



Saskatchewan Assessment  
Management Agency

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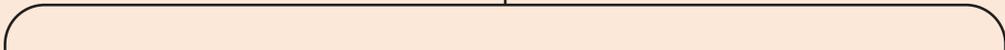


PURSuing EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN





# SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY



## VISION ►

SAMA is the recognized 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.

To do this 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 Gordon L. Barnhart  
Lieutenant Governor  
Government House  
4607 Dewdney Avenue  
Regina, Saskatchewan  
S4T 1B7

Your Honour:

I have the honour to submit the 2008 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, 2008 to December 31, 2008.

Respectfully submitted,

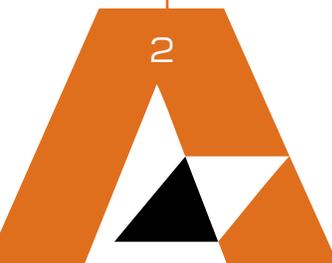


*Bill Hutchinson*

Bill Hutchinson  
Minister of Government Relations



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LETTER OF TRANSMITTAL  
FROM THE CHAIR

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Honourable Bill Hutchinson  
Minister of Municipal Affairs  
Room 307, Legislative Building  
Regina SK  
S4S 0B3

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

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

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

Dear Sirs:

On behalf of the Board of Directors, I respectfully submit the 2008 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2008 to December 31, 2008.

Yours sincerely,



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

Craig Melvin  
Chair, Board of Directors



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## CORPORATE PROFILE

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

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

SAMA is funded jointly by the Province, municipalities, and school divisions. The Agency receives statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs, and quality assurance. The Ministry of Education pays the education sector requisition on behalf of school divisions. The balance of the Agency's revenue is provided by those municipalities that use the Agency's assessment services, and is obtained through a municipal requisition.

SAMA provides assessment valuation services to 783 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 762,800 properties in the province. SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from six regional offices – Melfort, Regina, Saskatoon, Swift Current, Weyburn and Yorkton – and one rural office in North Battleford. In 2006, SAMA began providing assessment services under a fee-for-service contract to the City of Moose Jaw.

For 2008, the Agency's eleven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- ▶ two members named by the Saskatchewan Association of Rural Municipalities (SARM);
- ▶ one member named by the Saskatchewan Urban Municipalities Association (SUMA) for urban and northern municipalities under 30,000;
- ▶ one member named by SUMA for cities with a population exceeding 30,000;
- ▶ two members named by the Saskatchewan School Boards Association;
- ▶ three members nominated by the Minister of Municipal Affairs;
- ▶ one member nominated by the Minister of Municipal Affairs based on a recommendation by the Minister of Education; and
- ▶ the chairperson of the Board, who is nominated by the Minister of Municipal Affairs after consultation with SARM, SUMA and the Saskatchewan School Boards Association.

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



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## CORPORATE PROFILE

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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:

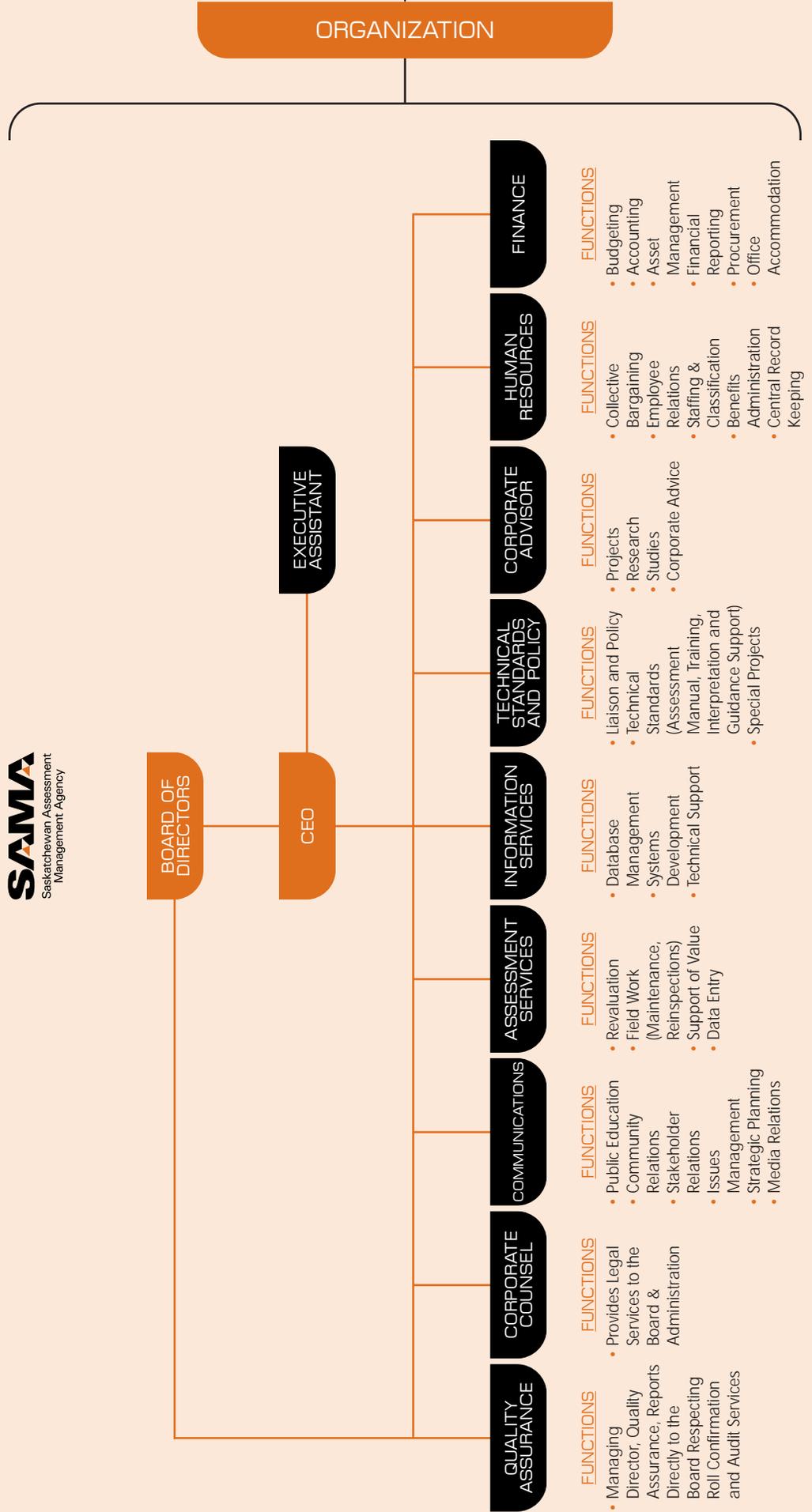
- ▶ Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests.

