



Municipal
Assessment
Agency Inc.



Municipal Assessment Agency Inc.
2022 – 2023 Annual Report

Inside Front Cover

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Chairperson's Message

On behalf of the Municipal Assessment Agency (The Agency), I am pleased to present our annual performance report for the April 1, 2022 to March 31, 2023 fiscal year.

As a Category Two entity under the **Transparency and Accountability Act**, the Board of Directors is accountable for the results reported in this document. The Board's continuing commitment to openness, transparency, and the key components of an effective property tax system, is demonstrated by this report.

The Agency is a not-for-profit entity, with its returns used only to further the activities of the Agency. As the entity responsible for providing fair and effective property assessment service to 234 municipalities, as outlined under the **Assessment Act, 2006**, we are pleased to support local governments in providing a valuable service to the people of our province.

The current business plan focuses on transparency. This is an area where the Agency can advance its communications strategy regarding the assessment process and support the property taxation system used by municipalities in this province.

Through surveys, critical questions were brought to the forefront by municipalities, residents, and employees that were addressed in this reporting period.

A handwritten signature in black ink, which appears to read "Elizabeth Moore". The signature is written in a cursive, flowing style.

Mayor Elizabeth A. Moore, Chairperson

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Entity Overview

Vision

The vision of the Municipal Assessment Agency is an organization applying the highest standards of fairness and equity in all operations and processes, thereby meeting the valuation needs and professional expectations of those we serve.

Mandate

The Municipal Assessment Agency is required to provide municipalities with real property values (or assessments) in accordance with the terms and conditions of the province's **Assessment Act, 2006**.

The Municipal Assessment Agency, through the conditions of its incorporation, does the following:

- ▶ Provides assessment activities as per the **Assessment Act, 2006**;
- ▶ Provides and sells:
 - Data and other related assessment information
 - Property inspections
 - Valuation services to all levels of the Crown, including municipalities as outlined in the **Assessment Act, 2006**
 - Consultation services

The Municipal Assessment Agency is a not-for-profit entity whose returns are to be used solely to support or enhance the activities of the Agency on behalf of those it serves.

The Agency's website www.maa.ca provides further overview of the services provided.

Lines of Business

The Agency's lines of business are a reflection of the requirements outlined in the **Assessment Act, 2006**.

Property Assessments

On behalf of municipalities, we provide residents and commercial property owners with real property values annually. This is achieved by collecting market information and other property data to calculate a market value for each property.

Supporting Client Municipalities

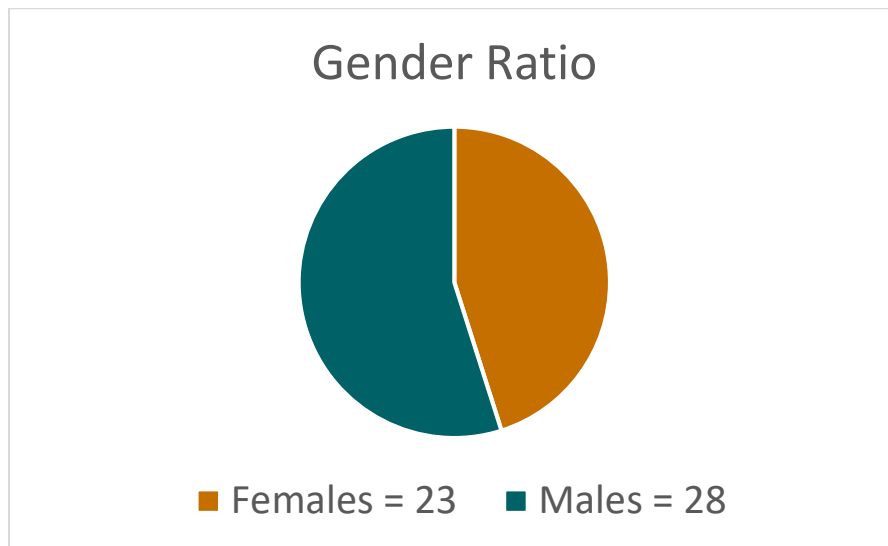
Working closely with municipalities, the Agency ensures residents are informed about their property assessments and the processes used to determine these property values.

Consultation Services

The Agency provides consultation services relating to property assessment practices.

