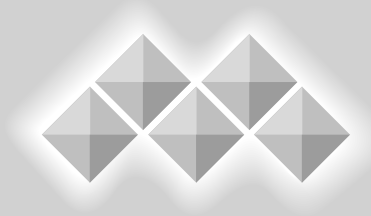




MUNICIPAL ASSESSMENT AGENCY

ANNUAL REPORT

2000 - 2001



## Municipal Assessment Agency

The Municipal Assessment Agency is a crown-owned corporation with the Minister of Municipal and Provincial Affairs as its sole shareholder. The Agency is governed by a twelve-member Board of Directors. The Board is representative of the Agency's stakeholders with six municipal representatives, two taxpayer representatives, two representatives of the provincial government and a representative from each of the Newfoundland and Labrador Federation of Municipalities and the Newfoundland and Labrador Association of Municipal Administrators.

## Our Vision

Through our partnership with Municipalities, the Municipal Assessment Agency, as a leader in the valuation industry, will provide the highest quality property assessment services at the least cost to our clients while fostering a supportive work environment for our employees.

## Mission

It is the mission of the Municipal Assessment Agency to be a cost effective, efficient, independent agency providing fair and understandable property assessment and related services in response to the needs of the people of Newfoundland and Labrador.

# LETTER OF TRANSMITTAL



October 29, 2001  
The Honourable Oliver Langdon  
Minister of Municipal and Provincial Affairs  
P.O. Box 8700  
St. John's, NF A1B 4J6

Dear Minister:

On behalf of the Board of Directors, I have the pleasure to submit the Municipal Assessment Agency's Annual Report and the Financial Statements for the year ended March 31, 2001.

This has been a year of change and growth for the Agency. During the past year the Agency delivered a province-wide reassessment, revaluing all property. In addition, the Board has led the Agency, in partnership with stakeholders, in completion of a new strategic plan. In January 2001 for the first time municipalities elected their representatives to the Agency's Board of Directors. Following that election, it was my pleasure to be selected as the first municipal representative chairperson in the Agency's brief history.

The Agency has continued to improve the assessment service delivered to municipalities and we remain committed to providing an efficient, effective and economical assessment service.

Sincerely,

A stylized, cursive handwritten signature in blue ink that reads "R. Simms".

R. Simms  
Chairperson, Board of Directors  
Municipal Assessment Agency Inc.

# HIGHLIGHTS

## GOVERNANCE

### BOARD STRUCTURE

As part of its mandate, the Board completed the review of changes to the Agency's governance. The Board of Directors was expanded from ten to twelve members with an additional representative from the Newfoundland and Labrador Association of Municipal Administrators and a representative of the urban municipalities.

### COMMITTEE STRUCTURE

To ensure effective governance of the Agency, the Board of Directors have established two formal Board Committees, Finance & Audit and Public Relations & Policy. Both Committees meet regularly and report at each Board meeting.

The Finance & Audit Committee, chaired by Mr. Dennis Kelly, is responsible for:

- Staffing matters
- Budget
- Financial statements
- Arrears
- Audit Reports
- Other matters referred by the Board



*FINANCE & AUDIT COMMITTEE - LEFT TO RIGHT, STANDING: FRED BEST, WAYNE EARLE, WILL BUTT, SEATED: BOB SMART, DENNIS KELLY (CHAIR) AND STAN REID*

The Public Relations & Policy Committee, chaired by Mayor Walwin Blackmore, is responsible for:

- Strategic Planning Issues
- Review of Legislation
- Information Technology Program

- External and internal communication plan
- Municipal training programs in property assessment
- Staff training programs
- Strategic communications
- Other matters referred by the Board



*PUBLIC RELATIONS & POLICY COMMITTEE. LEFT TO RIGHT, STANDING: LEN WELLMAN, GERARD THOMPSON SEATED: BILL PARROTT, WALWIN BLACKMORE (CHAIR) AND ANEITHA SHEAVES*

## MUNICIPAL REPRESENTATIVES ELECTED

In January 2001, municipalities, by way of mail-in ballot, selected for the first time their six representatives to the Agency's Board of Directors. The democratization of the Board selection process was embraced by municipalities with forty-six candidates seeking election. More than 80% of municipalities participated in the election process.

