDATE AND ROLE

GENERAL RESPONSIBILITIES OF THE BOARD

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

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

The Board's responsibilities include:

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

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

ACCOUNTABILITY

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

RELATIONSHIP TO STAFF

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



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

2019 TECHNOLOGY UPDATE

In 2019, SAMA launched three major new pieces of technology: our updated external website, the MySAMA web portal and our updated SAMAView service.

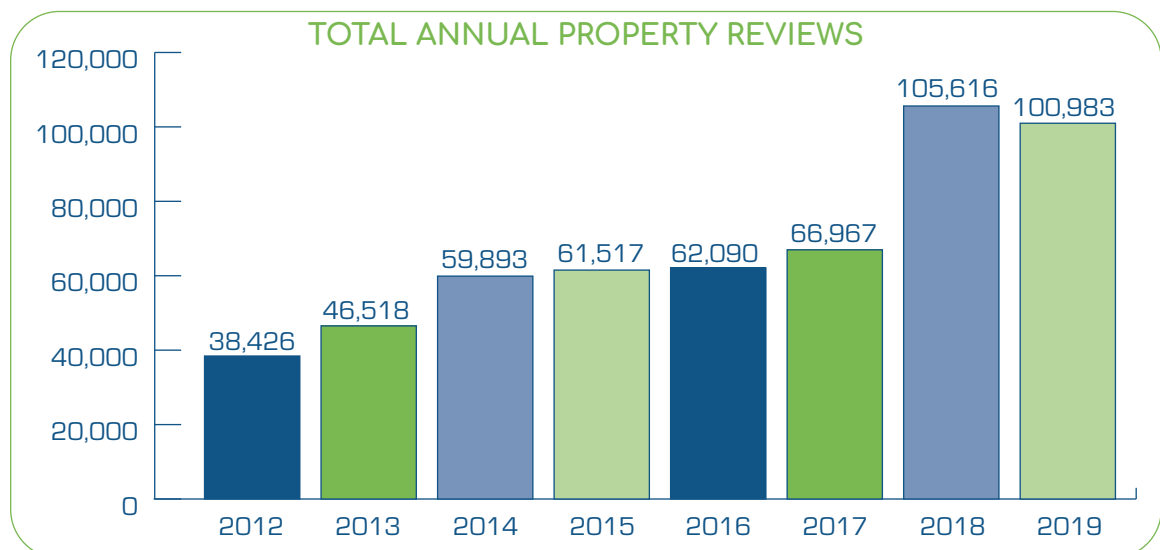
More information on these major technological initiatives can be found in the CEO Update and Information Services sections of this report.

INCREASING PRODUCTIVITY AND MAINTAINING QUALITY

In 2019, SAMA continued to leverage updated technology and process improvements made over the last few years. The agency met its goal of 100,000+ annual property reviews for the second consecutive year while continuing to develop new impactful technologies. With both construction and property sales decreasing over what has been seen in recent years, demand for property maintenance dropped in 2019 and SAMA was able to assign more resources to property reinspections – conducting more reinspection reviews in this calendar year than ever before. 2019 also saw a significant increase in funding from the Province – funds marked to further increase the inspection capacity of SAMA in 2020 and beyond.

The year also had challenges for SAMA – there were many complex commercial and industrial assessment appeals, most of which were of a high assessment dollar value and some of which would take precedence over other properties in the province. SAMA worked to keep lines of communication open, conduct the appeals process effectively and use external expertise when needed.

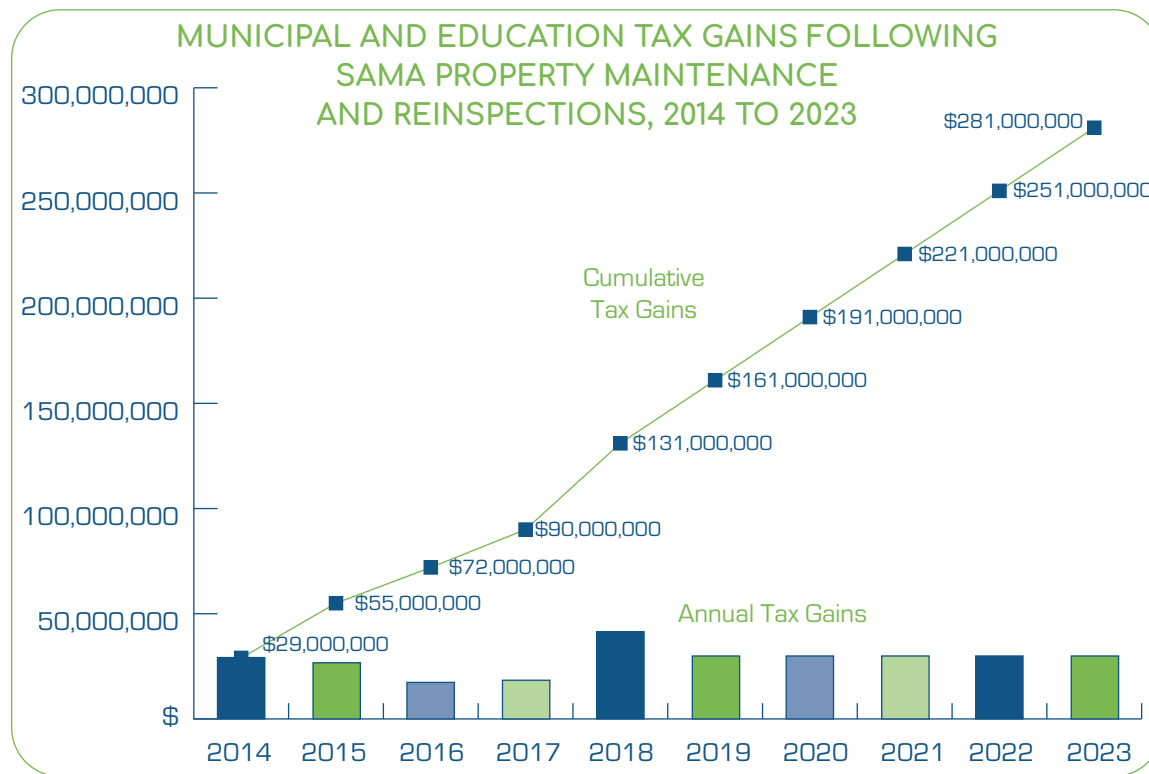
Finally, SAMA kept its obligation of preparing for the upcoming 2021 revaluation. Analysis, research and policy setting was an important part of the agency's activities as SAMA prepared for the delivery deadlines in 2020.



ECONOMIC GROWTH IN SASKATCHEWAN

Although the pace has slowed, economic growth for Saskatchewan in 2019 resulted in continued growth in property assets within Saskatchewan municipalities. Property counts for SAMA clients grew by 5,584 properties or 0.65% to 868,489.

The assessments conducted in the prior year and implemented on 2019 tax rolls provided an additional estimated \$9.8 million in annually recurring tax revenues for the agency's municipal clients and the education sector. Of the \$9.8 million, municipalities received approximately \$6.4 million and the education sector received approximately \$3.4 million (the provincial average municipal mill rate was 8.90 and the education sector mill rate was 4.147 with around \$0.74 billion dollars of taxable assessment added to SAMA's municipal clients in 2019). It is important to note that this is annually recurring revenue (i.e. the \$9.8M annual revenue translates to \$98M over a ten-year span). The following chart uses actual results from 2014-2019 and an estimated increase of \$30M for each of the next five years. By the end of 2023, SAMA property reviews are estimated to result in almost \$1.5B in additional revenue for municipalities and the education sector and then continue in perpetuity.



