



BRITISH COLUMBIA ASSESSMENT AUTHORITY

2005 ANNUAL REPORT

The Annual Service Plan Report for the Year 2005 and a Report on the Creation of the 2006 Assessment Roll. The Financial Statements for the year ended December 31, 2005.

Letter of Transmittal

May 31, 2006

The Honourable Rick Thorpe
Minister of Small Business and Revenue and
Minister Responsible for Regulatory Reform
Legislative Buildings
Victoria, British Columbia V8V 1X4

Dear Minister:

On behalf of the British Columbia Assessment Authority, we have the pleasure to submit our Annual Service Plan Report for the Year 2005 and a Report on the Creation of the 2006 Assessment Roll. The Financial Statements for the year ended December 31, 2005 in accordance with the *Budget Transparency and Accountability Act* are also included in this report.



James M. I. Bruce
CHAIR
BOARD OF DIRECTORS



Doug Rundell
ASSESSMENT COMMISSIONER

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Message from the Chair of the Board of Directors

I am pleased to present the Annual Service Plan Report for the Year 2005 and a Report on the Creation of the 2006 Assessment Roll which was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The Board is accountable for the contents of the report, including the selection of performance measures and how the results have been reported. The information presented reflects the actual performance of the British Columbia Assessment Authority for the twelve months ended December 31, 2005. All significant decisions, events and identified risks, as of December 31, 2005 have been considered in preparing the report. This document is a transition to a more streamlined report and will provide results for performance measures and targets for the 2006-2008 Service Plan in addition to the 2005-2007 Service Plan Update. Significant variations between the two reports are noted on page 24.

The information presented is prepared in accordance with the BC Reporting Principles and represents a comprehensive picture of our actual performance in relation to our service plan. The measures presented are consistent with the British Columbia Assessment Authority's mission, goals and objectives, and focus on aspects critical to the organization's performance. The Board is responsible for ensuring internal controls are in place to ensure performance information is measured accurately and in a timely fashion. The corporation's revenue exceeded its expenditure by approximately \$836,000 in 2005.

This report contains estimates and interpretive information that represents the best judgment of management. Any significant limitations in the reliability of data are identified in the report.

Our Priorities

The British Columbia Assessment Authority focused on the following primary business areas in 2005:

- continuing to improve the corporation's high level of customer service satisfaction and investigating ways to further enhance performance;
- producing high quality assessment rolls;
- implementing valueBC, a new high-performance assessment information system;
- reducing property assessment appeals;
- maintaining or reducing the cost to taxpayers for property assessment services; and
- streamlining and simplifying our business practices to cut red tape.

The corporation's highest priority for the past few years has been the implementation of valueBC. Planning the new system began in 2002, development work was undertaken in 2003 and 2004, and valueBC was implemented in 2005 and produced the 2006 Assessment Roll. Additionally, every staff member received training on the system in 2005. This was one of the largest corporate projects ever undertaken by the British Columbia Assessment Authority and I am proud to report that the transition, while not without some challenges, was a tremendous success for the organization.

The technologically-advanced system, which enables in-depth analysis of property assessment information, will continue to receive modifications in 2006 and 2007. Until valueBC was put into operation, a significant upgrade to the information system had not taken place since the 1970s.

External Conditions

In 2005, both the commercial and residential real estate markets in British Columbia continued to experience significant growth and movement. These conditions presented the

corporation with both capacity and valuation challenges which were handled with diligence and professionalism by the staff, management and executive. Economic forecasts predict that the real estate market in our province will remain strong in 2006 and I am confident that the British Columbia Assessment Authority will maintain high quality in assessment information.

Commitment to Quality Customer Service

A Customer Service Excellence process, which began in 2005 and will continue in 2006 and the future, was initiated to further enhance the corporation's culture for customer service excellence that will support and guide the actions of our staff and contribute to increased satisfaction for our clients and employees. By formalizing the corporation's approach to customer service, both staff and the public will be aware of the standards. This process will provide employees with an opportunity to strengthen their already advanced customer service skills and continue serving British Columbians to the high standard they currently enjoy.

I wish to thank outgoing Board members David Clark and Helen Sparkes for their wise counsel, hard work and service to the British Columbia Assessment Authority and I am pleased to welcome new members Barry Clark, Fred Graham, Shawn McLaughlin, Allen Tozer and Eldon Unger. It is with regret, however, that I announce my decision to leave the Board by the end of June to pursue other interests. I have enjoyed my tenure as Chair of the Board of Directors and I wish the British Columbia Assessment Authority continued success in all its future endeavors.



James M. I. Bruce
BOARD CHAIR, ON BEHALF OF

Bill Baird
Barry Clark
Fred Graham
Carol Alter Kerfoot
Shawn McLaughlin
Chris Nicolls

Anna Nyarady
George Puil
Brian Romer
Allen Tozer
Eldon Unger
Lillian White

Message from the Chief Executive Officer

On behalf of the management and staff of the British Columbia Assessment Authority, I am honoured to present the Annual Service Plan Report for 2005 and a Report on the Creation of the 2006 Assessment Roll.

In 2005, the corporation successfully implemented valueBC, a new assessment information system. All employees were trained on the new system and data cleansing initiatives were undertaken in order to produce the 2006 Assessment Roll which met and, in some instances, exceeded international quality standards. These business challenges were achieved during an extremely active real estate market with significant new construction and development in the province that totaled over \$12 billion in 2005. I am extremely proud of these accomplishments.

The British Columbia Assessment Authority is committed to continuous customer service improvements. All of our 19 area offices and head office offer toll-free telephone and front counter service as well as generic e-mail addresses for general questions. Our public web site, www.bcassessment.ca, was redesigned to improve customer access and use. The site now features a wide selection of plain-language information to help property owners better understand the assessment process and learn about the corporation's products and services. We also provide services and information to our customers in numerous languages whenever possible.

In the fall of 2005, a Customer Service Excellence process was launched to renew our focus on delivering high-quality service – both to our external customers and to our internal customers (staff). Through focus groups with our customers across the province, we developed a new Service Commitment statement. In 2006, the British Columbia Assessment Authority will be developing service standards and skills training that supports our customer service vision and Service Commitment principles.

A popular online service, Assessments by Address, which enables property owners to search comparable assessments in their neighbourhood, was offered again in 2005. Customer feedback from previous years indicated that property owners would like to have comparable sales information so this data was added for the 2006 Assessment Roll. Assessments and Sales by Address is available from early January to March 15 during the property assessment review period and is also provided in paper to area offices, most libraries, municipal halls and government agents' offices.

Property owners also indicated that they would like the option to appeal their property assessment online. An online appeal form was introduced and was very well-received by property owners and staff who experienced reduced administration time due to the new electronic format.

In addition to the successful implementation of valueBC and the production of the 2006 Assessment Roll, other corporate highlights included:

- valuing 26,600 more properties in 2005 compared to the year before;
- maintaining our past history of low complaints, which was only 2.2 percent of all properties for the 2006 Assessment Roll;
- the recent successful negotiation and ratification of a new collective agreement for 2006 to 2009 with the Canadian Union of Public Employees, Local 1767; and
- finishing the year favourable to budget forecast.

It is important to recognize and thank the staff and Executive Management team for their dedication and service to the people of British Columbia. I want to thank Connie Fair, Bruce Turner, David Highfield and Laurie McAmmond and to extend my best wishes and appreciation to John Collins, who recently retired. I would like to welcome our new members of the Board of Directors, Barry Clark, Fred Graham, Shawn McLaughlin, Allen Tozer and Eldon Unger. I look forward to working with the new and returning members.

The future of the British Columbia Assessment Authority will be guided by the Board of Directors to fulfill the mandate of government. We will follow our mission and vision, and be guided by our values. Our goals of customer service, product quality and uniformity, fiscal responsibility and human resource leadership will form the basis for our delivery of service.

Thank you,



Doug Rundell
CHIEF EXECUTIVE OFFICER
AND ASSESSMENT COMMISSIONER

May 1, 2006

James M.I. Bruce
Board Chair, British Columbia Assessment Authority
1537 Hillside Avenue
Victoria, British Columbia
V8T 4Y2

Dear Mr. Bruce,

The British Columbia Assessment Authority has engaged my office to independently audit its 2005 annual report. We appreciate BC Assessment's willingness to engage in the leading edge practice of having its annual report audited by an independent third party. I believe our audit report adds significant credibility to this annual report.

My audit opinion represents the first of two phases in introducing independent assurance. Our focus was on the extent to which the BC Reporting Principles have been incorporated. BC Assessment has also asked my office to expand the scope of our work next year to include the second phase; the inclusion of assurance on the accuracy of the performance information.

I applaud BC Assessment for being only the second organization to fundamentally incorporate all eight BC Reporting Principles in its annual report.

Yours truly,

A handwritten signature in brown ink that reads "Wayne Strelloff". The signature is written in a cursive, flowing style.

Wayne Strelloff, FCA
AUDITOR GENERAL



Report of the Auditor General of British Columbia

To the Board of Directors, the British Columbia Assessment Authority

To the Minister of Small Business and Revenue and Minister Responsible for Regulatory Reform

I have been engaged to report on the British Columbia Assessment Authority's (the Authority's) stage of development in incorporating the BC Reporting Principles in its "Annual Service Plan Report for the Year 2005 and a Report on the Creation of the 2006 Assessment Roll" (annual report). The eight BC Reporting Principles outline the characteristics of good performance reporting, and have been endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts for use by public sector organizations in British Columbia. The principles are detailed in the body of this report. The annual report is the responsibility of the Authority. My responsibility is to express an opinion on the annual report based on my audit.

I conducted my examination in accordance with Canadian generally accepted auditing standards. Accordingly, except as explained in the following paragraph, I planned and performed an audit to obtain reasonable assurance concerning the stage of development in incorporating the BC Reporting Principles in the annual report. My audit included examining, on a test basis, evidence supporting the disclosures in the annual report.

Readers are cautioned that that I did not specifically test the accuracy of the data contained in the annual report, and consequently I do not offer assurance on the accuracy of the information reported.

Also, as called for by the BC Reporting Principles, the annual report contains a number of representations from management concerning the appropriateness of the goals, objectives and targets established by the Authority, explanations of the adequacy of planned and actual performance, and expectations for the future. Such representations are the opinions of management and inherently cannot be subject to independent verification. Therefore, my examination was limited to ensuring the report contains those representations called for by the BC Reporting Principles and that they are consistent with the audited performance measures and financial statements.

Overall Conclusion

In my opinion, the Authority's stage of development in incorporating the BC Reporting Principles for the year ended December 31, 2005, is reflected in this table and the discussion following:

	REPORTING PRINCIPLES							
STAGE OF DEVELOPMENT	1. Explain Public Purpose Served	2. Link Goals and Results	3. Focus on Few Critical Aspects of Performance	4. Relate Results to Risk and Capacity	5. Link Resources, Strategies and Results	6. Provide Comparative Information	7. Present Credible Information, Fairly Interpreted	8. Disclose the Basis for Key Reporting Judgements
FULLY INCORPORATED								
FUNDAMENTALS IN PLACE	•	•	•	•	•	•	•	•
IN PROCESS								
START-UP PHASE								

The Authority has fundamentally incorporated all eight BC Reporting Principles into the 2005 annual report and has attained a standard that will allow me in future years to expand the scope of my work to provide assurance regarding the fair presentation of performance.

Detailed Observations

My Office defined four stages of development, and established criteria for each of the eight principles. In general, the stages of development are:

Start-Up	Most significant elements have not yet been addressed
In Process	Many significant elements have not been addressed, but progress is being made
Fundamentals In Place	Most significant elements have been fundamentally addressed, although further improvement is possible.
Fully Incorporated	All elements have been substantially addressed – a standard of excellence.

While not essential for understanding this report, detailed information concerning the criteria used to assess the stage of development for each principle can be found on our website: www.bcauditor.com.

A description of the BC Reporting Principles, together with my assessment of the Authority's stage of development in relation to each principle, are set out below.

PRINCIPLE – GOOD PUBLIC PERFORMANCE REPORTING SHOULD:	ASSESSMENT
<p>1. Explain the Public Purpose Served</p> <p>Public performance reporting should explain why an organization exists and how it conducts its business. This is important to interpreting the meaning and significance of the performance information being reported.</p>	<p>Fundamentals In Place</p> <p>The report identifies public purpose, legislated mandate and major accountabilities. Core business and clients served are well described. Values are explained and embedded in the report.</p>
<p>2. Link Goals and Results</p> <p>Public performance reporting should identify and explain the organization's goals, objectives and strategies and how the results relate to them.</p>	<p>Fundamentals In Place</p> <p>Linkages between mission, goals, and results are clear, adding to the relevance of the report. Immediate outcomes are measured. The report relates current performance to future targets.</p>
<p>3. Focus on the Few, Critical Aspects of Performance</p> <p>Public performance reporting should focus on the few, critical aspects of performance.</p>	<p>Fundamentals In Place</p> <p>The report focuses on a few key measures of performance, and explains why those aspects are relevant to an external audience. Performance is linked to the government's strategic plan.</p>
<p>4. Relate Results to Risk and Capacity</p> <p>Good performance reporting should report results in the context of an organization's risks and its capacity to deliver on its programs, products and services.</p>	<p>Fundamentals In Place</p> <p>The report identifies key risks, their impact on results, and the Authority's response to them. Key capacity areas are described and measured.</p>

PRINCIPLE – GOOD PUBLIC PERFORMANCE REPORTING SHOULD:	ASSESSMENT
<p>5. Link Resources, Strategies and Results</p> <p>Public performance reporting should link financial and performance information to show how resources and strategies influence results. Related to this is how efficiently the organization achieves its results.</p>	<p>Fundamentals In Place</p> <p>Revenue trends and expense variances are described. Management provides commentary to expand on the Authority’s financial results. Cost per assessment is the focus of one performance measure, although further measures of efficiency would be useful. Virtually all costs are related to, and revenues derived from, the creation and provision of the assessment roll, so a further break down is not provided.</p>
<p>6. Provide Comparative Information</p> <p>Public performance reporting should provide comparative information about past and expected future performance and about the performance of similar organizations when it would significantly enhance a reader’s ability to use the information being reported.</p>	<p>Fundamentals In Place</p> <p>Actual performance is reported consistently in relation to the plan – differences are identified and explained. Current and future performance is related to historic trends through the use of graphs. Some comparisons to other assessment authorities are provided, although further comparisons would improve the report.</p>

PRINCIPLE – GOOD PUBLIC PERFORMANCE REPORTING SHOULD:	ASSESSMENT
<p>7. Present Credible Information, Fairly Interpreted</p> <p>Public performance reporting should be credible—that is, based on quantitative and qualitative information that is fairly interpreted and presented, based on the best judgement of those reporting.</p>	<p>Fundamentals In Place</p> <p>VERIFIABLE: Documentation exists to support the performance information in this report, except where stated. Major systems have been documented, although improvements in documentation are needed.</p> <p>TIMELY: The report has been issued in accordance with statutory timelines.</p> <p>UNDERSTANDABLE: The report is reasonably concise and specialized terminology, where used, is explained.</p> <p>CONSISTENCY, FAIRNESS AND RELEVANCE: These attributes are reported in relation to other reporting criteria, as <i>highlighted</i>.</p>
<p>8. Disclose the Basis for Key Reporting Judgments</p> <p>Public performance reporting should disclose the basis on which information has been prepared and the limitations that should apply to its use</p>	<p>Fundamentals In Place</p> <p>The report contains explanations of how performance is measured and interpreted, including the rationale supporting targeted performance. Changes in the way performance is measured are explained. Processes to ensure the reliability of information are described, and limitations in the quality of reported information are described where relevant. The Chair of the Board of Directors has affirmed responsibility for the report.</p>

Vision, Mission, Values and Service Commitment

VISION

We will be the leading property assessment organization internationally and the first choice for property information in British Columbia.

MISSION

We produce uniform property assessments that form the basis for local and provincial taxation while providing information to assist people when making real estate decisions.

VALUES

We are guided by our commitment to:

- **Quality** in our products, services, and work life;
- **Accountability** for our actions and results;
- **Service** that is responsive and sensitive; and
- **Teamwork** in working together as one team and partnering with our clients.

Our Service Commitment to you is to be:

- **Reliable** – Providing accurate products and professional service;
- **Accessible** – Providing timely access to staff and information;
- **Uniform** – Being consistent in the way we treat you; and
- **Respectful** – Maintaining positive relationships.

Corporate Profile

The British Columbia Assessment Authority is a provincial Crown corporation that was incorporated under the *Assessment Authority Act* in 1974. The corporation's mandate is to establish and maintain an independent, uniform and efficient real property assessment system throughout the province in accordance with the *Assessment Act*. The *Act* requires that annual property assessment rolls are produced based on (real estate) market value.

A new assessment roll, the Completed Roll, is produced on or before December 31 of each year. For the purposes of this report, the 2006 Completed Assessment Roll was produced in 2005 and revised by the decisions of the Property Assessment Review Panels by March 31, 2006.

Assessments are based on the market value of properties as of the previous July 1. This common valuation date for all properties throughout the province provides fairness and ensures an equitable base for property taxation by various taxing jurisdictions. Information from this roll is included in the individual assessment notices that are sent to all property owners by December 31.

The roll enumerates approximately 1.75 million properties with a value of approximately \$660 billion. The Revised Assessment Roll, which is prepared following the Property Assessment Review Panel (PARP) public enquiry period, is presented to tax jurisdictions (municipal and provincial governments) to form the basis of their tax rolls. Property valuation is subject to legislated review and complaint procedures through the PARP, and appeals through the Property Assessment Appeal Board (PAAB).

Property assessments provide the basis which local governments use to establish applicable rates for property tax and appropriately distribute the responsibility for funding their requirements. In 2005, approximately \$5 billion in property taxes was collected in British Columbia, compared to \$4.6 billion in 2004. Of these funds, \$2.7 billion was collected for local government and \$2.3 billion was collected for schools and provincial general revenue. Property taxes provide between 40 and 60 percent of funding for local governments and approximately 30 percent of funding for schools. Through this process, the corporation supports the provincial economy and the communities of British Columbia.



The British Columbia Assessment Authority's professional appraisal staff collect property information from a variety of sources, including property inspections, municipalities, regional districts, real estate boards, the Land Title and Survey Authority of BC and property owners throughout the year. The corporation maintains an extensive and up-to-date information database on all properties in BC which consistently exceeds international appraisal standards and is recognized throughout the global assessment community as a model for current market value real property assessment for taxation. Delegations from a number of North American and international jurisdictions have sought advice from the British Columbia Assessment Authority.

The corporation's operations are financed primarily through a direct levy on all taxable properties and through the sale of information services and products; it receives no funding from the provincial government. Property and value information are provided through electronic database access and custom data services, for a fee, to tax authorities through a program of information-sharing; property owners; municipal, provincial and federal government agencies; realtors; appraisers; lawyers; bankers; title search companies and others.

Currently, the British Columbia Assessment Authority employs 586 permanent staff in 20 offices throughout the province and has a structure based upon functional lines of responsibility and specialization of tasks. Head Office divisions, located in Victoria, include: Assessment; Policy, Audit and Legal Services; Corporate Services; and Community Relations.

Daily operations are guided by our corporate values of :

- Quality in our products, services, and work life;
- Accountability for our actions and results;
- Service that is responsive and sensitive; and
- Teamwork in working together as one team and partnering with our clients.

The corporation's values support the Government of British Columbia's Strategic Plan 2006/07 to 2008/09 stated vision and core values of integrity, fiscal responsibility, accountability, respect, and choice; corporate values are displayed in high-traffic zones in area offices located throughout the province, and in each division's work space in Head Office. They serve as reminders of the manner in which to work to achieve corporate goals.

Additionally, the values provide direction during the planning process so that all strategic and operational plans are written to include elements that emphasize quality, accountability, customer service and teamwork. The high quality of the assessment roll, low complaint and appeal rates of our property assessments, and low staff turnover demonstrate how these core values guide our work. Our vision, mission, values and service commitment serve as reminders to help us achieve our corporate goals and provide the public with a reliable product, the annual assessment roll.

Our Customers: Products and Services

The British Columbia Assessment Authority's core product, the assessment roll, is used by local and provincial governments to levy tax revenues. Approximately 1.8 million assessment notices are sent by mail or by electronic assessment notices via epost™ by December 31 of each year to every property owner in the province.

The corporation's main customers and stakeholders include residential and non-residential property owners, local and regional governments, the provincial and federal governments, First Nations and the private sector (realtors, appraisers, lawyers, bankers, title search companies and others).

Assessments and Sales by Address, a free online service, is available for property owners to audit our assessments by comparing the value of their property to others in their neighbourhood during the property assessment appeal period. This service is available from early January to March 15 each year. Paper copies of Assessments and Sales by Address are available at area offices, most municipal halls, public libraries and government agents' offices.

Property owners and clients can reach staff in a number of ways: via phone (including toll-free phone numbers), e-mail or in person at our 20 offices located throughout the province.

Service to Governments

Assessment LinkBC, an Internet-based service, enables local government clients to search or create unique reports using property assessment data free-of-charge. This service provides access to timely information so local governments can make informed decisions on behalf of their communities. In 2005, there were 108 clients registered to use the service, an increase of 17 compared to 2004.

Property information services, or Data Advice, are offered by request to local governments and other agencies. Data Advice supplies clients with current information available on the corporation's files. It is provided monthly in paper format, or via the Internet, which allows clients to easily update their computer systems.

The British Columbia Assessment Authority also continued its efforts to improve and integrate Geographical Information Systems (GIS) and mapping throughout the province. The corporation is a partner in the provincial Integrated Cadastral Information Society (ICIS) and remains committed to a coordinated and shared approach to provincial mapping services. Additionally, valueBC comprises a dynamic GIS component.

Many First Nations in British Columbia are assuming property taxation responsibilities formerly provided by provincial and local governments. Assessment services are provided to 55 First Nations under a contract basis.

