

**MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

### Opinion

We have audited the financial statements of the Municipal Potash Tax Sharing Administration Board, which comprise the statement of financial position as at December 31, 2021, and the statement of operations and accumulated surplus, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2021, and the results of its operations and changes in accumulated surplus for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Municipal Potash Tax Sharing Administration Board's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipal Potash Tax Sharing Administration Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipal Potash Tax Sharing Administration Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipal Potash Tax Sharing Administration Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Regina, Saskatchewan  
February 28, 2022

A handwritten signature in black ink that reads "T. Clemett".

Tara Clemett, CPA, CA, CISA  
Provincial Auditor  
Office of the Provincial Auditor

**Statement 1**

**Municipal Potash Tax Sharing Administration Board**  
**Statement of Financial Position**  
As at December 31, 2021

	<u>2021</u>	<u>2020</u>
<b>Financial Assets</b>		
Cash	\$ 2,076,748	\$ 33,376
Accounts Receivable	-	-
<b>Total Financial Assets</b>	<u>2,076,748</u>	<u>33,376</u>
<b>Liabilities</b>		
Accounts Payable	<u>2,044,251</u>	-
<b>Total Liabilities</b>	<u>2,044,251</u>	<u>-</u>
<b>Net Financial Assets and Accumulated Surplus (Statement 2)</b>	<u>\$ 32,497</u>	<u>\$ 33,376</u>

The accompanying notes form an integral part of the financial statements.

**Statement 2**

**Municipal Potash Tax Sharing Administration Board  
Statement of Operations and Accumulated Surplus  
For the Year Ended December 31, 2021**

	2021	2020
<b>Revenue:</b>		
Municipal Taxes Received From Rural Municipalities (Note 8)	\$ 19,424,450	\$ 19,326,099
Less: Tax Sharing Distributions (Schedule 1)		
Areas of Influence	<b>Rural</b>	<b>Urban</b>
Pense	2,776,390	308,490
Esterhazy	7,043,590	782,622
Saskatoon Lanigan	7,639,522	848,836
	17,459,502	1,939,948
Revenue Held for Administrative Costs (Note 7)	25,000	25,000
<b>Expenses:</b>		
Services Provided by Sask Association of Rural Municipalities	20,800	20,600
Board Member Per Diems	3,640	3,754
Maps	1,121	1,067
Insurance	318	318
Other Expenses	-	-
	25,879	25,739
<b>(Deficit) Surplus for the Year</b>	(879)	(739)
<b>Accumulated Surplus, Beginning of Year</b>	33,376	34,115
<b>Accumulated Surplus, End of Year (To Statement 1)</b>	\$ 32,497	\$ 33,376

The accompanying notes form an integral part of the financial statements.

**Municipal Potash Tax Sharing Administration Board**  
**Notes to the Financial Statements**  
**December 31, 2021**

**1. Authority**

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, municipal taxes levied by rural municipalities on potash mines based on a mill rate set by the Board are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The Board maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

**2. Significant Accounting Policies**

These financial statements have been prepared using Canadian public sector accounting standards. The following accounting policies are considered significant.

- a) Revenue - The municipal taxes received from rural municipalities are recognized as revenue when received or receivable.
- b) Tax Sharing Distributions - Tax sharing distributions are recorded as an expense when the calculations have been approved by the Board.

**3. Cash Flow Statement**

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

**4. Statement of Changes in Net Financial Assets**

A statement of changes in net financial assets has not been prepared since the information is readily apparent from the other financial statements.

**Municipal Potash Tax Sharing Administration Board**  
**Notes to the Financial Statements**  
**December 31, 2021**

**5. Budget**

The budgeted amounts disclosed in these statements are those approved by the Board on April 7<sup>th</sup>, 2021.

**6. Distribution of Funds**

As per Section 7(1) of the General Regulations under *The Municipal Tax Sharing (Potash) Act*, the funds available for distribution to municipalities are disbursed to the municipalities in each area of influence (unit) with 90% paid to rural municipalities and 10% paid to urban municipalities.

**7. Administration Costs**

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of \$35,000, for the administration costs of the Board. During the year, the Board withheld 0.13% (2020 - 0.13%) of taxes received totalling \$25,000 (2020 - \$25,000).

**Municipal Potash Tax Sharing Administration Board**  
**Notes to the Financial Statements**  
**December 31, 2021**

**8. Municipal Taxes From Rural Municipalities**

The following table provides details of the Municipal Potash Tax Levy remitted by each rural municipality, net of discounts.

