



Annual Report 1999

Pursuing Excellence in Assessment Policy and Services for Saskatchewan



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Letter of Transmittal from the Minister

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



Clay Serby
Minister of Municipal Affairs,
Culture and Housing

Your Honour:

I have the honour to submit the 1999 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, 1999 to December 31, 1999.

Respectfully submitted,

Clay Serby
Minister of Municipal Affairs, Culture and Housing

Letter of Transmittal from the Chairman

The Honourable Clay Serby
Minister of Municipal Affairs, Culture and Housing
Room 307, Legislative Building
Regina, Saskatchewan
S4S 0B3



Mark Thompson
SAMA Chairman

Mr. Sinclair Harrison, President
Saskatchewan Association of Rural Municipalities
2075 Hamilton Street
Regina, Saskatchewan
S4P 2E1

Mr. Gary Shaddock, President
Saskatchewan School Trustees Association
400 - 2222 13th Avenue
Regina, Saskatchewan
S4P 3M7

Mr. Mike Badham, President
Saskatchewan Urban Municipalities Association
200 - 1819 Cornwall Street
Regina, Saskatchewan
S4P 2K4

Dear Sirs:

On behalf of the Board of Directors, I respectfully submit the 1999 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 1999 to December 31, 1999.

Yours sincerely,

Mark Thompson
Chairman, Board of Directors

Corporate Profile

The Saskatchewan Assessment Management Agency (SAMA) was formed in 1987 to address issues in the property assessment system reported by the Local Government Finance Commission.

The commission had concluded there would continue to be a lack of local government authority in the assessment function, inadequate resources for the long-term, a lack of research and policy development, and a lack of priority for the assessment function, as long as it remained part of a provincial government department.

Local Government Jurisdiction and an Independent Board

The creation of SAMA removed assessment from direct provincial responsibility, putting it under the jurisdiction of local governments represented by an independent Board of Directors.

The funding formula established in legislation includes financial commitments from both municipalities and the provincial government.

Representation and Partnership

The SAMA Board of Directors includes representation from the rural, urban and education sectors, as well as from the province and The Saskatchewan Assessors' Association.

The SAMA board reflects the ongoing partnerships that are building a more accurate and equitable assessment valuation system for Saskatchewan property owners.

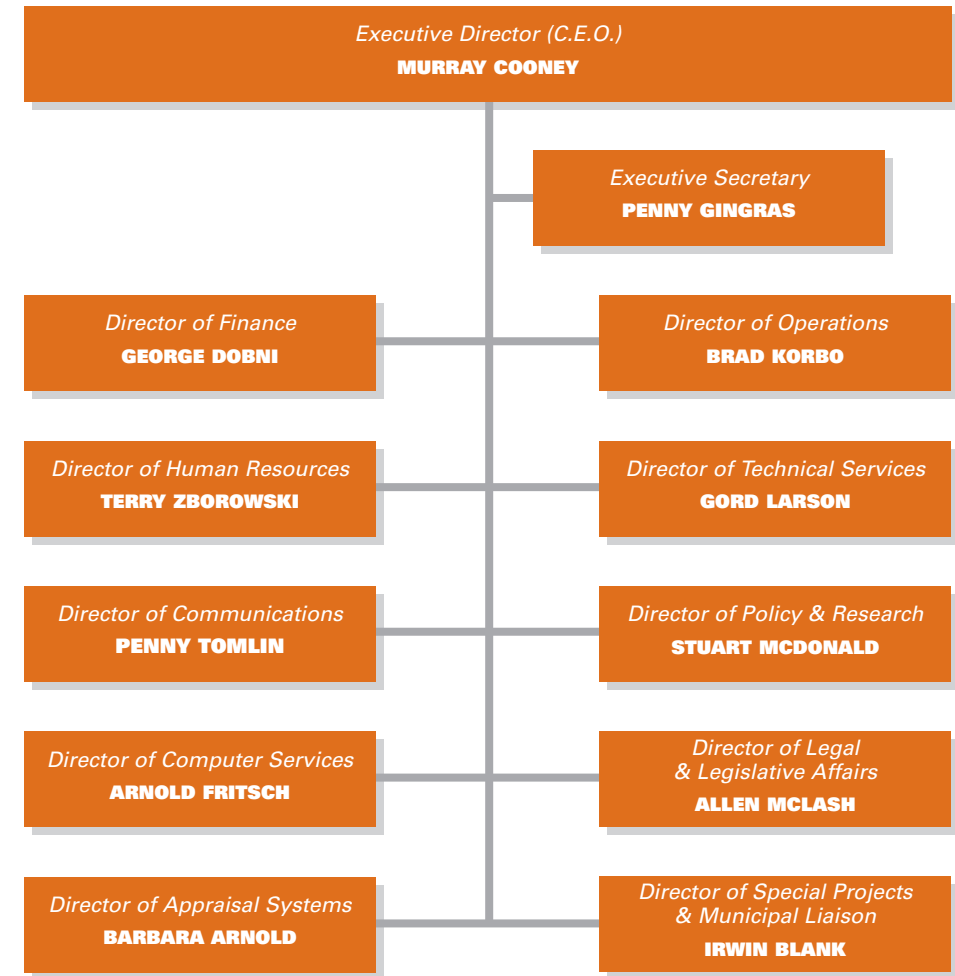
Representation on the SAMA Board of Directors is based on the principle that local governments, which depend on property tax for their principle source of revenue, should have a voice in how the property tax system is administered.

Location

SAMA's central office is located in Regina.

The agency also has regional offices in Melfort, North Battleford, Regina, Saskatoon, Swift Current, Weyburn and Yorkton.

Organization



SAMA's Role

As an independent agency, SAMA has a dual mandate and responsibility to local governments and property owners to develop and administer assessment policy, and to provide property appraisal services to municipalities for tax purposes. The agency is funded, in part, by the province, for its core service of developing assessment policy, and through a municipal requisition for its field services.