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, representing assessment professionals from across Saskatchewan. This group, which includes two Board members as observers on the committee, is currently focused on issues related to the 2009 market value assessment system for urban properties.
- ▶ The Legal and Legislative Review Committee, representing legal counsel and technical experts from SAMA, the Cities, the Saskatchewan School Boards Association, the provincial ministries of Municipal Affairs, Education, 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 and school divisions can send voting delegates. Business conducted at the meeting includes:

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



## BOARD OF DIRECTORS

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**Back row, left to right:** **Neal Hardy**, representing Rural; **Ray Sass**, representing Boards of Education; **Myron Knafelc**, representing the Province (term began: June 30, 2008); **Ron Thomas**, representing the Province; **Fred Clipsham**, representing Urban

**Front row, left to right:** **Rick Brunsdon**, representing the Province; **Sharon Armstrong**, representing Urban; **Craig Melvin**, Chair, representing the Province; **John Wagner**, representing Rural; **Dan Danielson**, representing Boards of Education

**Missing from photo:** **Arthur Scherr**, representing the Province (term expired: December 2, 2008); **Carol Carson**, representing the Province (term expired: June 1, 2008)

## EXECUTIVE TEAM

**SAMA**  
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**Back row, left to right:** **Brad Korbo**, Managing Director, Assessment Services; **George Dobni**, Managing Director, Finance; **Steve Suchan**, Managing Director, Technical Standards and Policy; **Rick Lee**, Managing Director, Information Services; **Stuart McDonald**, Corporate Advisor; **Gordon Senz**, Managing Director, Quality Assurance

**Front row, left to right:** **Betty Rogers**, Managing Director, Human Resources; **Margaret Duffy**, Managing Director, Communications and Planning; **Irwin Blank**, Chief Executive Officer; **Dona-Lynn Morley**, Corporate Counsel; **Penny Gingras**, Executive Assistant

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## CHAIR'S REPORT

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

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

### SAMA Financial Structure ►

SAMA is responsible for more than \$50 billion in property assessment. In 2008, an estimated \$1.55 billion in property taxes was levied by municipalities and school divisions.

The AMA Act provides a funding structure that reflects the interests of municipal, school and provincial government stakeholders. The following outlines SAMA's current funding formula:

- (a) the Government of Saskatchewan, 40%
- (b) municipalities, 30%
- (c) school divisions, 30%

The Province's share of funding reflects its interest in:

- assessment research and policy development
- maintaining a central database
- providing assessment information to the municipalities
- assuring the quality of assessments

Additional SAMA funding needs will be shared equally in 2009 by the Government and Education sectors while municipal funding levels will remain capped at 2006 levels until the proportion of Government and Education sector funding rises to their allotted 40 and 30% proportions of SAMA's total budget.

This funding transition period is expected to continue until the year 2010. Any approved budget changes after that transition period will be shared by the three funding stakeholder groups in accordance with the 40:30:30 funding formula.

Client municipalities pay a requisition fee for SAMA's assessment services. The total requisition in 2008 was \$5.7 million. The municipal requisition formula was updated in 2008 and will be adjusted again in 2009 to reflect changes in the numbers of properties in each municipality, while maintaining the overall requisition amount at 2006 levels. The rural and urban portions of the requisition are kept separate. Consequently, changes in the numbers of urban properties impact only on urban municipalities while changes in the number of rural properties impact only on other rural municipalities.

Ministry of Education base funding will increase from \$3.8 million in 2008 to \$4.3 million in 2009. The Province paid the Education sector requisition on behalf of school divisions through the foundation operating grant program in 2008.



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## CHAIR'S REPORT

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The funding formula offers the Agency a long-term sustainable financial plan to meet its assessment mandate and strategic directions with improved transparency and accountability to stakeholders.

### Vision, Mission and Value Statements ►

In February 2008, SAMA's Board of Directors began reviewing the Agency's Vision and Mission Statements from 2000. The Board also examined SAMA's Belief Statements from the 1990s, as a preview to developing value statements relevant to the Agency's current situation and future direction.

Vision and mission statements are meant to articulate, as clearly as possible, the desired future state of an organization, and put into words why an organization exists. Value statements define an organization's purpose – its core rules. Once defined, the values important to an organization can be reflected in customer service and client relations, in the workplace and with stakeholders..

The SAMA Board of Directors formally approved revised Vision and Mission statements for the Agency in December 2008. The Board also approved incorporating four new value statements as guidelines for Agency staff as they execute SAMA's Vision and Mission. These statements can be found on the inside front cover of this year's annual report.

The Agency will work from these vision, mission and value statements to ensure operations and decision-making processes are consistent with employee expectations, performance measures, and the strategic directions needed to meet internal and external client expectations over the next four-year cycle.

Together, SAMA is working to turn these words into actions, improve its daily operations, and focus on the best possible future for its employees and stakeholders.

### Performance Planning ►

In 2007, SAMA developed a 2008 Performance Plan, the Agency's first under the Province's accountability framework and guidelines. A Performance Plan for 2009 was finalized in July 2008 following SAMA's funding stakeholder review process. Previously, SAMA concentrated on a Program Budget -- focused primarily on accounting for expenditures funded by the Province under the AMA Act.

SAMA's 2008 and 2009 Performance Plans focus on goals and objectives relevant to delivering key services: assessment research, quality assurance, and updating assessed values through maintenance, reinspection and revaluation activities. The plans centre on Agency improvements for: planning and accountability, workforce development, efficiency, confidence and trust.

Most importantly from a Board accountability perspective, the performance plans have led to developing performance measures for the Agency and improved reporting back to stakeholders. For example, the 2008 performance plan was central to SAMA's budget proposals for 2009.

### 2010-2013 Strategic Directions – The Balanced Scorecard Approach ►

In October 2007, the Board embarked on developing new strategic directions for 2010 to 2013. Working closely with SAMA staff, the SAMA Board has applied a strategic planning and management system called "the balanced scorecard approach."

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## CHAIR'S REPORT

The balanced scorecard approach to planning is used extensively in business and industry, now in government and non-profit organizations, to simplify business activities, improve internal and external communications, and monitor organizational performance against the strategic goals that have been set. It offers four perspectives on organizational improvement: financial; customer/client; business processes; and, learning and growth.

The approach was developed as a performance measurement system that added strategic non-financial performance measures to traditional financial measures in corporations to give a more 'balanced' view of organizational direction and performance.

In October 2008, the SAMA Board and senior administration reviewed the Agency's 2010-2013 strategic directions, as well as stakeholder feedback regarding these directions. The Board shared the proposed strategic directions with its advisory committees. It then evaluated and selected the highest priority items as the focus for SAMA's 2010-2013 operational funding plan.

SAMA appreciates the input its stakeholders have provided to its planning process for 2010 to 2013. The Agency will continue consulting closely with stakeholders and listening carefully to what is needed to improve the Saskatchewan assessment system and the service the Agency provides for municipalities, school divisions and the Province.

### Added Efficiencies ►

SAMA's core business process is providing assessment services. The Agency's strategies for improvement must ensure assessment services are up-to-date, accurate, and provided in a timely manner. At the same time SAMA is working to find efficiencies and to this end, SAMA management and staff have implemented Lean processes. Lean is a process improvement philosophy that focuses on the elimination of waste, variation and work imbalance. In striving to incorporate Lean philosophies throughout SAMA, with an objective of a 25% increase in efficiency and productivity, significant time and resources will be spent in the first few years. In time, Lean will simply become the way SAMA does business.

### Revaluation Year 2009 ►

Property assessments relate the value of a property to local market conditions as of a specific date. Since property values change over time, all assessments are determined according to a base date to ensure fairness. This base date is required to be moved forward every four years by current provincial legislation.

SAMA co-ordinates a full revaluation of all properties in the province every four years to coincide with the new base date. The previous revaluation in the province was completed in 2005, using June 30, 2002 as the base date. The 2009 revaluation uses June 30, 2006 as the base date.