Number of Employees

Division	# of Employees
Valuation Services	31
Corporate Services	17
Executive Team Members	3



Board of Directors

The Agency is a Crown-owned corporation governed by a ten-member Board of Directors. The Board includes six representatives who are elected by client municipalities; a representative of Municipalities Newfoundland and Labrador (MNL); a representative of the Professional Municipal Administrators (PMA); and, two appointed taxpayer representatives.

Locations

Western and Labrador Region

Corner Brook

P.O. Box 20051
Corner Brook, NL
A2H 7J5

Central Region

Gander

165 Roe Avenue
P.O. Box 570
Gander, NL
A1V 2E1

Eastern Region

St. John's

75 O'Leary Avenue
St. John's, NL
A1B 2C9

Satellite Offices

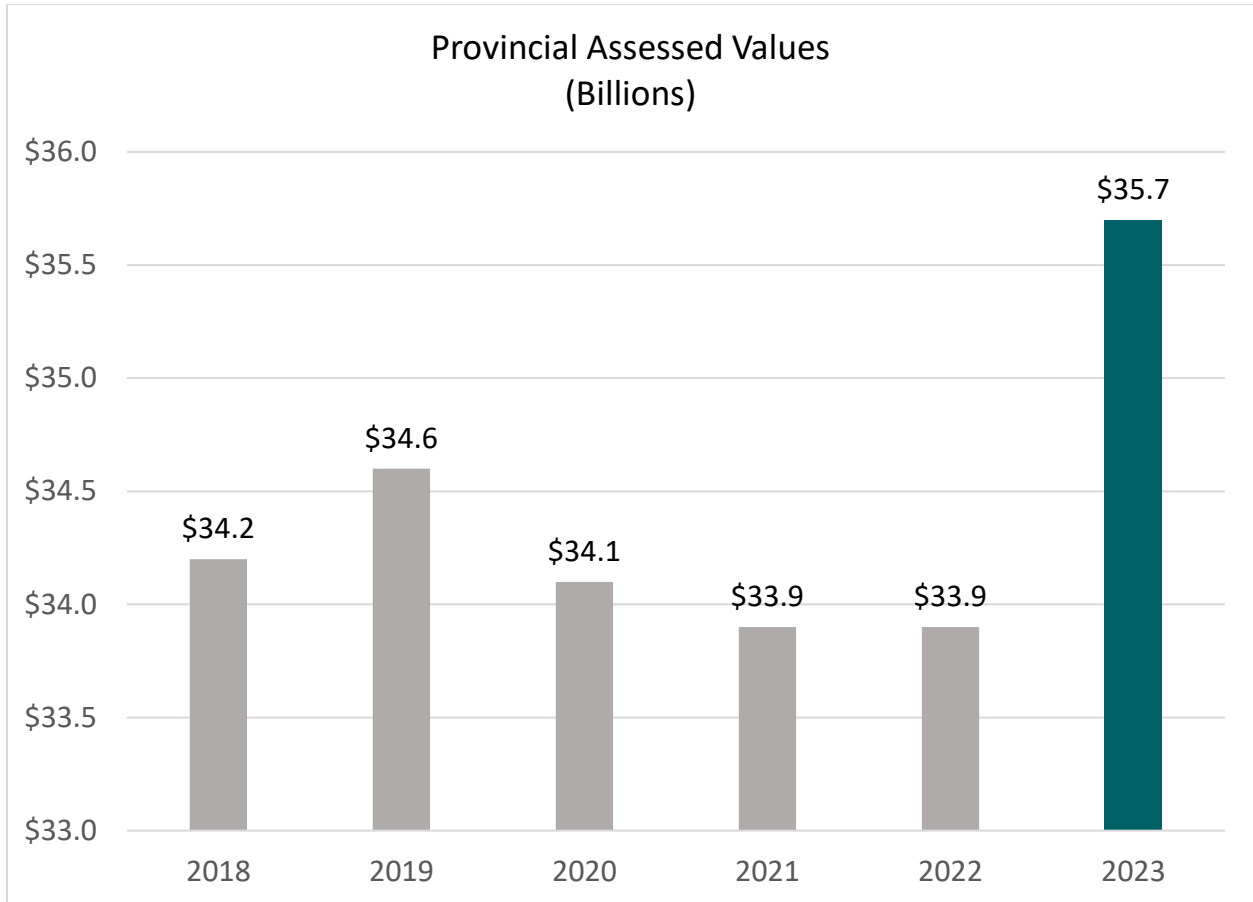
- Clarenville
- Spaniard's Bay

Revenues and Expenditures

The Agency's gross expenditure for 2022-23 was \$5,298,224 with a revenue of \$5,535,788. Please refer to financial information (p.14) for a summary of expenditures and related revenue. The Agency's main source of revenue is derived from service fees to municipalities for assessment services. If a shortfall occurs in a fiscal year, unrestricted funds are available. If funds were unavailable, an increase of service fees would result. There are no changes to service fees for this reporting period.

