



# BUILDING SUCCESS



2017-2018 **ANNUAL REPORT**

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## MISSION

SIGA will strengthen the lives of First Nation people through employment, economic growth, positive community relations and achieving financial self-reliance. This will be done through the operation of distinctive First Nation gaming destinations that reflect the traditional aspects of our First Nation culture and hospitality.

## VISION

SIGA will deliver sustainable net income and employment opportunities to support First Nations' development in Saskatchewan.



## INTRODUCTION

**During our first 22 years, we reached many significant milestones.** As a company, we will continue to manage our resources effectively with a resolute focus on providing our customers with First Nation hospitality and customer service excellence. We look forward to building on the success of a proven First Nation business model that creates opportunity and value for the First Nation people of Saskatchewan.

# GUIDING PRINCIPLES AND BUSINESS VALUES

As a First Nation organization employing First Nation people, SIGA has adopted five principles to encourage balance while incorporating the traditional aspects of First Nation culture. While our five guiding principles are presented here in Cree, there are parallel expressions in the Saulteaux, Dene, Lakota, Dakota and Nakota languages.

## 1

### **Tâpwêwin**

The principle of Tâpwêwin advocates speaking with precision and accuracy. From a business perspective, this means SIGA must be accountable for our actions and conduct business with integrity, honour and discipline.

## 2

### **Pimâcihowin**

Pimâcihowin stresses the importance of “making a living” and is today’s realization of our First Nations’ treaty relationships. The financial and operational success of SIGA provides the means to exercise a holistic approach to improving the quality of life for our people.

## 3

### **Miyo-wîcêhtowin**

The value of getting along with others is embodied in the word Miyo-wîcêhtowin. By conducting our business in a manner that reflects our First Nation hospitality, traditions and customs, we are able to foster good relations with our customers. Guest satisfaction is crucial to our success and our First Nation heritage is a source of competitive advantage.

## 4

### **Miskâsowin**

Miskâsowin signifies the value of finding one’s sense of origin and belonging. A fundamental goal of SIGA is to bring about this sense in a positive way. This value speaks to instilling a sense of pride in ourselves and our province’s First Nation heritage.

## 5

### **Witaskêwin**

Living together on the land is the fundamental value conveyed by the word Witaskêwin. SIGA’s vision “Sharing Success” talks to the concept of sharing our land or, in today’s terms, sharing resources. This value directs us to give back to the communities where we live and work.

# CORPORATE OVERVIEW

SIGA provides first-class entertainment to patrons across Saskatchewan through each of our casino destinations. SIGA employs more than 1,700 people including close to 1,200 who are of First Nation ancestry. The entertainment company currently ranks in Saskatchewan's top 30 companies and Canada's top 50 Best Workplaces with annual revenues of \$252.3 million and net profits of \$84.5 million for 2017-2018.

SIGA casinos offer entertainment and excitement, including 2,120 slot machines, 53 live table games, live on-stage entertainment and a full line of food and beverage services. SIGA employees provide a second-to-none customer service experience, rooted in traditional First Nation hospitality and culture.

Under *The First Nations Gaming Act, 1995*, the Federation of Sovereign Indigenous Nations, formerly the Federation of Saskatchewan Indian Nations Inc. (FSIN), created the Saskatchewan Indian Gaming Authority. Since 1996, SIGA has been incorporated under *The Non-Profit Corporation Act, 1995*, of Saskatchewan with all profits returned to our beneficiaries.

**Profits generated from SIGA's operations are administered by the Province of Saskatchewan:**

- 50 per cent is shared with the First Nations Trust, which is distributed to Saskatchewan First Nation communities;
- 25 per cent is shared with regional Community Development Corporations (CDCs), which are situated in the casino locations and fund local initiatives. The CDCs, which are independent of SIGA, distribute this money to charitable and non-profit community organizations;
- 25 per cent is shared with the provincial government's General Revenue Fund.

As a responsible corporate citizen, SIGA has made a commitment to our customers, employees, stakeholders and suppliers to advocate the responsible use of our gaming products and minimize the potential for harm.

**SIGA is the operator of six First Nation casinos in Saskatchewan.**

The casinos are conveniently located across the province:

<b>Bear Claw Casino &amp; Hotel</b> White Bear First Nation near Carlyle	<b>Gold Eagle Casino</b> Mosquito First Nation North Battleford	<b>Northern Lights Casino</b> Peter Ballantyne Cree Nation Prince Albert
<b>Dakota Dunes Casino</b> Whitecap Dakota First Nation near Saskatoon	<b>Living Sky Casino</b> Nekaneet First Nation Swift Current	<b>Painted Hand Casino</b> Kahkewistahaw First Nation Yorkton

# MESSAGE FROM THE FSIN



The Saskatchewan Indian Gaming Authority has completed another year of steadfast operations in 2017-2018, continuing to generate employment and economic development opportunities for Saskatchewan's 74 First Nations.

SIGA is an award-winning First Nation employer, one of the most successful in Canada, and a top Saskatchewan business. Today, SIGA employs more than 1,700 people – 65 per cent of these are First Nation. Born with a mandate to create employment for First Nation people, for the past 22 years SIGA has enabled First Nations to carry out our Inherent and Treaty Right to self-determination by increasing participation in the economy. The impact SIGA has had in the areas of job creation, economic development and own-source revenue for First Nations cannot be understated.

When the Chiefs of our territories established SIGA as a non-profit, they charted a course toward financial self-reliance for our people; one that has enabled SIGA to share success among our Saskatchewan First Nations and broader communities.

Thank you to all our leaders and employees for the work you do to help create positive impacts in our communities. I look forward to celebrating many more years of SIGA's success as it continues to shine as a trailblazer in Canada's gaming industry.

On behalf of the Federation of Sovereign Indigenous Nations, I am pleased to submit the 2017-2018 Saskatchewan Indian Gaming Authority Inc. annual report ending March 31, 2018.

Ekosi,

**Chief Bobby Cameron**

Federation of Sovereign Indigenous Nations

**“The impact SIGA has had in the areas of job creation, economic development and own-source revenue for First Nations cannot be understated.”**

## MESSAGE FROM SIGA'S BOARD CHAIR



“As we move into the next year, the board, on behalf of the owners of Saskatchewan, will continue to invest in our people, our operations, and our projects to benefit First Nations right across Saskatchewan.”