Agricultural properties will continue to be assessed using the current regulated system based on productive value. Heavy industrial property, railway, pipeline and resource production equipment will also continue to use a regulated system.

For 2009, SAMA will use a market value standard for residential and commercial properties to align Saskatchewan's assessment system with other assessment jurisdictions throughout Canada.

### Three Property Valuation Approaches ►

There are three generally accepted appraisal techniques used to value property in a market value assessment system: the cost approach, the sales comparison approach and the property income (rental) approach.

For 2009, each of the three approaches to value will be used in Saskatchewan. To ensure final assessed values are as accurate as possible, professional assessment appraisers will collect and analyze available cost, market and property rental income information and use the valuation approach that provides the best estimates of value for various property types, based on available information.

The **cost approach** estimates the replacement cost of a building, less depreciation, adding land values primarily based on sales. The approach is most useful when there are few comparable sales. The cost approach is also valid in a market value assessment system and will continue to be used in smaller municipalities and for certain property types across Saskatchewan.

The **sales comparison approach** is appropriate for determining property assessments for areas and property types with active sales markets, such as residential property in medium to large cities. Based on the experience of other market value assessment jurisdictions in Canada, the sales comparison approach has limited applicability to commercial properties, except in selected areas and for specific property types with active local sales markets.

The **income approach** to value is based on the premise that the value of a property is directly related to the rental income it will generate. The appraiser analyzes both the property's expenses and ability to produce future income, and then estimates the property's value. Based on the results obtained from other Canadian market value assessment jurisdictions, the property income (rental) approach provides the most fair, reliable and accurate assessed values for commercial property and rental apartments in areas where there are active lease and rental markets.

#### *Provision of Information and Confidentiality* ►

For the income approach to work, appraisers need to collect up-to-date, accurate and comprehensive rental income data to achieve fair, equitable, and stable property assessments.

Assessment jurisdictions across Saskatchewan, including SAMA, recognize it is best to obtain necessary information voluntarily by establishing clear lines of communication and good professional relationships with property owners and the commercial business community.

Legislation in The Cities Act, The Municipalities Act, and The Northern Municipalities Act provides the local assessment appraiser with the authority to request necessary cost, sales and property income and expense information for current property assessments, or for preparing future property assessments. Sections in these Acts ensure the confidentiality of requested information.

#### *Support for the Income Approach* ►

By supporting assessment legislation, the SAMA Board, the Province and assessment stakeholders, including commercial stakeholder groups across Saskatchewan, have recognized the importance of providing required cost, sales or property income and expense information. This support is necessary for the long-term success of the market value assessment system.

#### *Percentages of Value* ►

SAMA provided preliminary values for all client municipalities to the Province in December 2007 for provincial tax policy analysis. Preliminary values were provided to client municipalities starting in May 2008 for their initial review and were then made available to school divisions.



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## CHAIR'S REPORT

On September 26, 2008, the Province officially confirmed the 2009 property tax classes and associated percentages of value. The percentages of value will remain the same as they were for the 2005 Revaluation.

Classes of property and their 2009 percentages of value are:

- ▶ Non-Arable (Range) Land and Improvements (40%)
- ▶ Other Agricultural Land and Improvements (55%)
- ▶ Residential (70%)
- ▶ Multi-Unit Residential (70%)
- ▶ Seasonal Residential (70%)
- ▶ Commercial and Industrial (100%)
- ▶ Elevators (75%)
- ▶ Railway Right of Way and Pipeline (75%)

SAMA's 2009 initial taxable and exempt assessments were then provided to client municipalities and school divisions starting in December 2008.

### A Modern Assessment System ▶

From a strategic perspective, SAMA has implemented the basic elements of a modern assessment system. With the establishment of a long-term fiscal plan, SAMA can turn its attention to service improvement and adding value to the services the Agency provides. Next steps, over the ensuing four years, 2010 to 2013, include ensuring maintenance and reinspection schedules are brought in line with legislative expectations. This is a significant task that will require efficiencies and changes in how the Agency provides service including adoption of new technologies.

As the Agency moves ahead with strategic planning, SAMA will consult closely with stakeholders and listen carefully to what is needed to improve Saskatchewan's assessment system and the service provided to the Province, municipalities and school divisions.

### Governance ▶

SAMA's achievements throughout 2008 could not have been attained without external support and guidance. The SAMA Board of Directors is most appreciative of constructive advice received from its advisory committees, representative municipalities, school divisions, the Province, and local government organizations.

The SAMA Board is committed to improving and positively contributing to the Agency's success. The Board takes no decision lightly. Every member is committed to executing strong leadership to achieve the Agency's vision for a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

Craig Melvin  
Chair, Board of Directors



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### Assessment Services ►

The Assessment Services Division provides valuation services to 783 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 762,800 properties in the province. Core processes include revaluations (every four years), requirements for the move to market, annual maintenance, assessment validations, and general re-inspections.

### Annual Maintenance Inspections ►

SAMA conducts inspections of individual properties that have undergone changes, and recalculates assessment values based on this updated property information.

### Assessment Validation ►

SAMA provides its client municipalities with property assessment expertise to validate assessments at open houses and ratepayer/council meetings and all levels of appeal – i.e. 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.

### Property Inspection Programs ►

SAMA maintains detailed property assessment records under the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties in the municipality are reviewed under the general reinspection program.

The following is a summary of reinspection activities conducted by SAMA in 2008:

- reinspection of more than 5,705 agricultural parcels (quarter sections);
- reinspection of more than 4,534 building improvements;
- reinspection of 5,698 industrial properties;
- more than 34,919 non-industrial property assessments updated and 67,000 industrial property assessments updated under the annual maintenance program;
- general reinspections initiated in 5 rural and 34 urban municipalities;
- In 2008, a total of 443 property assessment appeals were filed with local Boards of Revision and 8 of those were appealed to the Saskatchewan Municipal Board.

### 2009 Revaluation ►

Throughout 2008, the main focus of the Assessment Services Division was preparing preliminary values for the 2009 Revaluation.

SAMA provided preliminary values for all client municipalities to the Province in December 2007 for provincial tax policy analysis. SAMA provided an updated version of the preliminary numbers to each of its client municipalities after assessment maintenance was complete in 2008. After the Province officially confirmed 2009 property tax classes and associated percentages of value, SAMA then provided 2009 initial taxable and exempt assessments to client municipalities and school divisions starting in December 2008.

### 2008 Maintenance ►

Municipalities are required to identify individual properties with significant developments or changes that have altered the property's physical date so these changes can be inspected and new assessment values calculated.

Annual maintenance typically begins as the summer reinspection and revaluation programs wind down. SAMA sends client municipalities a letter requesting maintenance lists by September 1 for resort municipalities and October 1 for all other municipalities.

In Fall 2007, the SAMA Board of Directors adopted a maintenance program performance measure for the Agency. The measure sets April 10 as the date municipalities will receive their finalized maintenance package, provided SAMA receives a municipality's maintenance list by October 1 of the previous year. For cities, SAMA's maintenance package provision date will be March 1 if the October 1 target is met.

Maintenance was delayed for the year 2008 due to the work required to deliver the 2009 revaluation. Maintenance for 2008 did not start until January 2009. As a result of process improvements, 2009 maintenance commenced earlier than the 2008 maintenance work, with 40 percent of inspections completed as of January 9, 2009.