Assessed Values for the Province

Assessed values in the province increased during this reporting period. Preliminary market data is indicating an increase in provincial assessed values for 2024.



Highlights and Partnerships

Highlights

Communication Strategies

The Agency introduced three online learning modules designed to address the needs of municipal clerks, staff, councillors, and additional people interested in becoming municipal officials in the future. These free training modules are hosted on the Agency's website (www.maa.ca).

Improved Data Access through Aerial Imagery

The Agency has developed and implemented new innovative ways to collect property data. The use of Geographic Information Systems (GIS) has greatly improved the quality of property data and improved the valuation process.

As of March 31, 2023, 71,988 properties have been reviewed through aerial imagery. This is a total of 628 square kilometers of imagery within Newfoundland and Labrador. The Agency will continue to use aerial imagery and GIS technology to improve services to municipalities.

Partnerships

Collaborative Initiative Fund

The Agency partnered with multiple municipalities using its ongoing Collaborative Initiative Fund to support municipal projects (i.e. GIS, aerial imagery, etc.), enhancing the property assessment service. This grant provides funding up to a maximum of \$2 per assessed parcel of land to municipalities per project.

Municipalities Newfoundland and Labrador (MNL)

We are continuing our partnership agreement with MNL to enhance overall engagement in the municipal sector. This partnership provides the Agency increased opportunities to collaborate and communicate with municipalities during each year. The Agency is working with MNL to develop training for municipal representatives.

Professional Municipal Administrators (PMA)

The Agency signed a long-term agreement with PMA to ensure its participation in annual events. The Agency will have opportunities to communicate important information to municipal members of this association as required.

Report on Performance

Issue

A priority issue for this multi-year plan was transparency, which required the Agency to operate in a way that the ratepayer, public, and other stakeholders could easily see what actions are performed.

Transparency implies openness, clear communication, and accountability. Communication includes the broad spectrum of interactions and sharing of information, data, and ideas that applies to virtually every facet of our organization, internally and externally.

- Raising awareness of the work of the Agency, including processes and timelines;
- Reviewing the Agency's ongoing communication strategy with ratepayers;
- Identifying opportunities to improve the transparency of the assessment process; and,
- Consistent messaging to the public.

Goal

By March 31, 2023, the Municipal Assessment Agency will improve awareness and transparency of the assessment process to ratepayers.

Indicators

Raised the Public Awareness about the Work of the Agency

Communication strategies were developed and implemented to increase public awareness of the Municipal Assessment Agency. Traditionally, the Agency focused on ensuring municipalities have the information they required to administer property taxation. New strategies focused on educating not only municipalities, but also the public, on the Agency's purpose and procedures. The Agency increased their social media presence to share industry information and promote the Agency for recruitment purposes. Members of the Agency's Board of Directors and administration participate in various forums and conferences to share Agency information. The Agency's website analytics reported a 50% increase in usage compared to previous reporting periods.

Provided Opportunities for Feedback as a Means to Improve Services to Ratepayers

For 2021 and 2022, the Agency completed client surveys and ratepayer surveys focusing on customer satisfaction and understanding of assessment practices and procedures. An analysis of the survey results was complete and the Agency implemented strategies to increase information available to municipalities and taxpayers. A review of processes internally commenced with a focus on improved customer service.

Developed a Simplified Overview (and other Educational Materials) Outlining the Work of the Municipal Assessment Agency

A review of the Agency's website resulted in improvements to overall content and accessibility to important areas within the website.

The Agency produced a booklet containing an overview of the Agency's responsibilities, applicable legislation, and procedures. This booklet explains how property value is determined. These booklets were distributed to municipalities and are available on the Agency's website. Additional pamphlets are available to attendees at municipal-related conferences and symposiums.

Increased Self-service Opportunities for Ratepayers

The website www.maa.ca provides users the ability to search property values of municipalities and the ability to appeal their annual assessment(s) online. Ratepayers are provided access to submit inquiries to the Agency through various platforms such as the website and email. Appeal review results are available through the Agency's website.