Information about products and services is available at www.bccassessment.ca; detailed property information is available via BC OnLine at www.bconline.gov.bc.ca.

Commercial Products and Services

The corporation generated approximately \$3.5 million in revenue in 2005 from data access services. These services include the sale and licensing of property information such as the assessment roll, property sales and residential inventory data and Land Title and Survey Authority of BC information via BC OnLine. Bulk electronic data and professional consulting services, including customized Major Industrial Property manuals, are also provided for other provinces and jurisdictions. Our products and services are delivered via the Internet or electronically by contacting the corporation's Client Service Solutions department.

Key commercial clients include:

- Banks, credit unions, title search agencies, law offices, realtors, developers, and consultants use on-line property data in their daily business dealings;
- Provincial ministries and Crown corporations use bulk and on-line property data to manage their own properties; and
- Public/private partnerships allow corporate clients such as real estate boards to add value and sell bulk assessment data under a licensing agreement.

The British Columbia Assessment Authority provides user-friendly, accurate and accessible property information to support the business community throughout the province and is not in a competitive position with the private sector. The data is a by-product of the assessment system, therefore, administration costs are nominal.



Year in Review

The British Columbia Assessment Authority aims to provide excellent customer service and meet the expectations of property owners, local governments and other clients while increasing efficiencies. The corporation maintains its high performance standards while facing challenges that include considerable real estate market movement, substantial growth in the number of properties requiring assessment services and increased property values throughout most areas of the province.

Some of the highlights in 2005 include:

- Formalizing a Customer Service Excellence process that will continue into the future to provide continuous customer service improvements.
- Valuing 26,600 more properties in 2005 compared to the year before.
- Finishing the year with \$836,000 excess of revenue over expenditures. Further information is available starting on page 70.
- Maintaining our record of low complaints, 2.2 percent of all properties for the 2006 Assessment Roll, to the Property Assessment Review Panels despite a very active real estate market in most areas of British Columbia. Further information is available on page 108.
- Including all major new construction and development, totaling over \$12 billion, in the 2006 Assessment Roll. Further information is available on page 107.
- Implementing the multi-year Information Systems Plan, the valueBC assessment system, and staff training in 2005.
- Producing the 2006 Assessment Roll, containing property assessment information for approximately 1.75 million properties, by the legislated annual deadline of December 31.
- Ongoing deregulation of legislation to further streamline the appeal process to reduce internal costs on property assessment complaints and appeals.
- Negotiating and ratifying a new collective agreement for 2006-2009 with the Canadian Union of Public Employees, Local 1767.
- Hiring a temporary workforce, consisting of 293 employees in 2005, to assist with collecting property information.

Report on Performance

The British Columbia Assessment Authority's performance planning process includes both long-term and short-term elements. Long-term direction is provided by the three-year Service Plan which is developed through a comprehensive strategic corporate planning process involving the Board of Directors, senior management and staff. The Service Plan reflects the trends and issues facing the organization and serves as the basis for annual corporate planning.

Short-term direction is provided by objectives outlined in the Annual Plan, an internal planning document, and rigorous budget management. Both the Service Plan and the Annual Plan are revised each year to reflect changes in stakeholder needs, risk management, benchmarking, organizational capacity and emerging priorities. These short-term elements contain specific actions and measurable results that will assist the organization in fulfilling its goals.

The following four key goals were developed based on the British Columbia Assessment Authority's mandate, vision, values and the priorities established by the Board of Directors:

CUSTOMER SERVICE:

The British Columbia Assessment Authority will provide a level of service that meets our customers' expectations.

PRODUCT QUALITY AND UNIFORMITY:

The British Columbia Assessment Authority property assessment services throughout the province will be of the highest quality and fair, equitable, and uniform.

FISCAL RESPONSIBILITY:

The British Columbia Assessment Authority will continue to seek new opportunities to improve operational efficiencies while meeting service delivery targets.

HUMAN RESOURCES LEADERSHIP:

The British Columbia Assessment Authority will attract and retain employees by fostering a climate that encourages productivity through staff fulfillment, continued corporate success, and commitment to our shared vision.

For the 2005 Annual Report, the objectives and strategies from the 2004 Annual Report and the 2005-2007 Service Plan Update have been distilled down to 18 critical strategies:

- develop and implement a Customer Service Code of Conduct and service standards during 2006;
- develop and implement a long-term customer service delivery model to proactively satisfy the customer's needs;
- continue to survey customers in order to gather feedback for improving customer service;
- train employees in customer service in order to foster a climate where staff resolve customer issues efficiently and effectively;
- undertake audits to determine whether facilities and services are readily available to persons with disabilities and work to make improvements as required;
- collaborate with the business and industrial community to address issues and reduce the number of appeals;
- continue to recommend that government change the appeal system to streamline, simplify and cut red tape pertaining to the appeal process while protecting the rights of the taxpayers to appeal their property tax assessments;

- through 2008, continue to recommend that government rewrite the *Assessment Act* and Regulations to clarify and simplify the Act's wording so that it is better understood by all taxpayers and supports good customer service and cutting red tape;
- ensure uniformity and quality in the assessment rolls through the common application of statutes, policies, business rules, and best practices throughout the province;
- measure the quality and uniformity of the assessment rolls through enhanced audit programs to measure uniformity and quality of assessments across the province;
- develop greater links and partnerships with local and provincial governments, First Nations, and the private sector leading to more efficient and more accurate valuation information by the end of 2006;
- implement a data marketing strategy to increase access to data and revenue;
- develop best practices and business rules to ensure uniformity and efficiency;

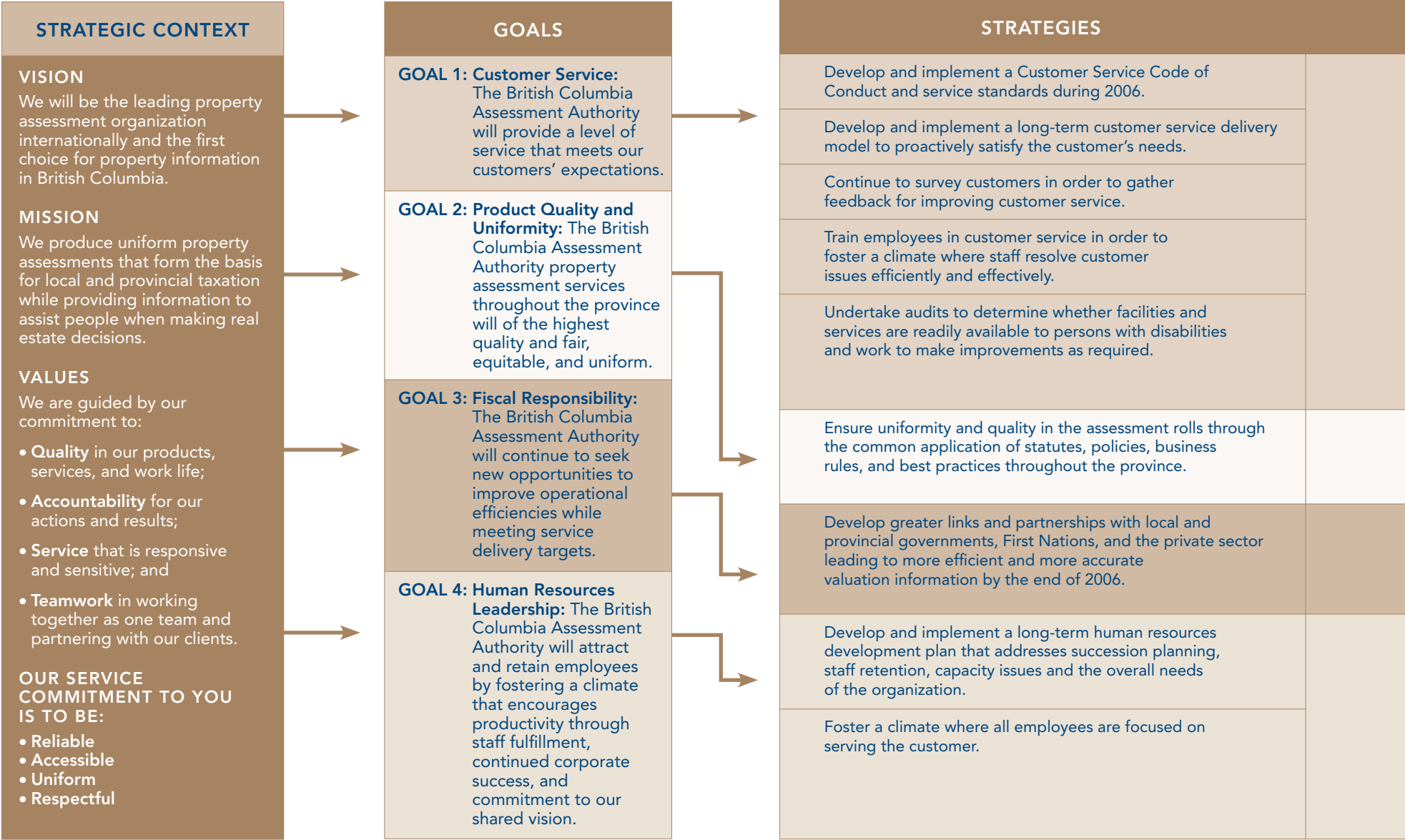
- develop and implement a long-term human resources development plan that addresses succession planning, staff retention, capacity issues, and the overall needs of the organization;
- foster a climate where all employees are focused on serving the customer;
- ensure appraisal staff are supported in obtaining professional accreditation;
- focus on building a continuous learning culture with employees that will result in personal development, management and leadership; and
- maintain low rate of staff turnover.






These strategies are important because they set the direction and standards that align with the corporation's overarching business goals – customer service, product quality and uniformity, fiscal responsibility and human resources leadership. Within each strategy, targets for completion have been set between 2006 and 2008. In addition to the target and actual performance for 2005, actual results for 2003 and 2004 are provided for historical comparison and future targets for 2007 and 2008 are included to provide a complete performance picture.

Over the next three years, the corporation will establish priorities and consider what is working well, what could be improved and where resources can be utilized in the most relevant and effective manner. Progress will be tracked through the stated targets and acknowledged when they were not met.

The majority of information in the report on performance is collected throughout the year by professional appraisal staff through a variety of sources, including property inspections, municipalities, regional districts, real estate boards, the Land Title and Survey Authority of British Columbia and individual property owners.

Origins of Performance Indicators



STRATEGIES		PERFORMANCE MEASURES
Collaborate with the business and industrial community to address issues and reduce the number of appeals.		PM 1. Each year, 98 percent, or more, of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel. Pg. 30
		PM 2. Each year, 95 percent, or more, of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel. Pg. 33
		PM 3. Each year, the percentage of residential and non-residential property owners independently surveyed who had direct contact with the corporation who were either Very Satisfied or Satisfied with the level of customer service. Pg. 36
Continue to recommend that government change the appeal system to streamline, simplify and cut red tape pertaining to the appeal process while protecting the rights of the taxpayers to appeal their property assessments.		PM 4. Each year, the percentage of local government/taxing authority, First Nations and provincial government customers independently surveyed who had direct contact with the corporation who were either Very Satisfied or Satisfied with the level of customer service. Pg. 38
Through 2008, continue to recommend that government rewrite the <i>Assessment Act</i> and regulations to clarify the Act's wording so that it is better understood by all taxpayers and supports good customer service and cutting red tape.		PM 5. The median Assessment-to-Sales Ratio for the residential assessment roll in British Columbia will be 97-100 percent. Pg. 41
Measure the quality and uniformity of the assessment rolls through enhanced audit programs to measure uniformity and quality of assessments across the province.		PM 6. The median Assessment-to-Sales Ratio for the non-residential assessment roll in British Columbia will be 95-100 percent. Pg. 43
		PM 7. The Coefficient of Dispersion for the provincial assessment roll will be less than 10 percent for homogeneous (urban) residential regions and less than 15 percent for heterogeneous (rural) residential regions. Pg. 45
Implement a data marketing strategy to increase access to data and revenue.		PM 8. The Coefficient of Dispersion for the provincial assessment roll will be less than 20 percent for non-residential properties. Pg. 47
Develop best practices and business rules to ensure uniformity and efficiency.		PM 9. The Price-Related-Differential will be between 0.98 and 1.03 for residential properties. Pg. 49
Ensure appraisal staff are supported in obtaining professional accreditation.		PM 10. The average cost per property for assessment services funded from property tax levies will be maintained. Pg. 51
Focus on building a continuous learning culture with employees that will result in personal development, management, and leadership		PM 11. By the end of 2008, non-tax revenues for the British Columbia Assessment Authority will be increased to \$4.15 million annually. Pg. 54
Maintain low rate of staff turnover.		PM 12. Percentage of employees receiving customer service training. Pg. 56
		PM 13. Percentage of appraisal staff with professional accreditation. Pg. 58
		PM 14. Corporate Continuous Improvement Measurement results improve annually. Pg. 60
		PM 15. Maintain low rate of staff turnover. Pg. 62

Performance Reporting: An Evolutionary Process

The 15 performance measures contained in this report are not the only indicators used by the British Columbia Assessment Authority, but they have been chosen by the Board of Directors to highlight the most crucial aspects of performance. The targets and subsequent results create a complete picture of the corporation's progress toward achieving its stated mission, vision and values.

The measures have been selected from numerous possible indicators used to track and guide overall performance. They extend beyond traditional financial measures of success and consider other outcomes that are crucial to the fulfillment of the corporate goals. Many of the measures are international roll quality standards that are calculated on an annual basis by the corporation's internal auditor.

Continuous Improvement of Performance Reporting

It is important to note that the performance measures used are not static – the corporation is committed to continuous improvement of its key performance measures and their results. In 2006, the Board of Directors will continue to ensure that the course toward fulfilling the stated mission, vision and values and corporate goals is maintained. However, this work may result in new or refined strategic goals, strategies, performance measures and targets.

The 2004 Annual Report contained four goals and five objectives and the 2005-2007 Service Plan Update contained 25 performance measures which were streamlined to 15 key performance measures in the 2006-2008 Service Plan. The 2005 Report on Performance will report out on the restructured performance measures from the 2006-2008 Service Plan; the performance measures from the 2005-2007 Service Plan Update are provided in Appendix A.

Updating Performance Measures

The performance measures for 2005 are mainly a continuation of targets outlined in previous annual reports. However, in an effort to streamline performance measures and report out on the targets that are the most relevant to external audiences, this section of the report details performance measures from the 2006-2008 Service Plan, which are better-defined compared to the 2005-2007 Service Plan Update. The significant differences include:

- Two of the goals and associated performance measures and targets in the 2005-2007 Service Plan Update, Legislation and Regulations and Board Governance, have been removed from the body of this report and are listed in Appendix A. These goals remain organizational priorities but are not as important as the four goals in the 2006-2008 Service Plan.
- The performance measures and targets pertaining to customer survey results have been collapsed from five in the 2005-2007 Service Plan Update to two in the 2006-2008 Service Plan and this report.

- A performance measure pertaining to staff turnover has been added while performance measures pertaining to meeting the budget revenue and expenditure forecast and staff receiving valueBC training have been removed.

This annual report is a transition document that demonstrates the corporation's move towards a better-defined and increasingly-specific performance reporting structure.

Benchmarking to other Canadian Assessment Jurisdictions

The British Columbia Assessment Authority benchmarks internal valuation processes and practices against selected North American assessment jurisdictions. The results from this benchmarking process allow the corporation to improve operating efficiencies while providing local governments and the provincial government with the basis for collecting \$5 billion annually in property taxes.

The cost-per-property average has remained largely consistent in the last few years despite significant new construction and development, which increases the number of properties requiring assessment services, and the rapid rise in the value of properties in most communities throughout the province. The cost-per-property has remained firmly below the stated target of \$38.00 for the past three years. However, the average cost per property funded from property tax levies increased from 2005 over 2004, due to increased staffing and service costs during the first year of implementing a new assessment information system and will be adjusted in the future if warranted. The Consumer Price Index adjusted cost per property for assessment in British Columbia has been decreasing since 1977, and compares favourably with other jurisdictions that provide a comparable level of service in a similar environment.

The corporation has been working closely with a number of Canadian assessment jurisdictions since 2002 to share information on virtually all aspects of running a successful assessment organization in Canada. Our partners include the Municipal Property Assessment Corporation in Ontario, Service New Brunswick, the Saskatchewan Assessment Management Agency, the Municipal Assessment Agency in Newfoundland, Service Nova Scotia, and the assessment departments in the cities of Saskatoon, Regina, Winnipeg, Calgary, Montreal, Quebec City, St. John's and Edmonton.

The British Columbia Assessment Authority continues to exchange information and closely review what we collect to assist us in implementing improvements within our organization. These improvements include, but are not limited to: appraisal practice and policy development, quality measurement, audit techniques, key performance indicators, customer service and surveys, staff training and development opportunities, performance measurement, competencies for staff and our legislative framework. These comparisons give the corporation confidence that the property assessment process in British Columbia is a well-designed, efficient system that provides high-quality, uniform assessments for property owners and taxpayers throughout the province.

Benchmarking work is undertaken on an annual basis between April and June for the previous year. The corporation will host the annual national benchmarking conference in July 2006 in Victoria.

Using data from 2004, the following statistics compare the British Columbia Assessment Authority to 12 other Canadian assessment jurisdictions:

- British Columbia has the highest average actual value per staff member at over \$881 million dollars each; the next closest average is \$862 million per staff member.
- British Columbia has the third highest average assessed property value at \$293,993. A municipal assessment agency is the leader at \$316,847.
- Complaints in British Columbia were 1.3 percent in 2004, and while that percentage was the seventh highest among the 12 comparable reporting assessment jurisdictions, of the 11 assessment jurisdictions that reported losses through their complaint process, British Columbia's percentage loss of value was among the lowest at 0.18 percent.

DATA SOURCE: Municipal Property Assessment Corporation (Ontario) 2004 Benchmarking Study.

Benchmarking information from our partners is proprietary and provided on a confidential basis and cannot be released publicly.



Performance Targets and Results at a Glance

KEY OBJECTIVES/ PERFORMANCE INDICATORS	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
PM. 1 Each year, 98 percent, or more, of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	99%	99%	≥98%	99%	≥98%	≥98%
PM. 2 Each year, 95 percent, or more, of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	95%	94%	≥95%	92%	≥95%	≥95%
*PM. 3 Each year, the percentage of residential and non-residential property owners independently surveyed who had direct contact with the corporation, and were either Very Satisfied or Satisfied with the level of customer service.	N/A No Surveys Conducted	70% Survey results for residential property owners; N/A for non-residential.	>80%	83%	>80%	>80%
*PM. 4 Each year, the percentage of local government/taxing authority, First Nations, and provincial government customers independently surveyed who had direct contact with the corporation, and were either Very Satisfied or Satisfied with the level of customer service. (Provincial government customers will be surveyed for the first time in 2006.)	N/A No Surveys Conducted	N/A No Surveys Conducted	>90%	100%	>90%	>90%

*Survey data for the 2005 Actual in PM 3 and PM 4 was collected in April 2005 and reflects the 2005 Assessment Roll

KEY OBJECTIVES/ PERFORMANCE INDICATORS	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
PM. 5 The median <i>Assessment-to-Sales Ratio</i> for the residential assessment roll in British Columbia will be 97 to 100 percent.	97%	97%	97%-100%	96%	97%-100%	97%-100%
PM. 6 The median <i>Assessment-to-Sales Ratio</i> for the non-residential assessment roll in British Columbia will be 95 to 100 percent.	97%	96%	95%-100%	95%	95%-100%	95%-100%
PM. 7 The <i>Coefficient of Dispersion</i> for the provincial assessment roll will be less than 10 percent for homogeneous (urban) residential regions and less than 15 percent for heterogeneous (rural) residential regions.	Urban 6% Rural 9%	Urban 7% Rural 9%	Less than 10% Less than 15%	Urban 8% Rural 11%	Less than 10% Less than 15%	Less than 10% Less than 15%
PM. 8 The <i>Coefficient of Dispersion</i> for the provincial assessment roll will be less than 20 percent for non-residential properties.	12%	13%	Less than 20%	17%	Less than 20%	Less than 20%
PM. 9 The <i>Price-Related Differential</i> will be between 0.98 and 1.03 percent for residential properties.	1.01	1.01	0.98-1.03	1.01	0.98-1.03	0.98-1.03
PM. 10 The average cost per property for assessment services funded from property tax levies will be maintained.	\$34.82	\$34.84	\$38.00	\$35.95	\$38.00	\$38.00
PM. 11 By the end of 2008, non-tax revenues for the British Columbia Assessment Authority will be increased to \$4.15 million annually.	\$3 million	\$3.3 million	\$3.5 million	\$3.5 million	\$3.75 million	\$3.95 million

KEY OBJECTIVES/ PERFORMANCE INDICATORS	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
PM. 12 Percentage of employees receiving customer service training.	N/A	N/A	25%	74%	100%	100%
PM. 13 Percentage of appraisal staff with professional accreditation.	N/A	N/A	71%	71%	71%	71%
PM. 14 Corporate Continuous Improvement Measurement results improve annually.	414	427	448	431	453	476
PM. 15 Maintain low rate of staff turnover.	3%	5%	5%	5%	5%	5%

PERFORMANCE MEASURE 1	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
Each year, 98 percent, or more, of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	99%	99%	≥98%	99%	≥98%	≥98%

Importance

The most important measure of public acceptance of the annual assessment roll is the number of complaints to the Property Assessment Review Panel (PARP). The British Columbia Assessment Authority interprets high acceptance of assessments by residential property owners as a validation of a number of corporate priorities:

- reducing property assessment appeals,
- maintaining high levels of customer service satisfaction and investigating ways to further improve performance,
- producing high quality assessment rolls, and
- streamlining and simplifying our business practices to cut red tape.

This target was chosen based on historical trends. The high standard, equal to or greater than 98 percent, indicates that the assessment roll is of superior quality because the values are accepted by residential property owners and they do not complain to the PARP. Consistent, high results for this measure indicate that there are no significant problems with the assessment roll.