## ENHANCED MUNICIPAL CONTROL

With the revised Board structure, municipalities have enhanced control of the Agency. All positions of leadership on the Board, Chairperson, Vice-chair, and Committee Chair are available to all directors and are presently filled by municipal representatives.

## CLIENT SERVICES

### REASSESSMENT

The provincial reassessment was completed with more than 176,000 notices delivered. The new valuation date for the reassessment was January 1999. The reassessment was well received with less than 2 percent of property owners filing an initial appeal and less than 0.3% proceeding to hearing.

## TRAINING

The Agency's education program for elected officials was nominated for an innovative management award from the Institute of Public Administration of Canada (IPAC) in June 2000. IPAC is a leading Canadian organization concerned with the theory and practice of public management.

## VIDEO

The Board approved for release to clients "Property Assessment: A Cooperative Approach," an orientation video for elected officials.

## COMMUNICATIONS

The Board continues to publish "Assessment News" as a publication for clients of the Municipal Assessment Agency.

The Agency's second annual report was produced and distributed to all clients. The report outlined the accomplishments of the Agency during the year April 1, 1999 to March 31, 2000. Included in the report is a copy of the audited financial statements for the year ended March 31, 2000.

## ASSESSMENT FEES

Fees for 2001-2002 were maintained at the 1999 level, without an increase.

## PLANNING

In October 2000, the Board released "Partnering with Municipalities," the Agency's strategic plan through 2004. The plan was developed with significant input from stakeholders and has been adopted as the Agency's operational plan. The plan identifies the four strategic challenges to be addressed by the Agency:

### 1. PARTNERSHIP WITH MUNICIPALITIES

The Agency will work to strengthen and build on municipal support and "ownership" of the Agency. Approaches to board governance, service delivery, and education, will support the development of a true partnership between the Agency and municipalities.

### 2. EFFICIENCY OF OPERATIONS

Municipal support for the Agency's role and activities is impacted a great deal by the rate charged for assessment services. Over the planning period the Agency will focus on maintaining reasonable rates and delivering value-added services to municipalities by generating funds through the provision of services to non-core clients.

### 3. EDUCATION ABOUT THE PROPERTY TAX SYSTEM

Public understanding of assessment and property tax issues is critical for the success of a property tax system. The Agency will continually promote knowledge of these issues with stakeholders, recognizing municipal officials and administrators will play a front-line role with the public on assessment issues.

### 4. RESPONSIVENESS TO CLIENT NEEDS

The Agency is committed to building our understanding of stakeholder needs, broadening service offerings, and monitoring stakeholder satisfaction, with a view to improving delivery performance and ensuring openness and transparency.

# REPORT OF THE BOARD OF DIRECTORS



## Introduction

To ensure the transparency of the governance of the Agency, the Board is committed to the presentation of an annual report, including financial statements. It is my pleasure, on behalf of the Board, to present the annual report for the year ended March 31, 2001.

This has been a successful year for the Agency on a number of fronts. This is the first year of self-sufficiency with respect to operating funding, since the Agency's inception in 1997. During this year, the Agency has operated on the basis of revenues generated from the provision of assessment and related services, without any operating grants from the Province.

The Board has established a municipally controlled governance structure and democratized the Board selection process. Our consultations with the Newfoundland and Labrador Association of Municipal Administrators resulted in the inclusion of a representative from the association to our Board. In addition, the creation of a strategic plan, in consultation with stakeholders, will permit the Agency to improve its responsiveness to client needs.

In keeping with the Agency's strategic plan, I will highlight the actions completed and planned for each challenge.

### • Partnership with Municipalities

The Agency will work to strengthen and build on municipal support and "ownership" of the Agency. Approaches to board governance, service delivery, and education, will support the development of a true partnership between the Agency and municipalities.

As outlined in last year's annual report, the Board, in consultation with key stakeholders introduced a revised board structure to better reflect the partnership between municipalities and the Agency.