2018-2021 STRATEGIC DIRECTIONS

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

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

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

2. SIMPLIFY AND STREAMLINE TO IMPROVE EFFICIENCY AND EFFECTIVENESS

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

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

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

4. STRENGTHEN THE CAPABILITIES OF ALL EMPLOYEES

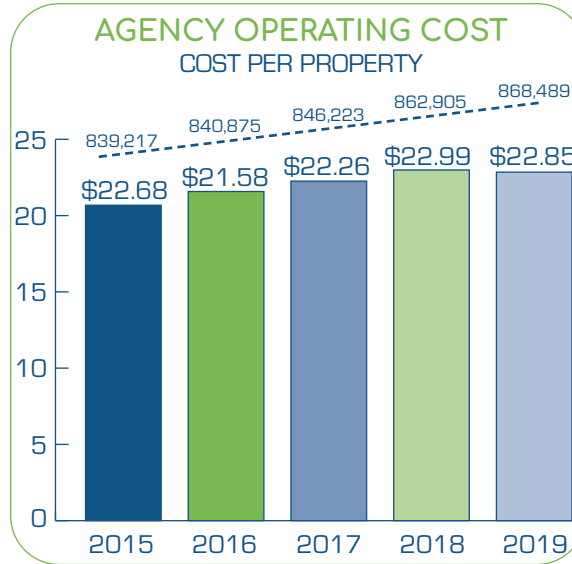
- The Agency will seek to maintain a skilled and experienced workforce, by providing an environment where staff have every opportunity to be successful.

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

OPERATING COSTS

In 2019 the agency's operating cost per property decreased to \$22.85 (862,905 properties and a total operational spending of \$19.847M). The 2019 operating cost per property represents a less than 1% decrease over the previous year (\$22.99 in 2018, \$22.26 in 2017 and \$21.58 in 2016). The 2019 Inflation Rate for Canada as calculated by Statistics Canada was 1.9% (2.0% in 2018).

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



TIMELY DELIVERY OF ASSESSMENT SERVICES

In 2019, the Board continued to be focused on timely delivery of annual assessment maintenance, increasing the volume of inspections, and improving the way the organization operates, with an emphasis on how the Agency can simplify our processes and implement new technologies that will allow the Agency to better meet our client's needs going forward.

2021 REVALUATION

SAMA conducts revaluations based on a four-year cycle. 2017 was the year of the last revaluation, and the 2021 Revaluation will see assessed values updated to reflect a new base date of January 1, 2019.

Current direction by SAMA's Board is to continue to stabilize provincial valuation policy going forward. Therefore, consistent with the 2017 revaluation, SAMA's goal is to continue to stabilize major assessment policy, with consideration for refinement on selected items where there is consensus with stakeholders.

Myron Knafelc
Chair, Board of Directors



▶ ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

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

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

One additional committee has been established by the Board:

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

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

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

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

The committee has established and maintains a sub-committee called the Revaluation Team that is tasked to examine and give recommendations to the committee on more technical assessment issues relating to the upcoming 2021 Revaluation.

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

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

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

▶ ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2019

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

OBSERVERS:

Elissa Aitken	Ministry of Government Relations
Ron Boechler	Saskatchewan School Boards Association (SSBA), Trustee
Jean-Marc Nadeau	Municipalities of Saskatchewan, Administration
Brenda Hendrickson	City of Moose Jaw
Tanice Babecy	City of Prince Albert
Deborah Bryden	City of Regina
Mike Voth	City of Saskatoon
Irwin Blank, CEO	SAMA

ADMINISTRATIVE SUPPORT:

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

COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2019

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

COMMERCIAL ADVISORY COMMITTEE MEMBERS

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

OBSERVERS:

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

ADMINISTRATIVE SUPPORT:

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

RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2019

The Rural Advisory Committee is responsible for rural municipalities..

RURAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
John Wagner, Committee Chair	SAMA Board Member, Rural Sector
Murray Purcell	SAMA Board Member, Rural Sector
Myron Knafelc	SAMA Board Chair (ex officio)
Jim Angus	SAMA Board Member
Jeannie DeRochers	SARM Division 1
Delbert Schmidt	SARM Division 2
Troy Heggstad	SARM Division 3
Roman Charko	SARM Division 4
Wade Sira	SARM Division 5
Gordon Meyer	SARM Division 6
Judy Harwood	Saskatchewan Association of Rural Municipalities (SARM), Board Member
Garry Dixon	Provincial Association of Resort Communities of Saskatchewan (PARCS)
Tim Weinbender	Saskatchewan School Boards Association (SSBA), Trustee
Frances Simonson	Saskatchewan Assessment Appraisers' Association (SAAA)

OBSERVERS:

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

ADMINISTRATIVE SUPPORT:

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

URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2019

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

URBAN ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Al Heron, Committee Chair	SAMA Board Member, Urban Sector
Dawn Luhnig	SAMA Board Member, City Sector
Audrey Tromble	SAMA Board Member
Myron Knafelc	SAMA Board Chair (ex officio)
Kevin Tooley	SUMA (Cities)
Walter Streelasky	SUMA (Cities)
Barry Elderkin	SUMA (Towns)
Bruce Fidler	SUMA (Towns)
Mike Strachan	SUMA (Villages)
Dale Domeij	SUMA (Villages)
Lee Finishen	SUMA, Board Member
Doug Allan	Provincial Association of Resort Communities of Saskatchewan (PARCS)
Marla Walton	Saskatchewan School Boards Association (SSBA), Trustee
Mindy Olm	Saskatchewan Assessment Appraisers' Association (SAAA)

OBSERVERS:

Kelly Munce	Ministry of Government Relations
Jean-Marc Nadeau	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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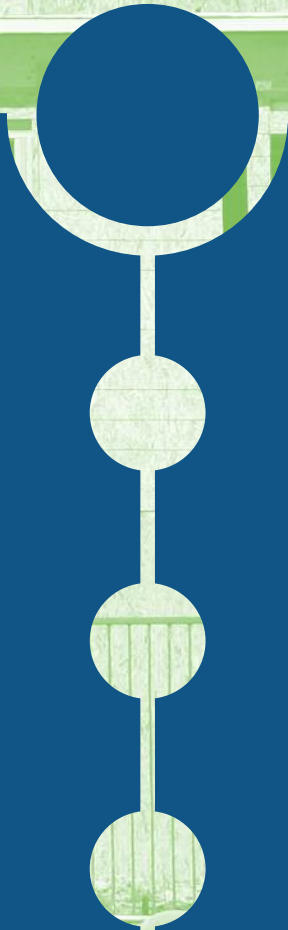