Residential (Class 1 Properties) include single and multi-family residences, condominiums, manufactured homes and recreational properties. Approximately 92 percent of all properties in British Columbia are Class 1. For a complete listing of properties included in each class, refer to our web site at www.bcassessment.ca.

Performance Highlights

The corporation tracks annual statistics to determine how many residential property owners apply in writing for an independent review of their assessment by a PARP. Historically, formal complaints have been low, usually less than two percent of all residential property owners. Complaints on residential properties for the 2006 Assessment Roll decreased slightly to 0.9 percent compared to 1.1 percent for the 2005 Assessment Roll. This marginal decrease is understandable given the significant movement in real estate markets in most areas of British Columbia.

The British Columbia Assessment Authority continues to produce a reliable, stable assessment roll that is revised only slightly following the public review period. For example, the Net General Value of the 2006 Residential Assessment Roll has decreased by only 0.07 percent following the resolution of appeals to the Property Assessment Review Panel (PARP). The assessment roll continues to be an accurate and valuable tool for local government to levy property taxes.

Major Programs and Strategies

Residential property owners' acceptance of their assessment is supported by several key corporate strategies including: development of service standards and a long-term customer service delivery model; reviewing the results of annual customer satisfaction surveys pertaining to the appeal process; implementing customer service training for all staff; working with government to streamline the appeal process; continuing to recommend that government simplify the wording in the *Assessment Act* so its better understood by property owners; ensuring and measuring the uniformity and quality in the assessment rolls; and developing best practices and business rules to ensure

uniformity and efficiency. Management believes these strategies will enable the British Columbia Assessment Authority to continue its success of maintaining a low rate of complaints.

Looking Ahead

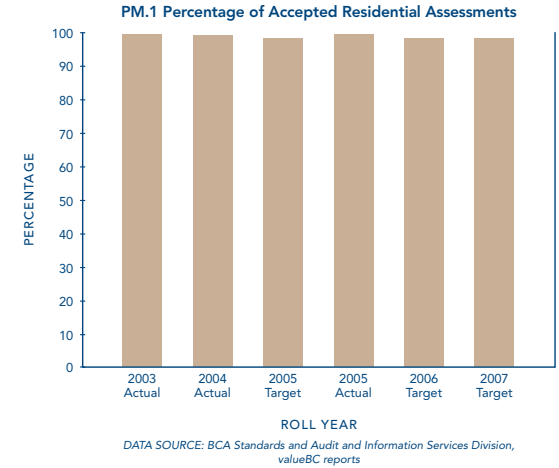
Generally, when the real estate market is active, the number of property assessment appeals will increase. It is anticipated that activity in the real estate market and increased new construction and development will continue in 2006. Increased complaints, combined with continued expected rising property values and significant new construction and development across the province presents the corporation with significant capacity challenges. However, management believes that continuing to educate the public about the assessment process and maintaining a high quality assessment information will help enable the corporation to keep the rate of complaints below two percent.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.

Complaints to the Property Assessment Review Panel RESIDENTIAL CLASS PROPERTY COMPLAINTS

ROLL YEAR	# OF PROPERTIES WITH COMPLAINTS (FOLIOS)	TOTAL PROPERTIES	% COMPLAINED
1994	25,619	1,326,215	1.9
1995	21,437	1,371,558	1.6
1996	20,123	1,403,601	1.4
1997	14,495	1,425,469	1.0
1998	16,793	1,451,267	1.2
1999	16,715	1,482,434	1.1
2000	10,469	1,502,005	0.7
2001	12,961	1,513,878	0.9
2002	9,262	1,524,105	0.6
2003	13,188	1,540,249	0.9
2004	12,835	1,558,500	0.8
2005	17,558	1,587,539	1.1
2006	14,627	1,617,526	0.9

DATA SOURCE: BCA Standards and Audit Group and Information Services Division, valueBC reports



PERFORMANCE MEASURE 2	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
Each year, 95 percent, or more, of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	95%	94%	≥95%	92%	≥95%	≥95%

Importance

The most important measure of public acceptance of the annual assessment roll is the number of complaints to the Property Assessment Review Panel (PARP). The British Columbia Assessment Authority interprets high acceptance of assessments by non-residential property owners as a validation of a number of corporate priorities:

- reducing property assessment appeals,
- maintaining high levels of customer service satisfaction and investigating ways to further improve performance,
- producing high quality assessment rolls, and
- streamlining and simplifying our business practices to cut red tape.

This target was chosen based on historical trends. The high standard, equal to or greater than 95 percent, indicates that the assessment roll is of superior quality because the values are accepted by non-residential property owners and they do not complain to the PARP. Consistent, high results for this measure indicate that there are no significant problems with the assessment roll.

Property Class 6 (Business/Other) is used for this measure because it is the only non-residential class where property values are derived from (real estate) market valuations as opposed to properties that are valued through legislated rates. Included are properties used for offices, retail, warehousing, hotels and motels. For a complete listing of properties included in each class, refer to our web site at www.bcassessment.ca.

Performance Highlights

The corporation tracks annual statistics to determine how many non-residential property owners apply in writing for an independent review of their assessment by a PARP. Historically, formal complaints have been low, usually less than six percent of all non-residential property owners. Public complaints for the 2006 Assessment Roll increased two percent, from six to eight percent of total properties compared to the 2005 Assessment Roll.

Generally, when the real estate market is active, the number of property assessment appeals will increase. It is anticipated that activity in the real estate market and increased new construction and development will continue in 2006. Increased complaints, combined with

continued expected rising property values and significant new construction and development across the province, presents the corporation with significant capacity challenges. However, continuing to educate the public about the assessment process and maintaining a high quality assessment information will help enable the corporation to keep the rate of complaints low.

This marginal decrease in the acceptance rate, which falls short of the target, is understandable given the significant movement in real estate markets in most areas of British Columbia. Market movement causes anxiety for some non-residential property owners who perceive that their taxes, a significant business cost, may increase if their assessment rises. This reaction can lead to increased complaints as non-residential property owners file complaints to the PARP in an attempt to control the amount of property taxes they pay.

Additionally, resources were assigned to implement valueBC, the new information system, therefore compliance audits and pre-roll consultations with industry sectors were not undertaken as rigorously as in the past which likely contributed to the slight increase in complaints.

The British Columbia Assessment Authority continues to produce a reliable, stable assessment roll that is revised only slightly following the public review period. For example, the Net General Value of the 2006 Non-Residential Assessment Roll has decreased by only 0.98 percent following the resolution of appeals to the Property Assessment Review Panel (PARP). The assessment roll continues to be an accurate and valuable tool for local government to levy property taxes.

Major Programs and Strategies

Non-residential property owners' acceptance of their assessment is supported by numerous key corporate strategies that include collaborating with the business and industrial community to address issues and reduce the number of appeals, development of service standards and a long-term customer service delivery model; reviewing the results of annual customer satisfaction surveys pertaining to the appeal process; implementing customer service training for all staff; working with government to streamline the appeal process; continuing to recommend that government simplify the wording in the *Assessment Act* so it is better

understood by property owners; ensuring and measuring the uniformity and quality in the assessment rolls; and developing best practices and business rules to ensure uniformity and efficiency.

Specifically, the corporation will renew its focus on meeting with hotel and retail property owners to share information on real estate market and assessment trends and maintain the current roll quality audit program which uses statistical measures to gauge the quality of the assessment roll. Pre-roll consultations were not undertaken with the same rigor as in past years due to the implementation of valueBC, however, the consultation process will be re-established in 2006.

Looking Ahead

In its efforts to maintain high quality assessment information, the corporation will implement an enhanced audit program focused on applying assessment policy and procedures for non-residential properties in a consistent manner and work to apply the same processes for administrative and appraisal procedures for each major property type. The current, ongoing consultation process will be expanded to include the ski industry and major office

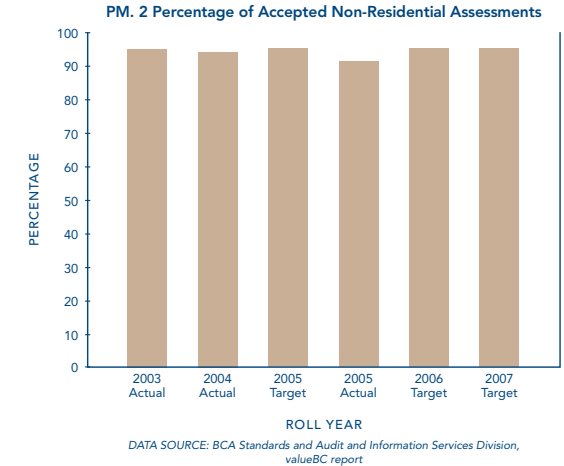
Complaints to the Property Assessment Review Panel BUSINESS/OTHER CLASS PROPERTY COMPLAINTS

ROLL YEAR	# OF PROPERTIES WITH COMPLAINTS (FOLIOS)	TOTAL PROPERTIES	% COMPLAINED
1994	4,877	83,661	5.8
1995	5,909	87,432	6.8
1996	5,589	90,627	6.2
1997	5,368	93,619	5.7
1998	5,631	96,801	5.8
1999	5,579	100,132	5.6
2000	4,066	101,381	4.0
2001	6,828	103,888	6.6
2002	7,679	106,263	7.2
2003	6,343	107,547	5.9
2004	5,653	108,743	5.2
2005	6,718	110,209	6.1
2006	9,065	111,141	8.2

DATA SOURCE: BCA Standards and Audit Group and Information Services Division, valueBC reports

property owners. A new approach will be implemented for collection of non-residential market information targeting specific properties rather than the historical 'mass-mailing' process. Additionally, assessment policies will

be published in a plain-language, user-friendly format on the Internet to provide further information on assessment process uniformity measures.



For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.

PERFORMANCE MEASURE 3	2003 Actual	2004 Actual	2005 Target	2005 Actual	2006 Target	2007 Target
Each year, the percentage of residential and non-residential property owners independently surveyed who had direct contact with the corporation, and were either Very Satisfied or Satisfied with the level of customer service.	N/A No Surveys Conducted	70% Survey results for residential property owners; N/A for non-residential.	>80%	83%	>80%	>80%

Importance

The British Columbia Assessment Authority takes the customer survey process very seriously and considers the results during the external communications strategic planning process as well as in the interest of maintaining stakeholder relations and daily operations. It is important that the corporation continue to improve the satisfaction of property owners with its products and services. Regular communications and two-way dialogue with all client groups helps foster the corporation’s reputation as a trusted source for high quality property assessment information. The British

Columbia Assessment Authority has committed to surveying residential and non-residential property owners though 2008.

This target was determined following consultations with the independent market research firm under contract to aid in survey development and administration. In their professional opinion, a satisfaction rating of greater than 80 percent for property owners contacting the British Columbia Assessment Authority is a reasonable target. The corporation is pleased with a satisfaction rating of 80 percent or higher but will work towards continual improvement of the results.

A sample of property owners who had direct contact with the corporation were contacted by an independent market research company in April and May of 2005 and asked a number of questions to gauge their satisfaction with the products and services associated with the 2005 Assessment Roll. ‘Direct contact’ means the respondent had personal communication with the organization either in writing, on the telephone or in person. In the survey of residential customers, a random sample of 603 property owners were interviewed producing a margin of error of ±4 percent, 19 times out of 20. In the survey of non-residential customers, a random sample of 404 property owners were

interviewed producing a margin of error of ± 4.9 percent, 19 times out of 20. The respondent contact list was generated from existing data in Spring 2005. The surveys were conducted using a five point scale which allows for 'neutral' responses. However, the results were later recalculated as if a four point scale had been utilized, removing the 'neutral' responses, in order to give a clearer picture about the respondents' level of satisfaction.

Performance Highlights

In 2005, both residential and non-residential customers were surveyed by an independent research company. The corporation increased the percentage of satisfaction from 70 percent in 2004 to 83 percent in 2005, meeting its target of achieving greater than 80 percent. Respondents were asked numerous questions, developed and reviewed by staff focus groups pertaining to the corporation's customer service including satisfaction with the assessment notices, information insert, web site, the assessment process, quality of in-person and phone service, as well as the appeal and property inspection processes. The results were made available to all staff, managers, executive and the Board of Directors.

Major Programs and Strategies

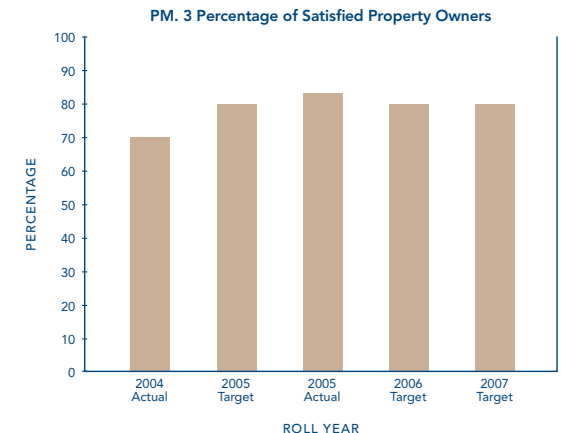
Residential and non-residential property owners' satisfaction with the corporation's products and services support several key corporate strategies that include reviewing the results of annual customer satisfaction surveys and continuing to survey customers; development of service standards and a long-term customer service delivery model; implementing customer service training for all staff; collaborating with the business community to address issues; and fostering a climate where employees are focused on serving the customer.

Property owners can reach staff in a number of ways: via phone (including toll-free phone numbers), e-mail or in person at our 19 area offices located throughout the province. Additionally, the corporation's web site contains a large amount of plain-language information on the assessment process and the assessment roll. Staff regularly attend and sponsor provincial, national and international conferences and events that promote industry and government networking. The corporation will continue to proactively seek partnership prospects in order to maximize opportunities to provide our products and services.

Looking Ahead

The British Columbia Assessment Authority places a high priority on communicating with its stakeholders, and the surveys comprise the 'listening' component of a sophisticated, two-way communications model. The annual customer satisfaction survey project is scheduled to continue in 2006, 2007 and 2008 so the corporation can get regular feedback, evaluate the success of new programs and strategies and plan and implement any changes in a timely manner.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



DATA SOURCE: BCA Customer Surveys by Venture Market Research Ltd., May 2005

PERFORMANCE MEASURE 4	2003 Actual	2004 Actual	2005 Target	2005 Actual	2006 Target	2007 Target
Each year, the percentage of local government/taxing authority, First Nations and provincial government customers independently surveyed who had direct contact with the corporation, and were either Very Satisfied or Satisfied with the level of customer service. (Provincial government customers will be surveyed for the first time in 2006.)	N/A No Surveys Conducted	N/A No Surveys Conducted	>90%	100%	>90%	>90%

Importance

The British Columbia Assessment Authority takes the customer survey process very seriously and considers the results during the external communications strategic planning process as well as in the interest of maintaining stakeholder relations and daily operations. It is important that the corporation continue to improve the satisfaction of property owners with its products and services, particularly with local government/taxing authority because property taxes are based on assessed values. Regular communications and two-way dialogue with all client groups helps foster the corporation’s reputation as a trusted source for

high quality property assessment information. The corporation has committed to surveying local government/taxing authority, First Nations and provincial government customers though 2008.

The target was determined following consultations with the independent market research firm under contract to aid in survey development and administration. In their professional opinion, a satisfaction rating target of greater than 90 percent for local governments, First Nation and provincial government clients contacting the British Columbia Assessment Authority is a reasonable target. The corporation is pleased with the

satisfaction results of 100 percent but will work on maintaining the results.

A sample of property owners who had direct contact with the corporation were contacted in April 2005 and asked a number of questions to gauge their satisfaction with the products and services associated with the 2005 Assessment Roll. ‘Direct contact’ means the respondent had personal communication with the organization either in writing, on the telephone or in person. In the survey of First Nations customers, a sample of 41 representatives responsible for tax administration (from a population of 51) were interviewed producing a margin of error of ±6.8 percent, 19 times

out of 20. In the survey of local government, a sample of 157 representatives responsible for tax administration (from a population of 260) were interviewed producing a margin of error of ± 4.9 percent, 19 times out of 20. The respondent contact list was also generated from existing data in Spring 2005. The surveys were conducted using a five point scale which allows for 'neutral' responses. However, the results were later recalculated as if a four point scale had been utilized, removing the 'neutral' responses in order to give a clearer picture about the respondents' level of satisfaction.

Performance Highlights

In 2005, local government/taxing authority, First Nations and provincial government customers were surveyed by an independent research company. The results for 2005 were that 99.5 percent of local government/taxing authority and First Nations customers were satisfied with the level of customer service. (Provincial government customers will be surveyed for the first time in 2006.) These customer groups were not surveyed in 2003 and 2004 so there is no historical data for this performance measure. Respondents were asked numerous questions, developed and

reviewed by staff focus groups, pertaining to the corporation's customer service including satisfaction with the timeliness and accuracy of the assessment roll, on-line services, reports, publications as well as quality of in-person, e-mail and phone service. The results were made available to all staff, managers, executive and the Board of Directors.

Major Programs and Strategies

Local government/taxing authority, First Nations and the provincial government's satisfaction with the corporation's products and services support several key corporate strategies that include reviewing the results of annual customer satisfaction surveys and continuing to survey customers; developing of service standards and a long-term customer service delivery model; implementing customer service training for all staff, fostering a climate where employees are focused on serving the customer, collaborating with the business and industrial community to address issues and reduce the number of appeals; ensuring and measuring the uniformity and quality in the assessment rolls; and developing best practices and business rules to ensure uniformity and efficiency.

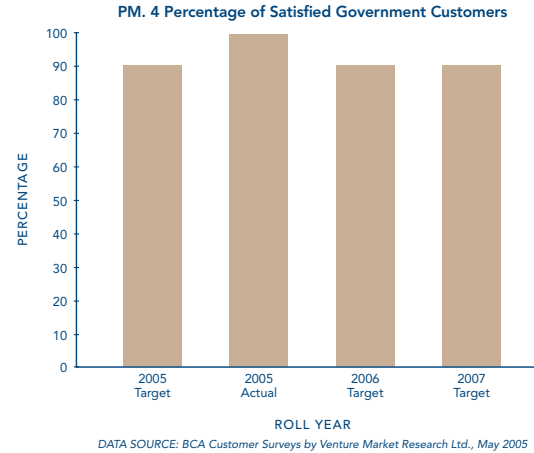
Assessment LinkBC, an Internet-based service, enables local government clients to search or create unique reports using property assessment data free-of-charge. This service provides access to timely information so local governments can make informed decisions on behalf of their communities. In 2005, there were 108 clients registered to use the service, an increase of 17 compared to 2004. The corporation also offers property information services, or Data Advice, by request to local governments and other agencies. Data Advice supplies clients with current information available on the corporation's files. It is provided monthly in paper format, or via the Internet, which allows clients to easily update their computer systems.

Many First Nations in British Columbia are assuming property taxation responsibilities formerly provided by provincial and local governments. Assessment services are provided to 55 First Nations under a contract basis.

Looking Ahead

The British Columbia Assessment Authority places a high priority on communicating with its stakeholders, and the surveys comprise the 'listening' component of a sophisticated, two-way communications model. The annual customer satisfaction survey project is scheduled to continue in 2006, 2007 and 2008 so the corporation can get regular feedback, evaluate the success of new programs and strategies and plan and implement any changes in a timely manner.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



PERFORMANCE MEASURE 5	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
The median Assessment-to-Sales Ratio for the residential assessment roll in British Columbia will be 97 to 100 percent.	97%	97%	97%-100%	96%	97%-100%	97%-100%

Importance

The Assessment-to-Sales Ratio (ASR) is an industry-standard roll quality measure set by the International Association of Assessing Officers (IAAO). The ASR is important because it measures how closely assessments mirror a property’s actual selling price, or market value; a high median ASR percentage indicates that a property’s assessed value accurately reflects market value.

The IAAO has set the median ASR standard between 90-110 percent however, the corporation has set its target between 97-100 percent for the residential assessment roll. This target is more rigorous than the standard set by the IAAO because the British

Columbia Assessment Authority is a leadership organization in the international assessment community and holds itself to the highest measures for assessment roll quality.

While the term ‘residential properties’ can refer to single family homes as well as condominiums and town homes, this target is measuring only single family homes because there are significantly more single family homes in BC than condominiums and town homes.

Performance Highlights

The median ASR for the 2006 Residential Assessment Roll was 96 percent which is marginally lower than the median ASR achieved for the 2004 and 2005 assessment rolls which

were 97 percent, meeting the performance targets. While the result did not fall into the rigorous performance target range set by the British Columbia Assessment Authority, the results are significant due to the volatile real estate market and are still within the acceptable roll quality standards set out by the IAAO.

The real estate market in British Columbia has been volatile the past few years which has presented capacity challenges for the corporation. An active market leads to an increased work load because more properties are being developed and they require valuation and more properties are selling and the sales information must be tracked and analyzed. Sales are not time-adjusted. In regions with significant market movement of the six-month

period, the dispersion will be overstated resulting in the median ASR being lower (later sales at higher prices).

Major Programs and Strategies

Maintaining a high ASR percentage is supported by several key corporate strategies that include ensuring and measuring the uniformity and quality in the assessment rolls and developing best practices and business rules to ensure uniformity and efficiency.

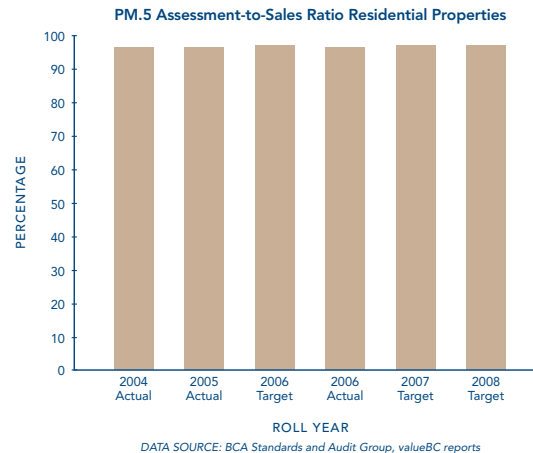
The corporation has an internal audit program that regularly reviews the quality and accuracy of assessment information. The Standards and Audit division produces an annual Roll Quality Report that itemizes each roll quality measure compared to international standards. The report is reviewed by staff, management, executive and the Board of Directors to determine if there are opportunities to improve data quality.