– Chief Reginald Bellerose  
Board Chair, SIGA

View full message at  
[SIGAannualreport.ca](http://SIGAannualreport.ca)

## MESSAGE FROM THE PRESIDENT AND CEO



“At SIGA, we recognize our success comes down to delivering an exciting entertainment experience and excellent hospitality for our customers with every visit. To do this, we recognize we need great people.

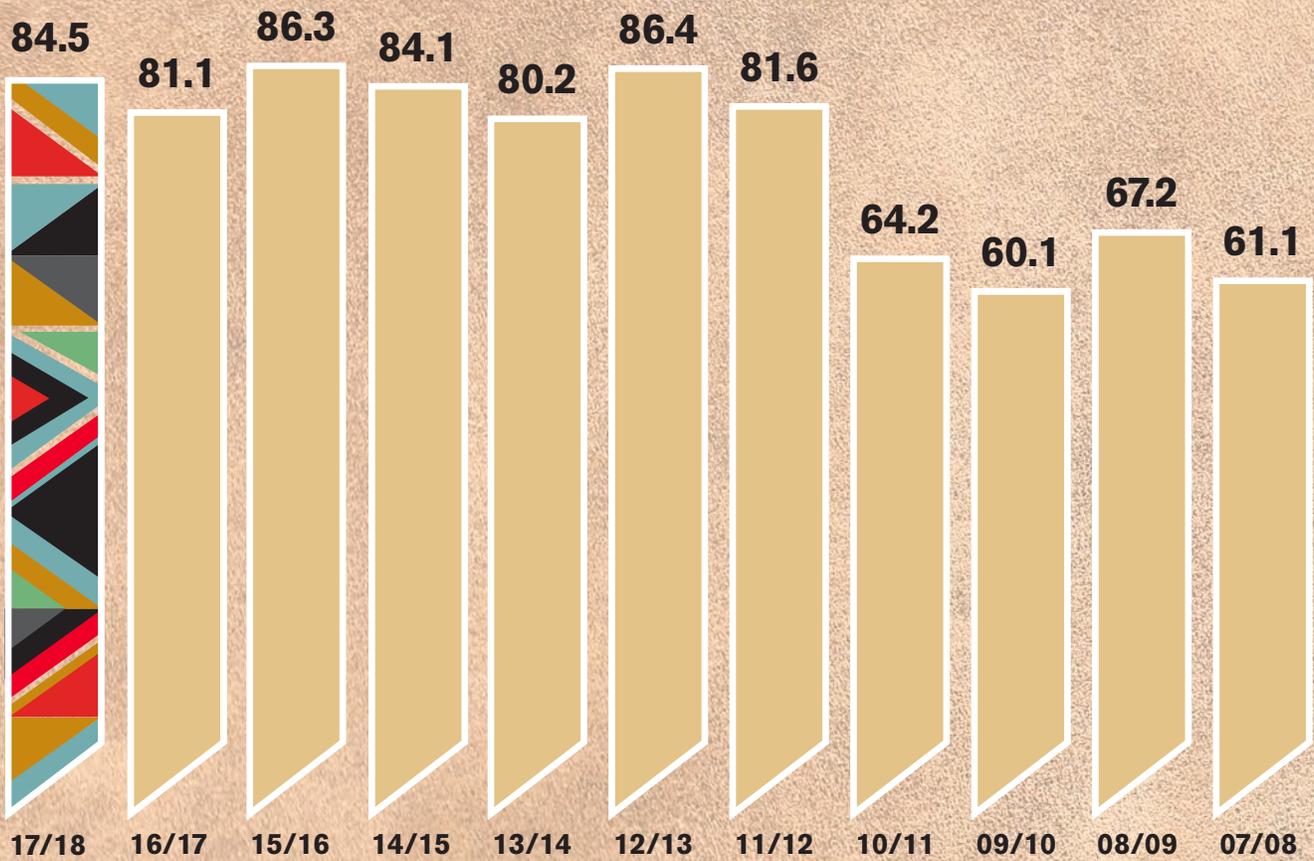
I want to extend a huge thank you to our customers for their support over this past year and to our many employees across our six casinos for their commitment and dedication day in and day out.”

– Zane Hansen  
President and CEO,  
SIGA

View full message at  
[SIGAannualreport.ca](http://SIGAannualreport.ca)



# ANNUAL PROFITS

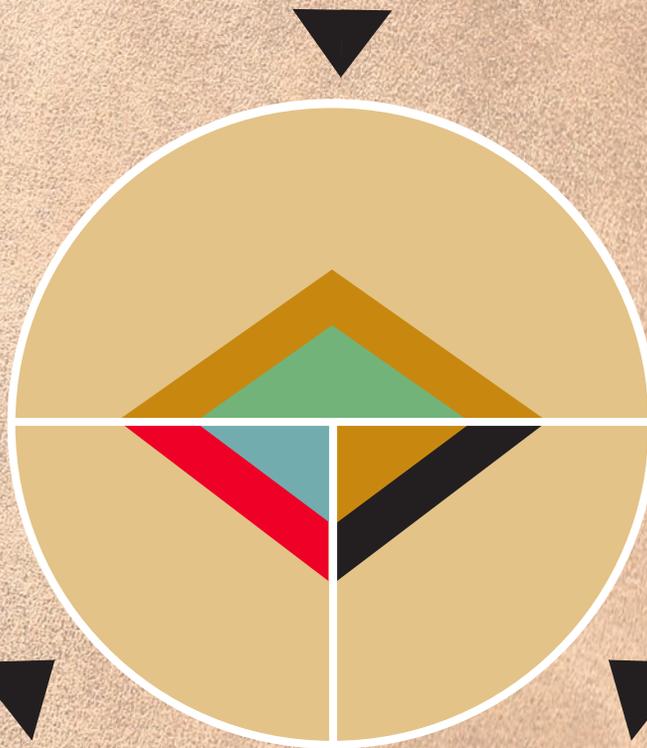


**\$252.3 million** in revenue for the 2017-2018 fiscal year

# PROFIT DISTRIBUTION

**50%**

Is shared with the First Nations Trust, which is distributed to Saskatchewan First Nation communities



**25%**

Is shared with the provincial government's General Revenue Fund

**25%**

Is shared with regional Community Development Corporations, which are situated in casino locations and fund local initiatives

**CORPORATE  
SOCIAL  
RESPONSIBILITY**



# COMMUNITY INVESTMENT

Sharing Success is core to who we are at SIGA. Our guiding principle Wîtaskêwin directs us to give back to communities where we live and work through sharing our land and sharing our resources.