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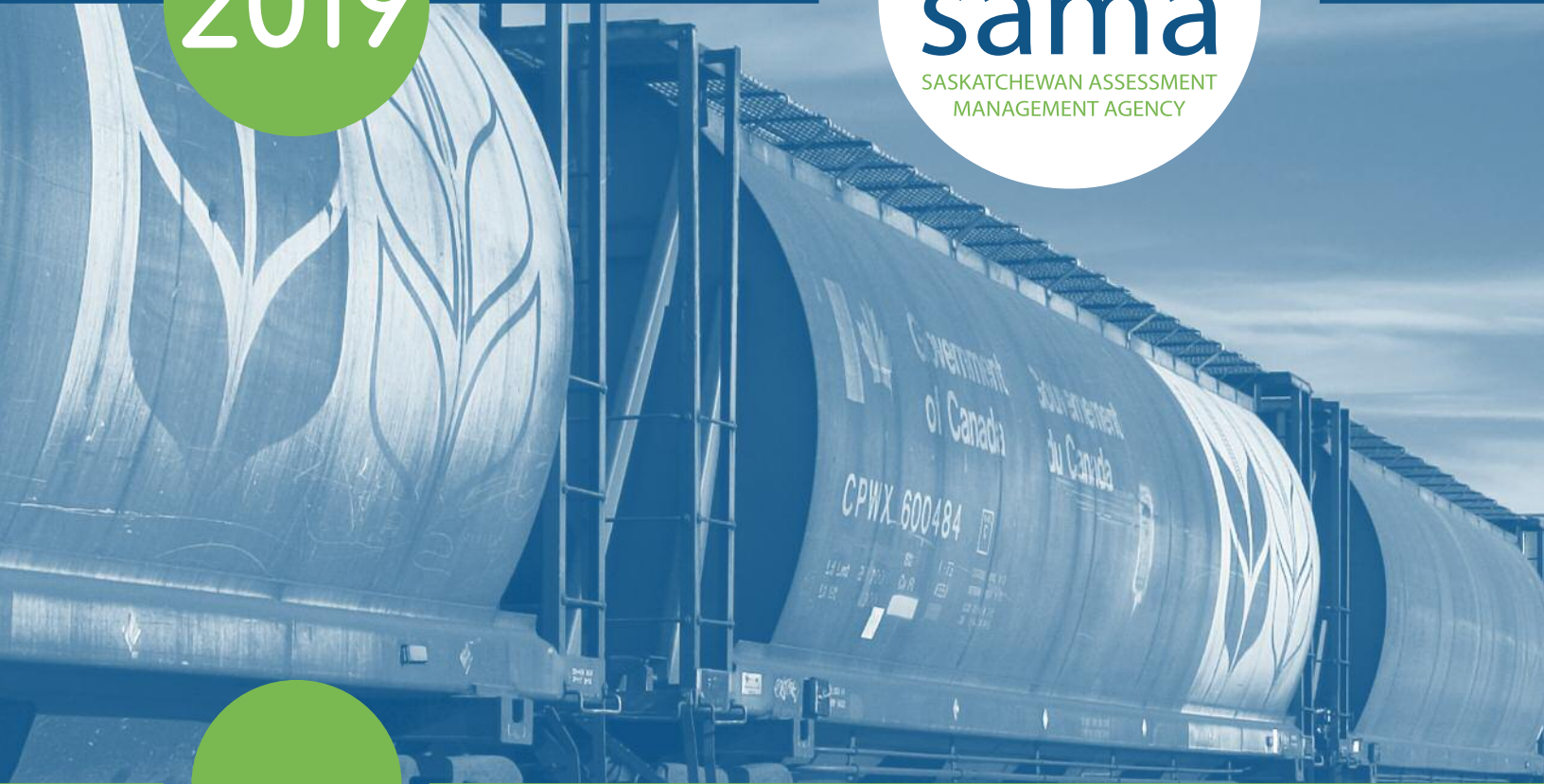


EXECUTIVE REPORT

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



2019



EXECUTIVE REPORT

PURSUING EXCELLENCE
IN ASSESSMENT POLICY AND
SERVICES FOR SASKATCHEWAN

▶ SAMA EXECUTIVE TEAM



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



2019 proved to be another very productive and successful year for the Agency on several operational and technological fronts. Through the dedicated efforts of our staff, and the strong support of our Board, we were able to meet our 100,000-property review and inspection target again in 2019.

We also had a successful year in meeting our objectives for the timely delivery of annual assessment maintenance, exceeding our 85%+ objective for on-time delivery and 95%+ within three weeks of the agreed upon delivery dates. This represented a huge step forward from our low of 18% delivered on time, which occurred when we first brought our new system online in 2017. The improvement in meeting these operational objectives translated into a significant rise in SAMA's customer satisfaction ratings with the Agency achieving the highest level ever for overall customer satisfaction in a survey of our client municipalities conducted in 2019.

The Agency had a very strong year in meeting our governance responsibilities from quality assurance to assessment research. As one major example, all necessary policies including our 2019 base year Saskatchewan Assessment Manual and our Residential and Commercial cost guides were successfully taken through the consultation and stakeholder, Board, and Ministerial approval processes in early 2019. The timely completion of this work was essential so that computer system updates and market analysis work required to deliver assessments for the 2021 revaluation could commence in earnest.

On the administrative front, picking a few examples from many, the Agency introduced a comprehensive new leadership training program as part of our ongoing succession planning and culture building efforts, successfully brought in an updated version of our main computer system, Govern, and negotiated a new multi-year contract with our staff that will cover the Agency through to the end of 2021.

2019 was also a very successful year for delivery of the final components of our Technology Infrastructure program with a new mobile-friendly website introduced in January, our new secure web portal, MySAMA, introduced in April and our fully updated SAMAView application delivered in December of 2019. All three projects were delivered on time, on budget and with no adjustment to the original scope of the projects.

The Agency did face some significant challenges through the year with the softening provincial economy leading to an ongoing high number of commercial and industrial appeals, including a record level of challenges advancing to the Court of Appeal level. In one instance, a Court of Appeal decision could have led to a very disruptive situation with oil and gas assessment losses of as much as \$750 Million affecting over 100 municipalities, if not for the intervention of the Ministry of Government Relations who introduced new regulations to ensure these assessments remained stable going forward. On behalf of SAMA and all the potentially impacted municipalities whose assessment base was protected by the Province, thank you!

The achievements noted above could not have occurred without three strong sources of support:

First, our Board has remained clear and consistent in their vision, direction and objectives for the Agency, offering unwavering support for all the initiatives that were in alignment with our stakeholder supported strategic directions.

Second, our funding stakeholders, SARM, Municipalities of Saskatchewan, our individual client municipalities and the Provincial Government provided the requested funding we needed to achieve our operational and technology objectives. In an unprecedented and very much appreciated action, the Province stepped up to provide some additional revenue to the Agency, which we deployed to hire additional staff who will be focused on further increasing our inspection capacity going forward.

CEO REPORT (continued)

Our third source of strength has come internally from the dedicated efforts of our staff, who work tirelessly to meet our operational, administrative and technological objectives, showing levels of overall engagement that were unprecedented for SAMA.

To our Board, our funding stakeholders and our staff, thank you for your continued faith and support for our Agency and the property assessment system in Saskatchewan.



Irwin Blank
Chief Executive Officer

2018 – 2021 BUSINESS AND FINANCIAL PLAN

The 2018-2021 Business and Financial Plan was developed in 2017 with the input of our stakeholders and advisory committees. The 2018 to 2021 plan lays out the objectives SAMA and our stakeholders expect to see over the four years of the plan with special emphasis on meeting the Agency's 100,000 property per year inspection objectives in each of the four years. The plan includes a proposed four year budget plan that calls 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 2019 operating budget was \$20.225 million.

In 2014, SAMA implemented an update to our funding formula that saw changes to how the assessment system is supported. For 2019, Government continued to pay 100% of the cost of SAMA's governance functions (\$6.838 million in 2019). The Province also pays 37% of SAMA's operations costs (based on benefits received to education). In 2019 SAMA received an additional \$850,000 from the Province in order to increase property inspection capacity, which brought SAMA's total funding from the Province to \$11.388M in 2019, up from \$10.538M in 2018.

Municipalities pay 63% of remaining operations costs (based on benefits received by the municipal sector).

As part of our funding plan, SAMA introduced a \$20 maintenance fee-for-service charge beginning with 2015 invoices. This fee for service concept was built into the Agency's 2014-2017 Business and Financial Plan at the request of SARM and SUMA as 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 2019 amounted to \$412,280.

2019 TECHNOLOGY UPDATE

In 2019, SAMA launched three major new pieces of technology: our updated external website, the MySAMA web portal and our updated SAMAView service.

SAMA is constantly looking for ways to improve our technology and the way we do business, and as part of this on January 15, 2019 SAMA launched a brand-new public website. The Agency's previous website was getting outdated, made use of obsolete technology and was not mobile friendly.

The features of the new website include:

- A newly designed platform with a mobile friendly interface;
- An intuitive sitemap to allow users to find information more easily; and
- Redesigned website content that makes information concise and easy to understand.

The Agency also developed and implemented MySAMA in 2019. MySAMA is a secure online portal that allows municipalities to submit maintenance information to SAMA online and access completed maintenance packages to download and use. SAMA began onboarding municipalities onto MySAMA in May of 2019, and the preliminary response from municipalities has been positive.