Looking Ahead

The British Columbia Assessment Authority is implementing a new compliance audit process which should lead to an improved result for the 2007 Assessment Role. Auditing the quality of data and the effectiveness, efficiency and

economy of the corporation is fundamental to the assessment function. This activity will continue to be a corporate priority. It will be supported by the mission, vision and values, and the corporate goal of providing property assessment services that are of the highest quality and are fair, equitable and uniform. The audit process will continue to ensure that the British Columbia Assessment Authority maintains a high quality ASR in the future as it has in the past.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



ASR – 2006 Revised Roll SINGLE FAMILY RESIDENTIAL PROPERTY		
JURISDICTION TYPE	SALES (APR-SEPT)	MEDIAN ASR
All Jurisdictions	40,276	96.4%
City	24,477	96.5%
District	9,616	96.4%
Town	1,412	96.3%
Village	734	96.5%
Rural	4,037	95.1%
VERTICAL ANALYSIS		
CATEGORY*	SALES (APR-SEPT)	MEDIAN ASR
Low End Housing	12,035	96.2%
Mid Range Housing	24,605	96.4%
High End Housing	1,070	96.6%

**The Vertical Analysis Category contains only specific ranges of single family residential properties.*
 DATA SOURCE: BCA Standards and Audit Group, valueBC reports

PERFORMANCE MEASURE 6	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
The median Assessment-to-Sales Ratio for the non-residential assessment roll in British Columbia will be 95 to 100 percent.	97%	96%	95%-100%	95%	95%-100%	95%-100%

Importance

The Assessment-to-Sales Ratio (ASR) is an industry-standard roll quality measure set by the International Association of Assessing Officers (IAAO). The ASR is important because it measures how closely assessments mirror a property’s actual selling price, or market value; a high median ASR percentage indicates that a property’s assessed value accurately reflects market value.

The IAAO has set the median ASR standard between 90-110 percent for non-residential properties, however, the corporation has set its target between 95-100 percent. This target is more rigorous than the standard set by the IAAO because the British Columbia Assessment

Authority is a leadership organization in the international assessment community and holds itself to the highest measures for assessment roll quality.

Performance Highlights

The median ASR for the 2006 Non-Residential Assessment Roll was 95 percent which is marginally lower than the median ASR achieved for the 2004 and 2005 assessment rolls at 97 and 96 percent respectively, meeting the performance targets. It is also important to note that the result fell well within the IAAO standard.

The corporation has faced capacity challenges due to the volatile real estate market in British Columbia the past few years. An active market leads to an increased work load because more properties are being developed and they require valuation and more properties are selling and the sales information must be tracked and analyzed. Additionally, considerable resources were allocated to implement valueBC in 2005

The British Columbia Assessment Authority is implementing a new compliance audit process which should lead to an improved result for the 2007 Assessment Roll.

Major Programs and Strategies

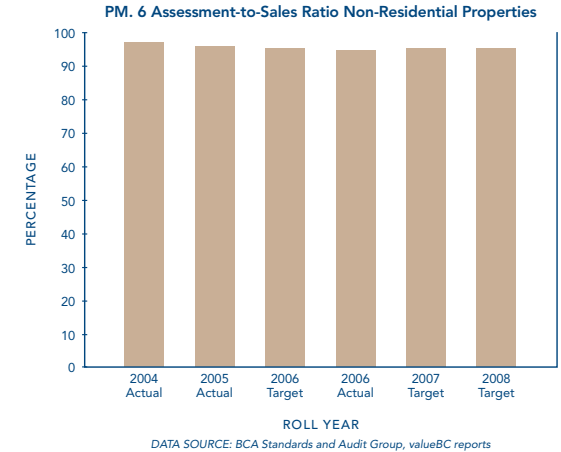
Maintaining a high ASR percentage is supported by several key corporate strategies that include ensuring and measuring the uniformity and quality in the assessment rolls and developing best practices and business rules to ensure uniformity and efficiency.

The corporation has an internal audit program that regularly reviews the quality and accuracy of assessment information. The Standards and Audit division produces an annual Roll Quality Report that itemizes each roll quality measure compared to international standards. The report is reviewed by staff, management, executive and Board of Directors to determine if there are opportunities to improve data quality.

Looking Ahead

Auditing the quality of data and the effectiveness, efficiency and economy of the corporation is fundamental to the assessment function. This activity will continue to be a corporate priority. It will be supported by the mission, vision and values, and the corporate goal of providing property assessment services that are of the highest quality and are fair, equitable and uniform. The audit process will continue to ensure that the British Columbia Assessment Authority produces a high quality ASR in the future.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



PERFORMANCE MEASURE 7	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
The Coefficient of Dispersion (COD) for the provincial assessment roll will be less than 10 percent for homogeneous (urban) residential regions and less than 15 percent for heterogeneous (rural) residential regions.	Urban 6%	Urban 7%	Less than 10%	Urban 8%	Less than 10%	Less than 10%
	Rural 9%	Rural 9%	Less than 15%	Rural 11%	Less than 15%	Less than 15%

Importance

The British Columbia Assessment Authority measures the Coefficient of Dispersion (COD) for residential properties located in both urban and rural areas, according to internationally-recognized standards. The COD measures the quality of data by virtue of the spread of all the ASRs around its median, or middle number. The lower the COD, the better quality the product. This is a measure of appraisal quality and uniformity.

The COD standard set by the IAAO for single family residential properties is under 15 percent for homogeneous (urban) regions and under 20 percent for heterogeneous (rural) regions, however, the corporation has set targets of under 10 percent and under 15 percent

respectively. This target is more rigorous than the standard set by the IAAO because the British Columbia Assessment Authority is a leadership organization in the international assessment community and holds itself to the highest measures for assessment roll quality.

While the term ‘residential properties’ can refer to single family homes as well as condominiums and town homes, this target is measuring only single family homes because there are significantly more single family homes in BC than condominiums and town homes.

Performance Highlights

The COD for the 2006 Provincial Assessment Roll was eight percent for urban (homogeneous) residential regions and 11 percent for rural

(heterogeneous) regions, meeting the performance targets. This is largely consistent with the COD achieved for the 2004 and 2005 assessment rolls which were seven percent in 2005 and six percent in 2004 for homogeneous residential regions, and nine percent in both 2005 and 2004 for heterogeneous residential regions.

The COD results are significant considering the volatile real estate market in British Columbia the past few years which has presented capacity challenges for the corporation. An active market leads to an increased work load because more properties are being developed and they require valuation and more properties are selling and the sales information must be tracked and analyzed. It is also important to note that the result fell well within the IAAO standard.

The corporation will be improving data auditing and monitoring of the market to better track property values by collecting more information, particularly regarding market trends. This is critical to understanding the actions of buyers and sellers and key to creating a high quality assessment roll.

Major Programs and Strategies

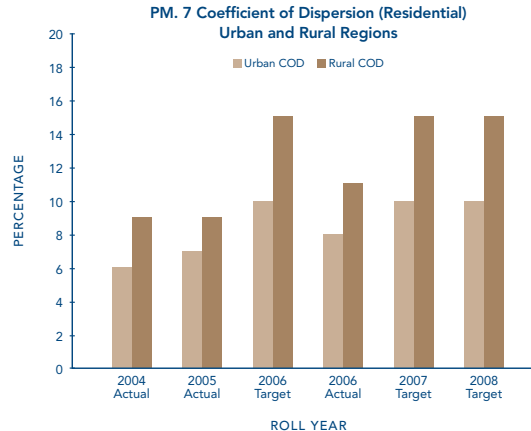
Maintaining a high COD percentage is supported by several key corporate strategies that include ensuring and measuring the uniformity and quality in the assessment rolls and developing best practices and business rules to ensure uniformity and efficiency.

The corporation has an internal audit program that regularly reviews the quality and accuracy of assessment information. The Standards and Audit division produces an annual Roll Quality Report that itemizes each roll quality measure compared to international standards. The report is reviewed by staff, management, executive and the Board of Directors to determine if there are opportunities to improve data quality.

Looking Ahead

Auditing the quality of data and the effectiveness, efficiency and economy of the corporation is fundamental to the assessment function. This activity will continue to be a corporate priority. It will be supported by the mission, vision and values, and the corporate goal of providing property assessment services that are of the highest quality and are fair, equitable and uniform. The audit process will continue to ensure that the British Columbia Assessment Authority maintains as high quality a COD in the future as it has in the past.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



DATA SOURCE: BCA Standards and Audit Group, valueBC reports

COD – 2006 Revised Roll SINGLE FAMILY RESIDENTIAL PROPERTY		
JURISDICTION TYPE	SALES (APR-SEPT)	COD
All Jurisdictions	40,276	7.9%
City	24,477	7.4%
District	9,616	7.6%
Town	1,412	8.9%
Village	734	9.6%
Rural	4,037	11.3%
VERTICAL ANALYSIS CATEGORY*	SALES (APR-SEPT)	COD
Low End Housing	12,035	9.7%
Mid Range Housing	24,605	6.9%
High End Housing	1,070	7.2%
*The Vertical Analysis Category contains only specific ranges of single family residential properties.		
DATA SOURCE: BCA Standards and Audit Group, valueBC reports		

PERFORMANCE MEASURE 8	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
The Coefficient of Dispersion for the provincial assessment roll will be less than 20 percent for non-residential properties.	12%	13%	Less than 20%	17%	Less than 20%	Less than 20%

Importance

The British Columbia Assessment Authority measures the Coefficient of Dispersion (COD) for residential properties located in both urban and rural areas, according to internationally-recognized standards. The COD measures the quality of data by virtue of the spread of all the ASRs around its median, or middle number. The lower the COD, the better quality the product. This is a measure of appraisal quality and uniformity. The COD standard set by the IAAO and the British Columbia Assessment Authority target for non-residential properties is less than 20 percent. The target for non-residential is higher than for residential properties because non-residential properties are not homogeneous, or in other words, more variable, than residential properties.

Performance Highlights

The COD for the 2006 Provincial Assessment Roll was 17 percent for non-residential properties, meeting this target. This result is higher than the COD achieved for the 2004 and 2005 assessment rolls which were 12 and 13 percent respectively.

The COD results are significant considering the volatile real estate market in British Columbia the past few years which has presented capacity challenges for the corporation. An active real estate market leads to an increased work load because more properties are being developed and they require valuation and more properties are selling and the sales information must be tracked and analyzed. Additionally, considerable resources were allocated to implement valueBC in 2005. It is also important

to note that the result fell well within the IAAO standard.

The corporation will be improving data auditing and monitoring of the market to better track property values by collecting more information, particularly regarding market trends. This is critical to understanding the actions of buyers and sellers and key to creating a high quality assessment roll.

Major Programs and Strategies

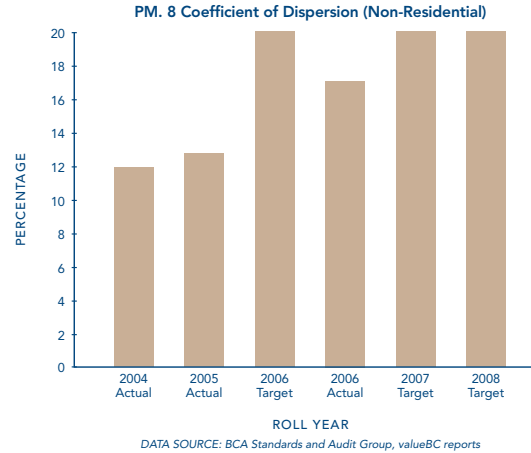
Maintaining a low COD percentage is supported by several key corporate strategies including ensuring and measuring the uniformity and quality in the assessment rolls and developing best practices and business rules to ensure uniformity and efficiency.

The corporation has an internal audit program that is regularly reviewing the quality and accuracy of assessment information. The Standards and Audit division produces an annual Roll Quality Report that itemizes each roll quality measure compared to international standards. The report is reviewed by staff, management, executive and Board of Directors to determine if there are opportunities to improve data quality.

Looking Ahead

Auditing the quality of data and the effectiveness, efficiency and economy of the corporation is fundamental to the assessment function. This activity will continue to be a corporate priority. It will be supported by the mission, vision and values, and the corporate goal of providing property assessment services that are of the highest quality and are fair, equitable and uniform. The audit process will continue to ensure that the British Columbia Assessment Authority maintains as high quality a COD in the future as it has in the past.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



PERFORMANCE MEASURE 9	2003 Actual (2004 Assessment Roll)	2004 Actual (2005 Assessment Roll)	2005 Target (2006 Assessment Roll)	2005 Actual (2006 Assessment Roll)	2006 Target (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)
The Price-Related Differential will be between 0.98 and 1.03 for residential properties.	1.01	1.01	0.98-1.03	1.01	0.98-1.03	0.98-1.03

Importance

The British Columbia Assessment Authority determines if assessments for residential properties are ‘progressive’ or ‘regressive’ according to international standards by measuring the Price-Related Differential (PRD). Significant progressivity or regressivity results in the inequitable distribution of the tax burden, and a good quality assessment should show no sign of either. Assessments are considered regressive if high-value properties are under-appraised relative to low-value properties; they are considered progressive if high-value properties are over-appraised relative to low-value properties. In short, the PRD measures both the fairness and equity of the assessment rolls by comparing the level of assessment of high-valued property against low-valued property.

The IAAO standard and the British Columbia Assessment Authority target for the PRD is between 0.98 and 1.03. A PRD under 0.98 indicates progressivity; over 1.03 indicates regressivity.

This target was chosen because it is a standard roll quality measure among the international assessment community. The standard set by the IAAO is already rigorous, therefore, the British Columbia Assessment Authority has adopted the same standard.

While the term ‘residential properties’ can refer to single family homes as well as condominiums and town homes, this target is measuring only single family homes because there are significantly more single family homes in BC than condominiums and town homes.

Performance Highlights

The PRD for the 2006 Provincial Assessment Roll was 1.01 for residential properties, meeting this target. This is consistent with the PRD achieved for the 2004 and 2005 assessment rolls which were both 1.01. These accomplishments are significant considering the volatile real estate market in British Columbia the past few years which has presented capacity challenges for the corporation. An active real estate market leads to an increased work load because more properties are being developed and they require valuation and more properties are selling and the sales information must be tracked and analyzed.

Major Programs and Strategies

Maintaining a high PRD percentage is supported by several key corporate strategies that include ensuring and measuring the uniformity and quality in the assessment rolls and developing best practices and business rules to ensure uniformity and efficiency.

The corporation has an internal audit program that regularly reviews the quality and accuracy of assessment information. The Standards and Audit division produces an annual Roll Quality Report that itemizes each roll quality measure compared to international standards. The report is reviewed by staff, management, executive and the Board of Directors to determine if there are opportunities to improve data quality.

Looking Ahead

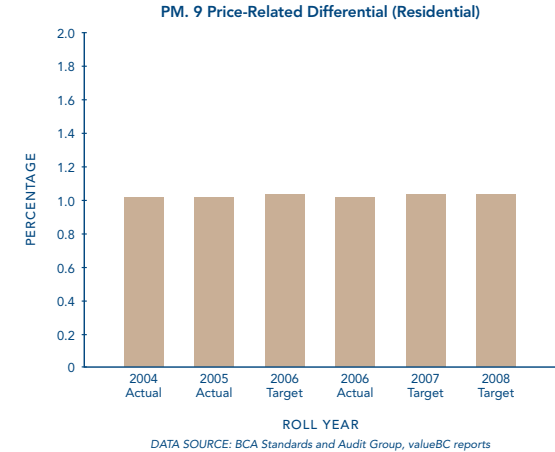
Auditing the quality of data and the effectiveness, efficiency and economy of the corporation is fundamental to the assessment function. This activity will continue to be a corporate priority. It will be supported by the mission, vision and values, and the corporate goal of providing property assessment services that are of the highest quality and are fair, equitable and uniform.

The audit process will continue to ensure that the British Columbia Assessment Authority maintains a high quality PRD in the future as it has in the past.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.

PRD – 2006 Revised Roll SINGLE FAMILY RESIDENTIAL PROPERTY		
JURISDICTION TYPE	SALES (APR-SEPT)	PRD
All Jurisdictions	40,276	1.010
City	24,477	1.008
District	9,616	1.012
Town	1,412	1.014
Village	734	1.013
Rural	4,037	1.021
VERTICAL ANALYSIS CATEGORY*	SALES (APR-SEPT)	PRD
Low End Housing	12,035	1.011
Mid Range Housing	24,605	1.008
High End Housing	1,070	1.016

*The Vertical Analysis Category contains only specific ranges of single family residential properties.
DATA SOURCE: BCA Standards and Audit Group, valueBC reports



PERFORMANCE MEASURE 10	2003 Actual	2004 Actual	2005 Target	2005 Actual	2006 Target	2007 Target
The average cost per property for assessment services funded from property tax levies will be maintained.	\$34.82	\$34.84	\$38.00	\$35.95	\$38.00	\$38.00

Importance

This performance measure reflects the corporation’s commitment to keep assessment services costs to the taxpayer as low as possible despite meeting increased service demands in a progressively complex assessment environment. The cost per property target amount was determined by comparing the British Columbia Assessment Authority’s operations to those of similar provincial jurisdictions. Once the benchmarking work was completed, \$38.00 was found to be an appropriate target amount and will be adjusted in the future if warranted.

The cost per property for assessment services funded from tax levies has been calculated by taking total expenditures for the year less revenues which are not categorized as ‘tax

levies’, ‘payments in lieu of taxes’ and ‘First Nations revenue’ divided by the number of properties for the revised roll produced for the following year.

Performance Highlights

The corporation is reliant on property tax levies for the largest part of its revenues but is also subject to fiscal constraints and is increasingly becoming more efficient and cost-effective. Additionally, the number of properties that are assessed annually continues to increase. The British Columbia Assessment Authority has committed to keeping the cost per property at no more than \$38.00, and has met this target in 2005 at \$35.95, in 2004 at \$34.84 and in 2003 at \$34.82.

The average cost per property funded from property tax levies increased in 2005 over 2004 due to increased staffing and service costs during the first year of implementing the new assessment information system (valueBC). This increase is offset somewhat by increased revenue from other sources. The Consumer Price Index adjusted cost per property for assessment in British Columbia has been decreasing since 1977, and compares favourably with other jurisdictions that provide a comparable level of service in a similar environment.

Major Programs and Strategies

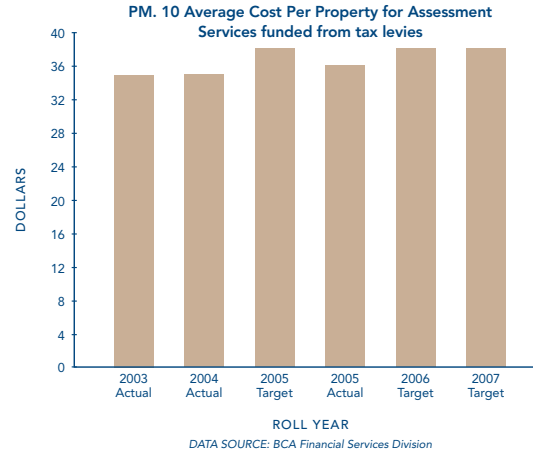
Maintaining the cost of assessment services is supported by the corporate strategy of developing best practices and business rules to ensure uniformity and efficiency.

The British Columbia Assessment Authority receives no funding from the provincial government to support its operations. Funding is generated primarily through a direct levy on all taxable properties.

Looking Ahead

The British Columbia Assessment Authority is committed to maintaining the cost for assessment services during the current construction boom which results in an increase in properties requiring valuation during a period of volatile real estate market conditions. The corporation will maintain the current programs aimed at providing efficiencies that include working in specialized appraisal teams, consistency of valuation policies and developing best practices and business rules.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



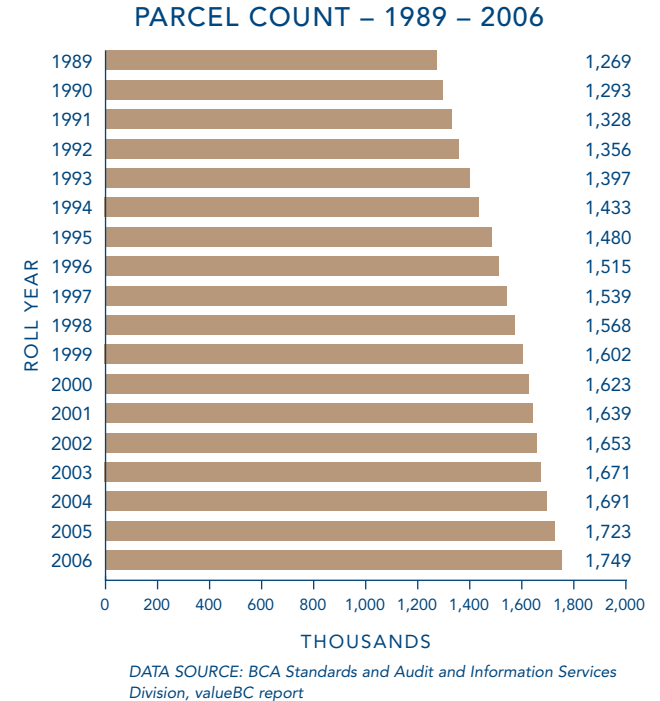
Parcel Count

The corporation has maintained a consistent cost-per-property average in the last few years despite significant new construction and development, which increases the number of properties requiring assessment services, and the rapid rise in the value of properties in most communities throughout the province. This market movement requires significant staff time to appraise, value and analyze the additional properties added to the assessment roll.