A nine-member Board of Directors that includes representatives of the province, and elected representatives of the rural, urban and education sectors and professional assessors governs SAMA. This structure ensures the agency is responsive to the needs of its clients and stakeholders, and that it operates at optimum efficiency.

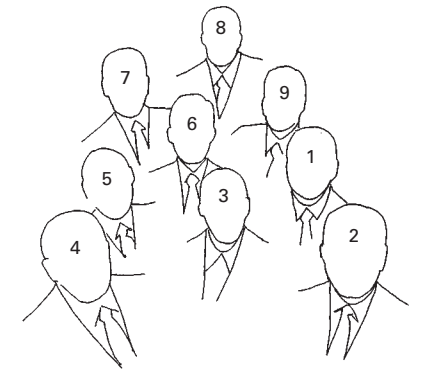
SAMA employs highly trained and qualified staff committed to a quality assessment system based on the *Principles of a Quality Assessment System* listed below.

SAMA also consults extensively with local governments, advisory committees, liaison groups and the public on assessment valuation issues to ensure the implementation of equitable, understandable assessment policies that are fair to all property owners. We will continue to consult with our stakeholders as we strive to deliver a quality assessment system in a cost-effective manner. These consultations include SAMA's sixth annual meeting, planned for April 2000.

Principles of a Quality Assessment System

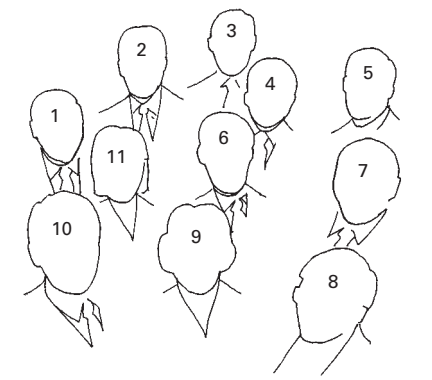
- Accurate and up-to-date
- Based on professional standards
- Defensible
- Understandable
- Universal
- Cost effective and easily administered
- Equitable
- Fair for all property owners

Board of Directors



Members of the SAMA Board of Directors: (1) **Mark Thompson**, Chair; representing: Province; term expiration: March 10, 2000. (2) **Bill Reader**; Province; August 21, 1999. (3) **Sharon Armstrong**; Urban Sector; June 2, 2001. (4) **Ozdemir Niyazi**; The Saskatchewan Assessors' Association; January 7, 2001. (5) **Keith Carleton**; Rural Sector; June 2, 2001. (6) **Nick Postnikoff**; Rural Sector; June 2, 2001. (7) **Gary Hellard**; Education Sector; June 2, 2001. (8) **Fred Clipsham**; Urban Sector; June 2, 2001. (9) **Patrick Koskie**; Province; March 10, 2002.

Executive Team



Administration: (1) **Murray Cooney**, Chief Executive Officer; (2) **Arnold Fritsch**, Director of Computer Services; (3) **Brad Korbo**, Director of Operations; (4) **Irwin Blank**, Director of Special Projects & Municipal Liaison; (5) **Gord Larson**, Director of Technical Services; (6) **George Dobni**, Director of Finance; (7) **Terry Zborowski**, Director of Human Resources; (8) **Barbara Arnold**, Director of Appraisal Systems; (9) **Penny Gingras**, Executive Secretary; (10) **Allen McLash**, Director of Legal & Legislative Affairs; (11) **Penny Tomlin**, Director of Communications.

Missing from photo: **Stuart McDonald**, Director of Policy & Research

Chairman's Report

New Directions

Stakeholders attending our 1999 Annual Meeting expressed optimism and confidence in what they see as a new trend for SAMA. Over the past year, the agency has made considerable progress in its commitment to build better relationships with local governments. Under the leadership of Murray Cooney, who was appointed Chief Executive Officer in August, I am confident this trend will continue.

Murray brings with him a wealth of experience in the assessment field. He has served as City Assessor for the City of Regina and has worked in the assessment department with the City of Saskatoon. He also has significant experience in the appraisal of agricultural property, which he acquired while working with the government of Canada. In addition to his extensive assessment experience, Murray has excellent management and leadership skills, and is extremely well respected by professionals in the assessment field.

Throughout the past year, we have worked hard to meet our commitment to improve service delivery, to provide the province, each municipality and school division with greatly enhanced information for policy considerations. Our number one priority is to improve our capacity to provide accurate and timely information to our stakeholders. To this end, the *preliminary assessment values* for the 2001 revaluation were delivered to municipalities early; and, for the first time ever, this same detailed information was provided to the school divisions.

These, and other joint achievements of SAMA and its stakeholders, have been made possible through:

- an improved consultation process
- agreement on principles
- adoption of professional standards
- a clear separation of assessment policy from taxation policy.

System Enhancements

One of the principles of a quality assessment system is that it is fair for all classes of property owners, throughout the province. Working with our stakeholders we helped make significant improvements to the system with the 1997 province-wide revaluation. This major step forward helped restore fairness to a system that had fallen behind the times. But it was just the first of many steps required to redevelop a quality assessment system—a system that reflects the expectations of the property owner, local governments and the province.

SAMA is committed to making continued and sustainable improvements to the province-wide assessment system. We feel this will best be achieved by:

- establishing improved, joint relationships
- ensuring decisions are based on principles and professional standards
- enhancing long-term plans through meaningful consultation
- clarifying our joint commitments to deliver the plans.

Future Plans

We believe that long-term planning is critical to the evolution of an assessment system that will serve our province well today and into the future. One measure of this type of long-term planning is seen in the decision by the SAMA Board of Directors to establish the **Residential Sales Comparison Development Team**. This team was asked in 1998 to examine the possible development of a valid sales comparison model for residential properties for the 2005 property assessment revaluation. The development team completed its evaluation and submitted a report to the SAMA board, recommending the optional use of the sales comparison approach as an additional method to determine value.