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

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

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 plans to complete 100,000 inspections a year, and physically reinspect every property in the province in that 12-year span. In 2018, the Agency surpassed our goal, inspecting over 105,000 properties.

In 2019 SAMA completed 100,983 property reviews, hitting our 100,000 inspections per year target for the second straight year. 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.

BUSINESS PROCESS IMPROVEMENT

The adoption of the new RDC technology has opened up new options for our staff to seek ongoing business process improvements to ensure SAMA is making optimum use of the new technologies going forward. Business process improvement work is ongoing in this area through continuing improvements in the new application, and in modifications to how our staff do their work in both the office and field. SAMA has also automated a number of regularly occurring administrative processes in 2019 to allow our professional staff to focus more of their time on higher value work for our clients.

ASSESSMENT SERVICES

The Assessment Services Division provides valuation services to 758 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 846,000 properties in the province, including the City of Moose Jaw. Core processes include inspection of properties through annual maintenance and general reinspections, revaluations (every four years), and support of value.

2019 YEAR IN REVIEW

- Starting in 2018, one of SAMA's major strategic objectives was to review/inspect 100,000+ properties every year. In 2018, the Agency surpassed our goal, inspecting over 105,000 properties.

In 2019 SAMA completed 100,983 property reviews, hitting our 100,000 inspections per year target for the second straight year.

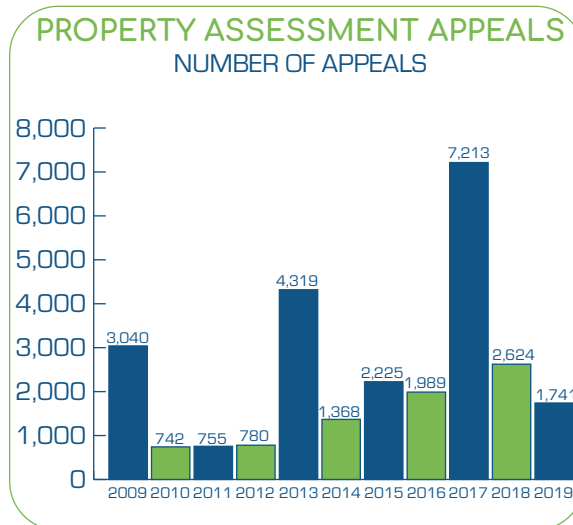
- 32,060 maintenance changes were completed in 2019.
- 1,741 properties filed appeals in 2019 (there were 2620 appeals in 2018, and 7,230 appeals in 2017, the most recent revaluation year).
- Over 68,923 properties reviewed, including:
 - 30,786 agricultural
 - 17,578 residential and commercial
 - 20,559 industrial
 - The 68,923 properties reviewed was an increase over the 60,948 properties reviewed in 2018, and a substantive increase over the 28,147 properties reviewed in 2017.
- 97 service charters with municipalities were completed in 2019.



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 1,741 appeals in 2019, and with 2019 being the third year of a revaluation cycle, we would expect a lower total than the 2,624 we saw in 2018 and the 7,213 appeals we saw in 2017, a revaluation year. The 1,741 appeals in 2019 represent 0.20% of properties in the province.



SUPPORT OF VALUE (continued)

2019's support of value work involved close to 17,000 direct labour hours in 2019 (22,000 in 2018), representing approximately 12.9% of SAMA's assessor resources (16.7% in 2018, 37.9% of resources in 2017, a revaluation year and 7.6% of resources in 2016 – a non-revaluation year). The demand for support of value has and will continue to force SAMA to allocate a large portion of resources and is an area of risk for both the agency and its stakeholders. SAMA has set an appeal completion goal time of 1.10 per day and in 2019 the completes per day average was 1.18. In addition to a general increase, there has also been an increase in appeals to the Saskatchewan Municipal Board when compared to the previous revaluation cycle. SAMA continues to train staff on preparing and presenting assessment appeals in an efficient, professional and effective manner.

SAMA also has formed an appeals support committee. 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 2019, particularly at the Saskatchewan Municipal Board – not only to recent years but also in comparison to the previous revaluation cycle.

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.

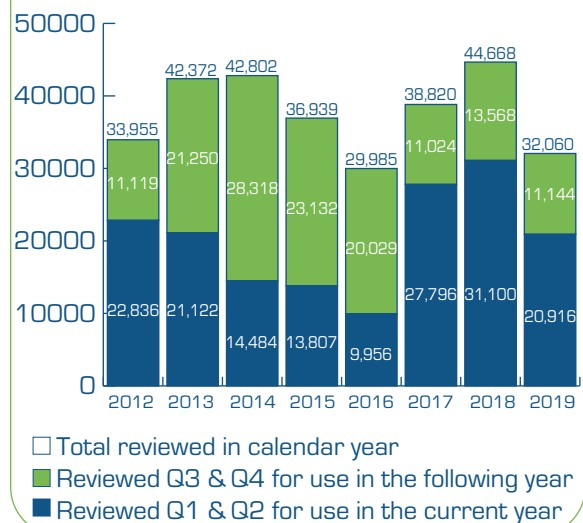
MAINTENANCE

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 2019, the agency reviewed 32,060 properties. Of these, 20,916 were for use on 2019 municipal assessment rolls, and in Q3 and Q4 the agency reviewed 11,144 properties for use on 2020 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.

ANNUAL MAINTENANCE REVIEWS
NUMBER OF RESIDENTIAL, COMMERCIAL AND AGRICULTURAL PROPERTIES



MAINTENANCE (continued)

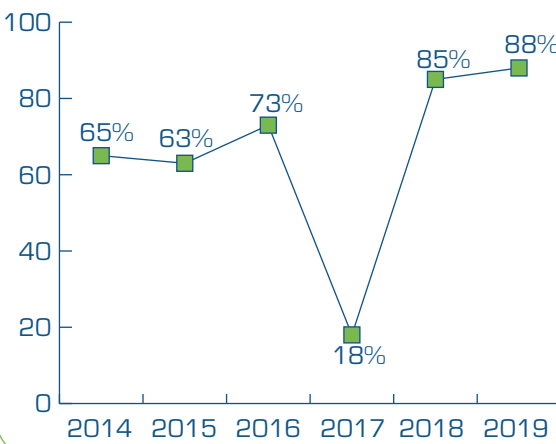
In terms of SAMA's maintenance fee-for-service initiative, the agency invoiced for 20,606 residential, commercial and agricultural maintenance requests. This was a small decrease from the chargeable reviews done in the past few years [24,190 in 2018, 24,700 in 2017 and 25,812 in 2016].

The volume of standardized oil and gas annual maintenance (98,169 properties) tends to overshadow the volume of other industrial property assessments. In 2019, the agency also updated 4,590 properties via renditions received from resource companies and conducted a flow line review of 19,534 properties.

SAMA delivered on-time 88% of maintenance by the date requested and delivered 98% of maintenance within three weeks of requested dates (on-time delivery was 84% in 2018, 18% in 2017, 73% in 2016 and 63% in 2015).

2018 and 2019 was a return to more normal levels after delays in 2017. Changes in 2017 resulted in the delivery of annual maintenance inspection results being delayed approximately two months. 2019 represents the highest level achieved by SAMA since tracking of on-time maintenance delivery began.