Membership on the board was expanded from ten to twelve members with representatives from NLAMA and urban municipalities.

Municipal councillors embraced the democratic process with forty-six candidates seeking election to the Agency's board. Client municipalities embraced the opportunity to elect their representative, with more than 80% participating in the election process.

The Board consulted on many issues with the Newfoundland and Labrador Federation of Municipalities as a representative body for municipalities. I offer our thanks to the Federation and its Board of Directors.

In keeping with the need to create a true partnership between the Agency the Board has removed all barriers to full participation on the Agency's Board. All positions of leadership on the Board, Chairperson, Vice-chair, and Committee Chair are available to all directors and are presently filled by municipal representatives.

In the coming year the Board will improve our partnership with municipalities by holding our Annual General Meeting during the NLFM annual conference. This will provide an opportunity for municipalities to attend the AGM without incurring additional costs.

The Board will continue to meet in different areas of the province providing municipalities an opportunity to meet with Board members and discuss concerns.

The Board will meet coincidentally with NLAMA, during its annual conference. Municipal administrators will have an opportunity to discuss their assessment concerns with the Board.

The Board remains committed to consulting with municipalities. Stakeholder surveys will be used to assist the Board in making decisions.

# "Our Values:

WE OPERATE IN AN EFFICIENT,  
EFFECTIVE AND ECONOMICAL MANNER."

## • Efficiency of Operations

Municipal support for the Agency's role and activities is impacted a great deal by the rate charged for assessment services. Over the planning period the Agency will focus on maintaining reasonable rates and delivering value-added services to municipalities by generating funds through the provision of services to non-core clients. In 2000 the fee for assessment services remained at 1999 levels, despite the elimination of the provincial subsidy ( \$500,000 for 1999 ). The fee for 2001 has been continued at the 1999 level and the Board has committed in its strategic plan to hold the cost on assessment services through 2003.

The publication of the strategic plan, "Partnership with Municipalities" in October 2000 and the implementation of the operational plan are key elements to controlling costs and increasing non-assessment revenue.

During the coming year the Agency will be reviewing possible non-core and value-added services to offer to municipal and non-municipal clients. Municipalities will be consulted about the changes and advised of the impact on program delivery.

The Agency remains committed to offering an efficient and effective assessment service. We will continue to examine the delivery of the assessment program and search for improved efficiencies. During 2001 we plan to pilot the delivery of the assessment notice by the Agency, rather than the municipality.

## • Education About The Property Tax System

Public understanding of assessment and property tax issues is critical for the success of a property tax system. The Agency will continually promote knowledge of these issues with stakeholders, recognizing municipal officials and administrators will play a front-line role with the public on assessment issues.

The Agency's education program was recognized by a nomination for an innovative management award from the Institute of Public Administration of Canada (IPAC) in June 2000. IPAC is a leading Canadian organization concerned with the theory and practice of public management. The program was nominated based on its unique cross-

organizational approach to training. I congratulate those involved with the development of this program for the nomination, including Jane Fitzgerald of Municipal and Provincial Affairs, and Greg Rumbolt, Glenn Bonnell, and Sean Martin of the Agency.

As outlined last year, the Board commissioned the production of an orientation video on property assessment in Newfoundland and Labrador. With municipal elections scheduled for September 2001, the Board recognized the need to develop a training program to introduce elected officials to the property tax system.

In 2001 the Agency will continue to offer its two-day and three hour training programs for administrators and elected officials respectively. Copies of the video will be forwarded to all municipalities and all media outlets.

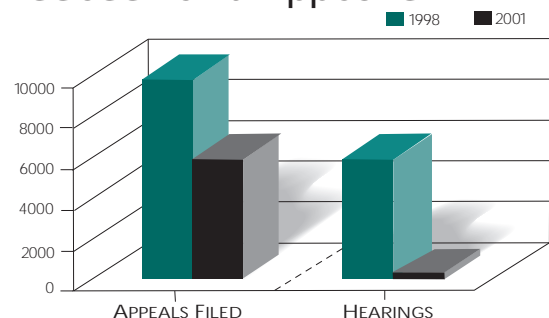
The Agency will begin during 2001 the process of developing a public information package. The package will include materials to be used by local government as well as a seminar that can be presented on demand across the province.