On the commercial assessment side, the **Commercial Property Assessment Task Force** was created to study improved valuation procedures for commercial properties for implementation in the 2005 revaluation. The 1997 revaluation made it possible to incorporate up-to-date professional property appraisal practices and methods into the cost approach valuation procedures—a good first step. We recognize that additional enhancements to the system are required. *The commercial sector stakeholders have been extremely patient with the delay in making needed improvements to the system.*

In September, the Commercial Property Assessment Task Force brought forward its recommendations to the Board of Directors. The extensive report contains, among other things, a recommendation that SAMA introduce additional, optional, commercial assessment methodologies—such as the use of the income approach to value—to ensure fairness and equity within the commercial sector. The board recognizes that in order to safeguard the integrity of the entire property assessment system, we must move forward with improvements.

In 1995, SAMA proposed that the introduction of the income approach be deferred until the year 2000. Various stakeholders asked SAMA for this deferral to allow for a reasonable adjustment period. With a further deferral to 2005, SAMA has now allowed a period of nearly ten years to provide the necessary time for all parties to manage this significant change. *Let there be no mistake, the commercial sector has lost its patience for any further delay in the implementation of the income approach to value. Further delays in providing improved equity and fairness for the commercial sector will only be seen as uncaring injustice.*

While no final decision has been made in these areas, SAMA will be considering the recommendations from both the Commercial Property Assessment Task Force and the Residential Sales Comparison Development Team, taking into consideration the feedback received from our advisory committees, local governments and other stakeholders.

Funding Issues

Although SAMA has one of the lowest cost operations of any jurisdiction, the agency has not made the investment necessary to maintain technologies at today's standards. SAMA recognizes that a continuation of this approach would be penny-wise and pound-foolish.

Year in Review

This report would be remiss if it did not address the serious funding issue that SAMA faces. Traditionally, the agency has been funded through various cost splitting formulas between the province and municipalities. SAMA believes the current level of funding of the property assessment function is not sufficient to support the most appropriate development and implementation of improved property assessment methodologies.

At the same time, funding of the property assessment function is a growing concern for municipalities. SAMA is worried that future improvements to assessment valuation procedures may become unreasonably restricted without alternate funding sources because municipalities may be too hesitant to support the necessary additional funding. The agency needs the support of both the province and local governments to adequately fund the property assessment function and to investigate the merits of alternative sources of funding, such as user fees, sale of information, service based requisitions or a direct levy against all Saskatchewan properties.

The continued call by municipalities, this past year, to consider providing their own valuation services, was symptomatic of funding problems. So, too, was the province's move to legislate the reinspection cycle.

In Conclusion

We have successfully navigated the first major upgrade to the province's property assessment system. And now we look ahead to the next significant step, the 2001 revaluation. We have in place the basis of a fair and workable property assessment system, but we must continue to move forward to ensure the system can fulfill its vital role. With the support and co-operation of our many stakeholders, SAMA must continue to uphold the principles of a quality assessment system, for the benefit of the people of Saskatchewan.



Mark Thompson
Chairman, Board of Directors

Serving Our Stakeholders

Revaluation Program

Preliminary assessment values for the 2001 revaluation were prepared and delivered to municipalities, school divisions and the province in the fall. This allowed the provincial government time to consider tax policy decisions. It also allowed the municipalities time to review the assessments and provide SAMA with feedback.

Staff updated tables with the 1998 Saskatchewan Assessment Manual rates, on both the computer assisted mass appraisal system (CAMA) currently in use by SAMA, and the Aplus CAMA system used by the cities of Regina, Moose Jaw and Saskatoon.

Sales Verification Program

Sales verification continued in 1999 with staff reviewing more than 39,000 transfers. This on-going program has successfully eliminated a recurring backlog.

Property Inspection Programs

While the main focus of the year's operation was on preparing for the 2001 revaluation, SAMA's annual maintenance program and the agency's program of reinspection of selected municipalities continued in 1999. More than 30,000 properties were inspected as part of these programs.

The reinspection program included the completion of a two-year plan to inspect all non-well oil and gas sites in the province. This involved the inspection of 440 non-well sites in 18 municipalities in the southwest, and the inspection of 1040 non-well sites in 28 municipalities in the southeast part of the province. In addition to this, all 37,694 wells in the province were recalculated using the oil and gas well standardization procedures, under the annual maintenance program.

Managing the Assessment Function

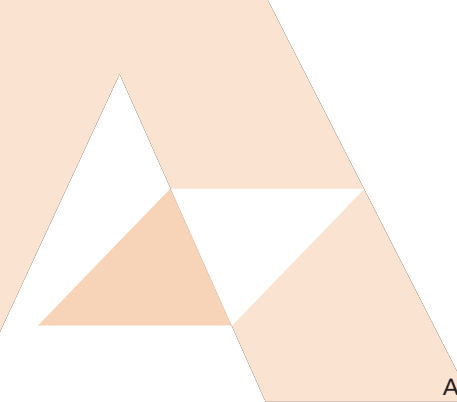
Computer Systems

In 1999, SAMA completed computer-programming changes required to calculate the assessed values of properties in the province. Major changes were made to the agricultural land assessment calculation. The Local Market Index (LMI) can now be applied by soil type, neighbourhood or municipal boundaries.

SAMA contributed resources to the cities to complete an auditing of the new 2001 rate tables and values generated by their Aplus CAMA system.

Throughout the year a number of changes were made to SAMA's mainframe HP 3000 computer that helped to improve operating efficiency. An increase in our communication line speed resulted in better response times in our regional offices.

SAMA continued to upgrade computers in the regional offices enabling the agency to work towards standardization of software.



A major project was undertaken in 1999 to ensure that all computer systems were Y2K compliant. No major problems were encountered.

Policy & Research

The agency initiated a study of the cost models used as the basis for valuing residential and commercial buildings. The current cost models were developed in the mid-1970s and are fairly complex. The objective of the project is to find ways to simplify the cost models while still producing an accurate estimate of the building's replacement cost new. The simplification of cost models is expected to provide a number of benefits including increased accuracy and efficiency, less complicated computer programs, and greater compatibility with other appraisal methodologies.