In December 2005, assessment notices were issued for 1.75 million properties in British Columbia – an increase of 26,600 properties compared to 2004. The number of properties on the 2006 Assessment Roll increased approximately 1.6 percent compared to the 2005 Assessment Roll. Over the last decade, the number of properties in the province has increased an average of 1.5 percent per year. This equates to adding a community approximately the size of the cities of Chilliwack, Prince George or Victoria to the assessment base annually.

PARCEL COUNT – 1989 – 2006		
ROLL YEAR	FOLIO COUNT	% INCREASE
2006	1,749,347	1.55%
2005	1,722,729	1.86%
2004	1,691,300	1.20%
2003	1,671,278	1.09%
2002	1,653,323	0.87%
2001	1,639,111	0.97%
2000	1,623,284	1.32%
1999	1,602,149	2.19%
1998	1,567,771	1.87%
1997	1,539,014	1.58%
1996	1,515,030	2.35%
1995	1,480,233	3.27%
1994	1,433,348	2.62%
1993	1,396,775	3.00%
1992	1,356,108	2.14%
1991	1,327,646	2.66%
1990	1,293,238	1.93%
1989	1,268,742	

DATA SOURCE: BCA Standards and Audit and Information Services Division, valueBC report



PERFORMANCE MEASURE 11	2003 Actual	2004 Actual	2005 Target	2005 Actual	2006 Target	2007 Target
By the end of 2008, non-tax revenues for the British Columbia Assessment Authority will be increased to \$4.15 million annually.	\$3 million	\$3.3 million	\$3.5 million	\$3.5 million	\$3.75 million	\$3.95 million

Importance

The British Columbia Assessment Authority’s reliance on taxation revenues will continue to be reduced through the sale of assessment information products and services to its clients and the taxpayers of the province. Data products and services are sold to select client groups, primarily in the private sector. For example, some clients request custom reports, or use the corporation’s data under licensing agreements, and pay fee-for-service. This measure denotes additional revenue that helps to keep taxpayer-funded revenue to a minimum.

This target was determined based on historical trends with the expectation that the corporation will continue to experience more

transactions due to the increased demand for property information driven by the active real estate market.

Performance Highlights

The target for non-tax revenues in 2005 was \$3.5 million, which was met. The increase in revenue is based largely on increased awareness and acceptance of the corporation’s products and services. Revenue continues to grow during both active real estate markets and slower periods.

Major Programs and Strategies

The British Columbia Assessment Authority generates revenue by selling and licensing property information such as the assessment

roll, property sales and residential inventory data and Land Title and Survey Authority of BC information via BC OnLine. Bulk electronic data and professional consulting services, including customized Major Industrial Property valuation manuals, are also provided for other provinces and jurisdictions. Our products and services are delivered via the Internet or electronically by contacting the corporation’s Client Service Solutions department.

The corporation provides user-friendly, accurate and accessible property information to support the business community throughout the province and is not in a competitive position with the private sector. The data is a by-product of the assessment system, therefore, administration costs are nominal.

Data access revenue is listed with other revenues in the Financial Statements on page 88.

The TransLink revenue was a one-time contract and this measure was designed to monitor recurring non-tax revenues. As a result, the performance reported for this measure excludes this one-time revenue.

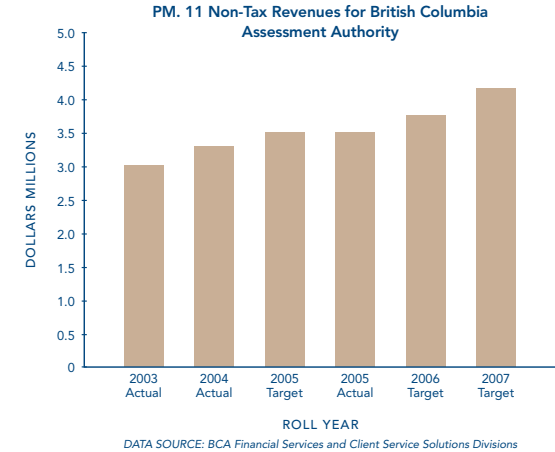
Key commercial clients include:

- Banks, credit unions, title search agencies, law offices, realtors, developers, and consultants use on-line property data in their daily business dealings;
- Provincial ministries and Crown corporations use bulk and on-line property data to manage their own properties; and
- Public/private partnerships allow corporate clients such as real estate boards to add value and sell bulk assessment data under a licensing agreement.

Looking Ahead

The corporation has committed to increasing non-tax revenues each year through 2008 in order to further reduce its reliance on taxpayers for funding by implementing specialization and effective marketing initiatives, including private sector partnerships to streamline the collection and distribution of assessment data. A new, user-friendly Internet-based replacement of its current BC OnLine system has also been developed and will be promoted through 2006. It is expected that non-tax revenues will continue to grow through 2008 as a result of an expected growth in transaction volume.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



PERFORMANCE MEASURE 12	2003 Actual	2004 Actual	2005 Target	2005 Actual	2006 Target	2007 Target
Percentage of employees receiving customer service training.	N/A	N/A	25%	74%	100%	100%

Importance

The corporation has a renewed focus on Customer Service Excellence during 2005 which will continue in 2006 and 2007 and 100 percent of staff will be trained in customer service each year. Developing and measuring this training is an integral part of the human resources strategy over the next three years to reinforce the commitment to delivering excellent service to its customers.

Performance Highlights

A 'Communication Toolkit' was issued to all employees in December 2005 which provided a variety of tools and strategies to manage customer service and communications issues during the public inquiry period in January 2006. The training was delivered around the

Christmas holiday season in mid-December and early January before the public inquiry period began. All staff, including both permanent and temporary field and head office employees, were targeted to receive the training. The corporation set a target of 25 percent for this performance measure in 2005 and exceeded it significantly by providing customer service training to almost 74 percent of staff.

Deficiencies in the documentation supporting this measure would prevent a third party from independently verifying the represented performance. While management is confident the information is accurate, changes will be made to ensure appropriate documentation in future years.

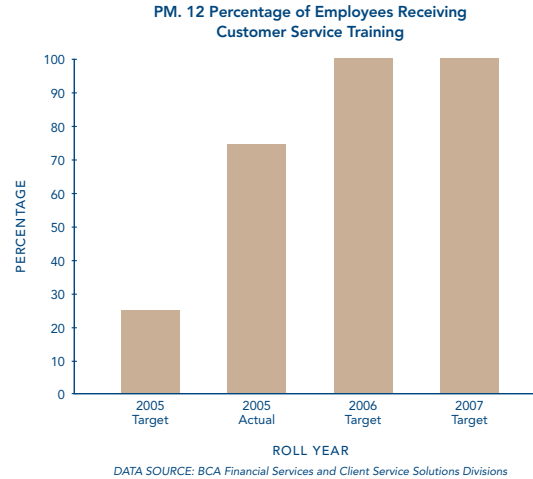
Major Programs and Strategies

Providing customer service training to employees supports the corporate strategy of developing and implementing a long-term human resources development plan that addresses succession planning, staff retention, capacity issues, and the overall needs of the organization; fostering a climate where all employees are focused on serving the customer; and focusing on building a continuous learning culture with employees that will result in personal development, management and leadership.

Looking Ahead

In 2005, work began on a Human Resources Development Plan to develop a strategic approach to all training and development activities. This project was accompanied by the creation of a Learning Council made up of senior managers to provide advice on future corporate training needs. The council will continue to meet throughout 2006, and develop a training schedule in a variety of subject areas for all level of staff.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



PERFORMANCE MEASURE 13	2003 Actual	2004 Actual	2005 Target	2005 Actual	2006 Target	2007 Target
Percentage of appraisal staff with professional accreditation.	N/A	N/A	71%	71%	71%	71%

Importance

This measure highlights the corporation’s commitment to supporting and investing in the development of appraisal staff through professional accreditation. Appraisal staff have an opportunity to obtain professional accreditation to help them perform their work, and to seek promotions within the corporation. The staff captured by this measure include all working level appraisers plus all other positions which either have either a requirement or a preference for accreditation as part of the job description.

Performance Highlights

The previous target of 74 percent for 2005 in the 2005-2007 Service Plan Update has been reduced to 71 percent reflect a higher incidence of retiring accredited employees necessitating the recruitment of employees who will require three to five years to achieve accreditation. See page 24 for a complete discussion of the evolutionary process of performance measures. However, the overall number of employees who have professional accreditation is still high at 71 percent. A corporate staffing strategy was developed to prepare for the pending retirements of large numbers of employees over the next five to ten years.

This performance measure is relatively new for the corporation and there is no historical reference for setting the targets. Further

adjustments to the target may be required in future years as the corporate staffing strategy is implemented.

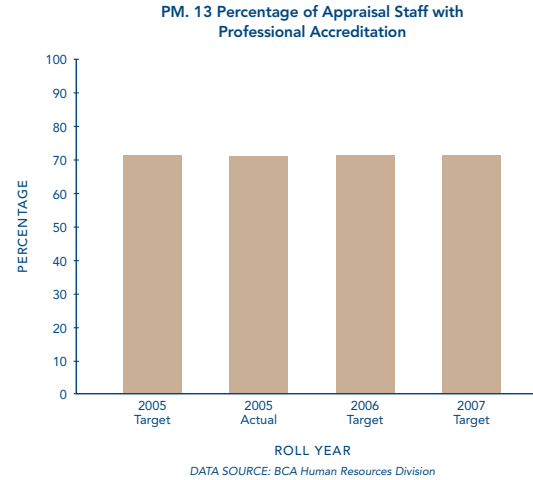
Major Programs and Strategies

Supporting appraisal staff to receive designations supports the corporate strategy of developing and implementing a long-term human resources development plan that addresses succession planning, staff retention, capacity issues, and the overall needs of the organization and focusing on building a continuous learning culture with employees that will result in personal development, management and leadership.

Looking Ahead

The staffing approach is being revisited to ensure that future capacity is appropriate to meet the challenges of the changing business environment. A phased-in hiring approach of additional staff was approved which addressed succession needs and other risk areas, while recognizing the potential constraints of the labour market and the internal challenges of bringing new staff into the organization. Most employees must become fully qualified through experience and training on-the-job, a process that can take three or more years. The objective of the staffing strategy is to ensure that the British Columbia Assessment Authority is well-positioned during this period of a high number of retirements.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



PERFORMANCE MEASURE 14	2003 Actual	2004 Actual	2005 Target	2005 Actual	2006 Target	2007 Target
Corporate Continuous Improvement Measurement results improve annually.	414	427	448	431	453	476

Importance

The annual Continuous Improvement Measures (CIM) program measures staff satisfaction and organizational performance in key areas, with the goal to improve annually. CIM, an internal program, measures staff satisfaction in key areas focusing on workgroups, not individuals. To facilitate continuous improvement, the CIM aims to:

- Positively affect behaviours throughout the organization by focusing on results measurement.
- Assist workgroups in resource targeting based on an improvement plan developed from previous year’s results.
- Provide data to assist in strategic planning.

- Identify high performing workgroups for internal benchmarking.
- Establish performance data for external benchmarking.
- Provide data to the Executive to assist them in supporting workgroup involvement.
- Establish, for Executive, workgroup strengths, improvements and opportunities based on factual information.

The CIM was developed internally by a team of Senior Managers who had received training in Organizational Assessment from the National Quality Institute of Canada (NQI) and bears its strongest resemblance to the NQI’s organizational assessment model which is used across Canada to improve organizations.

Peel County in Ontario developed its own organizational assessment model in a similar fashion to the CIM.

Surveying of all staff is conducted in May, therefore the time frame for this measurement is from July 1 to June 30 each year.

Performance Highlights

Corporately, the CIM score has improved every year since the program was implemented in 2002. The corporate result of 431 in 2005 is less than the stated target but is still higher than 414 achieved in 2003 and 427 in 2004. A majority of the staff were involved in implementing valueBC and were not focused on areas measured in the CIM. It is expected that CIM results will continue to improve.

The target for continuous improvement is to increase the score by five percent per year for the next three years. For comparison purposes, high achieving organizations would score between 450-600 points (out of a possible 1,000), while world class organizations would score between 600-800. Scores over 700 indicate that the survey questions and performance targets may no longer be relevant and should be reevaluated. The results are measured by averaging the results from all 28 workgroups (area offices and head office divisions).

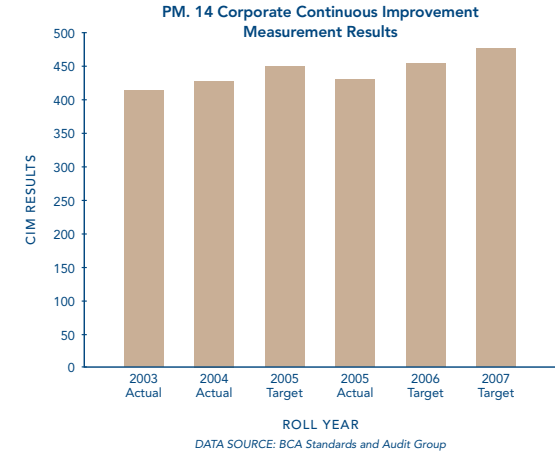
Major Programs and Strategies

Committing to improving CIM results annually supports the corporate strategy of developing and implementing a long-term human resources development plan that addresses succession planning, staff retention, capacity issues, and the overall needs of the organization, maintaining a low rate of staff turnover and focusing on building a continuous learning culture with employees that will result in personal development, management and leadership.

Looking Ahead

The British Columbia Assessment Authority finds the CIM program is a very valuable corporate planning tool and plans to continue to use it in upcoming years. The questions and performance targets will continue to be reevaluated on an annual basis.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



PERFORMANCE MEASURE 15	2003 Actual	2004 Actual	2005 Target	2005 Actual	2006 Target	2007 Target
Maintain low rate of staff turnover.	3%	5%	5%	5%	5%	5%

Importance

A low turnover rate of permanent employees is important to the corporation to maintain efficiencies and retain corporate knowledge. The British Columbia Assessment Authority will continue to offer permanent employees a challenging work environment, opportunities for advancement, competitive wages and a comprehensive benefits package.

Performance Highlights

The corporation has experienced a low rate of permanent staff turnover compared to similar assessment organizations in Canada. In 2005, the staff turnover rate was slightly lower than the target at 4.88 percent and less than the

average of reporting Canadian assessment jurisdictions at 5.1 percent. The corporation also had results that were lower than its counterparts in 2004 at 4.53 percent and 2003 at 2.67 percent.

In 2005, a significant part of the workforce engaged in training for valueBC, additional staff were secured to continue field appraisal work. The province’s real estate construction boom and market movement meant that work loads and turnover were significant, with some employees leaving for career opportunities in the private sector. As a result, 293 temporary employees were hired to assist with the collection of property information.

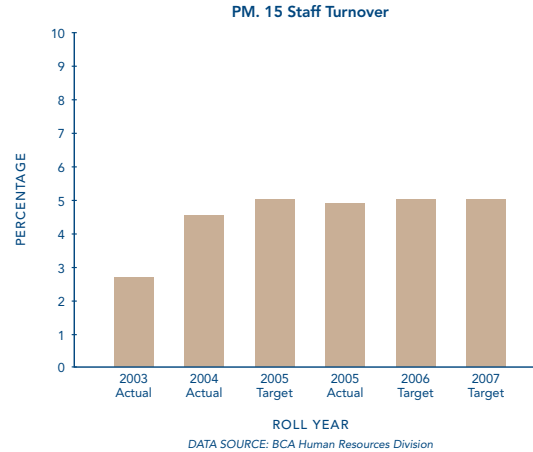
Major Programs and Strategies

The commitment to have low rates of staff turnover supports the corporate strategy of developing and implementing a long-term human resources development plan. This plan addresses succession planning, staff retention, capacity issues, and the overall needs of the organization, maintaining staff turnover rates and focusing on building a continuous learning culture with employees. This will result in the personal development, management and leadership of staff.

Looking Ahead

The staffing approach is being revisited to ensure that future capacity is appropriate to meet the challenges of the changing business environment. A phased-in hiring approach of additional staff was approved which addressed succession needs and other risk areas, while recognizing the potential constraints of the labour market and the internal challenges of bringing new staff into the organization. The objective of the staffing strategy is to ensure that the British Columbia Assessment Authority is well-positioned when retirements occur.

For discussion regarding Data Source Reliability and Limitations, refer to Appendix B.



Supplemental to Report on Performance

INTERNAL BUSINESS ENVIRONMENT

Customer Service Benefits of valueBC

In 2005, the British Columbia Assessment Authority implemented valueBC, a new assessment information system. The new system produced the 2006 Assessment Roll and replaced outdated mainframe technology that has been in place since the 1970s. Its state-of-the-art database and search capabilities enabled staff to serve clients more efficiently, with improved electronic linkages to other tools such as Geographic Information Systems (GIS) and databases (e.g., Land Title and Survey Authority of BC). With the goal to promote more interaction with customers, the system features services such as Assessment LinkBC, an online service for local governments to download and customize information specifically for their needs.

Risks Associated with Implementing valueBC

When developing valueBC, the British Columbia Assessment Authority created a Risk Management Plan to manage all the risks identified for this project. This plan was updated monthly for the Board of Directors and Executive. The corporation tracked the risks' event, impact, event driver, mitigation strategy and associated comments in this plan. Some of the risks identified for valueBC were:

- incomplete or inaccurate data migration from the legacy system(s);
- undetected coding or logic errors generating inaccurate or incomplete information;
- insufficient application functionality and/or the inability to meet specific user groups' functionality requirements on a timely basis;
- inadequate human resources to implement new applications;
- inadequate user training to ensure that new system is used effectively; and
- inadequate project management.

The impact of these risks would be the failure to complete a quality assessment roll, added training costs and system costs, failure to meet customer expectations, a lack of user

acceptance, a loss in productivity, a loss of public confidence in the British Columbia Assessment Authority and the property assessment system, a lack of information for clients for the PARP and PAAB, and taxing jurisdictions not obtaining the information needed to tax and adjust taxes. The risk event drivers for these identified risks were competition for resources, conflicting priorities, and issues regarding data quality, data entry, data cleansing, and valuation calculations.

The mitigation strategies employed by the British Columbia Assessment Authority were as follows:

- increasing project management discipline and program leadership;
- hiring information technology specialists to help develop and implement the new system;
- verifying data replication processes;
- engaging specialist teams to randomly verify value calculations generated in the application and to do systems stress testing;
- communicating with clients in a timely basis to ensure their short and long term needs are met;

- engaging a Rapid Response Team in resolving differences between batch and online system; and
- conducting adequate client and user testing to ensure accuracy and functionality.

As a result of identifying the risks for valueBC and implementing mitigation strategies, the 2006 Assessment Roll was successfully implemented on time.

Enterprise-wide Risk Management

The British Columbia Assessment Authority has adopted the provincial government's Enterprise-wide Risk Management strategy. Through input from the Risk Management Branch and the Office of the Comptroller General Internal Audit and Advisory Services, the corporation started to implement Enterprise-wide Risk Management in 2003. This allows for a structured and disciplined approach to risk management and the effective management of potential opportunities. This initiative aligns strategy, processes, people and technology to effectively manage the uncertainties.

Customers are continually increasing their expectations for products, services and assessment roll quality. As a result, the corporation's executive and staff routinely identify risk in project-specific management plans. In order to be complete, our project management plans must identify risk, determine the degree of risk and develop methods to mitigate risk. Examples of where risk has proactively identified include:

RISK: Data Integrity

Strategy: The Standards and Audit Division regularly audit data to ensure it continues to meet and exceed international standards for quality.

RISK: Financial Accountability

Strategy: The corporation maintains appropriate internal controls and will continue reporting regularly to the Audit and Finance Committee and Board of Directors and quarterly to the Office of the Comptroller General. The British Columbia Assessment Authority is subject to an annual external audit, currently performed by the Office of the Auditor General.

RISK: Staff Turnover

Strategy: The Human Resources Division has prepared detailed succession plans to forecast staff turnover based on the increasing number of retirees among our mature workforce.

RISK: Public Reputation and Confidence

Strategy: The Community Relations Division will continue development of a Customer Service Excellence Program that includes a Customer Service Commitment and standards to help guide staff interactions with the public and maintain annual customer surveys and analysis of media coverage.

RISK: Executive Management Continuity

Strategy: The Executive Management Team developed guidelines to delegate authority in the absence of the Chief Executive Officer and/or Executive Directors to ensure the British Columbia Assessment Authority's operations will be maintained with minimal disruption.

Human Resources

The implementation of the new assessment information system, valueBC, in early 2005 presented many human resources challenges with two areas requiring the most significant effort. The first challenge was training all employees to use the new system, however, valueBC placed additional demands on training resources because of the specialized nature of the assessment business. This required the development and delivery of customized training programs and a total of 3,650 days were spent in direct training in support of the implementation of valueBC involving nearly all staff.

In addition, a customized Change Management Program was developed to support employees in the transition to the new assessment information system by ensuring staff had the communication skills and tools necessary to explain the ongoing changes. Ergonomic issues were identified as a result of the implementation of valueBC, and ergonomic assessments of work stations were provided to all field employees. These assessments included identifying risks and making recommendations for changing the work station or providing accessories to deal with the specific situation.

The collective agreement with the Canadian Union of Public Employees (Local 1767) expired on December 31, 2005. Preparations continued through the latter part of the year and negotiations commenced in early December. The British Columbia Assessment Authority worked closely with the Public Sector Employers' Council Secretariat to coordinate these negotiations within the mandate framework established by the Minister of Finance.

THE EXTERNAL BUSINESS ENVIRONMENT

For the 2005 fiscal year, the majority of the strategic goals and targets outlined in the 2005-2007 Service Plan Update were on schedule. The implementation of valueBC was accomplished within budget while maintaining our high standards of quality for the assessment roll and providing excellent customer service. Despite this massive undertaking, the British Columbia Assessment Authority ended the year favourable to budget.

Our external business environment is driven by the residential and commercial real estate markets. In 2005, the trend of increasing property values experienced in the past few years continued in British Columbia.