Increased use of Various Forms of Communications (and associated technologies) to Deliver Information and Messaging

Each year, ratepayers receive an updated assessment notice containing their property value. In addition, this notice contains information on how property value is determined and procedures on how to appeal. Periodically, the Agency will produce additional information to include in the annual notice mail out.

The website has been improved for readability and the assessment notice package has been updated.

Released Communiqués and Updates from the Agency to Provide More Accurate and Defensible Information to Help Improve Ratepayer Awareness

The Agency's website provides property owners with information on the Agency's strategic goals, overall assessment results, property assessment procedures, access to property values, financial reports, and general updates. Each municipality is also provided periodic communiques and updates from the Board of Directors to share with their residents as well as a hard copy of the assessment roll. The municipality's assessment roll is accessible to property owners through the Municipality's office.

Objective 3

By March 31, 2023, the Agency will have evaluated the implemented communication strategies for improved transparency of the assessment process and enhanced communications with ratepayers.

Indicators

The Communication Strategies Improved Transparency and Ratepayers' Knowledge of the Agency's Mandate and Processes

The Agency engaged in communication strategies that improved transparency and ratepayers' knowledge. The Agency undertook various forms of communication including written material, mail outs to ratepayers, training, and posting updated information on the Agency's website. Agency representatives were available to discuss assessment results. Ratepayers can also retrieve information on their property from the Agency's website. These actions helped increase ratepayers' knowledge of the Agency's Mandate and processes and improved transparency.

The Overall Increase of Educational Opportunities

The Agency provides online training to municipal representatives and more recently, to members of the public. The course was developed to assist town clerks, municipal staff, elected officials, and the public, to understand the property assessment system in the province. Training focuses on the following topics: the assessment process, assessment legislation, assessment appeals, and how properties are assessed. Over 300 individuals have completed the course from the Agency's website. In addition, the course is offered as part of a formal educational program for elected officials through Municipalities Newfoundland & Labrador.

The Communication Strategies Contributed to Ratepayer Engagement

The evaluation of communication strategies took various forms over the reporting period. In 2022 and 2023, a sample of ratepayers received a survey to rate the Agency's customer service as well as various communication strategies implemented over the planning period. With a 20% response rate, information was gathered to assist with continuous improvement to processes and communication. In addition, over 20,000 visitors annually to the Agency's website is an indication that the public is increasingly accessing information and services implemented during this planning period.

Opportunities and Challenges

The Agency continues to focus on continuous improvement initiatives to improve communications and increase transparency of information for Agency clientele. The website improvements will continue and will include further accessibility opportunities for municipalities and property owners. These improvements include a portal to improve information sharing between the Agency and municipalities.

The implementation of GIS technology and the use of aerial imagery have benefited both the Agency and clients by improving data accuracy. The Agency is taking steps to engage and build partnerships with other government departments and entities with an aim to increase access to aerial imagery.

Recruitment and retention of skilled workers in the field of property valuation continues to be a challenge for the Agency. This affects our ability to deliver effective services to municipalities and the public.

Municipalities play a critical role in the public's understanding of property assessment and taxation. Continued communication and training for municipalities is required due to municipal staffing changes. Technology improvements will also aid in improving communication between the Agency and municipalities.

Financial Information

Please see our financial report on the next page.

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MUNICIPAL ASSESSMENT AGENCY INC.

Financial Statements

Year Ended March 31, 2023



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MUNICIPAL ASSESSMENT AGENCY INC. Index to Financial Statements Year Ended March 31, 2023

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POWER & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Municipal Assessment Agency Inc.

Opinion

We have audited the financial statements of Municipal Assessment Agency Inc. (the Agency), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Opinion

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

Other Matter

The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 6, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Independent Auditor's Report to the Board of Directors of Municipal Assessment Agency Inc. *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

St. John's, Newfoundland and Labrador

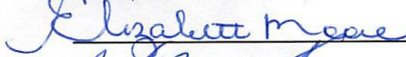
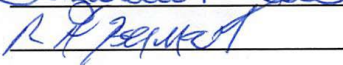
CHARTERED PROFESSIONAL ACCOUNTANTS