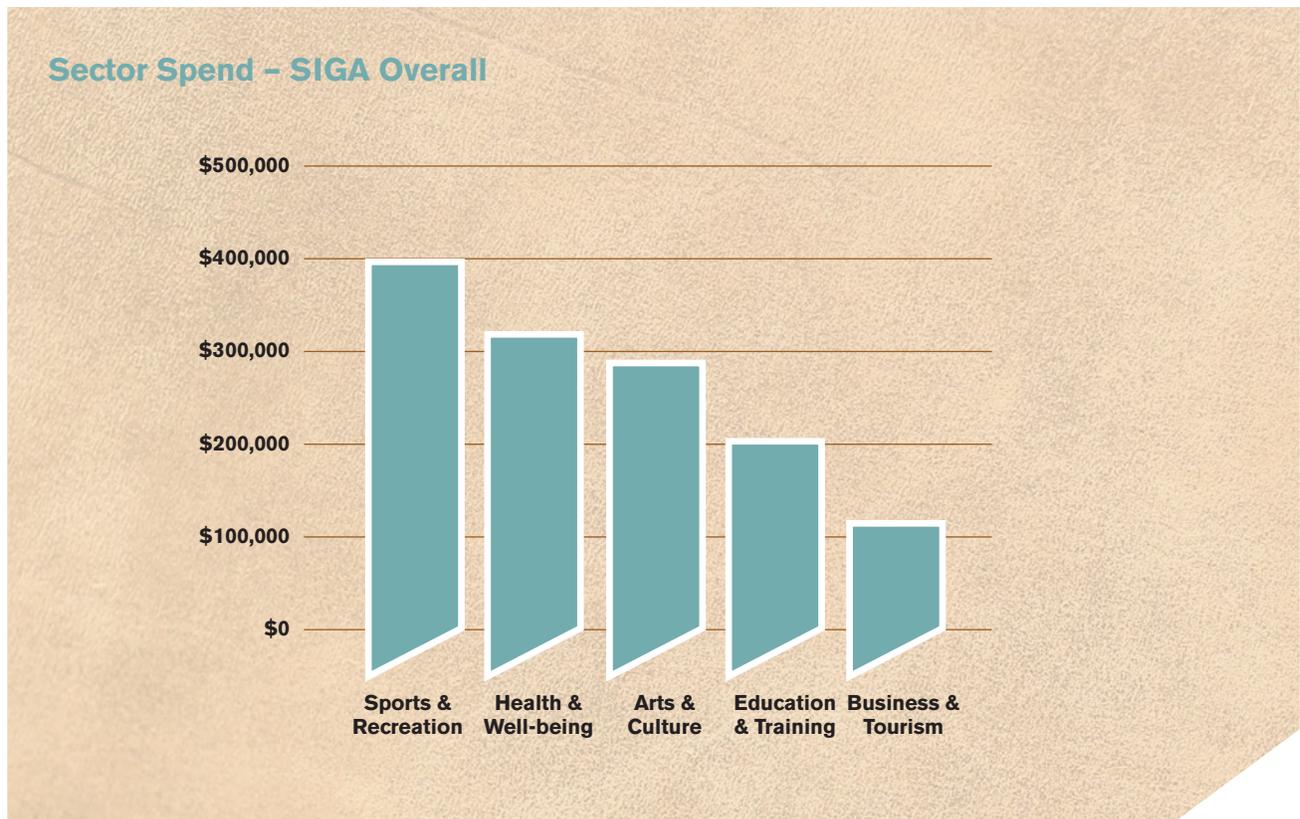
## SPONSORSHIP HIGHLIGHTS

In 2017-2018, SIGA's community relations sponsorship program invested \$1.25 million into charitable and non-profit organizations in Saskatchewan.

SIGA helps to build and strengthen communities in Saskatchewan by strategically investing in targeted sectors where we can have the most impact. These sectors include education and training, health and well-being, sports and recreation, business and tourism, and arts and culture. SIGA continues to make a difference in the lives of Saskatchewan people by improving the quality of life for those with special needs and for the socially, physically and economically disadvantaged.

This past fiscal year, SIGA and our casinos supported more than 573 events or organizations across Saskatchewan.

Learn more at  
[SIGAannualreport.ca](http://SIGAannualreport.ca)



## FIBA 3x3 Masters Event



Finalists at the 3x3 YXE Amateur Competition

In July 2017, Saskatoon hosted the first-ever FIBA 3x3 World Tour Masters in Canada. The event – organized by Saskatoon Sports Tourism, in partnership with Canada Basketball – took place in conjunction with Taste of Saskatchewan in downtown Saskatoon.

At this event, FIBA also held a 74-team amateur tournament, FIBA 3x3 YXE, that hosted youth teams from across Saskatchewan. SIGA was the proud sponsor

of 3x3 YXE, which gave opportunities to our youth from the North and South to come to Saskatoon to compete in 3x3 basketball.

The Masters event was broadcast on TSN and aired in more than 110 countries! Saskatoon's own foursome of Michael Linklater, Michael Lieffers, Nolan Brudehl and Steve Sir won second place in the Masters tournament.

## 2018 Tony Cote First Nation Winter Games

SIGA has sponsored the Saskatchewan First Nation Summer and Winter Games since their inception in 1996. The Saskatchewan First Nation Winter Games is a major event held every two years and, this year, brought together about 3,800 participants in the form of coaches, athletes and managers, plus thousands more spectators. This year, Shoal Lake, Red Earth and Cumberland House Cree Nations hosted the games, which took place in Saskatoon.



Athletes, coaches and volunteers line up ahead of the Opening Ceremonies

## All Nations Healing Hospital Expansion

First Nation people of Saskatchewan face significant challenges today in obtaining timely access to quality health care services that meet the unique needs of their communities. That is why SIGA committed to investing \$250,000 to All Nations Healing Hospital (ANHH) over five years. In 2017-2018, we completed our multi-year commitment to the ANHH.