<u>Rural Municipality</u>	<u>RM #</u>	<u>Budget 2021</u>	<u>Actual 2021</u>	<u>Actual 2020</u>
<b>Pense Area:</b>				
Pense	160	\$ 1,109,864	\$ 1,109,864	\$ 1,081,780
Dufferin	190	1,979,086	1,979,086	1,892,376
		<u>3,088,950</u>	<u>3,088,950</u>	<u>2,974,156</u>
<b>Esterhazy Area:</b>				
Rocanville	151	3,623,391	3,623,391	3,839,997
Spy Hill	152	3,382,204	3,382,204	2,754,636
Langenburg	181	830,749	830,749	911,795
		<u>7,836,344</u>	<u>7,836,344</u>	<u>7,506,428</u>
<b>Saskatoon Lanigan Area:</b>				
Usborne	310	2,212,689	2,212,689	2,038,937
Colonsay	342	475,541	475,541	1,035,956
Blucher	343	2,026,770	2,026,770	1,834,936
Corman Park	344	2,044,251	2,044,251	1,967,355
Vanscoy	345	1,739,905	1,739,905	1,968,331
		<u>8,499,156</u>	<u>8,499,156</u>	<u>8,845,515</u>
		<u>\$ 19,424,450</u>	<u>\$ 19,424,450</u>	<u>\$ 19,326,099</u>

**Schedule 1**

**Municipal Potash Tax Sharing Administration Board  
Schedule of Tax Sharing Distributions  
For the Year Ended December 31, 2021**

	<u>Budget 2021</u>	<u>Actual 2021</u>	<u>Actual 2020</u>
<b><u>Pense Area: Rural Municipalities</u></b>			
129 Bratt's Lake	\$ 11,492	\$ 11,492	\$ 11,065
130 Redburn	157,837	157,837	151,967
131 Baildon	78,137	78,137	75,233
159 Sherwood	74,448	74,448	71,681
160 Pense	774,122	774,121	745,351
161 Moose Jaw	437,885	437,885	421,608
162 Caron	18,030	18,030	17,360
189 Lumsden	71,313	71,313	68,663
190 Dufferin	749,834	749,834	721,963
191 Marquis	252,250	252,250	242,874
220 McKillop	2,962	2,962	2,852
221 Sarnia	107,624	107,624	103,624
222 Craik	40,457	40,457	38,953
	<u>2,776,391</u>	<u>2,776,390</u>	<u>2,673,194</u>
<b><u>Pense Area: Urban Municipalities</u></b>			
Belle Plaine	9,897	9,897	9,529
Bethune	46,459	46,459	44,732
Briercrest	4,628	4,628	4,456
Chamberlain	2,620	2,620	2,522
Dilke	2,853	2,853	2,747
Disley	1,950	1,950	1,878
Drinkwater	8,151	8,151	7,848
Findlater	5,240	5,240	5,045
Grand Coulee	18,892	18,892	18,190
Grandview Beach	1,019	1,019	981
Lumsden	41,103	41,103	39,575
Marquis	2,824	2,824	2,719
North Grove	15,370	15,370	14,798
Pelican Pointe	815	815	785
Pense	68,349	68,349	65,809
Regina Beach	31,220	31,220	30,059
South Lake	19,678	19,678	18,947
Sun Valley	13,740	13,740	13,229
Sunset Cove	524	524	504
Tuxford	13,158	13,158	12,668
	<u>308,490</u>	<u>308,490</u>	<u>297,021</u>
<b>Area Total</b>	<u>3,084,881</u>	<u>3,084,880</u>	<u>2,970,215</u>

**Municipal Potash Tax Sharing Administration Board**  
**Schedule of Tax Sharing Distributions**  
**For the Year Ended December 31, 2021**