## • Responsiveness To Clients Needs

The Agency is committed to building our understanding of stakeholder needs, broadening service offerings, and monitoring stakeholder satisfaction, with a view to improving delivery performance and ensuring openness and transparency.

During 2000 the Agency introduced a revised appeal structure and a filing fee for assessment review commission hearings. Both changes have reduced the number of appeal hearings resulting in savings for municipalities.

## Assessment Appeals



# "Our Values: WE ARE ETHICAL AND PROFESSIONAL"

During the development of the strategic plan, the Agency consulted with key stakeholders. On behalf of the Board I wish to express our gratitude for the cooperation we received from NLAMA and from our staff. I especially would like to thank the NLFM whose input, on behalf of municipalities, was invaluable.

"Assessment News" continued during the year to inform our clients of the activities and plans of the Agency. It is the Board's intention to continue to publish the clients' newsletter in the coming year.

Additionally, the Board will be seeking feedback and input from stakeholders on a variety of subjects from service delivery to new service offerings. In 2001 we will begin a more formal feedback process with a series of stakeholder surveys.

## CONCLUSION

In 2000, the term of office expired for a number of the Board members. To Rowena Bursey, Barbara Knight, and John Stratton, thank you for your efforts over the past two years. I would especially like to note the contribution of Robert Noseworthy. Mr. Noseworthy chaired the Agency from its inception until his appointment in February as the Chair of the Public Utilities Board. I thank Bob for his leadership and guidance in establishing a solid foundation for the Agency.

During the past year the Agency delivered its mandated reassessment. Assessment and property taxation can be a difficult job and on behalf of all our clients and the Board, I would offer congratulations to management and staff for a job well done. The bar has been set high for future revaluations but I am certain staff will rise to the challenge.

In 2000-2001, two employees left to pursue other opportunities. We wish them well and thank them for their service.

Last year the Board promised to "solidify the governance structure of the Agency by providing for the selection of future Boards in partnership with stakeholders." With the new Board selection process, we have established a mechanism for the continued governance of the Agency, in partnership with municipalities. In the coming year the Board will seek opportunities to expand and increase our partnership with our clients. The implementation of the operational portion of the strategic plan will increase the

Agency's effectiveness and responsiveness to municipal concerns. In conclusion, I wish to thank the members of the Board of Directors. Each director has been open during our meetings and willing to contribute of their personal knowledge and experience to the benefit of the Agency. I look forward to working with the Board, our staff, and our clients to make 2001 another successful year for the Agency and the people of Newfoundland and Labrador.