Properties in areas such as the Lower Mainland and southern Vancouver Island increased significantly in value, as did most waterfront properties throughout the province. The corporation included all major new construction and development, totaling over \$12 billion in the 2006 Assessment Roll. New construction contributed to the corporation valuing 26,600 more properties in 2005.

Capacity

In 2005, the 2006 Assessment Roll was delivered by the December 31 deadline and favourable to budget while facing the following capacity challenges:

- Maintaining assessment costs for the taxpayer while valuing 26,600 more properties in 2005 with no increase in permanent staff. However, temporary staff were hired to meet the challenges of implementing valueBC and providing excellent customer service. In 2005, the cost for assessment services from tax levy revenue was \$35.95 per property compared to \$34.84 in 2004.
- Implementing a new assessment information system and training almost all staff to have a minimum of basic skills.

- Increasing public awareness of rising property values.
- Experiencing a volatile real estate market which requires significant staff time to appraise, value and analyze the additional properties added to the assessment roll.
- Including all major new construction and development, worth \$12 billion, in the 2006 Assessment Roll.



These results were achieved through:

- Leadership and strategic planning at the board, executive and local office levels.
- A rigorous project management approach.
- A professional, motivated and team-oriented workforce.
- Partnerships with all levels of government, stakeholders and clients.
- Continued utilization of seasonal temporary employees.
- Enterprise-wide Risk Management.
- Innovative and efficient valuation methodologies.
- Advanced technical capabilities through the new valueBC assessment information system.

Alignment with Government's Strategic Plan

The provincial government's 2006/07–2008/9 Strategic Plan was the guiding document for the 2005 Annual Service Plan Report that outlines goals, objectives, strategies and performance measures/targets. As with the government, the British Columbia Assessment Authority's goals and objectives were developed in the context of fiscal responsibility and maintaining support for communities that provide services for health and education.

The corporation's six key goals are: Product Quality and Uniformity, Customer Service and Community Relations, Fiscal Responsibility, Human Resources Leadership, Legislation and Regulations, and Board Governance. (Note: the corporation's goals were streamlined for the 2006-2008 Service Plan. Goals pertaining to Legislation and Regulations and Board Governance have been reported out in Appendix A.)

Specifically, the British Columbia Assessment Authority supports the provincial government's goals in the following ways:

GOAL 1 Make British Columbia the best-educated, most literate jurisdiction on the continent.

GOAL 2 Lead the way in North America in healthy living and physical fitness.

Local governments and the provincial government use the assessment rolls to establish applicable rates for property taxation. In 2005, approximately \$5 billion in property taxes was collected in British Columbia, compared to \$4.6 billion in 2004. Of these monies, \$2.7 billion was collected for local government and \$2.3 billion was collected for schools and provincial general revenue. Property taxes provide between 40 and 60 percent of funding for local governments and approximately 30 percent of funding for schools. These funds provide municipalities with the resources to develop and maintain recreation centers, bike lanes and roads and sidewalks for pedestrian and bicycle commuting.

GOAL 3 Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors.

The corporation's products and services provide the basis for billions of dollars worth of stable tax funding to support local programs and services to help communities thrive. The Human Resources goal helps support a work culture of caring for others and staff demonstrate this through their participation in various charitable and social causes throughout the province.

GOAL 4 Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.

The British Columbia Assessment Authority's corporate culture supports protecting the environment by using energy and materials wisely to conserve natural resources.

GOAL 5 Create more jobs per capita than anywhere else in Canada.

The market value property assessment process is very stable and provides the public with accurate assessment information. Property information products and services are also provided to local governments, First Nations, banks, credit unions, law offices and other organizations to use in their daily business dealings. Assessment information is used to assist in the administration of the provincial government's Home Owner Grant and the Tax Deferment Programs.

The corporation is also fiscally responsible by focusing on innovation, cost-effectiveness and delivering services efficiently. In partnership with the provincial government, changes are being recommended to streamline the property assessment appeal system as well as other changes to assessment legislation to make it more easily understood. The corporation's goals of Product Quality and Uniformity and Fiscal Responsibility each contribute to building a strong economic foundation for British Columbia which indirectly supports government's fifth goal of creating more jobs per capita than anywhere else in Canada.

Management Discussion and Analysis

Highlights of key results of operations and changes in financial conditions for 2005 compared to 2004 are as follows:

- An excess of revenue over expenditure for the year ended December 31 2005 of \$836,000 was reported, compared to \$2.1 million in 2004.
- A temporary workforce was retained to assist with collecting property information during the implementation of valueBC. In 2004, 198 temporary employees were hired, this increased in 2005 to 293.
- Revenue for 2005 was \$6.1 million higher than in 2004 (approximately a nine percent increase). This was mainly due to an additional \$2.3 million in tax levy revenue and \$3.9 million from professional services and the recovery of costs incurred in the preparation of a parking site roll.
- In March 2005, a contract with the Greater Vancouver Transportation Authority was signed for preparation of a parking site roll for TransLink. Revenues and costs associated with the contract to produce the first roll are included in the financial summary for 2005.
- Salaries and benefits for 2005 were significantly higher than 2004 mainly due to the capitalization of these costs associated with valueBC system development in 2004 and the addition of employees in support of the parking site roll in 2005.
- Professional and special services in 2005 includes significant non-recurring costs in support of the new assessment system implementation (valueBC), the most significant of which was staff training and the continuation of service bureau costs for the old assessment system (CAPAS) during the transition period from CAPAS to valueBC.
- Travel costs for 2005 were below 2004 levels due to impact of valueBC implementation on field staff time. More time was required for data cleansing, auditing, model building and training resulting in fewer field inspections and travel.
- The external costs of the appeal process are funded through the Ministry of Small Business and Revenue. Appeal costs for 2005 were higher than 2004 due to increased costs for retaining Property Assessment Appeal Board Panel members.
- Amortization was higher in 2005 than in 2004 due to amortization relating to the new assessment system, valueBC, which was placed into production during the year.
- In 2005, capital expenditures were \$4.8 million, approximately \$1.8 for customization of valueBC and the remaining \$3 million for hardware and software in support of operations. This included computer equipment (special purpose portable computers used by appraisers, desktop computers, laptop computers) furniture, vehicles and other equipment. Over \$4 million of each of the 2004 and 2003 amounts was for expenditures in support of Information Systems Plan projects.
- A change in revenue recognition policy as a result of changes in what constitutes Canadian generally accepted accounting principles and its sources resulted in non-recurring revenue in 2004 of \$747,000.

Key Financial and Operating Statistics

Year ended December 31, 2005

Statement of Revenue and Expenditure

<i>(in \$000's)</i>	2005	2004	2003	2002	2001
REVENUE:					
Tax levies	62,589	60,304	60,594	60,942	60,911
Other	8,525	4,544	4,310	4,526	4,196
Investment	404	391	468	452	629
Gain on disposal of fixed assets	–	159	–	–	–
	71,518	65,398	65,372	65,920	65,736
EXPENDITURE:					
Salaries and benefits	46,414	43,715	42,450	45,785	44,471
Professional and special services	8,940	6,048	5,304	4,892	5,371
Office premises	4,537	4,413	4,495	4,607	4,726
Office	4,200	3,869	3,435	2,784	2,874
Travel	1,587	2,138	2,567	1,851	2,609
Appeal costs	1,885	1,632	1,700	1,632	1,309
Bad debts	32	–	–	–	–
Interest	87	68	79	76	162
Loss on disposal of capital assets	–	–	–	219	–
Amortization	3,000	2,143	2,389	2,350	2,323
	70,682	64,026	62,419	64,196	63,845
Excess of revenue over expenditure before non-recurring revenue	836	1,372	2,953	1,724	1,891
Non-recurring revenue	–	747	–	–	–
Excess (deficiency) of revenue over expenditure	836	2,119	2,953	1,724	1,891

Key Financial and Operating Statistics

Year ended December 31, 2005

Capital Expenditures

<i>(in \$000's)</i>	2005	2004	2003	2002	2001
	4,848	4,966	4,749	2,729	2,118

Number of Full Time Equivalent Staff

	2005	2004	2003	2002	2001
Number of full time employees (including seasonal employees)*	681	638	620	579	676

*2001 and 2002 have been restated to confirm with current presentation

Key Financial and Operating Statistics

Highlights of key results of operations and changes in financial conditions for 2005 compared to the 2005 forecast in the 2005-2007 Service Plan Update are as follows:

- Excess of revenue over expenditure for the year is \$2.9 million greater than forecast. Although revenue was \$1.1 million less than forecast, this was offset by lower expenditures which were \$4 million less than forecast.
- The variances from forecast were caused by a variety of factors:
 - Appeal settlements negatively impacted levy revenue.
 - Production of the first parking site roll was completed with lower than expected costs and, as a result, lower related revenues.
 - The organization was unable to staff to planned levels due to difficulties finding and retaining temporary employees.
 - The greater than anticipated impact of valueBC implementation on field staff time resulted in reduced travel costs.
 - Appeal costs were lower than forecast due to prior years' remittances being applied to current year costs. Going forward, actual costs will be invoiced quarterly.
 - A lower than planned level of capital expenditures resulted in lower amortization.
- Capital expenditures were \$777,000 less than planned. This was due to additions that were not completed in 2005 and therefore carried over to 2006.
- Staffing levels for the year were 681 full time equivalents compared to a forecast of 717 full time equivalent.

Key Financial and Operating Statistics

Year ended December 31, 2005 – Comparison to 2005 forecast in 2005-2007 Service Plan Update

Statement of Revenue and Expenditure

<i>(in \$000's)</i>	2005 ACTUAL	2005 FORECAST	CHANGE
REVENUE:			
Tax levies	62,589	62,910	(321)
Other	8,525	9,308	(783)
Investment	404	350	54
	71,518	72,568	(1,050)
EXPENDITURE:			
Salaries and benefits	46,414	47,288	(874)
Professional and special services	8,940	10,117	(1,177)
Office premises	4,537	4,769	(232)
Office	4,200	4,455	(255)
Travel	1,587	2,619	(1,032)
Appeal costs	1,885	2,176	(291)
Bad debts	32	–	32
Interest	87	100	(13)
Amortization	3,000	3,125	(125)
	70,682	74,649	(3,967)

Key Financial and Operating Statistics

Year ended December 31, 2005 –
Comparison to 2005 forecast 2005-2007 Service Plan Update

Capital Expenditures

(in \$000's)

	2005 ACTUAL	2005 FORECAST	CHANGE
	4,848	5,625	(777)

Number of Full Time Equivalent Staff

(in \$000's)

	2005 ACTUAL	2005 FORECAST	CHANGE
	681	717	(36)

British Columbia Assessment Authority Statement of Management Responsibility

The financial statements of the British Columbia Assessment Authority ("BC Assessment") for the year ended December 31, 2005 have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized in the notes to financial statements.

Management is responsible for the preparation of the financial statements and has established a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records provide reliable information for preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements. The Board meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Board, with and without the presence of management.

The Auditor General of British Columbia, the external auditor of BC Assessment, has performed an independent audit of the financial statements of BC Assessment in accordance with generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and his opinion on the financial statements of BC Assessment.



Doug Rundell
CHIEF EXECUTIVE OFFICER
ASSESSMENT COMMISSIONER



Laurie McAmmond
EXECUTIVE DIRECTOR
CORPORATE SERVICES



Report of the Auditor General of British Columbia

To the Board of Directors of the
British Columbia Assessment Authority, and

To the Minister of Small Business and Revenue,
Province of British Columbia:

I have audited the balance sheet of the *British Columbia Assessment Authority* as at December 31, 2005 and the statements of revenue and expenditure, equity and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the *British Columbia Assessment Authority* as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wayne Strelieff, FCA
AUDITOR GENERAL

Victoria, British Columbia
March 3, 2006

British Columbia Assessment Authority Balance Sheet

(in \$000s)
December 31, 2005

	2005	2004
Assets		
Current assets:		
Cash and cash equivalents	18,311	18,861
Accounts receivable	1,718	1,330
Prepaid expenses	308	382
	20,337	20,573
Capital assets (note 2)	13,562	11,740
	33,899	32,313
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	7,845	7,417
Current portion of long-term liabilities	111	37
	7,956	7,454
Long-term liabilities (note 3):		
Employees' past benefits	68	103
Employees' future benefits	2,369	2,086
	2,437	2,189
Equity:		
Equity in capital assets	13,562	11,740
Equity from operations – appropriated	3,500	5,400
Equity from operations – unappropriated	6,444	5,530
	23,506	22,670
	33,899	32,313

Commitments (note 5)

Contingent liability (note 6)

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

On behalf of the Board



DIRECTOR



DIRECTOR

British Columbia Assessment Authority Statement of Revenue and Expenditure

(in \$000s)
Year ended December 31, 2005

	2005	2004
Revenue:		
Tax levies	62,589	60,304
Other (note 7)	8,525	4,544
Investment	404	391
Gain on disposal of capital assets	–	159
	71,518	65,398
Expenditure:		
Salaries and benefits	46,414	43,715
Professional and special services	8,940	6,048
Office premises	4,537	4,413
Office	4,200	3,869
Travel	1,587	2,138
Appeal costs (note 8)	1,885	1,632
Bad debts	32	–
Interest (note 9)	87	68
Amortization	3,000	2,143
	70,682	64,026
Excess of revenue over expenditure before non-recurring revenue	836	1,372
Non-recurring revenue (note 10)	–	747
Excess of revenue over expenditure for the year	836	2,119

British Columbia Assessment Authority Statement of Equity

(in \$000s)
Year ended December 31, 2005

	Capital assets	Appro- priated (note 11)	Unappro- priated	2005	2004
Equity, beginning of year	11,740	5,400	5,530	22,670	20,551
Excess (deficiency) of revenue over expenditure for the year	(3,000)	–	3,836	836	2,119
Transfers to equity in capital assets	4,822	–	(4,822)	–	–
Transfer during year	–	(1,900)	1,900	–	–
Equity, end of the year	13,562	3,500	6,444	23,506	22,670

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

British Columbia Assessment Authority Statement of Cash Flows

(in \$000s)

Year ended December 31, 2005

	2005	2004
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditure for the year*	836	2,119
Items not involving cash:		
Amortization	3,000	2,143
Gain on disposal of capital assets	–	(159)
Decrease in employees' past benefits	(18)	(7)
Increase in employees' future benefits	340	140
Changes in non-cash operating working capital (note 12)	114	(350)
	4,272	3,886
Investing:		
Acquisition of capital assets	(4,848)	(4,966)
Proceeds on disposal of capital assets	26	257
	(4,822)	(4,709)
(Decrease) in cash	(550)	(823)
Cash and cash equivalents, beginning of year	18,861	19,684
Cash and cash equivalents, end of year (note 12)	18,311	18,861

*Includes interest expense of \$86,616 (2004 - \$67,493)

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

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

The British Columbia Assessment Authority ("BC Assessment") was established in 1974 by the Province of British Columbia with the enactment of the Assessment Authority Act. The purpose of BC Assessment is to establish and maintain assessments that are uniform in the whole of the province in accordance with the Assessment Act.

1. Significant accounting policies:

The financial statements of BC Assessment have been prepared by management in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies used in the preparation of these financial statements.

(a) Cash and cash equivalents:

Cash and cash equivalents include deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less at the date of purchase, less bank overdrafts.

(b) Capital assets:

Capital assets are carried at cost less accumulated amortization. Amortization is determined at rates which will reduce original cost to estimated residual value over the useful life of the asset. New systems under development are not amortized until they are put into production. The annual rates used to compute amortization on a straight-line basis are as follows:

Asset	Rate
Buildings	5%
Furniture and equipment, including computer equipment	20-33%
Assessment system software	10%
Other software	100%
Motor vehicles	20%
Leasehold improvements	Over the term of the lease

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

1. Significant accounting policies (continued):

(c) Short-term investments:

Short-term investments are recorded at the lower of cost and fair value.

(d) Revenue:

BC Assessment, by by-law and subject to the prior approval of the Lieutenant Governor in Council, each year imposes and levies a tax upon all taxable real property in the province, but excluding property that is taxable for school purposes only by special Act. A copy of this by-law is forwarded to the Tax Collector of every municipality in the province and to the Surveyor of Taxes in order that the taxes so levied will be placed on the tax rolls. The proceeds of the taxes so levied and collected by the municipalities or the Minister of Small Business and Revenue constitutes BC Assessment's tax levies revenue.

(e) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and other expenditure during the year. Items requiring the use of significant estimates include employees' future benefits and various other expenditure accruals. Actual results could differ from these estimates.

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

2. Capital assets:

(in \$000s)			2005	2004
	Cost	Accumulated amortization	Net book value	Net book value
Land	354	–	354	354
Buildings	2,519	1,092	1,427	1,553
Furniture and equipment, including computer equipment	16,151	13,458	2,693	1,787
Assessment system software	10,098	1,382	8,716	7,899
Other software	115	115	–	–
Motor vehicles	1,807	1,524	283	–
Leasehold improvements	243	154	89	147
	31,287	17,725	13,562	11,740

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

3. Long-term liabilities:

(a) Employees' past benefits:

At the time of the formation of the British Columbia Assessment Authority, BC Assessment negotiated an agreement with those designated employees whose previous working agreements contained clauses that called for payment of certain benefits upon death, retirement or termination of employment. The benefits under the agreement are recognized as a long-term liability, with an amount equal to payments due within the immediate twelve months following the statement date segregated and recognized as a current liability. Adjustments to the liability resulting from changes in salary rates are charged to the current year. Payments of benefits are treated as a reduction of the liability.

(b) Employees' future benefits:

Outside of the Public Service Pension Plan, BC Assessment annually accrues the future obligation under the defined retirement benefit plan as the employees render the services necessary to earn the benefit. Management, using an estimate of salary escalation and expected retirement ages, calculates the cost of the defined retirement benefit. The recorded liability represents these estimated future costs discounted to a present value using market interest rates applicable to BC Assessment.

(in \$000s)			2005	2004
	Total liability	Current portion	Net liability	Net liability
Employees' past benefits	99	31	68	103
Employees' future benefits	2,449	80	2,369	2,086
	2,548	111	2,437	2,189

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

4. Employee benefits plan:

BC Assessment and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2005) has determined the Plan has an unfunded liability. As a result, the actuary has determined that an increase in contribution rates of 1.88% each, for plan members and employers, is necessary in order for the Plan to maintain its long term financial soundness and thus its ability to meet the pension promise made to plan members. The trustees have decided that this increase in rates will be introduced effective April 1, 2006.

Contributions to the Plan by BC Assessment for 2005 were \$2,500,558 (2004 - \$2,416,596).

5. Commitments:

BC Assessment is committed to make payments under operating leases and contracts as follows:

(in \$000s)	Premises leases	Other contracts
2006	3,809	1,822
2007	2,980	1,356
2008	2,313	962
2009	2,122	795
2010	1,332	199
2011-2015	2,831	–
	15,387	5,134

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

6. Contingent liability:

BC Assessment provides assessment information under a licensing agreement. The agreement includes a provision requiring BC Assessment to refund fees in the event that the corporation is required to terminate the agreement or modify it because of legislative change, such that the assessment information can no longer be provided substantially as contemplated by the agreement. The amount of fees to be refunded under the provision decreases over the term of the agreement. Should this article be invoked, BC Assessment will be required to provide a refund of 25% (2004-50%) of fees paid. At December 31, 2005, the amount of the potential refund is \$203,913 (2004 - \$323,178).

7. Other revenue:

(in \$000s)	2005	2004
Contract revenue*	3,863	96
Data access services	3,453	3,292
Payment in lieu of taxes	731	718
First Nations services	411	382
Other	67	56
	8,525	4,544

*The British Columbia Assessment Authority signed a contract with the Greater Vancouver Transportation Authority for preparation of a parking site roll for TransLink.

8. Appeal costs:

Section 17 of the Assessment Authority Act requires BC Assessment to pay the amount requisitioned by the Province to cover the anticipated costs of appeals to the Property Assessment Review Panel and the Property Assessment Appeal Board. Under subsection 17(6), the amount requisitioned is paid in quarterly installments. Subsection 17(7) allows for the final installment to be adjusted to reflect the actual costs to the Province of the appeals.

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

9. Financing:

Under subsection 20(5) of the Assessment Authority Act, BC Assessment may, "until receipt of the proceeds of the taxes... borrow an amount not exceeding the proceeds of the taxes...and the loan must be repaid from the proceeds of the taxes".

The maximum borrowings by BC Assessment during 2005 were \$20,167,020 (2004: \$14,974,974).

10. Non-recurring revenue:

The Canadian Institute of Chartered Accountants Handbook Section 1100 revision applicable for fiscal years beginning on or after October 1, 2003 describes specifically what constitutes Canadian generally accepted accounting principles (GAAP) and its sources. Legislation does not constitute GAAP under the new framework. In years prior to 2004, BC Assessment recognized payments in lieu of taxes revenue when received. In order to comply with the revision to GAAP, BC Assessment changed to recognition of revenue on an accrual basis in 2004 and recorded a one-time adjustment of \$747,000.

11. Equity from operations - appropriated:

BC Assessment budgeted significant expenditures towards technology and system upgrades over the four year period ending December 31, 2005. The most significant project was completed in 2005 with implementation of valueBC, a new assessment information system. The Board of Directors established that partial funding for these costs and for completion of projects deferred to future years be provided from accumulated equity from operations. The appropriated amount of \$3,500,000 (2004 - \$5,400,000) has been separately classified as a component of equity to reflect this direction by the Board. The appropriation reflects \$2.5 million towards deferred projects and \$1.0 million towards significant future investments in capital assets.

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

12. Supplemental cash flow information:

(a) Major components of cash and cash equivalents are as follows:

(in \$000s)	2005		2004	
	Cost	Fair value	Cost	Fair value
Cash	(110)	(110)	62	62
Short-term investments	18,438	18,421	18,799	18,801
	18,328	18,311	18,861	18,863

(b) Changes in non-cash working capital:

(in \$000s)	2005	2004
Current assets:		
Accounts receivable	(388)	(747)
Prepaid expenses	74	(26)
Current liabilities:		
Accounts payable and accrued liabilities	428	423
	114	(350)

British Columbia Assessment Authority Notes to Financial Statements

Year ended December 31, 2005

13. Related party transactions:

In the normal course of operations, BC Assessment entered into transactions with the province and certain Crown corporations, predominantly at prevailing market prices and credit terms.