Amendments proposed by the Policy Review Committee and the Legal Review Committee of the Board of Directors were incorporated into the Saskatchewan Assessment Manual (1998 Base Year) for the 2001 revaluation. In addition, several "housekeeping" amendments were incorporated into the current Saskatchewan Assessment Manual for use in 2000. These amendments were adopted by Board Order.

Staff reviewed a number of assessment valuation issues during the year, including: property value trending techniques, location analysis techniques for land grading, and pasture land market analysis.

Legal and Legislative Matters

The Saskatchewan Court of Appeal heard several assessment-related cases during 1999, which lead to further development of case law on assessment in the province. The vast majority of these appeals related to the concept of the market adjustment factor, which was introduced in the 1997 revaluation.

Defense of Value

Staff handled more than 1,400 agricultural, residential and commercial land and building appeals during the year. The appeal rate dropped to 0.20 per cent in 1999 from 0.5 per cent in 1998 and 1.64 per cent in 1997.

Consulting With Our Publics

Advisory Committees

SAMA's Board of Directors struck a committee to review the mandate and structure of the agency's advisory committees in March. In June, in response to a request from the committee, the board broadened the committee's terms of reference to include an examination of the nature and type of interaction between SAMA and its various publics; SAMA's objectives with respect to its interactions with the various publics; and proposals/recommendations with respect to SAMA's interactions with these various publics. The committee will present its final report to the board early in the new year.

Ad hoc Committees

SAMA officials initiated regular meetings with City Assessors and City Market Analysts beginning in the fall. This initiative provided SAMA and the cities with a forum to meet, discuss and come to common ground on a variety of assessment related issues, including assessment manual revisions, legislative changes and assessment procedure issues, as well as issues related to the preparation and delivery of preliminary 1998 base fair value assessments by the cities to the provincial government.

Commercial & Residential Property Reports

The board received the recommendations of the Commercial Property Assessment Task Force and the final report of the Residential Property Sales Comparison Development Team at its September meeting. The reports were distributed to the agency's urban, rural and cities advisory committees and specific stakeholder groups, for review and comments.

Both reports contain a comprehensive set of recommendations on potential changes to assessment methodology in Saskatchewan, to be considered over the longer term.

The Commercial Property Assessment Task Force report was prepared through the collaborative efforts of a team of representatives from the cities of Saskatoon, Regina, Moose Jaw, Prince Albert, North Battleford, Yorkton and Lloydminster; The Saskatchewan Assessors' Association and the Appraisal Institute of Canada; and SAMA's Board of Directors and administration.

The Residential Sales Comparison Development Team report was prepared through a similar consultative process that included representation from each of the six cities that conducted their own valuation services, The Saskatchewan Assessors' Association, the Appraisal Institute of Canada, and SAMA administration.

Annual Meeting

Regina was the site of the 1999 SAMA Annual Meeting, held November 5. A total of 347 delegates from local governments throughout the province attended the event. The agenda included four technical sessions: The 2001 Revaluation; Communicating with Municipalities, School Divisions and Property Owners; Recent Changes to Property Assessment Legislation; and, Assessment Methods for 2005. It also included reports from the Board of Directors and individual sessions for the cities, urban, rural and education sectors.

Total Assessed Values¹ for the Year 1999

	URBAN MUNICIPALITIES					RURAL MUNICIPALITIES ⁵	NORTHERN MUNICIPALITIES	SASKATCHEWAN TOTAL
	CITIES ²	TOWNS	VILLAGES ³	RESORT VILLAGES ⁴	TOTAL URBAN MUNICIPALITIES			
TAXABLE								
Non-Arable (Range) Agriculture	280,800	192,450	174,100	15,050	662,400	586,210,200	699,040	587,571,640
Other Agricultural	5,448,806	9,181,360	5,669,105	27,770	20,327,041	8,133,131,540	114,070	8,153,572,651
Residential	7,980,194,467	1,897,543,330	419,403,631	61,918,867	10,359,060,295	750,326,159	147,924,630	11,257,311,084
Multi-Unit Residential	1,586,644,821	84,319,755	7,313,430	424,250	1,678,702,256	5,604,345	8,353,700	1,692,660,301
Seasonal Residential	0	11,029,765	12,021,410	151,970,035	175,021,210	195,824,874	43,088,340	413,934,424
Commercial and Industrial	3,424,403,019	487,290,035	73,911,540	9,054,308	3,994,658,902	2,961,324,575	191,447,540	7,147,431,017
Elevators	19,508,270	109,168,020	78,974,920	0	207,651,210	132,215,360	0	339,866,570
Railway Right of Way and Pipeline	16,329,110	7,581,000	9,664,630	24,400	33,599,140	1,319,250,930	18,200	1,352,868,270
Business	212,482,400	68,175,990	23,361,445	546,600	304,566,435	219,425,215	4,503,500	528,495,150
Total Taxable Assessed Value	13,245,291,693	2,674,481,705	630,494,211	223,981,280	16,774,248,889	14,303,313,198	396,149,020	31,473,711,107
EXEMPT								
Non-Arable (Range) Agriculture	1,160,720	153,950	42,700	66,700	1,424,070	14,882,275	2,105,480	18,411,825
Other Agricultural	6,296,419	1,856,350	514,220	51,200	8,718,189	21,075,860	21,200	29,815,249
Residential	101,718,290	57,339,865	10,563,329	2,581,985	172,203,469	526,323,686	16,181,015	714,708,170
Multi-Unit Residential	90,643,933	11,278,220	1,006,940	0	102,929,093	2,481,150	440,425	105,850,668
Seasonal Residential	0	0	152,990	5,330,550	5,483,540	44,869,533	4,795,740	55,148,813
Commercial and Industrial	2,915,932,285	567,302,750	154,671,255	4,268,500	3,642,174,790	550,899,155	54,620,120	4,247,694,065
Elevators	1,006,500	2,940	1,720	0	1,011,160	15,807,080	0	16,818,240
Railway Right of Way and Pipeline	730,870	2,789,730	1,552,200	0	5,072,800	89,667,540	0	94,740,340
Business	191,090	682,900	44,200	0	918,190	63,008,930	45,400	63,972,520
Total Exempt Assessed Value	3,117,680,107	641,406,705	168,549,554	12,298,935	3,939,935,301	1,329,015,209	78,209,380	5,347,159,890
PROVINCIAL GRANT-IN-LIEU								
Non-Arable (Range) Agriculture	19,650	0	0	0	19,650	24,633,450	0	24,653,100
Other Agricultural	348,720	0	0	0	348,720	2,809,170	0	3,157,890
Residential	33,069,400	12,215,975	3,070,400	319,050	48,674,825	607,500	317,125	49,599,450
Multi-Unit Residential	105,499,820	10,779,965	2,145,150	0	118,424,935	2,000	0	118,426,935
Seasonal Residential	0	0	0	0	0	0	0	0
Commercial and Industrial	297,516,710	17,878,900	2,543,900	1,322,500	319,262,010	21,783,200	11,589,700	352,634,910
Elevators	0	0	0	0	0	0	0	0
Railway Right of Way and Pipeline	0	64,120	0	0	64,120	14,222,230	0	14,286,350
Business	17,747,832	1,111,000	165,750	25,500	19,050,082	1,191,650	124,200	20,365,932
Total Provincial Grant-in-Lieu Assessed Value	454,202,132	42,049,960	7,925,200	1,667,050	505,844,342	65,249,200	12,031,025	583,124,567
FEDERAL GRANT-IN-LIEU								
Non-Arable (Range) Agriculture	0	0	0	100	100	72,643,050	0	72,643,150
Other Agricultural	200,490	53,900	0	0	254,390	6,317,780	0	6,572,170
Residential	7,839,230	2,536,750	1,768,475	0	12,144,455	6,351,115	1,739,400	20,234,970
Multi-Unit Residential	8,344,110	649,700	500,375	0	9,494,185	5,868,179	0	15,362,364
Seasonal Residential	0	0	0	164,500	164,500	14,700	0	179,200
Commercial and Industrial	158,699,440	16,448,200	2,295,500	0	177,443,140	100,251,384	2,945,900	280,640,424
Elevators	0	0	0	0	0	0	0	0
Railway Right of Way and Pipeline	6,795,390	0	0	0	6,795,390	0	0	6,795,390
Business	393,715	0	800	0	394,515	12,400	15,000	421,915
Total Federal Grant-in-Lieu Assessed Value	182,272,375	19,688,550	4,565,150	164,600	206,690,675	191,458,608	4,700,300	402,849,583