The ANHH is in Fort Qu'Appelle on Treaty 4 Territory and is one of the first integrated health care facilities in Canada owned and operated by First Nations. ANHH practises a holistic, integrated approach to delivering acute health care, community health programs and clinical counselling services.

## SIGA Charity Pancake Breakfast for White Buffalo Youth Lodge

Also new in 2017, SIGA hosted a charity pancake breakfast that brought together many of our First Nation and other corporate partners in support of White Buffalo Youth Lodge and raised close to \$5,000 for that very worthy cause. This charity breakfast will become an annual event to raise funds for youth programming at the Lodge.



## SIGA Good Food Run for CHEP Good Food

In 2017, SIGA launched a new annual event to raise money for CHEP Good Food and Child Hunger Education Programs in Saskatoon's Community Schools – SIGA's Good Food Run, presented by the SIGA Long Runners fitness group. Our inaugural charity run saw more than 200 participants walk, jog or run and raise more than \$5,000 for this cause.

**743**

sponsorship proposals

received between  
April 1, 2017 – March 31, 2018

**48%**

of the proposals that came in  
were first-time applicants

**573**

partnerships

were created during this period  
(either cash or merch/in-kind)  
to more than **500** different  
organizations

## VOLUNTEER PROGRAM

In 2017-2018, 29 per cent of SIGA's employees participated in our Employee Volunteer Program. Together, SIGA employees spent 3,961 hours in our communities at more than 100 events and organizations.

Rolled out in 2011 and 2012, the program includes organization by dedicated volunteer coordinators and committees at each of SIGA's casinos and central offices.

This year, SIGA launched a brand new initiative, "SIGA's Day of Sharing," a day where all of the casinos and central office find a community partner and volunteer with their teams to fulfill a need of that partner. SIGA Day of Sharing was a huge success and will become an annual event to engage our employees in volunteering.

### SIGA Employees Volunteering in Their Communities



- 1 Oskāyak School Daycare – Outdoor playground refresh; 2 Veteran Cemetery – Cemetery and cross cleaning and painting;  
3 Battlefords Union Hospital – Home Lottery fundraising; 4 SIGN Early Learning Centre – Play area build; 5 Bernice Sayese Community Centre – BBQ community fundraiser; 6 The Saskatoon Food Band Garden Patch – Harvest; 7 Swift Current Children's Wish Game;  
8 Big Bike for Heart & Stroke; 9 Moose Mountain Nursing Home – Terry Fox Walk and Bingo

Learn more  
about our  
volunteer  
initiatives

## SCHOLARSHIP AWARDS

In 2017-2018, SIGA partnered with the Saskatchewan Indian Institute of Technologies (SIIT) to offer \$100,000 in scholarships to SIIT students with the help of a \$50,000 matching grant from the provincial government.

SIGA's First Nation Scholarship Program was established in 2009 to provide First Nation students the incentive and means to pursue education to support the continued success of First Nation employment in Saskatchewan.



## RESPONSIBLE GAMING HIGHLIGHTS

### RGCheck Accreditation

Dakota Dunes Casino, Living Sky Casino and Northern Lights Casino successfully completed the RGCheck re-accreditation process and have been accredited until February 2021. Bear Claw Casino & Hotel, Gold Eagle Casino and Painted Hand Casino submitted their annual update and successfully maintained their RGCheck accreditation status.

### Responsible Gambling Awareness Week

Each year, SIGA casinos actively participate in Responsible Gambling Awareness Week, encouraging patrons to use their GameSense by hosting events and sharing information and resources about responsible gambling. SIGA conducts a patron survey each year during RG Week to measure awareness of GameSense resources. GameSense awareness for 2017-2018 was 62.7 per cent.

### GameSense

In September 2015, SIGA launched GameSense as the new program for our Responsible Gaming Strategy. In July 2016, we added a web-based application, SIGA's GameSense Info Centre, to provide responsible gambling information at patrons' fingertips. GameSense is an innovative, award-winning program designed to promote informed choice and healthy behaviours among patrons.

# OUR OPERATIONS



# GAMING HIGHLIGHTS

SIGA casinos offer high-value entertainment and engaging guest experiences delivered with our unique brand of First Nation hospitality.

SIGA remains committed to providing an exciting casino experience for our patrons by investing in cutting-edge products and exceptional customer service. Together, SIGA's six casinos feature 2,120 slot machines and 53 live table games.

In 2017-2018, under the oversight of our new Gaming Services unit, SIGA began to transition the management of our slot machine system to SIGA from the Western Canadian Lottery Corporation. The Slot Management Project will make SIGA a true operator overseeing all aspects of casino operations. It has allowed us to expand our technical capacity and knowledge while offering increased employment and talent development opportunities. This change means we will

be able to deliver new products to our guests more quickly and efficiently.

This year, SIGA made a number of additions to gaming vendors and products as part of our commitment to leverage new technology to provide the best possible gaming experience for our guests. This began with the introduction of a new slot vendor to expand our product options. We brought in the G-Station to offer electronic table games on our floor, including Blackjack and Baccarat variations. We reintroduced the Red Dog table and Push 22 side games, and also purchased automatic shufflers to replace leased ones to reduce operation costs in the long term.

The infographic is a 2x3 grid of light beige panels with a textured background. Each panel features a teal icon, a large number, and descriptive text. The icons include a stack of coins, a thumbs up with stars, a slot machine, a person at a slot machine, a slot machine reel, and people at a table.

 <b>\$932,302,981</b> in currency inserted into slot machines  If you placed that many loonies side by side it would cover an area greater than <b>109</b> football fields	 <b>\$168,729,275</b> in slot jackpots won	 <b>3,175,505,235</b> total bets wagered (slots)
 <b>1</b> instant millionaire from a Smoke Signals Slot Progressive jackpot	 <b>2,130,109,609</b> slot spins  It would take one person playing 24 hours a day, 365 days a year over <b>507</b> years to play that many spins	 <b>53</b> live game tables are featured at SIGA's six casinos

# GOLD HORSE CASINO

We're building more than a casino. We're building success for Lloydminster.



The Gold Horse Casino will be a draw for gaming enthusiasts and visitors.