The Agency's maintenance program performance objective, relative to the Board's established maintenance performance measures, will determine successes and failures. The objective will enable the Agency to react to problems in a timely manner. Beyond this objective, SAMA will maintain a broad objective of timely delivery of maintenance results to all our clients and will add or redirect resources to improve service delivery in 2009 and into the future.

#### Lean Philosophy ▶

In 2008, SAMA embarked on a strategy called the Lean philosophy. Lean is a process improvement philosophy that focuses on reducing waste, variation and imbalance. It is a common sense approach to working with complex processes ensuring that clients' and stakeholders' needs are successfully met.

The Goals of Lean:

- ▶ A 25% increase in efficiency and productivity
- ▶ Highly engaged staff, that take ownership of the business processes
- ▶ An Agency in a much better position to meet the increasing demands from clients

Lean Works by:

1. Examining processes from beginning to end, across divisions in a collaborative manner
2. Putting decision-making power in the hands of front line staff who best understand the problems
3. Giving staff the focused time needed to understand and solve problems
4. Emphasizing solutions that work within existing staffing and technology levels
5. Providing for continuous flow and continuous improvement

In 2008, SAMA chose four processes to review:

1. Time Reporting
2. Data Verification – Reinspection
3. Maintenance
4. Sale Verification

One of Lean's strengths is its focus: the people most familiar with the actual work determine the necessary process improvements and plan the necessary changes. Significant progress has been achieved to date. Going forward, Lean process improvement initiatives will continue to be a major focus for SAMA for 2009 and beyond.

### The Competitive Assessment Environment ►

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

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

In 2008, SAMA did not provide valuation services to 16 urban municipalities, up from 15 municipalities in 2007. As of January 1, 2009, 19 urban municipalities, including the independent cities, did not use SAMA's services.

### Information Services ►

In 2008, the Information Services Division focused on ensuring the Agency is served by modern and efficient technology.

Internally, Information Services continued to improve its service delivery to the Agency. Three Lean business process improvement initiatives were successfully completed: repairing equipment, efficiently responding to problem calls, and increasing development time by eliminating wasteful activities.

The division has taken precious resource time to understand the Agency's vision for the future and ensure its solutions align with that vision.

### Key 2008 initiatives for building future technology capacity included: ►

- Developing the strategy and estimated costs for a capital funding request to apply technologies such as handheld remote data collection devices (RDC), Geographic Information Systems (GIS) mapping applications, and oblique aerial imagery (two-dimensional pictures) applications to improve the quality and timeliness of property appraisal service to the municipalities.
- Researching business process improvement methodologies, and choosing the Lean philosophy. During a pilot project, the SAMA Executive Team evaluated the Lean philosophy and chose lead advisors to deliver Lean training and change management practices to the Agency.
- On a national front, SAMA was instrumental in implementing an electronic forum for the Canadian Property Assessment Benchmarking Network resulting in improved knowledge and experience sharing by Canadian assessment service providers.

### Other significant projects for 2008 included: ►

- Developing an Internet application called SAMAView for implementation in 2009. SAMAView is a new web site application that empowers the Agency to efficiently communicate -- to the public -- relevant revaluation and property assessment information
- Applying required 2009 revaluation features to the 2009 roll confirmation application in the Provincial Assessment Database
- Adding six more servers to improve the performance of the Saskatchewan Property Assessment Network (SPAN).

### Human Resources ▶

As of January 2009, the Agency employed 199 permanent and temporary positions, 131 of which were in the Assessment Services division.

### Workforce Planning ▶

The Agency continues to address workforce planning by:

- ▶ Recruiting people with the right type of attitude and motivation who are committed to their work, and building a high performance work environment that helps retain key talent and fully engages the right people.
- ▶ Enhancing the Agency's retention and leadership succession planning to build and sustain a healthy and viable organization.

The Agency's Training Assessment Appraiser Program (TAAP) is entering into its fourth year, and was designed to develop future urban appraisers and address the challenges SAMA has had attracting qualified candidates to regional offices. Upon completion of this five-year program, the successful candidate will be a fully qualified and accredited assessment appraiser with a remaining three-year service commitment to the Agency. Currently, seven regional SAMA employees are enrolled in the TAAP program: four in Melfort, two in Regina and one in Saskatoon.

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

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

A number of training initiatives are planned for 2009 including the income approach, support of value, and Microsoft Project Management.

### Employee Survey ▶

In October 2007, SAMA conducted an on-line survey with employees to assist in developing and implementing new initiatives and programs and to measure the current level of employee satisfaction with our existing efforts. The survey had an excellent participation rate of 87% with 153 of 176 employees responding. The overall level of employee satisfaction reported in the 2007 survey was 3.32 on a 5-point scale with 1 being the lowest level of satisfaction, and 5 being the highest.

The survey measured 6 dimensions of the work environment:

- ▶ Rewards
- ▶ Leadership
- ▶ People
- ▶ Work Processes
- ▶ Information and Knowledge
- ▶ Change Management

## ADMINISTRATIVE REPORT - THE YEAR IN REVIEW

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The employee survey and feedback meetings resulted in many excellent ideas and suggestions. Several issues are being addressed through processes and changes already in progress while the more complex issues require further planning for long-term success.

In January 2009, SAMA conducted a follow-up survey to check progress and to continue implementing improvements on an ongoing basis. Results will be made available to all staff in March 2009.

### Emphasis on Training and Professional Accreditations ►

Staff training and development received major focus in 2008 and a number of training initiatives are planned for 2009, including the income approach, support of value, and Microsoft Project Management.

SAMA's employees continue to have considerable success with their achievement of professional accreditations.

In 1990, the Virginia Association of Assessing Officers challenged other jurisdictions to increase their designees and, ultimately, their professionalism in the assessing field by establishing the Virginia Cup. Saskatchewan was awarded the Virginia Cup at the IAAO (International Association of Assessing Officers) Annual Conference in September for the highest number of designees in one year. Nine SAMA employees attained an IAAO designation. The professional designations that qualify for this award include the designations RES (Residential Evaluation Specialist) and CAE (Certified Assessment Evaluator).

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.

### Confirmation of Assessment Rolls and Assessment Audit ►

The Quality Assurance Division conducted Confirmation Audits of assessment rolls, and Primary Audits for the majority of municipalities in Saskatchewan to determine compliance with the requirements of the municipal Acts, *The Assessment Management Agency Act*, and the Saskatchewan Assessment Manual.

For the year ending December 31, 2008, SAMA had issued confirmation certificates for 765 municipalities (98.33% of all received returns for 2008). As at March 1, 2009, there were five municipal assessment rolls in progress for confirmation, and eight municipal assessment returns were still outstanding. All municipalities passed the 2008 Primary Audit, with their general appraisal level falling within the regulated range (0.98 to 1.02).