¹ The assessed values for urban and rural municipalities are calculated at the following percentages of fair value:

Non-Arable (Range) Agricultural	50%
Other Agricultural	70%
Residential	75%
Multi-Unit Residential	85%
Seasonal Residential	70%
Commercial and Industrial	100%
Elevators	60%
Railway Right of Way and Pipelines	70%

Assessed values for northern municipalities are calculated at the following percentages of fair value:

Land	60%
Improvements	100%

² Assessed values do not include assessment totals for the City of Lloydminster. Assessment totals for this community are to be confirmed in early 2000.

³ Assessed values do not include assessment totals for the Village of Beatty, Village of Ernfold, Village of Laird, Village of Palmer, and Village of Wishart. Assessment totals for these communities are to be confirmed in early 2000.

⁴ Assessed values do not include assessment totals for the Resort Village of North Grove and Resort Village of South Lake. Assessment totals for these communities are to be confirmed in early 2000.

⁵ Assessed values do not include assessment totals for the R.M. of Cana No. 214 and R.M. of Emerald No. 277. Assessment totals for these communities are to be confirmed in early 2000.

Taxable Assessment Totals for the years 1994-1999

	URBAN MUNICIPALITIES			RURAL MUNICIPALITIES TOTAL	NORTHERN MUNICIPALITIES TOTAL	SASKATCHEWAN TOTAL
	CITIES	RESORTS, TOWNS AND VILLAGES	URBAN MUNICIPALITIES TOTAL			
1994	3,355,345,012	955,415,394	4,310,760,406	2,337,633,885	81,180,841	6,729,575,132
PERCENTAGE CHANGE 1993-94	0.92	0.21	0.76	0.78	1.30	0.78
1995	3,374,640,200	964,305,439	4,338,945,639	2,372,499,922	82,860,611	6,794,306,172
PERCENTAGE CHANGE 1994-95	0.58	0.93	0.65	1.49	2.07	0.96
1996	3,344,925,400	969,141,435	4,314,066,835	2,406,692,833	90,292,908	6,811,052,576
PERCENTAGE CHANGE 1995-96	-0.88	0.50	-0.57	1.44	8.97	0.25
1997	13,757,688,008	3,419,974,696	17,177,662,704	14,039,025,554	384,642,910	31,601,331,168
PERCENTAGE CHANGE 1996-97	311.30	252.89	298.18	483.33	325.99	363.97
1998	13,685,723,641	3,488,199,087	17,173,922,728	14,263,839,643	396,176,855	31,833,939,226
PERCENTAGE CHANGE 1997-98	-0.52	1.99	-0.02	-1.60	3.00	-0.74
1999	13,245,291,693 ¹	3,528,957,196 ²	16,774,248,889	14,303,313,198 ³	396,149,020	31,473,711,107
PERCENTAGE CHANGE 1998-99	-3.22	1.17	-2.33	0.28	-0.01	-1.13

NOTES: Assessed values for 1994 to 1996 are calculated at the following percentages of 1965 value in urban and rural municipalities:

Agricultural land	60%
Urban land	100%
Buildings	50%

Assessed values for 1994 to 1996 are calculated at the following percentages of 1965 value in northern municipalities:

Land	100%
Buildings	60%

Assessed values for 1997 to 1999 are calculated at the following percentages of fair value based on a June 30, 1994 base year:

Urban and Rural Municipalities:		Northern Municipalities:	
Non-Arable Land	50%	Land	60%
Other Agricultural	70%	Improvements	100%
Residential	75%		
Multi-Unit Residential	85%		
Seasonal Residential	70%		
Commercial and Industrial	100%		
Elevators	60%		
Railway R/W and Pipeline	70%		

¹ Assessed values do not include assessment totals for the City of Lloydminster.