But it will deliver so much more. It will provide long-term employment and incomes for more than 140 people at all skill levels. It will foster regional economic growth by drawing on local suppliers, supporting spin-off businesses and attracting customers to Lloydminster's restaurants and retail outlets. And, proceeds from the new casino will be reinvested in community priorities and causes through donations and sponsorships.

## FEATURES

- 33,750 square feet
- Popular slot, electronic and live table games
- Regional destination
- \$26.5 million First Nation investment
- 140 full-time employees, \$7 million payroll
- Modern food and beverage outlet
- Entertainment room
- Clean, safe, comfortable
- High customer service

# DAKOTA DUNES HOTEL

SIGA continues to invest in first-rate amenities for our guests as a partner on the Dakota Dunes Hotel development on Whitecap Dakota First Nation. This addition is a \$27 million project to which SIGA is contributing \$3.5 million.

Dakota Dunes Casino (DDC) Food and Beverage and Operations employees will be actively involved in the hotel project to enhance DDC's offerings. With the hotel build, we will review the food and beverage model and look to add a full-service restaurant for our guests.

### FEATURES

- 160 rooms
- Restaurant and lounge to seat 120 patrons
- VLTs
- Meeting rooms
- Shared common area

# FOOD AND BEVERAGE

This year, SIGA completed a number of upgrades to our food and beverage software systems to help us provide the most efficient customer service to our guests.

We updated our Dinerware point of sale and introduced new catering and event software. This new software has helped to standardize and streamline our team's processes and has improved our ability to offer exceptional event management for our customers and meeting planners.

We also began piloting a number of new technologies and equipment to increase efficiencies and improve the quality and consistency of our food and beverage products. One such technology is the Rational Self-Cooking Centre, which we have piloted and are looking to install in all SIGA casinos. This will move us away from conventional ovens and open the door to new products and fresher food programs. We also piloted new equipment and technology

for coffee service that will enable us to provide extensive specialty coffee offerings for our guests. Both of these new technologies will be officially launched with our new Gold Horse Casino.

SIGA also joined a new food purchasing group, "Foodbuy," in March 2017, which will increase our annual food purchase rebates from \$24,000 to \$70,000 annually. We developed online wine training to further build our Food and Beverage team's knowledge of wines and increase guest satisfaction; this training began in June 2018. And, as of June 2018, we have implemented newly designed restaurant and event centre menus.

### FUN FACTS FOR 2017-2018



**more than 53,000**  
orders of fish & chips

served. That's more than **26,000**  
pounds of fish!



**27,337**  
hamburgers

served throughout  
our six restaurants



**64,584**  
bowls

of hand crafted soup  
prepared and served

## MARKETING AND PROMOTIONS

In 2017-2018, SIGA casino guests continued to enjoy our gaming destinations as a premier choice for entertainment in our province. They were treated to our SIGA brand of First Nation hospitality and a diverse selection of promotions such as live performances, prize draws, tournaments, contests and special events that heightened our guest experience.

### During this past year, SIGA proudly:

Welcomed  
**more than 17,000**  
new  
Players Club members

Rewarded members with  
**special bonusing features**  
including Virtual Racing, slot tournaments, Uspin, point multipliers and Power Winners

Rewarded  
qualifying members with  
more than  
**500,000**  
unique offers

Rewarded almost  
**60,000**  
members  
with exclusive prizes through more than **300** draws and **70** promotions at our convenient, self-serve Rewards Centres

Hosted more than  
**836,000**  
unique visitors  
to our casino websites

Celebrated winning with  
**more than 23,000**  
members  
at our exclusive, themed Jackpot Parties at our convenient, self-serve Rewards Centres

Entertained  
**more than 20,000**  
guests  
who attended **74** performances

Partnered with  
**42 hotels**  
across the province  
to offer Stay and Play packages

Engaged members aged 55+  
**won more than \$900,000**  
in bonus prizes  
by participating in special weekly promotions

Treated our elite members to  
**more than 50**  
exclusive parties and events

Achieved  
**more than 26,000**  
views  
on our YouTube channel

Celebrated the birthdays of **30,000** members by giving away  
**more than \$350,000**  
in gifts  
through the new birthday prize wheel

## EXCITING PROMOTIONS

Many fabulous and exciting promotions took place at all SIGA casinos including chances for guests to win cars, boats, trips, cash and more! Some patrons joined the new “SIGA Social” that awards our social media followers with an exclusive offer each month.

In September, a guest from Yorkton became an instant millionaire by taking a spin on SIGA's trademark Smoke Signals Mystery Progressive, taking home more than \$1.67 million. SIGA also awarded the largest Tre' Card Stud Jackpot in our history in May when a guest won more than \$383,000. The Rider Nation Progressive continues to be a hit with Saskatchewan players and loyal fans with total jackpots won totalling more than \$8.8 million since August 2015; that's when SIGA introduced this popular mystery progressive with a top tier “touchdown” prize of \$100,000.

**We continue to use electronic slot promotions designed to reward qualifying Players Club members while they play their favourite slot machines:**

**Virtual Racing** is an exciting feature that allows members to bet on horses, cheer on the virtual race and split the prize pool with fellow members.

**DM Tournament** rewards qualifying members with bonus games. They can play in the tournament, monitor their standings and share the winnings, all from the convenience of their favourite slot machine.

**Power Winners** is a bonus progressive jackpot. Members watch the jackpot build as they play in anticipation of being the lucky winner.

**Uspin** is a fun and interactive way for qualifying members to spin the electronic prize wheel and receive instant rewards immediately on their slot machine.

Our Rewards Centres continue to be an effective method for Players Club members to participate in promotional draws and receive customized offers. This past year, there were more than 950,000 interactions at the Centres.

Players from all over Saskatchewan and neighbouring provinces participated in SIGA's Poker Championship in October. This year, SIGA introduced a new format and saw a new champion, Trevor Norlander from Saskatoon, who took home more than \$39,000, a custom designed poker bracelet and a seat at the 2018 World Series of Poker in Las Vegas.



In September, a guest from Yorkton became an instant millionaire by taking a spin on SIGA's trademark Smoke Signals Mystery Progressive and taking home **more than \$1.67 million.**

## ENTERTAINMENT AND EVENTS

Throughout the 2017-2018 fiscal year, SIGA continued to host world-class entertainers including Lorrie Morgan, Burton Cummings, 54-40, April Wine, Brett Kissel, Brent Butt, Harlequin, Lee Aaron, Kenny Shields and Streetheart, Trooper, Australia's Thunder from Down Under and breakout comedian Chris D'Elia. We were also proud to present culturally diverse acts such as a Chinese Moon Festival Celebration, National Indigenous Peoples Day and Ukrainian Malanka.