**RANDY SIMMS**  
Chairperson, Board of Directors

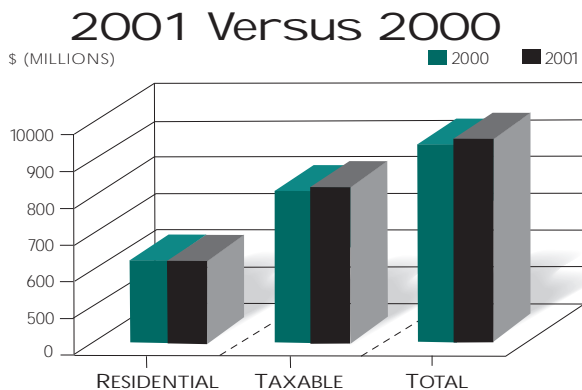
## Board of Directors, March 31, 2001

Chairperson	<b>COUNCILLOR RANDY SIMMS</b> Mount Pearl
Vice-Chairperson	<b>MAYOR WALWIN BLACKMORE</b> Grand Falls-Windsor
Municipal Representatives Labrador	<b>COUNCILLOR WAYNE EARLE</b> L'Anse au Loup
Western	<b>MAYOR ANEITHA SHEAVES</b> Channel-Port aux Basques
Central	<b>COUNCILLOR LEN WELLMAN</b> Springdale
Eastern	<b>MAYOR FRED BEST</b> Clareville
Avalon	<b>MAYOR STAN REID</b> Hearts Delight- Islington
Urban	<b>COUNCILLOR RANDY SIMMS</b> Mount Pearl
NLFM Representative	<b>MAYOR WALWIN BLACKMORE</b> Grand Falls-Windsor
NLAMA Representative	<b>MR. DENNIS KELLY</b> President NLAMA Marystown
Provincial Representatives	<b>MR. WILLIAM PARROTT</b> Assistant Deputy Minister Government Services and Lands  <b>MR. ROBERT SMART</b> Deputy Minister Municipal & Provincial Affairs
Taxpayer Representatives	<b>MR. GERALD THOMPSON</b> Grand Falls-Windsor  <b>MR. WILLIAM BUTT</b> Carbonear

# OPERATIONAL REPORT

We have in the past year continued to evolve in response to the needs of our clients.

The 2001 reassessment was completed on schedule and delivered to municipalities in October 2000. The total value of assessed property in the province increased by \$150 million to more than \$ 9.5 billion. Taxable properties increased by \$133 million, while residential property values were relatively unchanged with a decrease of \$2 million or 0.04% of the 2000 residential values.



The reassessment met prescribed standards for ratio studies as established by the International Association of Assessing Officers (IAAO). The IAAO is an educational and research association of individuals in the assessment profession and others with an interest in property taxation. These studies are keys to measuring the quality of the assessment.

Public response to the reassessment, as measured by the decrease in the number of appeals, was positive. More than 98 percent of property owners accepted the initial assessed values without appeal. In addition, the revised appeal handling procedures resulted in a significant reduction in the number of appeals requiring a hearing before the Assessment Review Commission. This resulted in substantial savings for both client municipalities and the Agency.



SEAN MARTIN, EXECUTIVE DIRECTOR

The 2001 assessment roll was well received by the ratepayers with less than thirty-five hundred ( 1.9% ) filing an initial appeal. This is a reduction of 67% of the number of appeals filed in 1998, the last reassessment year. The revised appeal process resulted in less than 10 percent of all appeals requiring a formal appeal hearing.

In addition to the revaluation and preparation of more than 177,000 assessment notices, our staff completed the required maintenance on the assessment during 2000. This includes more than eighty-five hundred supplemental assessments, twenty-six hundred appeals for 2000, and more than thirteen thousand name changes. Staff completed re-inspections on more than fourteen thousand properties.

I express my gratitude and appreciation to the Agency's staff who have worked with management to improve the delivery of assessments in Newfoundland and Labrador. The results of the 2001 assessment are evidence of their efforts and dedication.

The Agency remains committed to its education program. We continue to offer our two-day training program for municipal administrators annually on a regional basis. Our award nominated three-hour program for elected officials is available on demand and has been supplemented by the production of an orientation video for elected officials. Copies of the video have been forwarded to all client municipalities for their use in orientation sessions following the 2001 municipal elections. Our next objective is to develop an education program for property owners.

We will continue to consult with stakeholders on issues of program delivery and service quality. My thanks to the members of the Assessment Services Advisory Committee (Michelle Peach, Marie Blackmore, Garry

**"Our Values:**  
**OUR PRODUCT MUST BE**      **"**  
**UNDERSTANDABLE AND DEFENSIBLE**

Brown, Mike Pinsent and Jackie Chow) for your advice and guidance and I welcome Edison Goodyear to the committee for 2001. In the coming year we will expand our consultations to include surveys of all clients, such as the survey on the date for the return of the annual roll conducted in March 2001.

The financial report which follows highlights the results from our operations for the year and to date in the Agency's brief history. We remain on target to meet the financial objectives established by the Board. Our initial investment in technology has given us the tools to complete our assignments in an efficient and effective method. One of our challenges in future years will be to contain costs and create new sources of revenues to meet the future financial objectives for the Agency.