	<u>Budget 2021</u>	<u>Actual 2021</u>	<u>Actual 2020</u>
<b><u>Esterhazy Area: Rural Municipalities</u></b>			
121 Moosomin	212,449	212,449	220,634
122 Martin	201,715	201,715	183,857
123 Silverwood	39,705	39,705	36,190
151 Rocanville	1,665,090	1,665,090	1,517,680
152 Spy Hill	1,830,164	1,830,163	1,995,125
153 Willowdale	277,130	277,130	252,605
181 Langenburg	1,119,488	1,119,488	1,020,380
183 Fertile Belt	1,220,661	1,220,661	1,112,593
184 Grayson	7,259	7,259	6,617
211 Churchbridge	298,234	298,234	271,831
213 Saltcoats	171,696	171,696	156,496
	<u>7,043,591</u>	<u>7,043,590</u>	<u>6,774,008</u>
<b><u>Esterhazy Area: Urban Municipalities</u></b>			
Atwater	1,515	1,515	1,399
Bangor	1,919	1,919	1,772
Bird's Point	5,655	5,655	5,221
Bredenbury	18,781	18,781	17,342
Churchbridge	45,236	45,236	41,771
Esterhazy	353,206	353,206	326,151
Gerald	27,465	27,465	25,361
Langenburg	54,652	54,652	50,466
Rocanville	174,280	174,280	160,931
Spy Hill	33,927	33,927	31,328
Stockholm	17,771	17,771	16,410
Tantallon	18,377	18,377	16,970
Wapella	16,459	16,459	15,198
West End	1,868	1,868	1,725
Yarbo	11,511	11,511	10,629
	<u>782,622</u>	<u>782,622</u>	<u>722,674</u>
<b>Area Total</b>	<u>7,826,213</u>	<u>7,826,212</u>	<u>7,496,682</u>

**Municipal Potash Tax Sharing Administration Board**  
**Schedule of Tax Sharing Distributions**  
For the Year Ended December 31, 2021

	<u>Budget 2021</u>	<u>Actual 2021</u>	<u>Actual 2020</u>
<b>Saskatoon-Lanigan Area: Rural Municipalities</b>			
279 Mount Hope	114	114	118
280 Wreford	39,417	39,417	41,015
281 Wood Creek	3,055	3,055	3,179
283 Rosedale	2,476	2,476	2,576
309 Prairie Rose	123,459	123,459	128,465
310 Usborne	698,740	698,740	727,069
312 Morris	435,066	435,066	452,705
313 Lost River	306,501	306,501	318,927
314 Dundurn	182,869	182,869	190,282
315 Montrose	212,646	212,646	221,267
316 Harris	47,968	47,968	49,913
339 Leroy	103,894	103,894	108,106
340 Wolverine	570,167	570,167	593,283
341 Viscount	536,959	536,959	558,729
342 Colonsay	590,278	590,278	614,210
343 Blucher	944,098	944,098	982,374
344 Corman Park	1,124,413	1,124,412	1,170,000
345 Vanscoy	1,041,564	1,041,564	1,085,326
346 Perdue	185,777	185,777	193,309
370 Humboldt	1,752	1,752	1,823
371 Bayne	58,332	58,332	60,697
372 Grant	86,950	86,950	90,475
373 Aberdeen	305,120	305,120	317,490
376 Eagle Creek	37,908	37,908	39,444
	<u>7,639,523</u>	<u>7,639,522</u>	<u>7,950,782</u>

**Municipal Potash Tax Sharing Administration Board**  
**Schedule of Tax Sharing Distributions**  
For the Year Ended December 31, 2021

	<u>Budget 2021</u>	<u>Actual 2021</u>	<u>Actual 2020</u>
<b><u>Saskatoon-Lanigan Area: Urban Municipalities</u></b>			
Aberdeen	20,932	20,932	21,785
Allan	80,599	80,599	83,882
Asquith	19,993	19,993	20,808
Bradwell	20,775	20,775	21,622
Clavet	51,313	51,313	53,403
Colonsay	56,444	56,444	58,744
Dalmeny	44,210	44,210	46,012
Delisle	127,531	127,531	132,727
Drake	6,164	6,164	6,415
Kinley	1,877	1,877	1,954
Langham	39,048	39,048	40,639
Lanigan	148,745	148,745	154,805
Manitou Beach	9,825	9,825	10,225
Meacham	3,098	3,098	3,224
Osler	34,996	34,996	36,422
Perdue	10,450	10,450	10,876
Plunkett	1,877	1,877	1,954
Shields	9,011	9,011	9,378
Tessier	782	782	814
Thode	4,912	4,912	5,112
Vanscoy	57,821	57,821	60,177
Viscount	29,036	29,036	30,218
Vonda	12,015	12,015	12,504
Watrous	45,368	45,368	47,216
Young	7,634	7,634	7,945
Zelma	4,380	4,380	4,559
	<u>848,836</u>	<u>848,836</u>	<u>883,420</u>
<b>Area Total</b>	<u>8,488,359</u>	<u>8,488,358</u>	<u>8,834,202</u>
<b>Total Tax Sharing (To Statement 2)</b>	<u>\$ 19,399,453</u>	<u>\$ 19,399,450</u>	<u>\$ 19,301,099</u>