We also introduced service enhancements to our customers such as a 10 per cent pre-sale discount to our loyal Players Club members, mobile ticketing options for SIGA box office, and specially priced entertainment showcase bundles.



OUR  
CASINOS





bear clay

& HO





# BEAR CLAW CASINO & HOTEL

WHITE BEAR FIRST NATION  
JONATHAN PASAP, GM

The Bear Claw Casino & Hotel is SIGA's most historic casino. Originally opened in 1993 on the White Bear First Nation near Carlyle, Saskatchewan, Bear Claw was shut down during a highly contentious and emotional period between First Nations and the provincial government. It reopened in 1996. The casino is thus named because First Nation people believe the bear is a strong spirit with healing properties and is self-sufficient.

The casino continues to make facility and operational upgrades in order to provide the ultimate stay and play experience for southeast Saskatchewan.

**1 Provides the ultimate stay and play experience** with 35 hotel rooms, a fitness facility, Big Bear event and entertainment room and Growlers Restaurant & Lounge

**2 Hosts fun promotions and giveaways** for trending products such as Snapchat Spectacles, iRobot Roomba and more. We also gave away \$10,000 to celebrate 21 years of operations!

**3 Expanded our online presence in 2017** by signing on with 19 different online hotel booking sites, such as Expedia, Trivago, Hotels.com, TripAdvisor and Travelocity

**4 Partnered with community groups** such as White Bear Lake Resort to host a Canada Day celebration complete with food, music, activities and fireworks

**5 Volunteered** with the Carlyle & District Food Bank, Moose Mountain Lodge, Estevan Day of Caring and many more



**30,000**  
square feet



**140**  
slot machines



**4**  
live table games



**120+**  
employees



**68%**  
First Nation  
employees



**45**  
partnerships /  
sponsorships

**1996**

opening date



**16**  
entertainment  
events




**GRAND OPENING**

**KING OF THE WING CHALLENGE**

July 21  
3PM-6PM  
First 50 Contestants!

Prizes may not be exactly as shown. Must be Present to Win **GameSense**

In July 2017, Bear Claw Casino & Hotel celebrated the grand opening of Charley Biggs' Chicken, kicked off with a fun eating contest called "King of the Wing Challenge!" Contestants were challenged to eat 12 wings, 12 wedges and 12 ounces of soda in 12 minutes or less. The winner, Rafael Pineda, won \$500 for the charity of his choice. Moose Mountain R n R. Charley Biggs' Chicken continues to perform well with its tasty, crunchy chicken.





# DAKOTA DUNES CASINO

WHITECAP DAKOTA FIRST NATION  
GARY DANIELS, GM

Opened in 2007, Dakota Dunes Casino is SIGA's most expansive entertainment destination. Resting upon a hilltop at the height of the South Saskatchewan River Valley Basin on Whitecap Dakota First Nation, Dakota Dunes overlooks the natural rolling hills, wild grass and sand dunes captured in its award-winning design.



This year, Dakota Dunes Casino turned 10! To mark this important occasion, the casino hosted a month-long celebration with special events and promotions.

**1 Offers an entertainment venue** and banquet facility, Arrowhead Grill restaurant, Tim Hortons, Charley Biggs' Chicken and large gaming floor with High Limit Room delivering VIP services for VIP players

**2 Fosters a highly engaged team** with more than 2,700 employee learning, training and development opportunities provided this year alone

**3 Hosted special event celebrations** for New Year's Eve, Ukrainian New Year (Malanka), and Chinese New Year as well as performances from Burton Cummings, Trooper, Brett Kissel, April Wine, and more

**4 Delivered gifts and served dinner** to students at St. Mary's Wellness and Education Centre for Christmas

**5 Made a difference in the community** through participation in the United Way Day of Caring initiative for The Lighthouse Supported Living, FMG Dragon Boat Festival, Ronald McDonald House Charities and more



**86,500**  
square feet



**620**  
slot machines



**20**  
live table games



**420+**  
employees



**72%**  
First Nation  
employees



**136**  
partnerships /  
sponsorships

**2007**

opening date



**40**  
entertainment  
events



There was no shortage of festivities at Dakota Dunes Casino (DDC) as we held a month-long celebration to mark 10 years of operations! As part of these, we held a special VIP event, our annual powwow, and some big shows like Thunder From Down Under. We also trialled extended operating hours during this time, keeping the entertainment going until 4 a.m.; this was hugely successful and we've permanently extended

our hours as of April 1, 2018. Other highlights included a fireworks show, month-long slot tournament for rookies, "Learn to Play" live games in the casino lobby and a BMW SUV giveaway! We also held a Long Service Awards banquet for our employees to celebrate the commitment and accomplishments of 93 people who have been with DDC for 10 years.



Dakota Dunes Casino's 10-year Long Service Award recipients



GOLD

CASINO

# GOLD EAGLE CASINO

MOSQUITO FIRST NATION  
KELLY ATCHEYNUM, GM

Opened in 1996, the Gold Eagle Casino is a top entertainment destination for west central Saskatchewan, conveniently situated along the Yellowhead Highway in North Battleford. To First Nation people, the eagle is a sacred bird of the skies. The Gold Eagle for which the casino is named symbolizes courage, strength and bravery.





The Kihiw Restaurant continues to be recognized as a premier dining establishment in the Battlefords – rating number 1 of 49 Battlefords' restaurants on TripAdvisor.

**1** **One of the largest employers** in the Battlefords focussed on providing excellent guest experiences and First Nation hospitality

**2** **Features an events centre** for meetings, conferences, weddings, and performances, plus multiple dining options, including a deli, Charley Biggs' Chicken and the Kihiw Restaurant

**3** **Received the 2017 Romero Diamond Award** for Online Marketing and the 2017 Romero Silver Award for Casino Floor Promotion in the small to mid-size casino category

**4** **Volunteered at and supported many community initiatives** including Meals on Wheels, the Battlefords Indian and Métis Friendship Centre, Cornerstone Soup Kitchen, 2018 Saskatchewan Winter Games and more!