² Assessed values do not include assessment totals for the Resort Village of North Grove, Resort Village of South Lake, Village of Beatty, Village of Ernfold, Village of Laird, Village of Palmer and Village of Wishart.

³ Assessed values do not include assessment totals for the R.M. of Cana No. 214 and R.M. of Emerald No. 277.

Advisory Committees to the Board of Directors

In accordance with *The Assessment Management Agency Act*, SAMA maintains three advisory committees to review policies and practices respecting assessment, and to make recommendations to the board concerning these policies and practices. Each of the committees met in October, just prior to SAMA's Annual Meeting, which was held November 5 in Regina.

URBAN ADVISORY COMMITTEE

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

MEMBERS	REPRESENTING
Sharon Armstrong, Committee Chair	SAMA Board Member (Urban)
Mark Thompson	SAMA Board Chair
Gary Hellard	SAMA Board Member (Education)
Fred Clipsham	SAMA Board Member (Cities)
Vacant (at Dec. 31, 1999)	Urban Municipalities (Cities)
Vacant (at Dec. 31, 1999)	Urban Municipalities (Cities)
Cecil Campbell, Alderman, Town of Kindersley	Urban Municipalities (Towns)
Wayne Busch, Mayor, Town of Nokomis	Urban Municipalities (Towns)
Vacant (at Dec. 31, 1999)	Urban Municipalities (Villages)
Vacant (at Dec. 31, 1999)	Urban Municipalities (Villages)
Vacant (at Dec. 31, 1999)	City Commissioners
Mike Badham, President	Saskatchewan Urban Municipalities Association
Pat Dergousoff, Administrator, Town of Canora	Urban Municipal Administrators Association of Saskatchewan
Tim Molnar, Yorkton R.C.S. Board of Education	Saskatchewan School Trustees Association
Gord Young, Weyburn School Division	Saskatchewan School Trustees Association
Vern Noble	Provincial Association of Resort Communities of Saskatchewan
L. A. Lorne Swalm	Saskatchewan Chamber of Commerce
Keith Ross	Canadian Federation of Independent Business
Rob Lawrence	Saskatchewan Real Estate Association
Shaun Cooney	Saskatchewan Assessors' Association
Vacant (at Dec. 31, 1999)	Saskatchewan Consumers Association
OBSERVERS	
Keith Schneider, Executive Director	Saskatchewan Urban Municipalities Association
Sharon Markestyn, Policy & Research Analyst	Saskatchewan Municipal Affairs, Culture and Housing
Murray Cooney, CEO	Chief Executive Officer, SAMA
Brad Korbo, Secretariat to the Committee	SAMA

CITY ADVISORY COMMITTEE

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

MEMBERS	REPRESENTING
Fred Clipsham, Committee Chair	SAMA Board Member (Cities)
Mark Thompson	SAMA Board Chair
Bill Reader	SAMA Board Member (Province)
Patrick Koskie	SAMA Board Member (Province)
Ray Boughen, Mayor	City of Moose Jaw
Brian Hamblin, Commissioner	City of Moose Jaw
Douglas Archer, Mayor	City of Regina
Doug Fisher, Senior Director, Corporate Finance & Administration	City of Regina
Henry Dayday, Mayor	City of Saskatoon
Phil Richards, Acting City Manager	City of Saskatoon
Don Cody, Mayor	City of Prince Albert
Terry Topping, Commissioner	City of Prince Albert
Mike Badham, President	Saskatchewan Urban Municipalities Association
Lindsay Fast, Trustee, Saskatoon Board of Education	Saskatchewan School Trustees Association
Curt Van Parys, Secretary-Treasurer, Regina RCS School Division	Saskatchewan School Trustees Association
Al Didur	Saskatchewan Real Estate Association
Delmar Robertson	Saskatchewan Chamber of Commerce
Marilyn Braun	Canadian Federation of Independent Business
Vacant (at Dec. 31, 1999)	Saskatchewan Consumers Association
OBSERVERS	
Keith Schneider, Executive Director	Saskatchewan Urban Municipalities Association
Brij Mathur, Associate Deputy Minister	Saskatchewan Municipal Affairs, Culture and Housing
John Edwards, Executive Director	Saskatchewan Municipal Affairs, Culture and Housing
Don Barr, City Assessor	City of Regina
Al Froess, City Assessor	City of Saskatoon
Harvey Fishbook, City Assessor	City of Prince Albert
Dave Pierce, City Assessor	City of Moose Jaw
Murray Cooney, CEO	SAMA
Irwin Blank, Secretariat to the Committee	SAMA

RURAL ADVISORY COMMITTEE

The **Rural Advisory Committee** is responsible for rural municipalities.

MEMBERS	REPRESENTING
Keith Carleton, Committee Chair	SAMA Board Member (Rural)
Mark Thompson	SAMA Board Chair
Nick Postnikoff	SAMA Board Member (Rural)
Oz Niyazi	SAMA Board Member (Saskatchewan Assessors' Association)
David Schnell, Reeve, R.M. of Browning No. 34	Rural Municipalities
John Wagner, Reeve, R.M. of Piapot No. 110	Rural Municipalities
James Hockley, Reeve, R.M. of Indian Head No. 156	Rural Municipalities
Robert Webb, Reeve, R.M. of Big Quill No. 308	Rural Municipalities
Lawrence Viala, Reeve, R.M. of Buckland No. 491	Rural Municipalities
Dale Forland, Councillor, R.M. of Britannia No. 502	Rural Municipalities
Vacant (at Dec. 31, 1999)	Saskatchewan Association of Rural Municipalities
Dave Dmytruk, Administrator, R.M. of Swift Current No. 137 Saskatchewan	Rural Municipal Administrators Association of Saskatchewan
Gary Shaddock	Saskatchewan School Trustees Association
Scott Sander	Saskatchewan School Trustees Association
Richard Eberts	Provincial Association of Resort Communities of Saskatchewan
Tim Chapman	Saskatchewan Mining Association
Rick Johnston Industry	Canadian Energy Pipeline Association - Oil & Gas Industry
Valerie Allard	Small Exploration Producers Association of Canada and Canadian Association of Petroleum Producers - Oil & Gas Industry
Vacant (at Dec. 31, 1999)	Saskatchewan Consumers Association
OBSERVERS	
Ken Engel, Executive Director	Saskatchewan Association of Rural Municipalities
Sharon Markestyn, Policy & Research Analyst	Saskatchewan Municipal Affairs, Culture and Housing
Murray Cooney, CEO	SAMA
Gord Larson, Secretariat to the Committee	SAMA