## 2008 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

as at March 1, 2009

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### URBAN MUNICIPALITIES

	CITIES	TOWNS	VILLAGES
<b>TAXABLE:</b>			
Non-Arable	476,450	529,800	198,880
Other Agricultural	7,851,918	10,185,714	7,321,944
Residential	12,160,234,183	2,630,950,524	489,066,233
Multi-Unit	1,958,498,141	115,942,447	8,760,900
Seasonal Residential	0	15,921,360	12,086,690
Commercial and Industrial	4,695,300,384	593,808,460	76,265,687
Elevators	31,860,445	54,607,500	10,405,851
Railway R/W and Pipeline	27,575,645	11,133,150	12,251,475
<b>Taxable Total</b>	<b>18,881,797,166</b>	<b>3,433,078,955</b>	<b>616,357,660</b>

#### EXEMPT:

Non-Arable	2,842,575	238,920	30,510
Other Agricultural	26,924,047	1,535,250	673,618
Residential	142,442,121	69,806,773	10,355,418
Multi-Unit	49,650,864	4,204,910	1,054,990
Seasonal Residential	0	770	338,730
Commercial and Industrial	4,580,542,822	1,151,027,359	303,878,423
Elevators	899,640	115,425	234,600
Railway R/W and Pipeline	32,735,565	4,514,175	2,136,750
<b>Exempt Total</b>	<b>4,836,037,634</b>	<b>1,231,443,582</b>	<b>318,703,039</b>

#### PROVINCIAL GRANT-IN-LIEU

Non-Arable	42,240	200	0
Other Agricultural	910,925	15,510	5,995
Residential	32,169,440	14,660,170	2,728,460
Multi-Unit	144,919,157	11,576,110	2,635,220
Seasonal Residential	0	0	0
Commercial and Industrial	391,989,335	24,158,600	3,174,100
Elevators	0	0	0
Railway R/W and Pipeline	0	121,950	0
<b>Provincial Grant-in-Lieu Total</b>	<b>570,031,097</b>	<b>50,532,540</b>	<b>8,543,775</b>

#### FEDERAL GRANT-IN-LIEU

Non-Arable	0	0	0
Other Agricultural	200,525	91,905	0
Residential	25,818,650	2,547,930	1,554,350
Multi-Unit	28,268,600	386,750	308,560
Seasonal Residential	0	0	0
Commercial and Industrial	158,305,810	17,985,600	3,353,600
Elevators	0	0	0
Railway R/W and Pipeline	9,076,500	0	250,950
<b>Federal Grant-in-Lieu Total</b>	<b>221,670,085</b>	<b>21,012,185</b>	<b>5,467,460</b>

2008 assessed values for Urban, Rural and Northern municipalities are calculated based on the following percentages of assessed value for the June 30, 2002 base year:

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

2008 CONFIRMED ASSESSED  
VALUE TOTALS BY TAX STATUS

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RESORT VILLAGES	TOTAL URBAN MUNICIPALITIES	RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	SASKATCHEWAN <sup>1</sup> TOTAL
14,280	1,219,410	735,870,212	146,560	737,236,182
85,525	25,445,101	8,214,400,314	853,490	8,240,698,905
97,172,590	15,377,423,530	1,557,344,617	193,573,524	17,128,341,671
910,770	2,084,112,258	26,710,802	11,336,990	2,122,160,050
183,665,550	211,673,600	441,451,899	57,630,980	710,756,479
11,445,170	5,376,819,701	4,499,444,987	258,816,200	10,135,080,888
0	96,873,796	310,423,642	0	407,297,438
22,725	50,982,995	1,864,318,395	182,175	1,915,483,565
293,316,610	23,224,550,391	17,649,964,868	522,539,919	41,397,055,178
35,760	3,147,765	19,822,380	1,980,400	24,950,545
51,260	29,184,175	37,815,195	345,510	67,344,880
1,711,711	224,316,023	828,319,412	20,134,060	1,072,769,495
0	54,910,764	1,300,328	399,350	56,610,442
2,756,530	3,096,030	22,294,024	5,051,760	30,441,814
5,482,100	6,040,930,704	792,024,890	126,868,780	6,959,824,374
0	1,249,665	26,200,954	0	27,450,619
0	39,386,490	149,148,005	0	188,534,495
10,037,361	6,396,221,616	1,876,925,188	154,779,860	8,427,926,664
0	42,440	34,199,205	0	34,241,645
0	932,430	3,171,275	0	4,103,705
0	49,558,070	832,930	200,760	50,591,760
0	159,130,487	0	0	159,130,487
0	0	2,730	9,450	12,180
297,200	419,619,235	69,520,989	15,502,420	504,642,644
0	0	0	0	0
0	121,950	29,253,900	0	29,375,850
297,200	629,404,612	136,981,029	15,712,630	782,098,271
0	0	89,281,640	0	89,281,640
0	292,430	6,344,580	0	6,637,010
0	29,920,930	5,853,050	2,004,590	37,778,570
0	28,963,910	4,476,780	284,410	33,725,100
0	0	0	560	560
0	179,645,010	90,920,700	5,590,000	276,155,710
0	0	0	0	0
0	9,327,450	5,510,400	0	14,837,850
0	248,149,730	202,387,150	7,879,560	458,416,440

<sup>1</sup> Assessment rolls for 2008 have not been confirmed as at March 1, 2009 for the following municipalities, therefore their aggregate assessed values are not included in the 2008 assessment totals in the above table:

Resort Village of Bird's Point  
Resort Village of Candle Lake  
Resort Village of Lumsden Beach  
Resort Village of Sun Valley  
R.M. of Hazel Dell No. 335  
R.M. of Souris Valley No. 007  
Village of Aneroid

Village of Beatty  
Village of Duff  
Village of Gladmar  
Village of Goodeve  
Village of Mistatim  
Village of Stenen

2006 - 2008 CONFIRMED  
TAXABLE ASSESSMENT TOTALS

as at March 1, 2009

URBAN MUNICIPALITIES

	CITIES	RESORTS, TOWNS AND VILLAGES	URBAN MUNICIPALITIES TOTAL	RURAL MUNICIPALITIES TOTAL	NORTHERN MUNICIPALITIES TOTAL	SASKATCHEWAN TOTAL
2006	18,193,715,434	4,221,384,758	22,415,100,192	17,159,104,090	491,206,054	40,065,410,336 <sup>1,4</sup>
PERCENT CHANGE 2005-06	1.45	2.88	1.71	1.20	3.39	1.51
2007	18,422,577,247	4,208,678,293	22,631,255,540	17,340,345,736	503,530,259	40,475,131,535 <sup>1,3</sup>
PERCENT CHANGE 2006-07	1.26	-0.30	0.96	1.06	2.51	1.02
2008	18,881,797,166	4,342,753,225	23,224,550,391	17,649,964,868	522,539,919	41,397,055,178 <sup>1,2</sup>
PERCENT CHANGE 2007-08	2.49	3.19	2.62	1.79	3.78	2.28

<sup>1</sup>2006-2008 assessed values are calculated based on the following percentages of fair value for the June 30, 2002 base year:

Urban, Rural and Northern Municipalities:

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

<sup>2</sup>Assessment rolls for 2008 have not been confirmed as at March 1, 2009 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2008 assessment totals in the above table:

Village of Aneroid	Resort Village of Bird's Point
Village of Beatty	Resort Village of Lumsden Beach
Village of Duff	Resort Village of Candle Lake
Village of Gladmar	Resort Village of Sun Valley
Village of Goodeve	R.M. of Souris Valley No. 007
Village of Mistatim	R.M. of Hazel Dell No. 335
Village of Stenen	

<sup>3</sup>Assessment rolls for 2007 have not been confirmed as at March 1, 2009 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2007 assessment totals in the above table:

N. Village of Cole Bay	Village of Duff
N. Village of Jans Bay	Village of Gladmar

<sup>4</sup>Assessment rolls for 2006 have not been confirmed as at March 1, 2009 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2006 assessment totals in the above table:

Village of Gladmar	N. Village of Cole Bay
Village of Lang	N. Village of Jans Bay
Village of Rockhaven	

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

City Advisory Committee - As at December 31, 2008 ►

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

Member	Organization
Fred Clipsham, Committee Chair	SAMA Board Member, City Sector
Dan Danielson	SAMA Board Member
Craig Melvin	SAMA Board Chair
Rick Brunsdon (non-voting)	SAMA Board Member
Vacant (non-voting)	SAMA Board Member
Dale McBain	City of Moose Jaw
Garry McKay	City of Moose Jaw
Pat Fiacco	City of Regina
Fred Matheson	City of Prince Albert
Greg Dionne	City of Prince Albert
Vacant	City of Regina
Pat Lorje	City of Saskatoon
Marlys Bilanski	City of Saskatoon
Allan Earle	Saskatchewan Urban Municipalities Association, President
Colleen Young	Saskatchewan School Boards Association, Trustee
Charla Weber	Saskatchewan Assessment Appraisers' Association

Observers:

Vacant	Ministry of Municipal Affairs
John Edwards	Ministry of Municipal Affairs
Velma Geddes	Saskatchewan School Boards Association, Administrator
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Roy Goruick	City of Moose Jaw
Joe Day	City of Prince Albert
Don Barr	City of Regina
Gerry Krismer	City of Regina
Les Smith	City of Saskatoon
Vacant	City of Saskatoon

Administrative Support:

Irwin Blank, CEO	SAMA
Brad Korbo, Committee Secretary	SAMA



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ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

Commercial Advisory Committee - As at December 31, 2008 ▶

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.

Member	Organization
Craig Melvin, Committee Chair	SAMA Board Chair
Fred Clipsham (non-voting)	SAMA Board Member, City Sector
Sharon Armstrong (non-voting)	SAMA Board Member, Urban Sector
John Wagner (non-voting)	SAMA Board Member, Rural Sector
Dan Danielson (non-voting)	SAMA Board Member, Education Sector
Rick Brunsdon (non-voting)	SAMA Board Member
Myron Knafelc (non-voting)	SAMA Board Member
John Kearley	Saskatoon Broadway Business Improvement District
Michael Huber	Regina Downtown Business Improvement District
Alan Migneault	Saskatoon Regional Economic Development Authority
Rob Lawrence	Association of Saskatchewan REALTORS
Ken Suchan	Association of Saskatchewan REALTORS
Ted Hillstead	Saskatchewan Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Marilyn Braun-Pollon	Canadian Federation of Independent Business
Laurie Ell	Building Owners and Managers Association
Frank Zinner	Canadian Property Tax Association
Alan Thomarat	Saskatchewan Home Builders' Association
Tom Mullin	Saskatchewan Hotel & Hospitality Association
Rick Jukes	National Golf Course Owners Association, Saskatchewan Chapter
Garth Gish	Inland Terminal Association of Canada
Pat Earl	Western Grain Elevator Association Tax Committee
Ken Marsh	Canadian Energy Pipeline Association
Dave Loader	Canadian Association of Petroleum Producers
Darrell Zwarych	Saskatchewan Mining Association
Kevin Olmstead	Railway Association of Canada
Johnathan Potts	Tourism Saskatchewan
Robert Schultze	Saskatchewan Assessment Appraisers' Association
Grace Muzyka	Saskatchewan Association of the Appraisal Institute of Canada

Observers:	
Norm Magnin	Ministry of Municipal Affairs
Colleen Mackenzie	Ministry of Enterprise Saskatchewan
Ken Dueck	Ministry of Tourism, Parks, Culture and Sport
Don Barr	City of Regina
Les Smith	City of Saskatoon
Joe Day	City of Prince Albert
Vacant	City of Moose Jaw
Cameron Duncan	City of North Battleford
Mike Kehler	City of Swift Current
Irwin Blank	SAMA CEO

Administrative Support:	
Stuart McDonald, Committee Secretary	SAMA



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ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

Rural Advisory Committee - As at December 31, 2008 ▶

The Rural Advisory Committee is responsible for rural municipalities.

Member	Organization
John Wagner, Committee Chair	SAMA Board Member, Rural Sector
Neal Hardy	SAMA Board Member, Rural Sector
Sharon Armstrong	SAMA Board Member
Craig Melvin	SAMA Board Chair
Ray Sass (non-voting)	SAMA Board Member
Ron Thomas (non-voting)	SAMA Board Member
Vacant (non-voting)	SAMA Board Member
Doug Oleksyn	R.M. of Shellbrook No. 493
Allan LaRose	R.M. of Hazelwood No. 94
Gordon Meyer	R.M. of Progress No. 351
Delbert Schmidt	R.M. of Longlaketon No. 219
Morgan Powell	R.M. of Miry Creek No. 229
Gordon Ake	R.M. of Sasman No. 336
Darryl Senecal	Saskatchewan Association of Rural Municipalities, Board Member
Richard Eberts	Provincial Association of Resort Communities
Jack Rowswell	Saskatchewan School Boards Association, Trustee
Della Schmidt	Saskatchewan Assessment Appraisers' Association

Observers:

Mark Brothen	Ministry of Municipal Affairs
Ken Engel	Saskatchewan Association of Rural Municipalities, Executive Director
Rod Quintin	Saskatchewan School Boards Association, Administrator
Kim McIvor	Rural Municipal Administrators Association of Saskatchewan
Barb Zelinski	R.M. of Corman Park No. 344, Administrator
Irwin Blank	SAMA CEO

Administrative Support:

Steve Suchan, Committee Secretary	SAMA
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ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

Urban Advisory Committee - As at December 31, 2008 ▶

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

Member	Organization
Sharon Armstrong, Committee Chair	SAMA Board Member, Urban Sector
Fred Clipsham	SAMA Board Member, City Sector
Dan Danielson	SAMA Board Member
Craig Melvin	SAMA Board Chair
Ron Thomas (non-voting)	SAMA Board Member
Myron Knafelc (non-voting)	SAMA Board Member
Vacant (non-voting)	SAMA Board Member
Randy Goulden	City of Yorkton
Sandy Larson	City of Swift Current
Fran Passmore	Town of White City
Anne Weisgerber	Town of Maple Creek
Larry Hall	Village of Buena Vista
Gary Kayter	Village of Dysart
Allan Earle	Saskatchewan Urban Municipalities Association, President
Vern Noble	Provincial Association of Resort Communities of Saskatchewan
Rosalie Payne	Saskatchewan School Boards Association, Trustee
Michael Kehler	Saskatchewan Assessment Appraisers' Association

Observers:

Kelly Munce	Ministry of Municipal Affairs
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Lionel Diederichs	Saskatchewan School Boards Association, Administrator
Rodney Audette	Urban Municipalities Administrators Association of Saskatchewan
Bob Smith	City of Weyburn, Commissioner
Irwin Blank, CEO	SAMA

Administrative Support:

Shaun Cooney, Committee Secretary	SAMA
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## FINANCIAL REPORT

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### Auditors' Report ►

To the Board of Directors of  
Saskatchewan Assessment Management Agency

We have audited the balance sheet of Saskatchewan Assessment Management Agency as at December 31, 2008 and the statements of revenues and expenses and changes in fund balances – operating fund and capital fund and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants

Regina, Saskatchewan  
February 17, 2009

## FINANCIAL STATEMENTS

### Saskatchewan Assessment Management Agency

#### Balance Sheet ►

As at December 31, 2008

	<u>2008</u>	<u>2007</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 485,103	\$ 584,498
Accounts receivable and accrued interest	300,045	139,086
Saskatchewan Education grant receivable	1,156,500	831,498
Province of Saskatchewan grant receivable	550,000	665,250
Prepaid expenses	242,580	222,324
	<u>2,734,228</u>	<u>2,442,656</u>
<b>CAPITAL ASSETS</b> (Note 4)	<u>3,813,101</u>	<u>4,376,661</u>
	<u>\$ 6,547,329</u>	<u>\$ 6,819,317</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 637,794	\$ 500,099
Deferred revenue	204,540	254,177
Current portion of deferred contributions related to SPAN (Note 6)	578,752	578,752
	<u>1,421,086</u>	<u>1,333,028</u>
<b>DEFERRED CONTRIBUTIONS</b> (Note 5)	<u>196,633</u>	<u>360,950</u>
<b>DEFERRED CONTRIBUTIONS RELATED TO SPAN</b> (Note 6)	<u>2,873,726</u>	<u>3,452,478</u>
	<u>4,491,445</u>	<u>5,146,456</u>
<b>NET ASSETS</b>		
Capital fund	<u>360,623</u>	<u>345,431</u>
Operating fund		
Reserves (Note 7)	1,456,683	1,175,103
Unrestricted	238,578	152,327
	<u>1,695,261</u>	<u>1,327,430</u>
	<u>2,055,884</u>	<u>1,672,861</u>
	<u>\$ 6,547,329</u>	<u>\$ 6,819,317</u>

See accompanying notes

APPROVED BY THE BOARD



Director



Director

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# FINANCIAL STATEMENTS

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## Saskatchewan Assessment Management Agency

### Statement of Revenues and Expenses and Changes in Fund Balance - Operating Fund ►

Year ended December 31, 2008

	Budget 2008 (Unaudited)	Actual 2008	Actual 2007
<b>REVENUES</b>			
Province of Saskatchewan operating grant	\$ 5,870,000	\$ 5,870,000	\$ 5,341,000
Province of Saskatchewan restricted grant (Notes 5)	330,000	494,317	473,292
Municipal requisitions	5,787,730	5,774,389	5,799,530
Requisitions from Sask. Education on behalf of school divisions	3,855,000	3,855,000	3,326,000
Fees	262,500	286,901	258,258
Interest	120,000	38,982	107,047
Appraisal and assessment services	395,000	457,349	425,935
Miscellaneous	31,000	57,939	18,387
	<b>16,651,230</b>	<b>16,834,877</b>	<b>15,749,449</b>
<b>EXPENSES</b>			
Aerial photography	81,950	93,735	170,000
Bank charges	10,610	18,475	18,026
Communications	54,340	45,517	45,375
Computer software and supplies	1,191,030	1,250,342	1,281,212
Insurance	12,730	15,935	22,907
Interest on capital leases	-	-	11,942
Land titles information	273,570	257,689	232,188
Office	557,450	594,770	451,012
Printing	174,590	75,556	184,558
Professional	147,400	245,263	308,397
Rent	809,680	848,733	789,202
Salaries and benefits	12,090,140	11,823,010	11,440,177
Staff training and development	256,540	250,648	169,374
Travel and accommodation	843,420	765,948	494,341
	<b>16,503,450</b>	<b>16,285,621</b>	<b>15,618,711</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>147,780</b>	<b>549,256</b>	<b>130,738</b>
Inter-fund transfers			
Capital asset purchases	(147,780)	(181,425)	(144,469)
Net restricted contribution received during the year	-	-	247,819
<b>Operating Fund balance, beginning of year</b>	<b>1,327,430</b>	<b>1,327,430</b>	<b>1,093,342</b>
Operating Fund balance, end of year	1,327,430	1,695,261	1,327,430
Reserves (Note 7)		(1,456,683)	(1,175,103)
<b>UNRESTRICTED FUND BALANCE, END OF YEAR</b>		<b>\$ 238,578</b>	<b>\$ 152,327</b>

See accompanying notes



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Saskatchewan Assessment Management Agency

Statement of Revenues and Expenses and Changes in Fund Balance - Capital Fund ▶

Year ended December 31, 2008

	<b>Actual <u>2008</u></b>	Actual <u>2007</u>
<b>REVENUES</b>		
Province of Saskatchewan restricted grant (Note 6)	\$ 578,752	\$ 578,752
<b>EXPENSES</b>		
Amortization (Note 4)	744,985	749,896
<b>EXPENSES OVER REVENUES</b>	<b>(166,233)</b>	(171,144)
<b>Inter-fund transfers</b>		
For purchase of capital assets	181,425	144,469
Transfers	-	(247,819)
<b>CAPITAL FUND, BEGINNING OF YEAR</b>	<b>345,431</b>	619,925
<b>CAPITAL FUND, END OF YEAR</b>	<b>\$ 360,623</b>	\$ 345,431

See accompanying notes



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# FINANCIAL STATEMENTS

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Saskatchewan Assessment Management Agency

## Statement of Cash Flows ►

Year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
<b>OPERATING</b>		
Excess (deficiency) of revenue over expenses:		
Operating Fund	\$ 549,256	\$ 130,738
Capital Fund	(166,233)	(171,144)
Items not affecting cash		
Amortization of capital assets (Note 4)	744,985	749,896
Amortization of deferred		
SPAN contributions (Note 6)	(578,752)	(578,752)
	<u>549,256</u>	<u>130,738</u>
Changes in non-cash working capital		
Accounts receivable and accrued interest	(160,959)	222,534
Saskatchewan Education grant receivable	(325,002)	(206,495)
Province of Saskatchewan grant receivable	115,250	(206,500)
Prepaid expenses	(20,256)	(32,863)
Accounts payable	137,695	(137,774)
Deferred revenue	(49,637)	60,541
Deferred contributions (Note 5)	(164,317)	(143,292)
	<u>82,030</u>	<u>(313,111)</u>
<b>INVESTING</b>		
Purchase of capital assets	(181,425)	(144,469)
SPAN contributions received (Note 6)	-	990,000
	<u>(181,425)</u>	<u>845,531</u>
<b>FINANCING</b>		
Repayment on demand loan	-	(742,181)
	<u>-</u>	<u>(742,181)</u>
<b>DECREASE IN CASH</b>	<b>(99,395)</b>	<b>(209,761)</b>
<b>CASH BEGINNING OF YEAR</b>	<b>584,498</b>	<b>794,259</b>
<b>CASH END OF YEAR</b>	<b>\$ 485,103</b>	<b>\$ 584,498</b>

See accompanying notes



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# FINANCIAL STATEMENTS

Saskatchewan Assessment Management Agency

Notes to the Financial Statements ►

Year ended December 31, 2008

### 1. STATUTORY AUTHORITY

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

### 2. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2008, SAMA adopted CICA Handbook Section 1535, Capital Disclosures. The required disclosure regarding what SAMA defines as capital and its objectives, policy and process for managing capital is provided in Note 12.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### *a) Use of Estimates*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

#### *b) Fund Accounting*

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations using the restricted fund method of reporting restricted contribution.

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, mainframe computer equipment and the SPAN system, which are being amortized using the straight-line method over the lease term and lives of the assets, respectively.