**5** **Actively participates in the Safe Grad program** for the John Paul II Collegiate, the North Battleford Comprehensive High School, and Sakewew High School



**37,772**  
square feet



**350**  
slot machines



**8**  
live table games



**300+**  
employees



**67%**  
First Nation  
Employees



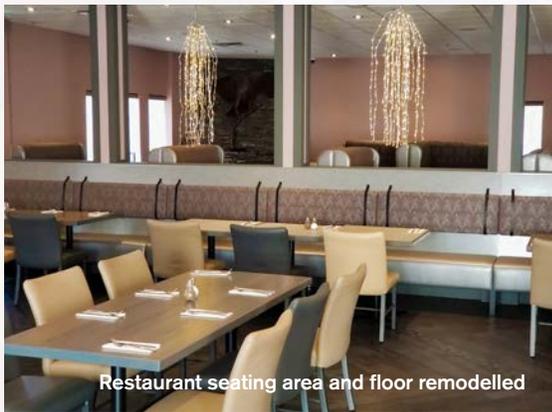
**117**  
partnerships /  
sponsorships

**1996**

opening date



**13**  
entertainment  
events



Restaurant seating area and floor remodelled

Gold Eagle Casino recently remodelled the Kihwi Restaurant – the number one place to eat in North Battleford, as voted on TripAdvisor! We added a comfortable seating area in the entrance for our guests and 48 more seats to the restaurant to reduce guest wait times. We also updated the flooring throughout the restaurant and will be revealing a new bar with lighting. The renovations are anticipated to be complete in late summer 2018.



# LIVING SKY CASINO

NEKANEET FIRST NATION  
TREVOR MARION, GM

Opened in 2008, Living Sky Casino is a top entertainment destination for the people of southwest Saskatchewan, located along the Trans-Canada Highway in Swift Current. The name "Living Sky" relates to the northern lights and stars and their connection to past generations of First Nation ancestry.



In 2017-2018, Living Sky Casino really focused on SIGA's strategy of "know your customer" and developed strong partnerships with multiple groups, beginning with the Canadian Cowboys Association.

**1 Rents the Sky Centre**, a multi-purpose facility with full banquet service for special events, concerts, local theatre productions, choirs, dance recitals, and more

**2 Hosted many exciting entertainment acts** including Carroll Baker, Brett Kissel, Rory Allen, Simply Queen, Rave On Buddy Holly tribute, to name a few

**3 Volunteers supported** Meals on Wheels with the Cypress Health Region, Canadian Cowboys Association Finals Rodeo, Children's Wish Foundation Swift Current Broncos Wish Game, Salvation Army Food Hamper Drive, Earth Day and LSC Haunted House for SPCA

**4 Participated in** Swift Current's "Let's Walk the Talk" Truth and Reconciliation Awareness event

**5 Sponsored** Swift Current Frontier Days, United Way's Third Annual Foundation of Hope Gala, Saskatchewan First Nation Summer Games 2017, 30th Annual Ability Bowl, Nakota Youth Alliance Cultural Camp and others



**60,000**  
square feet



**200**  
slot machines



**5**  
live table games



**190+**  
employees



**16%**  
First Nation  
Employees



**52**  
partnerships /  
sponsorships

**2008**

opening date



**61**  
entertainment  
events



This picture shows the LSC logo on a saddle, which was presented to the CCA event's champion bull rider.

In 2017, Living Sky Casino (LSC) really focused on SIGA's strategy of "know your customer" and developed strong partnerships with multiple groups, beginning with the Canadian Cowboys Association (CCA). It was our second year working with CCA and we wanted to tailor our marketing and promotions to give added value to our partner and generate bounce backs to the casino. CCA participants loved the treatment and inclusion and LSC's patronage and revenues went up. We are using the same methods with other groups including the Chinook Power Station that has more than 450 workers in the area building the power station until the spring of 2019.



NORTHERN  
LIGHTS  
CASINO



# NORTHERN LIGHTS CASINO

PETER BALLANTYNE FIRST NATION  
RICHARD AHENAKIEW, GM

Opened in 1996, Northern Lights Casino is a tourist and entertainment destination located in Prince Albert, the “Gateway to the North and South.” Dancing and lighting up the evening sky with coloured brilliance, the northern lights that are the casino’s namesake are thought to be the spirits of past generations – departed relatives and friends dancing in the night, revelling in celebration.



In March 2018, Northern Lights Casino refreshed the interior design of the casino to create a more vibrant and engaging environment for our guests and employees.

**1 Largest single-building employer** of First Nation people in Prince Albert

**2 Offers monthly dinner shows**, weekend live music, mid-week karaoke and televised sporting events in the Starlight Lounge and North Star Restaurant, which serves local products and provides high-end catering

**3 Hosted SIGA Day of Sharing and BBQ** for more than 200 community members at the Bernice Sayese Centre, which included games, a fish pond and bouncy castle for the children

**4 Raised more than \$5,000** for the Heart & Stroke Foundation through Heart & Stroke Big Bike. NLC rides the Big Bike every year and, recently, dedicated the ride and fundraiser to the memory of Dwayne Lafond, a long-time NLC family member who they lost in 2016

**5 Volunteered at multiple local events** such as Pitch-In Prince Albert Day, Coldest Night of the Year walk, Big Brothers Big Sisters Bowl for Kids, Children's Wish Game, Prince Albert Food Bank Hole in One fundraiser, and more!