ON-TIME MAINTENANCE DELIVERY



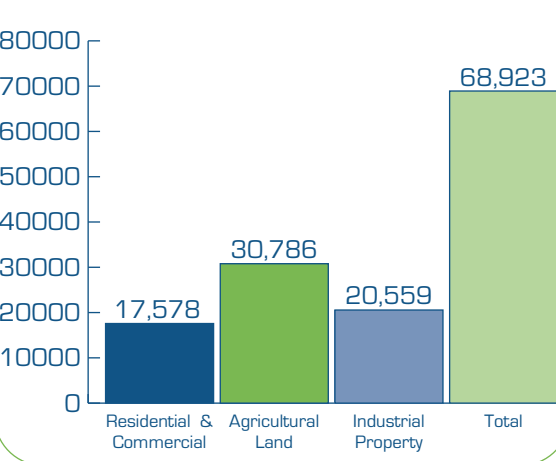
REINSPECTION PROGRAM

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

The agency reviewed 68,923 properties in 2019 (60,948 in 2018, 28,147 in 2017, 32,109 in 2016 and 24,578 in 2015), which included 30,786 agricultural properties in 20 Rural Municipalities, 17,578 residential/commercial properties and 20,559 industrial properties, targeting areas and municipalities where the assessments were estimated to be the furthest out-of-date.

SAMA has now had two straight years of exceptional results with our reinspection program, and we're on the path to meeting our goal of inspecting every property in the province once every 12 years. 2018 was the first year of this 12-year cycle.

PROPERTY REINSPECTION REVIEWS



REVALUATION PROGRAM

SAMA must conduct a province-wide revaluation every four years and the next revaluation year is 2021. Prior to 2021, many hours of data analysis and policy work must be done in order to create the data and guidelines that will be the basis for the new values. Preliminary numbers are due in 2020 and in order 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 while still ensuring a quality product is being delivered.

2019 was the third year of the current cycle of 2017-2020. Revaluation represented 42,254 direct labor hours or 32.4% of the resources of SAMA's appraisal staff. In 2015, year 2 of the 2013-2016 cycle, revaluation efforts represented 28.2% of all direct labour hours. For the first three years of the 2017-2020 cycle, SAMA has spent 81,840 hours on the revaluation. This is a decrease of over 12,000 hours or 13% from the 2013-2016 revaluation cycle.

The agency must also analyze property sales in a timely and thorough manner to create accurate models using the sales approach. The balance of unverified sales at the end of 2018 was 4,786.

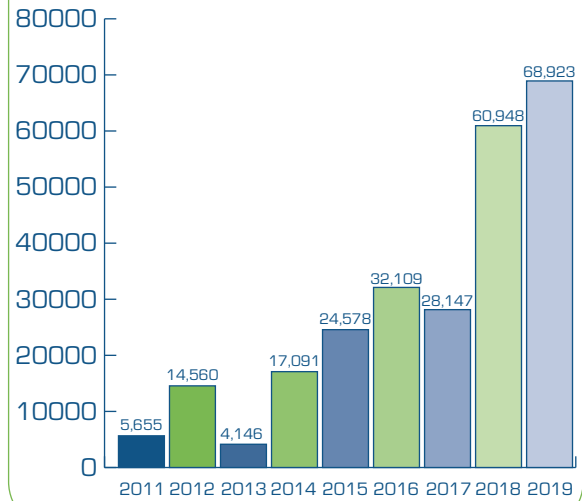
SAMA has established a goal of delivering an improved 2021 revaluation (when compared to the 2017 revaluation). Despite the increased demand on staff time as the 2021 revaluation draws closer, SAMA was still able to meet all of its maintenance, inspection and appeal support targets during 2019 due to the efficiency gains and investments in technology made over the last few years.

2021 REVALUATION

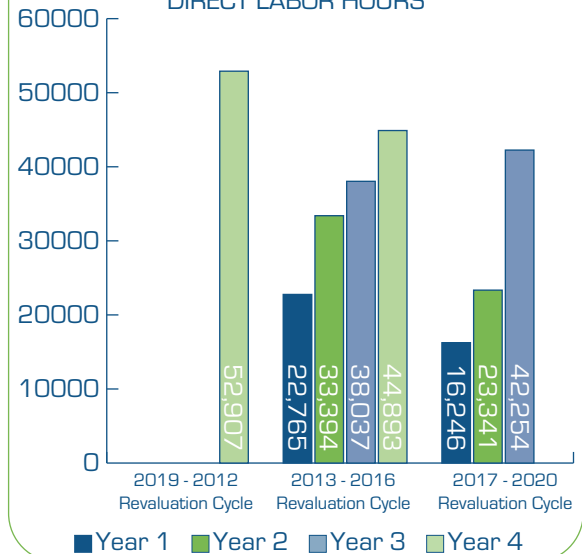
SAMA conducts revaluations based on a four-year cycle. 2017 was the year of the last revaluation, and the 2021 Revaluation will see assessed values updated to reflect a new base date of January 1, 2019.

Current direction by SAMA's Board is to continue to stabilize provincial valuation policy going forward. Therefore, consistent with the 2017 revaluation, SAMA's goal is to continue to stabilize major assessment policy, with consideration for refinement on selected items where there is consensus with stakeholders.

PROPERTY REINSPECTION REVIEWS NUMBER OF PROPERTIES



REVALUATION APPRAISER EFFECT DIRECT LABOR HOURS



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

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

In 2014, 10 municipalities who had previously received their assessment services from an independent assessment service provider opted back into SAMA's assessment services, and an additional four municipalities, Battleford, North Battleford, Meadow Lake and Nipawin, transitioned their assessment services back to SAMA in 2018. SAMA is honored to continue to be the assessment service provider of choice for all our 758 client municipalities.

TECHNICAL STANDARDS AND POLICY

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

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

TS&P is responsible for liaising with independent assessment service providers regarding assessment policy and valuation practices. These activities include quality coordination and control activities to ensure consistent application of assessment valuation practices, which includes facilitating and overseeing the provincial revaluation cycle that occurs every four years.

2021 REVALUATION PREPARATIONS

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

- Initiated a consultation process with stakeholders regarding assessment policy with refinements of selected items related to regulated property assessment valuation models:
 - Review of ag-land productivity models;
 - Review of railway roadway model;
 - Development of new heavy industrial wind turbine model;
 - Review of the oil and gas resource production equipment "production adjustment factor" (PAF); and,
 - Miscellaneous housekeeping improvements.

- Prepared and consulted on 2021 Revaluation Assessment Publications:
 - Researched and updated the *Saskatchewan Assessment Manual (2019 Base Year)* and *SAMA's 2019 Cost Guide*;
 - Consulted and obtained support from stakeholders and SAMA's Advisory Committees for publications;
 - Obtained Board approval of the publications and Ministerial approval of the regulated assessment Manual needed to have force of law; and,
 - Started working on amendments to the *Market Value Assessment in Saskatchewan Handbook* with approval planned for use with 2021 Revaluation.

TS&P has also started to prepare for the next 2025 revaluation which will use a January 1, 2023 base date. This advance work includes planning for stakeholder consultations regarding potential policy amendments for 2025. A full oil and gas well assessment model review is being planned for this upcoming revaluation and other property types may be subject to a review as well.

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

Hard copies of the revaluation publications as well as the Marshall costing publications are available for a fee that covers the cost to print the documents and any applicable third-party license fees. The 2019 publications, for use with the 2021 Revaluation, are also now 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 2019, SAMA's Information Services Branch (IS) was focused on ensuring the Agency is served by up to date and efficient technology. One of the branch's main focuses for 2019 was the launch of three major new pieces of technology: our updated external website, the MySAMA web portal and our updated SAMAView service.

2019 TECHNOLOGY UPDATE

As part of SAMA's overall goal to improve our technology and the way we do business, on January 15, 2019 SAMA launched a brand-new public website. The Agency's old website was getting outdated and made use of old technology and did not have a mobile friendly interface.

The features of the new website include:

- A newly designed platform with a mobile friendly interface;
- An intuitive sitemap to allow users to find information more easily; and,
- Redesigned website content that makes information concise and easy to understand.

The Agency also created and launched MySAMA in 2019. MySAMA is a secure online portal that allows municipalities to submit maintenance information to SAMA online and access completed maintenance packages to download and use. Municipalities were onboarded onto MySAMA starting in May of 2019, and the initial feedback from municipalities has been positive.