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**MUNICIPAL ASSESSMENT AGENCY INC.
Statement of Financial Position
March 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 1,798,253	\$ 1,158,509
Accounts receivable (Note 3)	99,211	103,472
Prepaid expenses	290,425	276,240
	<u>2,187,889</u>	<u>1,538,221</u>
RESTRICTED RESERVE CASH (Note 4)	1,500,000	1,700,000
TANGIBLE CAPITAL ASSETS (Note 5)	1,077,203	1,157,980
	<u>\$ 4,765,092</u>	<u>\$ 4,396,201</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 168,563	\$ 69,347
Accrued vacation pay (Note 7)	241,888	207,989
Deferred income	20	1,808
	<u>410,471</u>	<u>279,144</u>
NET ASSETS		
SHARE CAPITAL	1	1
RESTRICTED RESERVE FUNDS (Note 8)	2,577,203	2,857,979
UNRESTRICTED FUND	1,777,417	1,259,077
	<u>4,354,621</u>	<u>4,117,057</u>
	<u>\$ 4,765,092</u>	<u>\$ 4,396,201</u>
COMMITMENTS (Note 9)		
CONTINGENCIES (Note 10)		

ON BEHALF OF THE BOARD

 Member
 Member

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MUNICIPAL ASSESSMENT AGENCY INC. Statement of Revenues and Expenditures Year Ended March 31, 2023

	2023	2022
REVENUES		
Assessment services	\$ 5,379,194	\$ 5,362,306
Interest revenue	114,737	28,534
Valuation revenue	41,857	55,007
Other	-	2,525
	5,535,788	5,448,372
EXPENSES		
Salaries	3,040,885	2,953,105
Benefits	647,328	650,049
Office and administration <i>(Schedule 1)</i>	478,075	384,180
Information technology	466,498	472,426
Printing and postage	247,821	250,400
Travel	238,670	156,167
Municipal Collaborative Initiative	24,400	24,357
	5,143,677	4,890,684
EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING	392,111	557,688
Amortization of tangible capital assets	109,055	127,551
Provision for vacation pay	45,492	49,287
	154,547	176,838
EXCESS OF REVENUES OVER EXPENSES	\$ 237,564	\$ 380,850

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**MUNICIPAL ASSESSMENT AGENCY INC.
Statement of Changes in Net Assets
Year Ended March 31, 2023**

	Balance, beginning of year April 1, 2022	Excess (deficiency) of revenues over expenses	Transfers	Balance, end of year March 31, 2023
Collaborative Initiative Fund <i>(Note 4)</i>	\$ 200,000	\$ (24,400)	\$ 24,400	\$ 200,000
Technology Fund <i>(Note 4)</i>	200,000	-	(200,000)	-
Operating Fund <i>(Note 4)</i>	1,300,000	-	-	1,300,000
Tangible Capital Assets <i>(Note 4)</i>	1,157,979	(109,055)	28,279	1,077,203
Unrestricted Fund	1,259,077	371,019	147,321	1,777,417
	\$ 4,117,056	\$ 237,564	\$ -	\$ 4,354,620

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MUNICIPAL ASSESSMENT AGENCY INC. Statement of Cash Flows Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 237,564	\$ 380,850
Item not affecting cash:		
Amortization of tangible capital assets	109,055	127,551
	346,619	508,401
Changes in non-cash working capital:		
Accounts receivable	4,261	38,147
Accounts payable and accrued liabilities	99,216	(75,252)
Deferred income	(1,788)	(1,014)
Prepaid expenses	(14,184)	(87,938)
Accrued vacation pay	33,899	(110,848)
	121,404	(236,905)
Cash flow from operating activities	468,023	271,496
INVESTING ACTIVITY		
Purchase of tangible capital assets	(28,279)	(28,206)
INCREASE IN CASH FLOW	439,744	243,290
Cash - beginning of year	2,858,509	2,615,219
CASH - END OF YEAR	\$ 3,298,253	\$ 2,858,509
CASH CONSISTS OF:		
Cash	\$ 1,798,253	\$ 1,158,509
Restricted reserve cash	1,500,000	1,700,000
	\$ 3,298,253	\$ 2,858,509

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MUNICIPAL ASSESSMENT AGENCY INC. Notes to Financial Statements Year Ended March 31, 2023

NATURE OF OPERATIONS

The Municipal Assessment Agency Inc. (the "Agency") was incorporated April 2, 1997, 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 Agency 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 Agency is a crown corporation and, accordingly is exempt from income taxes under Subsection 149(1)(d) of the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are prepared within the framework of Canadian Public Sector Accounting Standards (PSAS) 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 Agency are as follows:

Cash

Cash includes cash on hand and balances with the bank.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Furniture and equipment	20%
Computer hardware and software	30%
Integrated assessment system	30%
Buildings	4%
Mobile assessor	20%
Mobile assessor - licenses	5 years (straight line)

Revenue recognition

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

Interest revenue is recognized as it is earned.