Auditors' Report



To the Board of Directors of
The Saskatchewan Assessment Management Agency

We have audited the balance sheet of Saskatchewan Assessment Management Agency as at December 31, 1999 and the statements of revenues, expenses and operating surplus and cash flows for the year then ended. These financial statements are the responsibility of the agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the agency as at December 31, 1999 and the results of its operations and its cash flow for the year then ended in accordance with generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
February 23, 2000

Financial Statements



SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
(Established under The Assessment Management Agency Act - Saskatchewan)

BALANCE SHEET
December 31, 1999

	1999	1998
CURRENT ASSETS		
Cash and temporary investments	\$ 1,603,600	\$ 1,455,250
Accounts receivable and accrued interest	143,665	101,960
Prepaid expenses	13,428	13,363
GST receivable	-	26,530
	1,760,693	1,597,103
FIXED ASSETS (Note 4)		
	327,145	313,545
	\$ 2,087,838	\$ 1,910,648
CURRENT LIABILITIES		
Accounts payable	\$ 101,315	\$ 166,015
GST payable (Note 3)	159,701	-
Deferred revenue (Note 5)	714,075	714,075
	975,091	880,090
SURPLUS		
Equity in fixed assets (Note 6)	327,145	313,545
Accumulated operating surplus	189,828	137,624
Reserves (Note 7)	595,774	579,389
	1,112,747	1,030,558
	\$ 2,087,838	\$ 1,910,648

APPROVED BY THE BOARD

Mark Thompson Director

Kevin H. Cameron Director

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES, EXPENSES AND OPERATING SURPLUS

Year ended December 31, 1999

	1999	1998
REVENUES		
Province of Saskatchewan Operating grant (Note 5)	\$ 4,150,000	\$ 4,150,000
Municipal requisitions	5,449,801	5,282,338
Interest	110,738	112,190
Fees	138,520	190,861
Appraisal and assessment services	84,397	2,315
Miscellaneous	65,743	53,057
	9,999,199	9,790,761
EXPENSES		
Aerial photography	743	67,469
Bank charges	9,994	5,511
Communications and public meetings	70,781	124,452
Computer	269,758	306,136
Depreciation	167,600	167,296
GST	190,458	-
Insurance	11,162	12,040
Office	457,507	581,607
Printing	213,680	239,777
Professional	31,193	71,089
Rent	409,092	351,232
Salaries and benefits	7,498,917	7,288,559
Tools and supplies	-	1,797
Travel and accommodation	467,510	568,104
	9,798,395	9,785,069
EXCESS OF REVENUES OVER EXPENSES	200,804	5,692
OPERATING SURPLUS, BEGINNING OF YEAR	137,624	133,812
ALLOCATION TO EQUITY IN FIXED ASSETS (Note 6)	(13,600)	(1,880)
TRANSFERS TO RESERVES (Note 7)	(135,000)	-
OPERATING SURPLUS, END OF YEAR	\$ 189,828	\$ 137,624

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF CASH FLOWS

Year ended December 31, 1999

	1999	1998
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	\$ 200,804	\$ 5,692
Items not affecting cash		
Depreciation	167,600	167,296
	368,404	172,988
Changes in non-cash working capital items		
Accounts receivable and accrued interest	(41,705)	(26,380)
Prepaid expenses	(65)	(24)
GST receivable	26,530	15,918
Accounts payable	(64,700)	23,661
GST payable	159,701	-
Professional fees reserve expenditures	(73,277)	(64,186)
	374,888	121,977
INVESTING		
Purchase of fixed assets	(181,654)	(170,987)
Computer enhancement reserve expenditures	(45,338)	(1,169)
Proceeds from sale of fixed assets	454	1,811
	(226,538)	(170,345)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	148,350	(48,368)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	1,455,250	1,503,618
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 1,603,600	\$ 1,455,250

Notes to the Financial Statements



1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (SAMA) was established on March 1, 1987 and amended on June 1, 1994 under the authority of *The Assessment Management Agency Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Temporary Investments

Investments are stated at the lower of cost and market value.

b) Accounts Receivable

Amounts received from the Province of Saskatchewan under the terms of a transition agreement for reimbursement of employee travel advances have been recorded as a reduction of these advances.

c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the diminishing balance method, except for leasehold improvements and computer equipment, which are being amortized using the straight-line method over the lives of the leases.

Amounts received from the Province of Saskatchewan in 1987 under the terms of a transition agreement for acquisition of fixed assets have been recorded as a reduction of the cost of these assets.

d) Computer Software Development Costs

Computer software development costs are expensed as period costs.

e) Equity in Fixed Assets

In 1994, the Agency adopted the policy to account for the equity in fixed assets separate from the accumulated operating surplus. The balance includes net book value of fixed assets less related liabilities and amount contributed by Saskatchewan Property Management Corporation.

3. GST

During 1991 Canada Customs and Revenue Agency (CCRA) assessed SAMA's operations as commercial activities entitling the organization to recover 100% of GST paid. A subsequent audit by CCRA confirmed their 1991 opinion. In 1999, CCRA issued a GST Ruling based upon an amendment to the Excise Tax Act. CCRA's opinion is that this amendment reverses their previous position and now values SAMA's entitlement from 100% to 57.14% of GST paid. Accordingly, the expense of \$190,458 and liability of \$159,701, net of GST receivable of \$30,757, have been recorded even though the resolution of this issue has not been finalized. SAMA will be pursuing its options regarding the GST issue in 2000.