▶ ADMINISTRATIVE REPORT

SAMAVIEW

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

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

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

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

WHAT ARE THE BENEFITS OF SAMAVIEW?

With SAMAView you can:

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

LOOKING AHEAD TO 2020

In 2020, SAMA's IS branch will be implementing several upgrades to SAMA's technological systems, including:

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

HUMAN RESOURCES

For the year 2019, the Agency's budgeted number of employees was 156.25 permanent positions, which includes 118.5 positions in the Assessment Services division. The Province provided some additional revenue to SAMA in 2019, which the Agency used to add seven permanent appraiser positions to help increase our inspection capacity. This brought our actual staffing levels in 2019 to 163.25. Our budgeted staffing levels for 2020 will remain at 163.25.

Items of note for 2019:

- The Agency is constantly striving to become a better organization - more productive, innovative, service-oriented and better managed. This includes being attuned and responsive to employee needs. We examine the way we run our organization by conducting regular employee engagement surveys. We have conducted employee surveys in 2007, 2009, 2011, 2013, and 2015, and SAMA conducted a survey in January 2019 to continue to measure our progress as an Agency at engaging our employees. Going forward, SAMA will be implementing a concept called "Continuous Listening" where we ask for feedback from staff more frequently making it easier to facilitate internal changes;
- Held our annual Agency-wide staff meeting and appreciation banquet in September;
- Completed the implementation of the updated HR software system;
- Implemented the first phase of the new SAMA leadership development program; and,
- Renewed the collective agreement with unionized staff.

WORKFORCE PLANNING

The Agency continues to address workforce planning by:

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

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

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

▶ ADMINISTRATIVE REPORT

EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS

Throughout 2019, SAMA continued to place significant emphasis on the development and training of our employees. SAMA's employees continue to have considerable success with their attainment of professional accreditations.

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

LOOKING AHEAD TO 2020

In 2020, SAMA's HR branch will be working on several initiatives, including:

- Summer student recruitment to support the agency's 2020 property inspection program;
- Implementing the second phase of the Leadership Development Program; and,
- Conducting a pulse survey to gauge progress on employee engagement initiatives.

COMMUNICATIONS

In 2019, SAMA's Communications Branch was focused on improving the way we connect with our clients and stakeholders, with a focus on informing our clients with regards to the major new pieces of technology SAMA launched in 2019.

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.

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. In early 2019, SAMA launched a completely updated and redesigned website, taking advantage of newer technologies that make the website easier to navigate and more mobile friendly.



2019

FINANCIAL REPORT

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

2019



sama

SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY

FINANCIAL REPORT

PURSUING EXCELLENCE
IN ASSESSMENT POLICY AND
SERVICES FOR SASKATCHEWAN

▶ SUMMARY OF 2018 FINANCIAL RESULTS

REVENUES

Total provincial funding increased by \$850,000 (8.1%) in 2019 and total municipal funding increased by \$146,621 (1.7%) in 2019.

Total operating revenues increased by \$711,114 (3.5%) to \$21,075,111 from \$20,363,997 in 2018.

- The provincial operating grant increased \$850,000 to \$11,388,000 from \$10,538,000 in 2018. SAMA's budget request was an increase of \$204,000 and the additional \$646,000 was provided for SAMA to increase property inspection capacity.
- Municipal operating revenue increased \$146,621 to \$8,695,978 from \$8,549,357 in 2018. The change is comprised of a planned 2% uniform increase to the base charge for all client municipalities, updated property counts from the previous year, a decrease in the number of properties subject to the \$20 maintenance fee, and no change to the fees for technology maintenance.
- All other operating revenues decreased \$285,507 (-22.4%) to \$991,133 from \$1,276,640 in 2018, mainly due to a decrease in revenues for contracted appraisal and assessment service.

OPERATING EXPENSES

Total operating expenses held steady from the previous year and increased by \$5,432 to \$19,846,976 from \$19,841,544 in 2018.

- Salaries and benefits increased \$201,196 over 2018 primarily because of the following:
 - The settlement of a 2017-2021 collective bargaining agreement in 2019 that included back pay.
 - The addition of new appraisal positions to increase inspection capacity (funded by new provincial funding).

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

The Agency recorded an operating surplus of \$752,258 in 2019 after \$475,877 was transferred to the capital fund for purchase of capital assets.

- The increase in net assets of \$752,258 (excluding capital assets) in 2019 consisted of a \$37,775 decrease in unrestricted net assets and a \$790,033 net increase in amounts held in reserve.
- The net increase in reserves of \$790,033 is the result of 2019 reserve expenditures of \$345,967 and reserve replenishments of \$1,136,000.

▶ AUDITOR'S REPORT

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, 2019, and the statements of revenues and expenses and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BASIS FOR OPINION

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
February 28, 2020
Regina Saskatchewan

▶ FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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

Year ended December 31, 2019

	Budget 2019 (Unaudited)	Actual 2019	Actual 2018
Revenue			
Province of Saskatchewan operating grant	\$ 10,742,000	\$ 11,388,000	\$ 10,538,000
Municipal invoices	8,861,000	8,695,978	8,549,357
Fees	261,000	136,708	188,728
Interest	70,000	120,704	106,186
Appraisal and assessment services	600,000	637,138	908,347
Miscellaneous	62,000	96,583	73,379
	20,596,000	21,075,111	20,363,997
Expenses			
Geospatial imagery	85,000	60,000	60,000
Bank and payroll charges	20,000	14,344	20,288
Communications	45,000	46,592	24,774
Computer services, software and supplies	1,625,000	1,630,503	1,610,199
Insurance	22,000	20,274	20,162
Land titles information	205,000	180,530	184,572
Office	521,580	418,388	461,410
Printing and data licensing	75,000	81,331	94,396
Professional	380,000	405,479	542,305
Rent	1,240,000	1,292,310	1,258,439
Salaries and benefits	14,803,420	14,572,127	14,370,931
Staff training and development	302,000	310,762	315,860
Travel and accommodation	901,000	814,336	878,208
	20,225,000	19,846,976	19,841,544
Excess of revenues over expenses	371,000	1,228,135	522,453
Transfer to capital fund	(465,000)	(475,877)	(904,986)
Operating fund balance, beginning of year	–	3,097,825	3,480,358
Operating fund balance, end of year	(94,000)	3,850,083	3,097,825
Reserves (Note 6)	94,000	(3,702,840)	(2,912,807)
Unrestricted fund balance, end of year	\$ –	\$ 147,243	\$ 185,018

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

▶ FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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

Year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Revenue		
Province of Saskatchewan and municipal restricted grant (Note 5)	\$ 322,329	\$ 322,329
Expenses		
Amortization of capital assets	912,111	962,671
Deficiency of revenues over expenses	(589,782)	(640,342)
Transfer to capital fund	475,877	904,986
Capital fund, beginning of year	3,604,252	3,339,608
Capital fund, end of year	\$ 3,490,347	\$ 3,604,252

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

FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

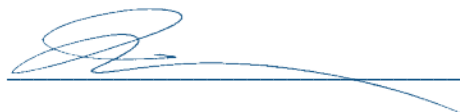
SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2019

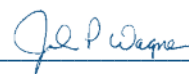
	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Cash	\$ 1,881,997	\$ 2,135,145
Accounts receivable and accrued interest	25,616	119,723
Municipal invoices receivable	15,939	11,840
Province of Saskatchewan grant receivable	2,847,000	2,634,500
Government remittance receivable	42,698	34,756
Prepaid expenses	718,053	601,818
	5,531,303	5,537,782
Capital assets (Note 3)	6,817,706	6,719,037
	\$ 12,349,009	\$ 12,256,819
Liabilities		
Current liabilities		
Accounts payable	\$ 1,180,569	\$ 1,460,226
Deferred contributions relating to TI program (Note 5)	322,329	322,329
Deferred revenue	141,603	85,780
	1,644,501	1,868,335
Deferred contributions related to TI program (Note 5)	3,364,078	3,686,407
	5,008,579	5,554,742
Net assets		
Capital fund	3,490,347	3,604,252
Operating fund		
Reserves (Note 6)	3,702,840	2,912,807
Unrestricted	147,243	185,018
	3,850,083	3,097,825
	7,340,430	6,702,077
	\$ 12,349,009	\$ 12,256,819