#### *d) Computer Software Development Costs*

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



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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *e) SPAN Development Costs*

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

#### *f) Reserves*

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

#### *g) Revenue Recognition*

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

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

#### *h) Financial Instruments*

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and SAMA's designation of such instruments. Settlement date accounting is used.

##### Classification:

Cash	Held-for-trading
Accounts receivable and accrued interest	Loans and receivables
Grants receivable	Loans and receivables
Accounts payable	Other liabilities

##### *Loans and receivables*

Loans and receivables are recorded at amortized cost using the effective interest method.

##### *Other liabilities*

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities other than derivative instruments.

##### *Transaction costs*

Transaction costs related to available-for-sale financial assets and other liabilities are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

##### *Foreign exchange risk*

SAMA does not have any significant exposure to foreign exchange risk.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## h) Financial Instruments (continued)

*Interest rate risk*

SAMA is exposed to interest rate risk arising from fluctuations in interest rates and the degree of volatility in these rates. SAMA does not use derivative instruments to reduce its exposure to interest rate risk.

*Credit risk*

SAMA is not dependent on any single customer or group of customers. There is no concentration of credit risk related to SAMA's accounts receivable.

## 4. CAPITAL ASSETS

	December 31, 2008			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	\$ 113,955	\$ 113,955	\$ -
Desktop computer equipment	40%	1,875,452	1,706,117	169,335
Furniture and equipment	20%	719,170	575,946	143,224
Leasehold improvements	1/5	480,306	452,273	28,033
SPAN system	1/10	5,940,000	2,467,491	3,472,509
		\$ 9,128,883	\$ 5,315,782	\$ 3,813,101

	December 31, 2007			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	\$ 113,955	\$ 113,955	\$ -
Desktop computer equipment	40%	1,734,999	1,592,307	142,692
Furniture and equipment	20%	694,052	540,141	153,911
Leasehold improvements	1/5	463,900	435,103	28,797
SPAN system	1/10	5,940,000	1,888,739	4,051,261
		\$ 8,946,906	\$ 4,570,245	\$ 4,376,661

Amortization expense for the year comprised the following:

	2008	2007
Amortization of equipment and leasehold improvements	\$ 166,233	\$ 171,144
Amortization of SPAN system	578,752	578,752
	\$ 744,985	\$ 749,896

## 5. DEFERRED CONTRIBUTIONS

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

	2008	2007
Deferred contributions, beginning of year	\$ 360,950	\$ 504,242
Restricted contribution received during the year	330,000	330,000
Eligible expenditures during the year	(494,317)	(473,292)
Deferred contributions, end of year	\$ 196,633	\$ 360,950

## 6. DEFERRED CONTRIBUTIONS RELATED TO SPAN

In 2007, the Agency received a restricted contribution for the development and implementation of SPAN. The Agency is required to demonstrate to the Province that the conditions attached to the funding are being met.

	<u>2008</u>	<u>2007</u>
Deferred contributions, beginning of year	\$ 4,031,230	\$ 3,619,982
Restricted contribution received during the year	-	990,000
Amortization of deferred contributions	<b>(578,752)</b>	(578,752)
Deferred contributions, end of year	<b>3,452,478</b>	4,031,230
Current portion	<b>(578,752)</b>	(578,752)
	<b>\$ 2,873,726</b>	\$ 3,452,478

## 7. INTERNALLY RESTRICTED RESERVES

	<u>2008</u>	<u>2007</u>
<b>Reserves, beginning of year</b>	<b>\$ 1,175,103</b>	\$ 976,851
Reserves made during the year	<b>395,000</b>	630,750
Approved expenditures made during the year	<b>(113,420)</b>	(432,498)
<b>Reserves, end of year</b>	<b>\$ 1,456,683</b>	\$ 1,175,103

The balance in reserves at December 31 comprised the following:

Reserve for communications	\$ 50,000	\$ 50,000
Reserve for computer enhancements	<b>491,460</b>	338,803
Reserve for professional fees	<b>685,223</b>	556,300
Reserve for travel	<b>230,000</b>	230,000
	<b>\$ 1,456,683</b>	\$ 1,175,103

### a) Reserve for Communications

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

### b) Reserve for Computer Enhancements

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2008, \$195,000 (2007 – \$75,000) was transferred to the reserve and approved expenditures were \$42,343 (2007 – 266,265).

### c) Reserve for Professional Fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals, support of value, GIS development and recruitment and retention. In 2008, \$200,000 (2007 – \$380,750) was transferred to the reserves and approved expenditures were \$71,077 (2007 – \$166,234).

### d) Reserve for Travel

A reserve has been established to provide for travel costs that will be incurred relating to the physical reinspection of property in municipalities. In 2008, \$Nil (2007 – \$175,000) was transferred to the reserves. There were no charges to the reserve in the current or prior year.



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8. 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 2009 and 2016. Annual lease payments over the next five years are as follows:

2009	767,255
2010	701,099
2011	650,518
2012	245,739
2013	57,057

The Agency leases certain equipment under an operating lease with annual payments of \$29,280. These lease payments expire on December 1, 2010.

Also, SAMA is one of 17 parties to the Saskatchewan Geospatial Imagery Collaborative Members Agreement dated September 20, 2007. The agreement expires December 30, 2010. The purpose of the agreement is to set up a province-wide database to contain geospatial imagery to be accessible by the funding members. The total commitment by SAMA is \$350,000 with \$170,000 paid in 2007 and \$60,000 to be paid each year from 2009 to 2011.

9. PENSION EXPENSE

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

The total pension cost to the Agency for employees in PEPP was \$622,101 (2007 - \$565,626).

10. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Agency by virtue of common control by the Province of Saskatchewan, non-Crown corporations and enterprises subject to joint control and significant influence by the Province of Saskatchewan and investee corporations accounted for under the equity method (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	<u>2008</u>	<u>2007</u>
Operating expenses	<b>\$1,842,966</b>	\$ 1,797,613
Accounts receivable	<b>49,827</b>	2,433
Accounts payable	<b>48,780</b>	44,222



#### 10. RELATED PARTY TRANSACTIONS (continued)

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

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

#### 11. ECONOMIC DEPENDENCE

SAMA is economically dependent on the Province of Saskatchewan due to the extent of its funding of the Agency's operations (60%) and the SPAN project (100%).

#### 12. CAPITAL MANAGEMENT

SAMA relies primarily on grants from the Province of Saskatchewan, municipal requisitions and requisitions from Saskatchewan Education on behalf of school divisions. SAMA uses the funds available to provide governance and property assessment services for provincial and local governments in the Province of Saskatchewan.

Reserves (Note 7) for anticipated future costs are authorized by the Board of Directors. Contributions to and expenditures from reserves are made in accordance with the terms and conditions established by the Board of Directors.

#### 13. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the presentation adopted for the current year.



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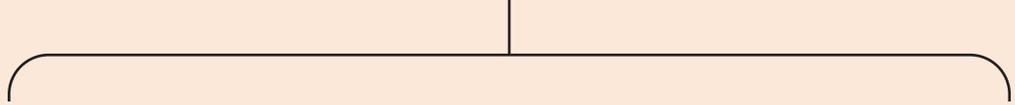


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NOTES



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### SAMA CENTRAL OFFICE ▶

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## SAMA REGIONAL OFFICES

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### MOOSE JAW ▶

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