Accrued vacation pay

Vacation is accrued for employees as entitlement is earned.

Financial instruments

Financial instruments, including cash, accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

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MUNICIPAL ASSESSMENT AGENCY INC.

Notes to Financial Statements

Year Ended March 31, 2023

2. FINANCIAL INSTRUMENTS

The Agency is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Agency's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Agency is exposed to credit risk in connection with its accounts receivable. The Agency manages its credit risk through ongoing management review of all accounts receivable past due. The Agency reviews its credit risk regularly and it is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Agency will encounter difficulty in meeting obligations associated with financial liabilities. The Agency is exposed to this risk in respect of its accounts payable and accrued liabilities, accrued vacation pay and operating lease commitments. The risk is mitigated through the Agency's level of current assets exceeding current liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Agency is mainly exposed to currency risk and interest rate risk.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Agency is exposed to foreign currency exchange risk on cash held in U.S. dollars. The Agency does not use derivative instruments to reduce its exposure to foreign currency risk. As at March 31, 2023, cash balances of \$33,788 (2022 - \$21,302) are shown in US dollars in the company's account and converted into Canadian dollars as at that date for financial statement purposes.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Agency manages exposure through its normal operating and financing activities.

3. ACCOUNTS RECEIVABLE

	<u>2023</u>		<u>2022</u>
Trade receivables	\$ 42,898	\$	63,294
HST recoverable	54,462		37,124
Employee receivable	1,851		3,054
	<u>\$ 99,211</u>	\$	<u>103,472</u>

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MUNICIPAL ASSESSMENT AGENCY INC. Notes to Financial Statements Year Ended March 31, 2023

4. RESTRICTED RESERVE CASH

The Agency has internally restricted funds for the following purposes. Restricted cash is held in the Agency's interest-bearing operating bank account.

Operating Reserve Fund

Board Restricted Operating Reserve Fund was designated at the February 8, 2019 board meeting. The general purpose of the fund is to help ensure the long-term financial stability of the Agency. The fund will be used to offset future budget increases in operating expenses, position the Agency to respond to carrying charges and economic conditions affecting the Agency's financial position, and to meet specific financial requirements in accordance with the Agency's strategic vision and values. Amount of reserved cash as at March 31, 2023 is \$1,300,000 (2022 - \$1,300,000).

Technology Reserve Fund

Board Restricted Technology Reserve Fund was designated at the February 8, 2019 board meeting. The general purpose of the fund is to meet major technology developments in software and hardware enhancing the Agency's vision to meet the property assessment and valuation needs of their clients. The fund will be used to meet major technology system developments, fund special projects and collaborations in information technology and to renew existing information technology infrastructure. During the year, the board approved the dissolution of this fund. Amount of reserved cash at March 31, 2023 is NIL (2022 - \$200,000).

Collaborative Initiative Reserve Fund

Board Restricted Collaborative Initiative Reserve Fund was designated at the February 8, 2019 board meeting. The general purpose of the fund is to foster and encourage collaborative partnerships to develop and implement best practices in providing fair and effective property assessment and valuation. The fund will be used to encourage partnerships with municipalities that support innovation in property assessments and valuations, to support the Agency's participation in the National Collaborative Initiative, and to work with other partners in projects that will further the Agency's objectives. During the year, the Agency transferred \$24,400 from the unrestricted fund for approved projects. Amount of reserved cash as at March 31, 2023 is \$200,000 (2022 - \$200,000).

Tangible Capital Asset Reserve Fund

Board Restricted Tangible Capital Asset Reserve Fund accounts for the acquisition and amortization of the Agency's property and equipment. The Capital Asset Fund was designated by the board effective April 1, 2020. During the year, the Agency transferred the amount of \$28,279 from the unrestricted fund for the purpose of acquiring capital assets. Amount of this reserve fund as at March 31, 2023 is \$1,077,203 (2022 - \$1,157,979). There is no reserved cash associated with this restricted fund.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer hardware and software	\$ 49,883	\$ 35,124	\$ 14,759	\$ 21,084
Furniture and equipment	82,530	35,004	47,526	50,563
Integrated assessment system	1,956,369	1,904,728	51,641	73,773
Buildings	1,122,936	487,355	635,581	641,222
Land	208,221	-	208,221	208,221
Mobile assessor	157,982	56,873	101,109	126,386
Mobile assessor - licenses	91,826	73,460	18,366	36,731
	\$ 3,669,747	\$ 2,592,544	\$ 1,077,203	\$ 1,157,980