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

Approved by the Board



Director



Director

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY STATEMENT OF CASH FLOWS

Year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Operating activities		
Excess (deficiency) of revenues over expenses		
Operating fund	\$ 1,228,135	\$ 522,453
Capital fund	(589,782)	(640,342)
Items not affecting cash		
Amortization of capital assets	912,111	962,671
	1,550,464	844,782
Changes in non-cash working capital		
Accounts receivable and accrued interest	94,107	(64,751)
Government remittances receivable	(7,942)	27,821
Municipal invoices receivable	(4,099)	(8,102)
Province of Saskatchewan grant receivable	(212,500)	78,000
Prepaid expenses	(116,235)	(123,677)
Accounts payable	(279,657)	542,923
Deferred revenue	55,823	(197,017)
Deferred contributions related to TI Program	(322,329)	(322,329)
	757,632	777,650
Investing activity		
Purchase of capital assets	(1,010,780)	(1,851,511)
Decrease in cash	(253,148)	(1,073,861)
Cash, beginning of year	2,135,145	3,209,006
Cash, end of year	\$ 1,881,997	\$ 2,135,145

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

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2019

1. STATUTORY AUTHORITY

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

[a] Use of estimates

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

[b] Fund accounting

The 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

Year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of long-lived assets

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

(e) Technology Infrastructure Program development costs

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

(f) Reserves

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

(g) Revenue recognition

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

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

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2019

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, 2019, the most significant financial liabilities are accounts payable.

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2019

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net Book Value</u>	<u>2018 Net Book Value</u>
Computer and equipment	\$ 2,016,084	\$ 1,658,157	\$ 357,927	\$ 474,457
Furniture and equipment	1,136,588	934,647	201,941	200,692
Leasehold improvements	412,906	332,393	80,513	98,490
TI Program (Note 2(f))	7,359,713	1,182,388	6,177,325	5,945,398
	\$ 10,925,291	\$ 4,107,585	\$ 6,817,706	\$ 6,719,037

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 2018) repayable on demand and bearing interest at bank prime plus 0.5% [4.45% on December 31, 2019]. As at December 31, 2019 there was nil (nil in 2018) outstanding.

5. DEFERRED CONTRIBUTIONS RELATED TO TI PROGRAM

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 4,008,736	\$ 4,331,065
Amounts amortized to revenue	(322,329)	(322,329)
	3,686,407	4,008,736
Current portion to be recognized within one year	(322,329)	(322,329)
	3,364,078	3,686,407

FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2019

6. INTERNALLY RESTRICTED RESERVES

Operating fund reserve

	<u>2019</u>	<u>2018</u>
Operating fund reserves, beginning of year	\$ 2,912,808	\$ 2,191,763
Reserves made during the year	1,136,000	1,340,000
Approved expenditures made during the year (net of transfers)	(345,968)	(618,956)
Operating fund reserves, end of year	\$ 3,702,840	\$ 2,912,807

The balance in operating fund reserves comprised the following:

	<u>2019</u>	<u>2018</u>
Reserve for technology	\$ 450,406	\$ 89,406
Reserve for professional fees	1,050,694	1,221,661
Reserve for travel	115,000	115,000
Reserve for governance	1,000,000	1,000,000
Reserve for SAMA operations	1,086,740	486,740
	\$ 3,702,840	\$ 2,912,807

(a) Reserve for technology

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2019 \$361,000 (nil in 2018) was transferred to the reserve and approved expenditures were nil (\$25,000 in 2018).

(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 2019, \$175,000 (\$340,000 in 2018) was transferred to the reserve and approved expenditures were \$345,968 (\$593,955 in 2018).

(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 2019, nil (\$1,000,000 in 2018) was transferred to the reserve.

6. INTERNALLY RESTRICTED RESERVES (continued)

(e) Reserve for SAMA operations

A reserve has been established to provide for SAMA operations in the event of future revenue shortfalls. In 2019, \$600,000 (nil in 2018) was transferred to the reserve.

Capital fund reserve

A reserve has been established for costs incurred to design and implement a four-year program to make improvements to the Agency's central assessment database. In 2019, \$475,877 (\$904,986 as at December 31, 2018) was transferred from the reserve. The total reserve in the capital fund at December 31, 2019 is \$1,369,828 (\$893,951 as at December 31, 2018).

7. COMMITMENTS

The Agency has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, Moose Jaw and North Battleford. The leases are to expire between 2021 and 2028. Annual lease payments are as follows:

2020	\$	1,262,097
2021		1,158,394
2022		1,057,750
2023		971,070
2024		1,004,120
2025 and thereafter		2,055,576

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

2020	\$	253,888
2021		189,308

8. PENSION EXPENSE

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

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

The total pension contributions by the Agency for employees in PEPP was \$948,827 (\$928,547 in 2018).



▶ FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2019

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>2019</u>	<u>2018</u>
Operating expenses	\$ 1,880,029	\$ 1,915,187
Government remittances receivable	42,698	63,900
Government remittances payable	\$ 1,029	1,323

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, 54% [52% in 2018].



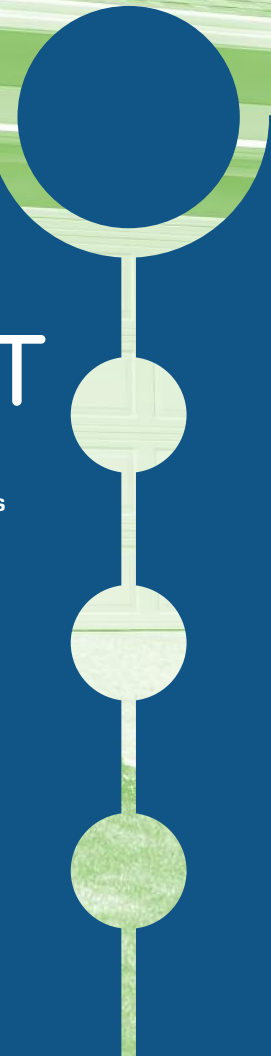
2019



QUALITY ASSURANCE REPORT

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

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



2019



sama

SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY

QUALITY ASSURANCE REPORT

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▶ QUALITY ASSURANCE

SAMA IS THE REGULATORY AGENCY RESPONSIBLE FOR PROPERTY ASSESSMENT IN SASKATCHEWAN

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

QUALITY ASSURANCE DIVISION IS INDEPENDENT FROM THE REST OF THE AGENCY

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

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

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

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 2019 assessment roll year, Certificates of Confirmation were issued for 750 municipalities (100% of all returns submitted to SAMA for 2019). As at March 1, 2020 confirmation audits were in progress for 0 municipal assessment rolls. 12 assessment returns have not yet been submitted for 2019. Assessment rolls that were confirmed for 2019 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 2019, 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 2019.

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 2019. The second table summarizes year over year percentage change for confirmed taxable assessment totals by tax class from 2017 through 2019. More specific confirmed assessment information by municipality is available on the SAMA website.