None of this would be possible without the support and guidance of the Agency's Board of Directors. From the approval of the strategic plan to the adoption of a three-year budgeting system, the Board has focused the Agency on providing its services in response to the needs of the client municipalities. I thank the Board for their direction.

In particular I acknowledge the contribution of Mr. Robert Noseworthy who served as Chair from the inception of the Agency in 1997 until his appointment to the Public Utilities Board in February 2001. Mr. Noseworthy gave guidance and direction to a new venture and the Agency is stronger for his leadership.

I look forward to continuing to work closely with the Board, staff, and clients to ensure the assessment service in Newfoundland and Labrador continues to meet the needs of our citizens.



**SEAN MARTIN**  
Executive Director/CEO



# FINANCIAL STATEMENTS

Year ended March 31, 2001

## Auditors' Report

To the Shareholder of  
Municipal Assessment Agency Inc.

We have audited the balance sheet of Municipal Assessment Agency Inc. as at March 31, 2001 and the statements of revenue, expenses and equity and cash flows for the year then ended. These financial statements are the responsibility of the corporation'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 corporation as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

St. John's, Newfoundland  
June 13, 2001

*Horgan & Newbold*  
CHARTERED ACCOUNTANTS

# BALANCE SHEET

As at March 31, 2001

## Assets

	2001	2000
<b>Current</b>		
Cash	\$ 823,040	\$ 1,014,940
Accounts receivable (note 2)	299,462	290,116
Prepaid expenses	41,805	89,173
	1,164,307	1,394,229
Severance reserve fund (note 3)	498,245	-
Capital assets (note 4)	764,171	883,554
	\$ 2,426,723	\$ 2,277,783

## Liabilities and Shareholder's Equity

### Current

Accounts payable and accrued liabilities	\$ 85,457	\$ 153,651
Accrued vacation pay (note 5)	139,035	125,623
Deferred contributions - operating (note 6)	-	63,615
	224,492	342,889
Accrued severance pay (note 5)	496,948	452,521
Deferred contributions - capital (note 6)	303,406	427,626
	1,024,846	1,223,036

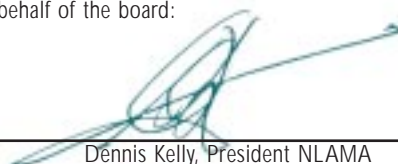
### Shareholder's Equity

#### Capital

Authorized and issued		
1 Common share	1	1
Equity from operations	1,401,876	1,054,746
	1,401,877	1,054,747
	\$ 2,426,723	\$ 2,277,783

Commitments and contingencies (notes 5 and 7)

On behalf of the board:

  
Dennis Kelly, President NLAMA

  
Mayor Walwin Blackmore, Grand Falls-Windsor

# STATEMENT OF REVENUES, EXPENSES & EQUITY

For the year ended March 31, 2001

	2001	2000
<b>Revenues:</b>		
Assessment services	\$ 3,712,097	\$ 3,729,352
Operating grant	-	500,000
Valuation revenue	37,593	41,000
Interest revenue	79,826	63,350
	<u>3,829,516</u>	<u>4,333,702</u>
<b>Expenses:</b>		
Salaries	2,229,336	2,206,147
Benefits	349,609	337,100
Information technology	264,972	149,862
Travel	232,027	262,595
Premises and equipment lease	173,858	171,961
Telephone	63,529	71,498
Office supplies	38,104	36,694
Professional fees	32,319	22,875
Bad debt	28,046	70,812
Advertising and public relations	21,721	2,033
Printing	18,812	9,721
Postage and courier	13,259	14,483
Staff training	10,150	4,861
Insurance	7,088	6,402
Payroll processing	4,707	4,284
Bank charges	493	682
Miscellaneous	150	1,339
	<u>3,488,180</u>	<u>3,373,349</u>
Excess of revenues over expenses before the following	341,336	960,353
Provision for severance and vacation pay (note 5)	57,839	70,332
Amortization of deferred contributions (note 6)	(187,835)	(184,781)
Amortization of capital assets	284,202	255,679
	<u>187,130</u>	<u>819,123</u>
Excess of revenues over expenses	187,130	819,123
Severance funds from the province	160,000	-
Equity from operations, beginning of year	1,054,746	235,623
<b>Equity from operations, end of year</b>	<b>\$ 1,401,876</b>	<b>\$ 1,054,746</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

# STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended March 31, 2001

	2001	2000
Operating activities:		
Net income for the year	\$ 187,129	\$ 819,123
Items not affecting cash:		
Amortization of capital assets	284,202	255,679
Amortization of deferred contributions	(187,835)	(184,781)
Increase in severance pay accrual	44,427	53,650
Increase in vacation pay accrual	13,411	10,820
Net change in non-cash working capital balance	(30,171)	121,539
Cash provided by operating activities	311,163	1,076,030
Investing activities:		
Purchase of capital assets	(164,818)	(535,605)
Financing activities:		
Severance funds received	160,000	-
Increase in cash position	306,345	540,425
Cash position, beginning of year	1,014,940	474,515
Cash position, end of year	\$ 1,321,285	\$ 1,014,940
Cash is represented by:		
Operating cash	\$ 823,040	\$ 1,014,940
Severance reserve fund	498,245	-
	\$ 1,321,285	\$ 1,014,940

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

# NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2001

## General :

Effective April 2, 1997, the Municipal Assessment Agency Inc. (the "Corporation") was incorporated under the laws of the Province of Newfoundland and Labrador to carry out assessment services for various municipalities throughout the Province of Newfoundland and Labrador pursuant to the Assessment Act. Prior to this date, these services were performed by the Department of Municipal and Provincial Affairs, Government of Newfoundland and Labrador (the "Department").

The Corporation has one common share with a par value of \$1.00 issued to the Minister of Municipal and Provincial Affairs, Government of Newfoundland and Labrador.

The Corporation is a crown corporation and, accordingly, is exempt from income taxes under Subsection 149(1)(d) of the Income Tax Act.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Corporation have been prepared within the framework of generally accepted accounting principles which require the use of estimates and assumptions that affect the amounts reported and disclosed in these statements and related notes. Any variations between these estimates and actual amounts are not expected to materially affect reported results. The more significant accounting policies of the Corporation are as follows:

### (A) CAPITAL ASSETS

Capital assets purchased by the Corporation are recorded at cost. Amortization is recorded on a declining balance basis over the assets estimated useful lives at the following rates:

Furniture and equipment	20%
Computer hardware and software	30%
Integrated assessment system	30%

The Corporation is currently using furniture, equipment and computers provided by the Department. As title to these assets have not been transferred to the Corporation, they have not been recorded in the accounts.

### (B) REVENUE RECOGNITION

Government assistance related to acquisition of capital assets is deferred and amortized to income on the same basis as the related capital assets are amortized.

Revenue for the provision of assessment and valuation services is recognized when the services are rendered.

### (C) ACCRUED SEVERANCE PAY

Severance pay is accounted for on an accrued basis and is calculated based upon years of service and current salary levels. The right to be paid severance pay vests with employees with nine years of continued service and accrues to a maximum of twenty years and, accordingly, no provision has been made in the accounts for employees with less than nine years of continued service. The amount is payable when the employee ceases employment with the Corporation. The cash amount of the accrued severance pay is segregated into a severance reserve fund.

### (D) REDUNDANCY PAY

Redundancy pay is recognized as a liability when it is probable that employees will be entitled to benefits and the amount can be reasonably estimated.

## 2. ACCOUNTS RECEIVABLE:

	2001	2000
Trade receivables	\$ 355,392	\$ 318,476
Accrued interest	5,914	4,522
HST recoverable	30,368	31,863
Travel advances	328	100
Allowance for doubtful accounts	(92,540)	(64,845)
	\$ 299,462	\$ 290,116

# NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2001

### 3. SEVERANCE RESERVE FUND:

The Corporation has segregated funds for the accrued severance pay liability. The segregated funds are held in a current account bearing interest at the CIBC prime rate less 2.25%. The Corporation has internally restricted these funds to be used to pay any accrued severance and not to be used in normal business operations.