The statement of revenue and expenditure includes the following transactions with related parties:

(in \$000s)	2005	2004
Other revenue	170	212
Payments for:		
Appeal costs	1,885	1,632
Professional and special services	644	1,075
Office	596	197
Office premises	142	137
Interest	79	42

Assets (liabilities) at December 31 with related parties were:

(in \$000s)	2005	2004
Accounts receivable	–	15
Accounts payable	(611)	(155)

14. Comparative figures:

Certain 2004 comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

Corporate Governance Practices

The British Columbia Assessment Authority is a publicly-funded corporation constituted under the *Assessment Authority Act* and governed by a Board of Directors. The Board of Directors provides policy direction and performance review, and the Chief Executive Officer and Assessment Commissioner has responsibilities for valuation and operational matters.

Members of the Board are:

James Bruce – Vancouver, Chair
Bill Baird – Greenwood, Vice Chair
Barry Clark – Nanaimo
Fred Graham – Cranbrook
Carol Alter Kerfoot – Vancouver
Shawn McLaughlin – Prince George
Chris Nicolls – Vancouver
Anna Nyarady – Vancouver
George Puil – Vancouver
Brian Romer – Sechelt
Allen Tozer – Westbank
Eldon Unger – Chilliwack
Lillian White – Delta

Board Committees engage in regular and detailed review of policies, issues, and corporate finances and make recommendations to the Board, where decisions are made.

The Board Committees are:

The Policy, Planning and Service Audit Committee

- This committee deals with all matters pertaining to the Performance Plan, the service audit, and inter-governmental and community policies.
- The members of this Committee are: George Puil (Chair), Bill Baird, Fred Graham, Anna Nyarady, Eldon Unger and Lillian White.

The Human Resources and Education Committee

- This committee deals with all matters of human resources, training, and education. The Committee also acts as a reference group during negotiations regarding the collective agreement.
- The members of this Committee are: Chris Nicolls (Chair), Bill Baird, Shawn McLaughlin, Anna Nyarady and Allen Tozer.

The Audit and Finance Committee

- This committee deals with all matters relating to financial policies and the annual budget.
- The members of this Committee are: Chris Nicolls (Chair), Lillian White, George Puil and Brian Romer.

The Governance Committee

- This committee reviews, monitors, and reports on Board effectiveness and deals with all matters relating to governance.
- The members of this Committee are: Anna Nyarady (Chair), Barry Clark, Shawn McLaughlin and James Bruce.

The Committees are currently under review and the five new members will be added to specific committees. The Board of Directors has adopted the guiding principles included in the provincial government's Governance Framework which provide an understanding of the roles and responsibilities for all parties that are part of the Crown corporation governance environment:

- Stewardship, Leadership and Effective Functioning of the Board;
- Clarity of Roles and Responsibilities;
- Openness, Trust and Transparency;
- Service and Corporate Citizenship;
- Accountability and Performance; and
- Value, Innovation and Continuous Improvement.

These principles underlie good corporate governance and form the foundation for the development of a sound governance structure. For more information on board governance practices, refer to the web site at www.bcassessment.ca/about/board.asp.

A Shareholder's Letter of Expectations was signed in July 2004 by the Chair of the Board of Directors, the Minister of Sustainable

Resource Management, and the Assessment Commissioner. This document is a public agreement that outlines performance expectations, public policy issues and strategic priorities. It will be reviewed annually and updated as required. The letter is available on the Internet at www.gov.bc.ca/cas/rpts/.

The corporation is now responsible to the Minister of Small Business and Revenue and is guided by the ministry's legislated mandate. A new Shareholder's Letter of Expectations was begun in 2005. However, with the Minister of Small Business and Revenue taking over responsibility in 2005, the Shareholder's Letter will be revised and completed in 2006 to reflect the strategic direction of the government and the legislated mandate of the ministry.

As directed by the current Shareholder's Letter of Expectations, the Board, Minister's representatives and Assessment Commissioner are working to develop clear roles and responsibilities for the Minister, Ministry, CEO, Assessment Commissioner, and the Board of Directors. The Minister, Board Chair and Assessment Commissioner meet regularly throughout the year.

In 2004, the Board of Directors, in their capacity as the members of the corporation, revised its bylaws to reflect current best practices in corporate governance and began development of a Governance Manual. The manual was completed in 2006 and outlines corporate objectives, policies, corporate authorities, and procedures pertaining to the Board of Directors, the roles of the Board's advisory committees, Board Chair, Vice Chair, Chief Executive Officer, and Corporate Secretary. It summarizes the Board's basic operating parameters for its members and advisory committees, and the executive management team. By developing a Governance Manual, a recommendation of the Board Resourcing and Development Office that was outlined in their publication, *Best Practices Guidelines: Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations* has been fulfilled. This document was introduced by the Premier with an expectation that public sector organizations meet the standards.

Appendix A: Performance Results for the 2005-2007 Service Plan Update Measures

GOAL 1 Product Quality and Uniformity: Property Assessment Services will be of the highest quality and uniform throughout the province.		
MEASURES	2005 Target	2005 Results (2006 Assessment Roll)
PM. 1 The median <i>Assessment-to-Sales Ratio</i> for the residential assessment roll in British Columbia will be 97 percent.	97%	96%
PM. 2 The median <i>Assessment-to-Sales Ratio</i> for the non-residential assessment roll in British Columbia will be 95 to 97 percent.	95%-97%	95%
PM. 3 The <i>Coefficient of Dispersion</i> for the provincial assessment roll will be less than 10 percent for homogeneous residential regions and less than 15 percent for heterogeneous residential regions.	Less than 10% Less than 15%	Homogeneous 8% Heterogeneous 11%
PM. 4 The <i>Coefficient of Dispersion</i> for the provincial assessment roll will be less than 20 percent for non-residential properties.	Less than 20%	17%
PM. 5 The <i>Price-Related Differential</i> will be between 0.98 and 1.03 for residential properties.	0.98-1.03	1.01
PM. 6 Canada Post Standards to achieve maximum reduction in postal rates will be met.	95%	98%

GOAL 2 Customer Service and Community Relations: We will provide a level of service that meets our customers' expectations and helps strengthen the communities we serve.

MEASURES	2005 Target	2005 Results (2006 Assessment Roll)
PM. 7 Each year, 98 percent of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	98%	99%
PM. 8 Each year, 95 percent of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	95%	92%
PM. 9 Percentage of property owners independently surveyed that will be satisfied with the level of customer service.	75%	83% (Residential and Non-Residential)
PM. 10 Percentage of residential property owners independently surveyed who had their home inspected and were satisfied with the process.	60%	87%
PM. 11 Percentage of provincial government, local government and First Nations independently surveyed that will be satisfied with the level of service.	85%	100% (First Nations and Local Governments, N/A for Provincial Government)

GOAL 3 Fiscal Responsibility: The British Columbia Assessment Authority will continue to seek new opportunities to improve operational efficiencies while meeting service delivery targets.

MEASURES	2005 Target	2005 Results (2006 Assessment Roll)
PM. 12 The average cost per property for assessment services funded from property tax levies will be maintained.	\$38.00	\$35.95
PM. 13 Budget revenue and expenditures forecast will be met.	Achieved	Achieved
PM. 14 By the end of 2007, non-tax revenues for the British Columbia Assessment Authority will be increased to \$3.9 million annually.	\$3.5 Million	\$3.5 Million

GOAL 4 Human Resources Leadership: We will foster a climate that encourages professional development, and continuing corporate success, through employee fulfillment and commitment to our shared vision.

MEASURES	2005 Target	2005 Results (2006 Assessment Roll)
PM. 15 Percentage of employees receiving valueBC training.	100%	98%
PM. 16 Percentage of employees receiving customer service training.	25%	74%
PM. 17 Percentage of appraisal staff with professional accreditation.	74%	71%
PM. 18 Corporate Continuous Improvement Measurement results improve annually.	448	431

GOAL 5 Legislation and Regulation: The *Assessment Authority Act* and the *Assessment Act* and Regulations will be current, relevant, and meet the needs of the citizens of British Columbia and the strategic objectives of government.

MEASURES	2005 Target	2005 Results (2006 Assessment Roll)
PM. 19 Of the approximately two percent that appeal, percentage of those who appeal their assessment that are satisfied with the process.	54%	61%
PM. 20 Percentage of property owners that are independently surveyed that believe that their assessment is fair compared to their neighbours.	65%	79%

GOAL 6 Board Governance: Board Governance practices will be consistent with the corporate mandate, legislation, and good governance practices.

MEASURES	2005 Target	2005 Results (2006 Assessment Roll)
<p>PM. 21 Regular meetings with the Minister by the Board Chair and Assessment Commissioner.</p>	<p>Quarterly</p>	<p>The Board Chair and Assessment Commissioner meet regularly with the Minister to provide advice and recommendations on assessment and other related issues.</p>
<p>PM. 22 Develop a "Shareholder's Letter of Expectations."</p>	<p>New Shareholder's Letter</p>	<p>A new Shareholder's Letter of Expectations was begun in 2005. However, with the Minister of Small Business and Revenue taking over responsibility for BC Assessment in 2005, the Shareholder's Letter will be revised and completed in 2006 to reflect the strategic direction of the government.</p>
<p>PM. 23 Develop new Bylaws.</p>	<p>Review Bylaws</p>	<p>In 2004, the Board of Directors revised their bylaws to reflect current best practices in corporate governance. These bylaws are constantly under review and will be revised to meet corporate and government objectives.</p>
<p>PM. 24 Develop new Governance Manual.</p>	<p>New Governance Manual</p>	<p>A Governance Manual was produced in 2005 for review and was completed in early 2006. The manual outlines the British Columbia Assessment Authority's objectives, policies, corporate authorities and procedures pertaining to the Board of Directors, the roles of the Board's advisory committees, Board Chair, Vice Chair, Chief Executive Officer and Corporate Secretary. It summarizes the Board's basic operating parameters for its members and advisory committees, and the executive management team. It also fulfills a recommendation of the Board Resourcing and Development Office.</p>

Appendix B: Assessment Roll Quality and Data Source Reliability and Limitations

Assessment Roll Quality

The 2006 Assessment Roll Quality Report is a detailed statistical analysis demonstrating the accuracy and uniformity of the assessment roll. The most important and widely accepted statistical measures of the quality of the assessment roll are the median Assessment-to-Sales Ratio (ASR), the Coefficient of Dispersion (COD), and the Price-Related Differential (PRD). The International Association of Assessing Officers (IAAO) has set standards for each of these statistical measures. These form the basis of the critical performance targets.

Data used for the ASRs, CODs and PRDs is generated by the corporation's Standards and Audit Group's 2006 Assessment Roll Quality Report.

Data Source Reliability and Limitations

The reliability of these measures is founded on the records as provided by the Land Title and Survey Authority of British Columbia, the agency responsible for managing, operating and maintaining the province's land title and land survey systems. It was established in January 2005 under the *Land Title and Survey Authority Act* as an independent organization

and must meet obligations and targets that the provincial government has established for it in legislation and in an Operating Agreement between the corporation and the province.

The Land Title and Survey Authority of British Columbia ensures the continued integrity of the province's modified Torrens system for registering land titles. This involves examining and registering applications for land transfers and establishing and releasing charges on titles. The land title registration system provides conclusive evidence of title, and is backed by an assurance fund in the unlikely event of any registration error. The results in this report compare the market value transactions as registered against the actual value as determined by the corporation's appraisal staff.

Performance Measures 1 and 2 – Complaints

Staff receive formal complaints from property owners and enter the information into valueBC. Notices of Hearing are distributed and hearings are held in communities throughout British Columbia. Following the hearings, property owners are sent Notices of Decision outlining whether or not their complaint was successful. This provides an external control and

verification of the complaint process. In addition, the corporation has confidence in the data due to internal controls that include a review and audit of the complaint data and comparison to historical trends and current market movement to ensure its accuracy.

Performance Measures 3 and 4 – Survey Results

The corporation initiated a Request for Proposal process in 2005 to select a reputable, professional market research consulting firm. Through this process, the qualifications and experience of the selected firm were verified and the corporation is confident that the services received are reliable. The survey results were verified and found to be accurate when compared to historical trends and current market movement.

Performance Measure 5 and 6 – ASR

The British Columbia Assessment Authority measures the ASR for properties according to internationally-recognized standards. The ASR is calculated by dividing the actual value (as determined by the corporation) of a property that has sold, by its selling price, and

expressing the result as a percentage. For example, if a property is assessed with a value of \$243,000, and it sold for \$250,000, the ASR would be 97.2 percent. In short, the ASR measures how accurately the British Columbia Assessment Authority appraises property at market value.

The IAAO has set a standard for a median ASR of 90 percent to 110 percent for an acceptable level of assessment achievement. The corporation's target of 97 to 100 percent for residential properties and 95 to 100 percent for non-residential properties exceeds this standard.

The British Columbia Assessment Authority statistics are based on all available single-family residential arms-length sales for the two quarters surrounding the corporation's valuation date of July 1 (i.e., April 1, 2005 to September 30, 2005). Sales are not time-adjusted. In regions with significant market movement over the six-month period, the dispersion will be overstated. For non-residential sales, data is based on sales occurring throughout the year.

Performance Measure 7 and 8 – COD

The British Columbia Assessment Authority also measures the COD for properties located in both urban and rural areas, according to internationally-recognized standards. The COD measures the quality of the corporation's data by virtue of the spread of all the ASRs around its median, or middle number. The lower the COD, the better quality the product. This is a measure of appraisal uniformity.

The COD standard set by the IAAO for single family residential properties is under 15 percent for homogeneous (urban) regions and under 20 percent for heterogeneous (rural) regions. The British Columbia Assessment Authority has set targets of under 10 percent and under 15 percent respectively. The COD standard set by the IAAO for non-residential properties is under 20 percent. The corporation has set a target of under 20 percent.

Performance Measure 9 – PRD

The British Columbia Assessment Authority also measures the PRD for residential properties, according to internationally-recognized standards, to determine if assessments are 'progressive' or 'regressive.' Assessments are considered regressive if high-value properties are under-appraised relative to low-value properties; they are considered progressive if high-value properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in the inequitable distribution of the tax burden, and a good quality assessment should show no sign of either. In short, the PRD measures both the fairness and equity of the assessment rolls by comparing the level of assessment of high-valued property against low-valued property.

The IAAO standard for the PRD is between 0.98 and 1.03. A PRD under 0.98 indicates progressivity; over 1.03 indicates regressivity. The British Columbia Assessment Authority has adopted the IAAO standard for the PRD.

Performance Measure 10 – Cost Per Property

The cost per property for assessment services funded from tax levies has been calculated by taking total expenditures for the year less revenues which are not categorized as 'tax levies', 'payments in lieu of taxes' and 'First Nations revenue' divided by the number of properties for the revised roll produced for the following year.

The corporation maintains appropriate internal controls and will continue reporting regularly to the Audit and Finance Committee and Board of Directors and quarterly to the Office of the Comptroller General. The British Columbia Assessment Authority is subject to an annual external audit, currently performed by the Office of the Auditor General.

The reliability of these measures is founded on the records as provided by the Land Title and Survey Authority of British Columbia. The results compare the market value transactions as registered against the actual inspection information as determined by the appraisers in the British Columbia Assessment Authority.

Performance Measure 11 – Non Tax Revenue

The corporation maintains appropriate internal controls and will continue reporting regularly to the Audit and Finance Committee and Board of Directors and quarterly to the Office of the Comptroller General. The British Columbia Assessment Authority is subject to an annual external audit, currently performed by the Office of the Auditor General.

Performance Measure 12 – Customer Service Training

Attendance at customer service training sessions was tracked by using two measures: internal leave management reports and a separate management system that tracks staff work activities. The corporation will be implementing more rigorous procedures such as keeping attendance logs at training sessions to better track staff receiving training.

Performance Measure 13 – Staff Accreditation

When an appraisal staff member becomes accredited, written confirmation from the accrediting body is submitted to the Human Resources department and kept on file. This information can be verified through external records by the accrediting organizations, the Appraisal Institute of Canada and the Real Estate Institute of British Columbia.

Performance Measure 14 – Continuous Improvement Measures

The corporation initiated a process to select a reputable, professional service provider. Through this process, the qualifications and experience of the contractor were verified and the corporation is confident that the services received are reliable. Internal controls are in place to ensure the reliability of the data collected through variance analysis, verification by workgroups of the results and analysis of historical trends.

Performance Measure 15 – Staff Turnover

Management tracks staff turnover through a variety of methods including attendance logs and payroll records. This information is reviewed and verified by area and head office managers on a regular basis and is reported to the Human Resources and Financial Services divisions.

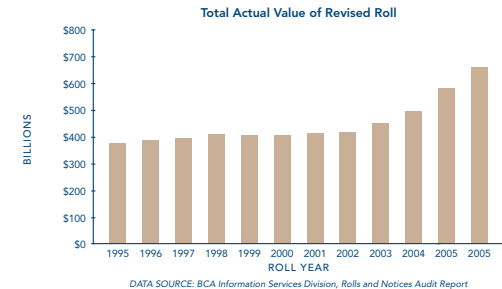
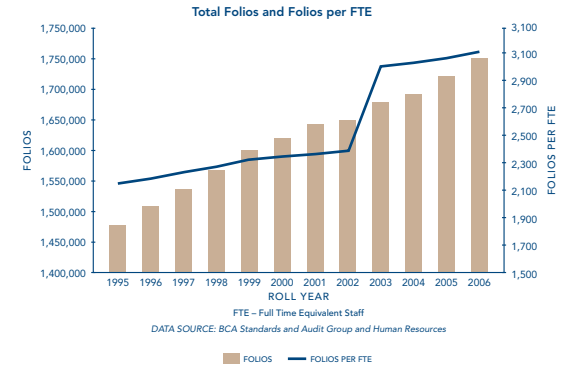
The corporation maintains appropriate internal controls and will continue reporting regularly to the Human Resources and Audit and Finance committees and Board of Directors. Payroll and benefits, as well as costs associated with staff turnover are subject to an annual external audit, currently performed by the Office of the Auditor General.

Appendix C: Supplementary 2006 Assessment Roll Information

ROLL PROFILE – 2005/2006 VALUE COMPARISON

Net taxable values for general purposes for all properties in British Columbia increased by 14.58 percent from 2005 to 2006. Fluctuating levels of new construction and movement in the real estate market contribute to annual increases or decreases in actual and net general taxable values.

This graph shows the number of folios requiring valuation per Full Time Equivalent employee which continues to grow each year.



Actual and Net General Taxable Values* – Comparison 2005**/2006								
PROPERTY CLASS	2005 ACTUAL VALUE (\$ MILLIONS)	2006 ACTUAL VALUE (\$ MILLIONS)	2005 TO 2006 CHANGE (\$ MILLIONS)	2005 TO 2006 CHANGE PERCENT	2005 NET GENERAL (\$ MILLIONS)	2006 NET GENERAL (\$ MILLIONS)	2005 TO 2006 CHANGE (\$ MILLIONS)	2005 TO 2006 CHANGE PERCENT
1 - Residential	434,251	499,891	65,640	15.12	417,969	482,056	64,087	15.33
2 - Utility	17,558	17,781	223	1.27	2,615	2,827	212	8.11
4 - Major Industry	5,473	5,759	286	5.23	4,683	4,926	243	5.19
5 - Light Industry	5,766	6,369	603	10.46	5,367	5,970	603	11.24
6 - Business/Other	97,425	107,380	9,955	10.22	58,431	64,862	6,431	11.01
7 - Managed Forest	972	1,062	90	9.26	972	1,032	60	6.17
8 - Recreational/Non-Profit	16,669	18,370	1,701	10.20	1,134	1,291	157	13.84
9 - Farm	1,309	1,328	19	1.45	1,290	1,307	17	1.32
TOTAL	579,423	657,940	78,517	13.55	492,461	564,271	71,810	14.58

*Net General is the property value that is left after the value change exemptions applicable to the property are removed.

**Includes Supplementary and Property Assessment Appeal Board changes up to March 10, 2006

DATA SOURCE: BCA Standards and Audit Group and Information Services Division, 2006 Rolls and Notices Audit Report and Supplementary Rolls

PROPERTY CLASS DISTRIBUTION

In British Columbia, 87.28 percent of all properties are classified as residential. In 2006, 0.9 percent of residential property owners requested a review of their property assessment.

Property Class Distribution				
PROPERTY CLASS	2005 OCCURRENCES	2005 PERCENTAGE	2006 OCCURRENCES	2006 PERCENTAGE
1 - Residential	1,587,542	87.29%	1,617,526	87.28%
2 - Utility	14,271	0.78%	14,403	0.78%
4 - Major Industry	8,620	0.47%	9,583	0.52%
5 - Light Industry	21,598	1.19%	23,231	1.25%
6 - Business/Other	110,212	6.06%	111,141	6.00%
7 - Managed Forest	4,044	0.22%	4,065	0.22%
8 - Recreational/Non-Profit	15,553	0.86%	16,492	0.89%
9 - Farm	56,873	3.13%	56,869	3.07%
TOTAL	1,818,713	100%	1,853,310	100%

Note: Occurrences will exceed the total number of individual properties in the province since a property may have one or more property classes.