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**MUNICIPAL ASSESSMENT AGENCY INC.
Notes to Financial Statements
Year Ended March 31, 2023**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>		<u>2022</u>
Accrued wages payable	\$ 43,441	\$	26,599
Accounts payable	89,019		18,454
Employee expenses payable	19,237		13,594
Accrued professional fees	13,200		6,850
Other	2,341		2,200
Appeal fees	1,325		1,650
	<u>\$ 168,563</u>	\$	<u>69,347</u>

7. ACCRUED VACATION PAY

	<u>2023</u>		<u>2022</u>
Vacation pay			
Opening balance	\$ 207,989	\$	318,837
Vacation paid out	(11,593)		(160,135)
Current year expense	45,492		49,287
	<u>\$ 241,888</u>	\$	<u>207,989</u>

8. RESTRICTED RESERVE FUNDS

	<u>2023</u>		<u>2022</u>
Operating Reserve Fund	\$ 1,300,000	\$	1,300,000
Technology Reserve Fund	-		200,000
Collaborative Initiative Reserve Fund	200,000		200,000
Tangible Capital Asset Reserve Fund	1,077,203		1,157,979
	<u>\$ 2,577,203</u>	\$	<u>2,857,979</u>

The purposes of the various restricted funds are disclosed in Note 4.

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MUNICIPAL ASSESSMENT AGENCY INC.

Notes to Financial Statements

Year Ended March 31, 2023

9. COMMITMENTS

The Agency has a lease for office space in Corner Brook, Newfoundland and Labrador. The term of the lease is 5 years, starting December 1, 2019 and ending on December 1, 2024. The monthly rental fee is \$4,605. Future minimum lease payments total \$36,839 and include the following payments over the next year: 2024 - \$36,839.

The Agency has a lease for office space in Clarendville, Newfoundland and Labrador. The term of the lease is 3 years, starting December 1, 2021 and ending on November 30, 2024. The monthly rental fee is \$475. Future minimum lease payments total \$3,800 and include the following payments over the next year: 2024 - \$3,800.

The Agency has a lease for office space in Spaniard's Bay, Newfoundland and Labrador. The term of the lease is 3 years starting December 1, 2021 and ending on November 30, 2024. The monthly rental fee is \$550. Future minimum lease payments total \$4,400 and include the following payments over the next year: 2024 - \$4,400.

The Agency has a lease for Neopost Mail/Postage Machines. The term of the lease is 5 years starting December 1, 2021 and ending on November 30, 2024. The monthly lease cost is \$480. Future minimum lease payments total \$13,930 and include the following payments over the next years: 2024 - \$5,764; 2025 - \$5,764; 2026 - \$2,402.

The Agency has a six year agreement expiring December 31, 2024 with a service provider for their Mobile Assessor application hosting. The remaining minimum annual payments in US dollars total \$582, and include the following payments over the next year: 2024 - \$58,213.

The Agency has a one year agreement expiring December 31, 2024 with a service provider for the provision of annual maintenance, support and hosting for its Integrated Assessment System and licensing fees. The remaining payments in US dollars under this agreement are \$108,244 and include the following payments over the next year: 2024 - \$108,244.

10. CONTINGENCIES

The Agency has prepared valuations which are subject to litigation to which the Agency has been included as a third party defendant, including a claim that was received subsequent to year end. These claims could be considered in the normal course of the Agency's activities, and the Agency is defending the claim which has been received. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been made in the financial statements.

ANNUAL REPORT 2022-23

MUNICIPAL ASSESSMENT AGENCY INC.

Office and Administration

(Schedule 1)

Year Ended March 31, 2023

	2023	2022
EXPENSES		
Repairs and maintenance	\$ 107,048	\$ 73,002
Professional fees	81,464	23,613
Premises and equipment	74,673	89,400
Office supplies	55,987	46,883
Insurance	39,643	36,347
Telephone	37,221	42,099
Purchased services	36,466	28,960
Utilities	34,477	35,548
Exchange loss	5,742	3,776
Interest and bank charges	5,354	4,552
	\$ 478,075	\$ 384,180