### 4. CAPITAL ASSETS:

		2001		2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware and software	\$ 214,045	\$ 95,611	\$ 118,434	\$ 89,760
Furniture and equipment	81,588	33,661	47,927	52,645
Integrated assessment system	1,049,808	451,998	597,810	741,149
	<u>\$ 1,345,441</u>	<u>\$ 581,270</u>	<u>\$ 764,171</u>	<u>\$ 883,554</u>

### 5. SEVERANCE AND VACATION PAY:

As at the time of incorporation, the Corporation assumed liabilities for severance pay, vacation and accrued overtime associated with employees transferred to the Corporation resulting in an opening deficit in the amount of \$366,950. During the year, an agreement was reached with the province to fund this liability by a payment of \$160,000, which represented the present value of the liability as calculated by management.

The provision for severance and vacation pay consists of the following:

	2001	2000
Provision for severance pay	\$ 44,427	\$ 59,512
Provision for vacation pay	13,412	10,820
	<u>\$ 57,839</u>	<u>\$ 70,332</u>

### 6. DEFERRED CONTRIBUTIONS:

The Corporation received Government funding in prior years that was deferred for future operating expenses and capital expenditures. During the year, the Corporation recognized the following deferred contributions.

	2001	2000
Operating	\$ 63,615	\$ 8,778
Capital	124,220	176,003
	<u>\$ 187,835</u>	<u>\$ 184,781</u>

### 7. COMMITMENTS:

The Corporation has entered into leases for the rental of office space. Annual lease payments over the next four years are approximately as follows:

2002	\$ 85,000
2003	\$ 44,000
2004	\$ 44,000
2005	\$ 44,000

### 8. COMPARATIVE FIGURES:

Certain of the comparative figures have been reclassified to conform to the presentation adopted in the current year.

## Management Directory

Executive Director & CEO	<b>SEAN MARTIN</b>	
Business Manager	<b>CLARENCE SIMMONS</b>	
HR Manager (A)	<b>DALE HISCOCK</b>	
Regional Managers	<b>GLENN BONNELL,</b>	Western
	<b>GREG RUMBOLT,</b>	Central
	<b>JAMES RIDGLEY,</b>	Eastern

## Office Directory

### Corporate Offices

75 O'Leary Avenue, St.John's NF A1B 2C9  
Tel: (709) 724-1532 Fax: (709) 724-1531

### Eastern Regional Office

75 O'Leary Avenue, St.John's NF A1B 2C9  
Tel: (709) 724-1510 Fax: (709) 724-1531

### Central Regional Office

1 Markham Place, P.O.Box 570, Gander NF A1V 2E1  
Tel: (709) 651-4460 Fax: (709) 651-4473

### Western Regional Office

63 Broadway, Corner Brook NF A2H 4C7  
Tel: (709) 637-7150 Fax: (709) 637-7162

### Labrador Office

Elizabeth Goudie Building, P.O.Box 3014, Station "B"  
Happy Valley, Goose Bay AOP 1E0  
Tel: (709) 896-5393 Fax: (709) 896-8847

### FIELD OFFICES

#### CONCEPTION BAY SOUTH

Tel: (709) 834-7541 Fax: (709) 834-7540

#### CARBONEAR

Tel: (709) 596-3044 Fax: (709) 596-3046

#### MARYSTOWN

Tel: (709) 279-3591 Fax: (709) 279-3578

#### CLARENVILLE

Tel: (709) 466-5120 Fax: (709) 466-5121

#### GRAND FALLS-WINDSOR

Tel: (709) 292-1170 Fax: (709) 292-1171

#### STEPHENVILLE

Tel: (709) 643-8570 Fax: (709) 643-8571

#### FLOWERS COVE

Tel: (709) 456-2414 Fax: (709) 456-2428

#### TOLL-FREE LINE

**(877) 777-2807**



**MUNICIPAL ASSESSMENT AGENCY**

**75 O'LEARY AVE., ST. JOHN'S NEWFOUNDLAND A1B 2C9  
TOLL FREE 1-877-777-2807**