DATA SOURCE: BCA Standards and Audit Group and Information Services Division, 2006 Rolls and Notices Audit Report

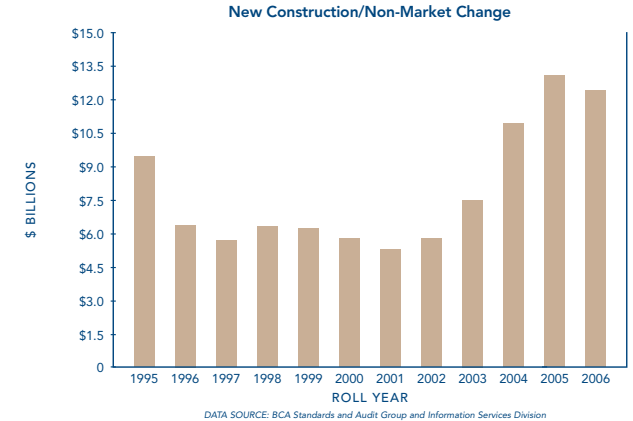
NEW CONSTRUCTION AND DEVELOPMENT

Total taxable value in new construction and development in the 2006 Assessment Roll was over \$12.4 billion, a slight decrease from the 2005 figure of \$13.1 billion. This is the second largest volume of new construction and development since British Columbia Assessment Authority starting tracking this data in 1990.

Vancouver experienced more than \$1.8 billion in new construction and development, the most of any community in British Columbia; over \$1.6 billion was in residential development. This compares to \$2.2 billion in new construction and development and \$2.1 billion in residential development in 2004. North Fraser experienced the second highest level, nearly \$1.6 billion with well over \$1.3 billion in residential development. This compares to nearly \$1.4 billion in new construction and development and nearly \$1.1 billion in residential development in 2004. Vancouver and Surrey/White Rock respectively experienced the first and second highest amount of new construction and development in 2004.

Vancouver also experienced the highest increase in folios, an additional 4,972 folios, for the 2006 Assessment Roll compared to the 2005 Assessment Roll. Surrey/White Rock experienced the second highest increase, 3,973 more folios for the 2006 Assessment Roll compared to the previous roll.

North Fraser experienced the highest percentage increase in value of new construction and development folios in BC – \$1.43 billion compared to \$1.07 billion for the 2005 Assessment Roll, or an increase of 33.6 percent. Penticton was the next highest noting an increase to \$440 million for the 2006 Assessment Roll compared to \$337 million the year before, an increase of 30.6 percent.



New Construction and Development – 2006 Assessment Roll (\$ millions)

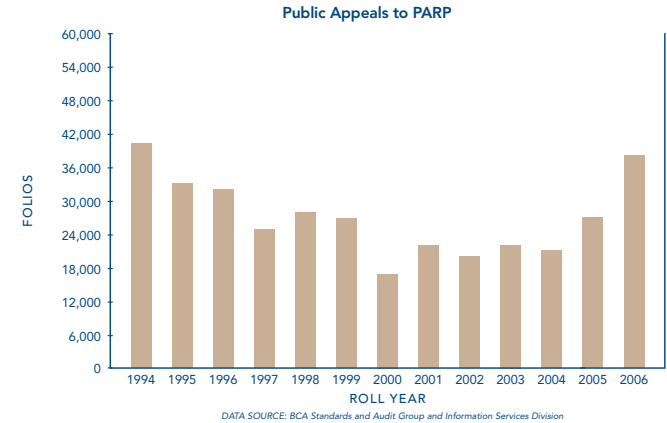
AREA OFFICE	RESIDENTIAL	UTILITIES	UNMANAGED FOREST	MAJOR INDUSTRY	LIGHT INDUSTRY	BUSINESS/ OTHER	MANAGED FOREST	RECREATIONAL/ NON-PROFIT	FARM	TOTAL
Capital	827.13	0.00	0.00	23.38	(0.11)	64.95	(0.43)	0.08	0.15	915.15
Central Vancouver Island	651.65	7.70	0.00	1.96	2.32	41.08	0.00	(1.46)	0.00	703.25
Courtenay	343.76	(1.49)	0.00	1.62	2.92	57.07	(0.34)	(0.46)	0.00	403.09
North Shore/Squamish	800.60	0.12	0.00	1.60	0.74	122.78	0.00	2.82	0.00	928.66
Vancouver	1,667.62	0.11	0.00	(10.74)	3.01	169.74	0.00	0.10	0.00	1,829.83
North Fraser	1,125.51	(2.60)	0.00	4.16	34.35	268.19	0.00	(1.64)	0.00	1,427.97
Richmond/Delta	466.70	0.13	0.00	2.44	15.19	220.72	0.00	(10.54)	(0.57)	694.06
Surrey/White Rock	891.00	0.00	0.00	0.00	0.93	135.00	0.00	60.00	1.30	1,088.23
Fraser Valley	1,385.64	6.34	0.00	7.04	23.95	164.35	(0.45)	(0.10)	2.66	1,584.10
Penticton	362.54	19.28	0.00	0.06	4.25	51.87	0.05	0.38	0.75	439.18
Kelowna	895.28	0.13	0.00	1.91	1.15	66.30	0.00	0.53	(0.45)	964.85
Vernon	229.65	(12.05)	0.00	4.21	2.84	45.15	0.00	(0.05)	(0.57)	269.18
Nelson/Trail	91.87	0.00	0.00	3.70	4.48	7.68	(0.05)	0.45	(0.28)	107.84
East Kootenay	230.83	1.49	0.00	1.05	0.08	13.24	(5.27)	2.92	0.01	244.34
Kamloops	163.20	0.84	0.00	8.90	0.04	13.61	0.00	1.54	0.15	188.20
Cariboo	15.61	0.00	0.00	21.30	3.50	10.10	0.00	0.65	0.22	51.37
Northwest	10.26	(2.76)	0.00	5.46	2.20	6.50	0.12	0.36	0.00	22.15
Prince George	42.71	(0.01)	0.00	37.12	(0.56)	13.41	0.00	(0.06)	0.00	92.61
Peace River	51.13	35.46	0.00	92.72	239.62	40.02	0.00	0.00	0.00	458.96
2006 Total	10,252.68	52.69	0.00	207.88	340.80	1,511.76	(6.36)	55.51	(1.96)	12,413.00
2005 Total	10,900.18	182.03	0.00	129.25	163.66	1,666.65	(17.65)	3.21	(1.45)	13,025.89

DATA SOURCE: BCA Standards and Audit Group and Information Services Division, RM130 Report generated from the 2006 Revised Roll, March 31, 2006

Complaints to the Property Assessment Review Panel TOTAL PUBLIC COMPLAINTS

ROLL YEAR	# OF PROPERTIES WITH COMPLAINTS (FOLIOS)	TOTAL PROPERTIES	% COMPLAINED
1994	40,209	1,433,348	2.8
1995	33,386	1,480,233	2.3
1996	32,030	1,515,030	2.1
1997	25,498	1,539,014	1.7
1998	28,497	1,567,771	1.8
1999	27,322	1,602,149	1.7
2000	17,565	1,623,284	1.1
2001	22,941	1,639,111	1.4
2002	20,137	1,653,323	1.2
2003	22,670	1,671,278	1.4
2004	21,533	1,691,300	1.3
2005	27,209	1,722,729	1.6
2006	38,388	1,749,347	2.2

DATA SOURCE: BCA Standards and Audit Group and Information Services Division, 2006 Rolls and Notices Audit and RG125 reports



Property Assessment Review Panel Complaint Statistics 1993 – 2006

ROLL YEAR	FOLIO COUNT	PUBLIC COMPLAINTS TO PARP (# OF FOLIOS)	PERCENT OF COMPLAINTS	TOTAL ACTUAL VALUE COMPLETED ROLL (\$ MILLIONS)	TOTAL ACTUAL VALUE AUTHENTICATED ROLL (\$ MILLIONS)	PERCENT CHANGE AFTER PARP	TOTAL NET GENERAL VALUE COMPLETED ROLL (\$ MILLIONS)	TOTAL NET GENERAL VALUE AUTHENTICATED ROLL (\$ MILLIONS)	PERCENT CHANGE AFTER PARP	APPEALS TO PAAB
1993	1,396,776	49,085	3.51%	306,423	304,969	-0.47%	257,860	256,121	-0.67%	1,701
1994	1,433,398	40,209	2.81%	343,810	343,194	-0.18%	290,818	290,110	-0.24%	1,976
1995	1,480,233	33,386	2.26%	373,674	373,550	-0.03%	313,670	312,981	-0.22%	1,286
1996	1,515,030	32,030	2.11%	384,687	384,283	-0.11%	322,034	321,440	-0.18%	1,238
1997	1,539,014	25,498	1.66%	395,869	395,219	-0.16%	329,297	328,692	-0.18%	1,072
1998	1,567,771	28,497	1.82%	407,735	406,899	-0.21%	340,068	339,209	-0.25%	1,555
1999	1,602,149	27,322	1.71%	403,673	402,996	-0.17%	335,203	334,459	-0.22%	971
2000	1,623,284	17,565	1.08%	403,223	402,397	-0.20%	334,851	334,023	-0.25%	820
2001	1,639,111	22,941	1.40%	410,811	410,357	-0.11%	341,109	340,439	-0.20%	1,071
2002	1,653,323	20,137	1.22%	420,589	420,074	-0.12%	349,201	348,472	-0.21%	1,135
2003	1,671,278	22,670	1.36%	451,564	450,877	-0.15%	378,252	377,460	-0.21%	1,318
2004	1,691,300	21,533	1.27%	495,919	495,049	-0.18%	420,297	419,367	-0.22%	1,568
2005	1,722,729	27,209	1.58%	580,524	579,831	-0.12%	496,020	494,706	-0.26%	1,867
2006	1,749,347	38,483	2.20%	659,823	657,941	-0.29%	567,108	566,191	-0.16%	N/A

DATA SOURCE: BCA Standards and Audit Group, Roll Quality History Report

Percentage Change to General Assessed Values

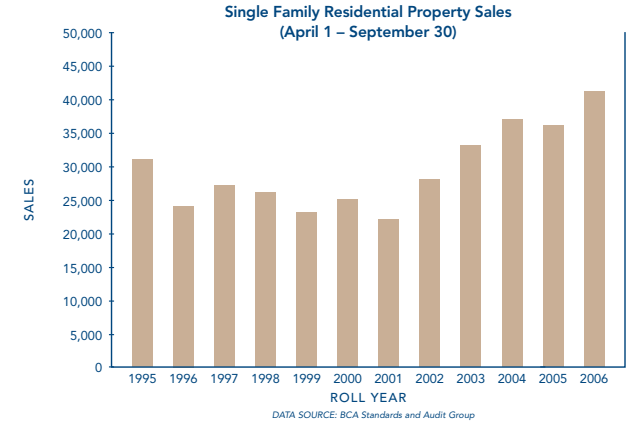
The following table shows the percentage change to assessed values on the 2006 Assessment Roll due to changes through the 2006 Property Assessment Review Panel (PARP). For all jurisdictions, the amount of change was a reduction of \$916.6 million out of a total of \$567.1 billion (a change of -0.16 percent).

Single Family Residential Property Sales

Since 2001, the number of single family residential property sales in BC has been increasing. This presents capacity challenges for the corporation which requires significant staff time to appraise, value and analyze the additional properties added to the assessment roll.

Percentage Change to General Assesed Values BASED ON 2006 PARP DECISIONS	
JURISDICTION TYPE	PERCENTAGE CHANGE
All Jurisdictions	-0.16%
City	-0.10%
District	-0.20%
Town	-0.05%
Village	-0.04%
Rural	-0.44%

DATA SOURCE: BCA Standards and Audit Group, 2006 Roll Quality Report



Glossary

Assessment

An assessment is the determination of a property's market value as of July 1 each year. On December 31, British Columbia Assessment Authority mails a Property Assessment Notice to each property owner that shows the property's market value and contains other important information about the property.

Assessment-to-Sales Ratio

The Assessment-to-Sales Ratio (ASR) is calculated by dividing the assessed value (as determined by British Columbia Assessment Authority) of a property that has sold by its actual selling price, then expressing the result as a percentage. A property with an assessed value of \$243,000 that sold for \$250,000, for example, would have an ASR of 97.2 percent.

Coefficient of Dispersion

The Coefficient of Dispersion (COD) measures how closely a group of numbers is clustered around its median, or middle, number. The lower the COD, the better the product.

Completed Roll

The Completed Roll is produced by British Columbia Assessment Authority and approved by the Assessment Commissioner in December of each year for taxation the following year.

Market Value

Market value is the price expected if a reasonable amount of time is allowed to find a purchaser and if both seller and prospective buyer are fully informed. For assessment purposes in British Columbia, market value is the most probable price that an unencumbered property would sell for on the open market on July 1.

Price-Related Differential

The Price-Related Differential (PRD) measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-assessed relative to low-value properties. Assessments are progressive if high-value properties are over-assessed. Progressivity or regressivity result in an inequitable distribution of the tax burden.

Property Assessment Review Panel (PARP)

The PARP is a three-member panel appointed annually by the provincial government to review property assessments. The panel ensures that the review is fair and impartial. The panel hears evidence to determine if a property has been valued or classified correctly, or if exemptions were properly applied. Neither the PARP nor British Columbia Assessment Authority has jurisdiction or control over taxes or tax rates - only property assessments, not property taxes, may be reviewed. The PARPs are independent of British Columbia Assessment Authority and the taxing jurisdictions.

Revised Roll

The Revised Roll includes amendments made by the Assessor and the Property Assessment Review Panels during February and March of each year.

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Executive Committee

Chief Executive Officer and
Assessment Commissioner

Doug Rundell

doug.rundell@bcassessment.ca

Corporate Secretary, Coordinator of Corporate
Planning, and Executive Assistant to the
CEO/Assessment Commissioner

Kevin Burr

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Executive Director
Assessment

Connie Fair

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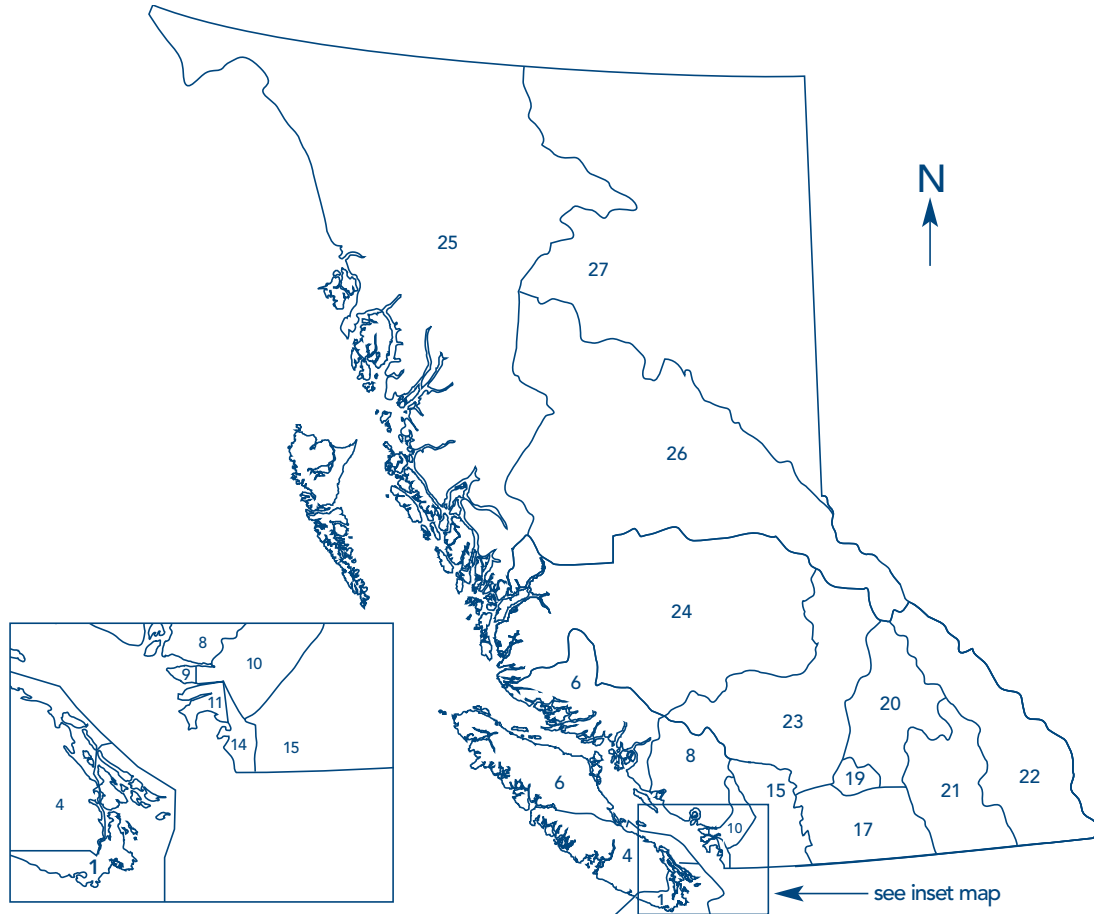
Assessment Regions and Offices

AREA OFFICE	OFFICE E-MAIL/TOLL-FREE	ASSESSOR	
CAPITAL REGION	1-800-990-1159 capital@bcassessment.ca	Brian Hawkins	#102-3350 Douglas St. Victoria, BC V8Z 7X9 Fax. 250 479-1849 Tel. 250 479-7131
VANCOUVER ISLAND REGION	Central Vancouver Island 1-800-977-2775 centralvanisl@bcassessment.ca	Peter Bretherton	#301-495 Dunsmuir St. Nanaimo, BC V9R 6B9 Fax. 250 754-1890 Tel. 250 753-6621
	Courtenay 1-800-977-2771 courtenay@bcassessment.ca		2488 Idiens Way Courtenay, BC V9N 9B5 Fax. 250 338-8112 Tel. 250 338-6511
VANCOUVER SEA TO SKY REGION	North Shore/Squamish 1-800-571-1211 northshore-squamish@bcassessment.ca	Jason Grant	#210-255 W. First St. North Vancouver, BC V7M 3G8 Fax. 604 984-9310 Tel. 604 984-9751
	Vancouver 1-800-661-1780 vancouver@bcassessment.ca		#200-1818 Cornwall Ave. Vancouver, BC V6J 1C7 Fax. 604 739-8666 Tel. 604 739-8588
SOUTH FRASER REGION	Richmond/Delta 1-800-644-7774 richmond-delta@bcassessment.ca	Mark Katz	#200-11331 Coppersmith Way Richmond, BC V7A 5J9 Fax. 604 241-1365 Tel. 604 241-1361
	Surrey/White Rock 1-800-607-5007 surrey-whiterock@bcassessment.ca		208-5460 152 St. Surrey, BC V3S 5J9 Fax. 604 576-4704 Tel. 604 576-4700

AREA OFFICE	OFFICE E-MAIL/TOLL-FREE	ASSESSOR	
NORTH FRASER REGION	1-800-661-6343 northfraser@bcassessment.ca	Kash Kang	420-2700 Production Way Burnaby, BC V5A 4X1 Fax. 604 294-8193 Tel. 604 294-6441
FRASER VALLEY REGION	1-800-393-1332 fraservalley@bcassessment.ca	John Yannacopoulos	#240-31935 South Fraser Way Abbotsford, BC V2T 5N7 Fax. 604 850-1394 Tel. 604 850-5900
OKANAGAN REGION	Penticton 1-800-766-6693 penticton@bcassessment.ca	Jim Inverarity	#201-3115 Skaha Lake Rd. Penticton, BC V2A 7Z3 Fax. 250 492-1018 Tel. 250 492-5740
	Kelowna 1-800-990-1192 kelowna@bcassessment.ca		#201-1912 Enterprise Way Kelowna, BC V1Y 9S9 Fax. 250 861-6136 Tel. 250 763-8300
	Vernon 1-800-990-1191 vernon@bcassessment.ca		#2820 28th St. Vernon, BC V1T 4Z6 Fax. 250 545-5603 Tel. 250 545-2171
KOOTENAYS REGION	Nelson/Trail 1-800-990-1194 nelson-trail@bcassessment.ca	Jim Norton	502 Victoria St. Nelson, BC V1L 4K8 Fax. 250 352-5531 Tel. 250 352-5581
	East Kootenay 1-800-556-9229 eastkootenay@bcassessment.ca		#200-117 Cranbrook St. North Cranbrook, BC V1C 3P8 Fax. 250 426-4902 Tel. 250 426-8901

AREA OFFICE	OFFICE E-MAIL/TOLL-FREE	ASSESSOR	
THOMPSON/CARIBOO REGION	Kamloops 1-800-806-6788 kamloops@bcassessment.ca	Bruce Tasaka	805 Renfrew Ave. Kamloops, BC V2B 3X3 Fax. 250 376-4032 Tel. 250 376-6281
	Cariboo 1-800-919-9918 cariboo@bcassessment.ca	Mark Wooldridge	#302-172 Second Ave. North Williams Lake, BC V2G 1Z6 Fax. 250 392-5482 Tel. 250 392-2996
NORTH REGION	Northwest 1-800-990-1116 northwest@bcassessment.ca	Val Drebet	#100-4545 Lazelle Ave. Terrace, BC V8G 4E1 Fax. 250 638-0156 Tel. 250 638-1116
	Prince George 1-800-757-9766 princegeorge@bcassessment.ca		#200-1777 3rd Ave. Prince George, BC V2L 3G7 Fax. 250 562-7211 Tel. 250 562-7215
	Peace River 1-800-990-1160 peacriver@bcassessment.ca		#1112-103rd Ave. Dawson Creek, BC V1G 2G7 Fax. 250 782-9647 Tel. 250 782-8515

Assessment Areas – Map



REGION	ASSESSMENT AREAS
Capital	01 - Capital
Vancouver Island	04 - Central Vancouver Island 06 - Courtenay
Vancouver Sea-to-Sky	08 - North Shore/Squamish 09 - Vancouver
North Fraser	10 - North Fraser
South Fraser	11 - Richmond/Delta 14 - Surrey/White Rock
Fraser Valley	15 - Fraser Valley
Okanagan	17 - Penticton 19 - Kelowna 20 - Vernon
Kootenays	21 - Nelson/Trail 22 - East Kootenay
Thompson/Cariboo	23 - Kamloops 24 - Cariboo
The North	25 - Northwest 26 - Prince George 27 - Peace River

BC Assessment

We Value BC

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