4. FIXED ASSETS

	Rate	Cost	Accumulated Depreciation	Net Book Value 1999	1998
Computer disc drives under capital leases	40%	\$ 147,343	\$ 145,120	\$ 2,223	\$ 3,634
Mainframe computer equipment	1/5	1,062,591	1,062,591	-	-
Desktop computer equipment	40%	1,132,742	807,968	324,774	318,705
Furniture and equipment	20%	384,422	157,870	226,552	217,099
Leasehold improvements	1/5	326,042	275,606	50,436	50,947
		3,053,140	2,449,155	603,985	590,385
Less transition grant		(276,840)	-	(276,840)	(276,840)
		\$2,776,300	\$2,449,155	\$ 327,145	\$ 313,545

5. DEFERRED REVENUE

Operating Grant

Under Section 18(2) of *The Assessment Management Agency Act*, the Agency is entitled to receive an annual operating grant of \$4,000,000 from the Province of Saskatchewan. In addition, under Section 18(3) of the Act, the Province provided an additional grant of \$150,000 in 1999 (1998 - \$150,000). Amounts received in excess have been deferred.

6. EQUITY IN FIXED ASSETS

	1999	1998
Balance, beginning of year	\$ 313,545	\$ 311,665
Allocation during the year	13,600	1,880
Balance, end of year	\$ 327,145	\$ 313,545

7. RESERVES

	1999	1998
Reserve for Communications	\$ 50,000	\$ -
Reserve for Computer Enhancements	304,910	350,248
Reserve for Professional Fees	110,864	99,141
Reserve for Travel	130,000	130,000
	\$ 595,774	\$ 579,389





a) Reserve for Communications

In 1999, a reserve of \$50,000 was established to provide for the purchase of goods and services required for communication costs related to the implementation of the 2001 assessment revaluation system.

b) Reserve for Computer Enhancements

A reserve for computer enhancements was established in 1993 to provide for the purchase of computer software and equipment necessary for assessment revaluation processes. The balance as at December 31, 1999, is net of approved expenditures of \$45,338 (1998 - \$1,169).

c) Reserve for Professional Fees

In 1995, a reserve was established to provide for the purchase of legal, appraiser and other professional services related to property appeals and defense of value arising from the 1997 assessment revaluation. In 1999, \$85,000 (1998 - nil) was transferred to the reserve and approved expenditures were \$73,277 (1998 - \$64,186).

d) Reserve for Travel

In 1996, a reserve was established to provide for travel costs that will be incurred in future years relating to the physical reinspection of property in municipalities. The balance as at December 31, 1999, is net of approved expenditures of nil (1998 - nil).

8. COMMITMENTS

Beginning November 1, 1998, the Agency entered into a five (5) year lease agreement with AMOS Development Corp. for monthly payments of \$2,300.00.

Beginning March 1, 1998, the Agency entered into a five (5) year lease agreement with Melfort Mall Ltd. for monthly payments of \$1,926.00.

Beginning November 1, 1998, the Agency entered into a five (5) year lease agreement with Royal Trust Corporation of Canada for monthly payments of \$15,581.00.

9. UNCERTAINTY REGARDING YEAR 2000

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the Year 2000 as 1900 or some other date, resulting in errors when information using Year 2000 dates is processed. In addition, similar problems may arise in some systems, which use certain dates in 1999 to represent something other than that date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, will be fully resolved.

Financial Summary

SAMA ended the year with an operating surplus of \$52,204, after reserve transfers and fixed asset allocations. Revenues totalled \$9,999,199 in 1999 compared to \$9,790,761 in 1998. Total expenditures of \$9,946,995 included operating expenditures of \$9,798,395, reserve transfers of \$135,000 and fixed asset allocations of \$13,600.

Revenues

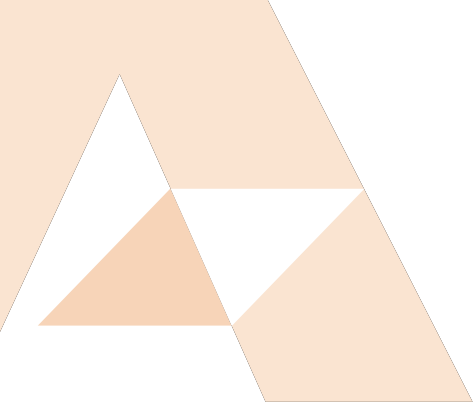
Under the authority of *The Assessment Management Agency Act* the Province of Saskatchewan provides SAMA with an annual grant of \$4,000,000 to finance core assessment services including the confirmation process, policy and research, administration of a central database, and quality assurance. In 1999 the province contributed an additional \$150,000 above the base grant to further fund the assessment function in Saskatchewan.

Municipalities are responsible for funding SAMA's field valuation services. In 1999 all municipalities experienced a uniform 2.9 per cent increase in their municipal requisition, which totalled \$5,449,801.

Expenditures

- SAMA's 1999 operating expenditures totalled \$9,798,395 compared to \$9,785,069 in 1998.
- Salaries and benefits increased \$210,358 over 1998 primarily to provide for a union contract settlement with SAMA's in-scope employees.
- Travel expenses decreased \$100,594 from 1998 as SAMA employees were dedicated to in-house activities centering on the preparation and delivery of the next revaluation.
- GST increased \$190,458 over 1998 as the tax status of SAMA changed in 1999. This matter is further explained in Note #3 of the financial statements.
- Office expenses, such as telephones, staff training and postage, decreased \$124,100 from 1998 as SAMA focused on preparing for the next revaluation and reduced other assessment activities such as sales verification and inspections.
- The reserve for professional fees received an additional \$85,000 for external legal counsel and other professional services required to defend property appeals. The communications reserve received \$50,000 to provide for communication costs related to the next revaluation.







200 - 2201 - 11th Avenue
Regina, Saskatchewan S4P 0J8

1-800-667-7262