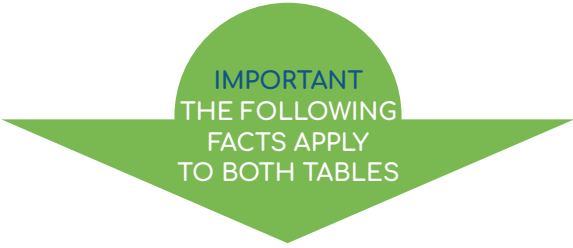
2019 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

2019		URBAN MUNICIPALITIES				
CONFIRMED ASSESSMENTS		CITIES	TOWNS	VILLAGES	RESORT VILLAGES	TOTAL URBAN MUNICIPALITIES
TAXABLE	Non-Arable	967,930	1,732,680	1,248,435	864,495	4,813,540
	Other Agricultural	59,513,958	36,181,875	22,407,930	454,355	118,558,118
	Residential	50,224,170,270	8,714,167,301	1,984,983,655	781,420,720	61,704,741,946
	Multi-Unit	9,851,575,119	491,010,240	32,813,552	15,154,080	10,390,552,991
	Seasonal Residential	0	51,592,560	39,707,920	1,186,922,560	1,278,223,040
	Commercial and Industrial	20,114,305,410	1,750,813,361	275,335,267	52,706,800	22,193,160,838
	Elevators	88,817,460	104,272,460	26,318,790	0	219,408,710
	Railway R/W and Pipeline	107,075,600	32,747,000	34,278,700	42,500	174,143,800
	Taxable Total	80,446,425,747	11,182,517,477	2,417,094,249	2,037,565,510	96,083,602,983
EXEMPT	Non-Arable	8,985,675	1,138,860	172,575	374,040	10,671,150
	Other Agricultural	76,889,979	5,472,610	2,009,865	767,690	85,140,144
	Residential	726,585,882	211,253,574	49,434,384	34,294,480	1,021,568,320
	Multi-Unit	541,930,654	21,397,120	1,013,008	0	564,340,782
	Seasonal Residential	0	305,120	1,034,720	62,898,320	64,238,160
	Commercial and Industrial	17,167,861,538	2,051,608,289	524,182,648	45,419,400	19,789,071,875
	Elevators	798,940	274,900	365,800	0	1,439,640
	Railway R/W and Pipeline	49,172,900	7,805,200	3,609,000	0	60,587,100
	Exempt Total	18,572,225,568	2,299,255,673	581,822,000	143,753,930	21,597,057,171
PROVINCIAL GRANT-IN-LIEU	Non-Arable	0	945	0	0	945
	Other Agricultural	2,086,010	28,710	0	0	2,114,720
	Residential	136,454,400	38,093,760	6,272,640	0	180,820,800
	Multi-Unit	679,242,320	42,013,360	6,151,600	0	727,407,280
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	1,543,654,733	73,426,200	10,717,600	3,097,200	1,630,895,733
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	601,100	1,003,000	0	0	1,604,100
	Provincial Grant-in-Lieu Total	2,362,038,563	154,565,975	23,141,840	3,097,200	2,542,843,578
FEDERAL GRANT-IN-LIEU	Non-Arable	0	2,745	0	0	2,745
	Other Agricultural	962,045	511,775	0	0	1,473,820
	Residential	181,650,920	10,838,800	4,576,560	0	197,066,280
	Multi-Unit	14,864,720	386,240	527,600	0	15,778,560
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	562,219,700	39,689,500	8,139,100	0	610,048,300
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	12,930,900	3,550,300	1,251,900	0	17,733,100
	Federal Grant-in-Lieu Total	772,628,285	54,979,360	14,495,160	0	842,102,805
2017-2019		URBAN MUNICIPALITIES				
CONFIRMED TAXABLE ASSESSMENTS		CITIES	TOWNS/VILLAGES/RESORT VILLAGES		MUNICIPAL TOTALS	
TAXABLE	2017	70,050,042,375	14,285,710,138		84,335,752,513	
	% CHANGE 2016-17	17.99	28.76		19.69	
	2018	78,375,116,457	15,301,145,369		93,676,261,826	
	% CHANGE 2017-18	11.88	7.11		11.08	
	2019	80,446,425,747	15,637,177,236		96,083,602,983	
	% CHANGE 2018-19	2.64	2.20		2.57	

2019 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	SASKATCHEWAN ¹ SASKATCHEWAN TOTAL
3,176,699,586	262,620	3,181,775,746
28,509,434,840	2,375,945	28,630,368,903
8,848,842,082	362,528,320	70,916,112,348
219,552,395	17,955,360	10,628,060,746
2,403,611,681	165,138,880	3,846,973,601
14,005,318,291	665,553,575	36,864,032,704
1,135,671,846	0	1,355,080,556
4,733,479,800	495,800	4,908,119,400
63,032,610,521	1,214,310,500	160,330,524,004
84,907,283	6,622,200	102,200,633
196,184,533	1,310,870	282,635,547
3,914,426,350	32,284,640	4,968,279,310
12,341,685	1,111,200	577,793,667
132,857,371	10,663,760	207,759,291
1,504,302,776	131,276,600	21,424,651,251
40,737,754	0	42,177,394
386,288,750	0	446,875,850
6,272,046,502	183,269,270	28,052,372,943
130,258,440	0	130,259,385
10,320,090	0	12,434,810
2,585,840	253,840	183,660,480
165,920	0	727,573,200
0	6,800	6,800
132,228,000	11,678,900	1,774,802,633
0	0	0
72,476,900	0	74,081,000
348,035,190	11,939,540	2,902,818,308
92,842,965	0	92,845,710
20,191,435	0	21,665,255
13,869,600	3,171,680	214,107,560
15,453,200	243,360	31,475,120
0	9,920	9,920
194,727,000	6,302,700	811,078,000
0	0	0
26,370,900	0	44,104,000
363,455,100	9,727,660	1,215,285,565

RURAL MUNICIPAL TOTALS	NORTHERN MUNICIPAL TOTALS	SASKATCHEWAN ¹ PROVINCIAL TOTALS
52,088,267,185	1,314,678,933	137,738,698,631
35.72	4.46	25.10 ¹
62,126,169,164	1,626,878,355	157,429,309,345
19.27	23.75	14.30 ^{1,3}
63,032,610,521	1,214,310,500	160,330,524,004
1.46	-25.36	1.84 ^{1,2}



¹ 2017- 2019 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%

²Assessment rolls for 2019 have not been confirmed as at March 1, 2020 for the following municipalities, therefore their aggregate taxable assessed values for the following municipalities are not included in the 2019 assessment totals in the above table:

MUNICIPALITY
City of Martensville
City of North Battleford
N. Town of La Ronge
N. Town of Air Ronge
N. Village of Pelican Narrows
N. Village of Sandy Bay
R.M. of Morris No. 312
Town of Maple Creek
Village of Aylesbury
Village of Beatty
Village of Margo
Village of Netherhill

³Assessment rolls for 2018 have not been confirmed as at March 1, 2020 for the following municipalities, therefore their aggregate taxable assessed values for the following municipalities are not included in the 2018 assessment totals in the above table:

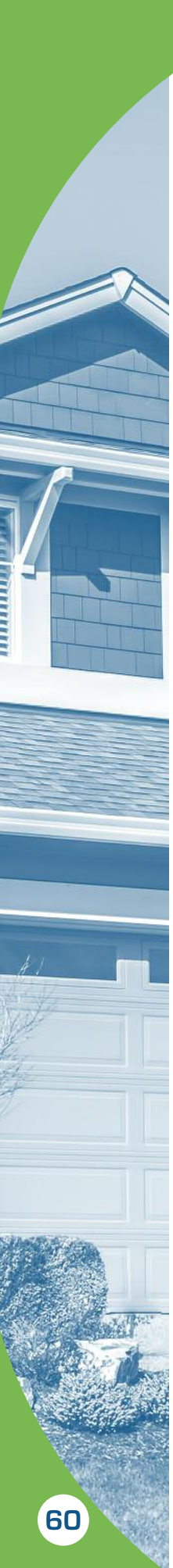
MUNICIPALITY
N.Village of Sandy Bay
Village of Margo
Village of Netherhill



▶ NOTES

NOTES

Lined area for notes, consisting of approximately 30 horizontal lines.



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2019



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SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY

ANNUAL REPORT

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