**46,300**  
square feet



**590**  
slot machines



**10**  
live table games



**370**  
employees



**76%**  
First Nation  
Employees



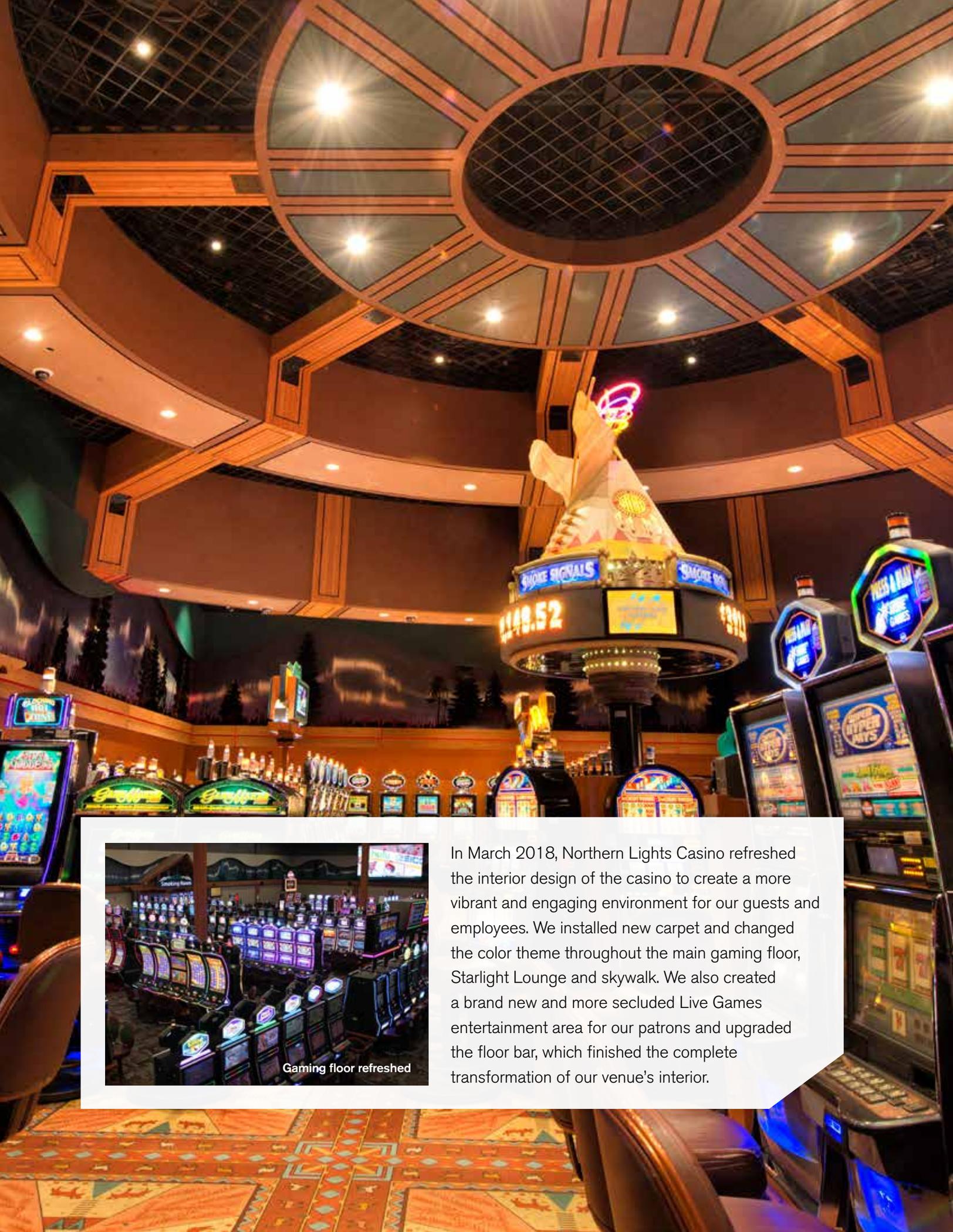
**149**  
partnerships /  
sponsorships

**1996**

opening date



**61**  
entertainment  
events



Gaming floor refreshed

In March 2018, Northern Lights Casino refreshed the interior design of the casino to create a more vibrant and engaging environment for our guests and employees. We installed new carpet and changed the color theme throughout the main gaming floor, Starlight Lounge and skywalk. We also created a brand new and more secluded Live Games entertainment area for our patrons and upgraded the floor bar, which finished the complete transformation of our venue's interior.



# PAINTED HAND CASINO

KAHKEWISTAHAW FIRST NATION  
CHARLES RYDER, GM

Opened in 1996 and located in Yorkton, the Painted Hand Casino is a top entertainment destination for east central Saskatchewan. The casino's name honours the tradition of the red painted hand, which represents courage and honour. To demonstrate their superiority, young warriors would charge their horses into opposing forces, touching and imprinting their painted hands on the enemy or the flanks of their war ponies.





Painted Hand takes pride in the fact that more than 98 per cent of our employees have completed core training in hospitality and customer service.

**1 One of Yorkton's largest employers,** providing training and learning opportunities to equip employees to provide the exceptional First Nation hospitality for which SIGA is known

**2 Features first-rate amenities** including the patio, Legends Restaurant, 4 Aces Saloon, bar and deli and the events centre, which hosts meetings, concerts, Christmas parties, weddings, large gala dinners and more

**3 Volunteered with many local initiatives** including The Soup Haven Lunch Program, Yorkton Friendship Centre Christmas meal, Santa Claus Parade, Coldest Night of the Year walk and the fourth annual Co-op Pumpkin Walk

**4 Hosted a number of fabulous entertainment acts** throughout 2017-2018, including Julian Austin, Totally Tom Petty, Brett Kissel and, for the first time in Painted Hand history, Thunder from Down Under

**5 Sponsored** Yorkton Film Festival, Yorkton Friendship Centre annual Christmas party and Hot Lunch Program, Children's Haven Child Crisis Centre, Central Urban Métis Federation's Reconciliation Cultural Retreat, to name a few



**43,000**  
square feet



**250**  
slot machines



**6**  
live table games



**200+**  
employees



**65%**  
First Nation  
Employees



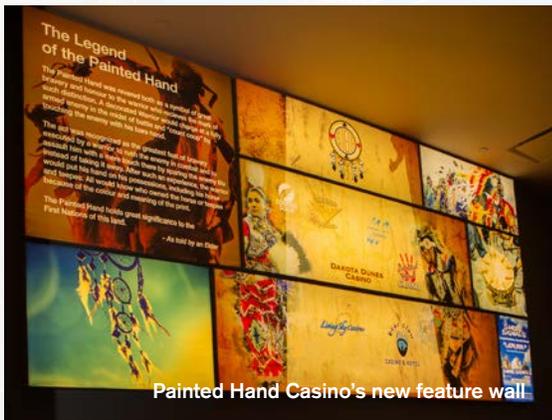
**69**  
partnerships /  
sponsorships

**1996**

opening date



**33**  
entertainment  
events



Painted Hand Casino's new feature wall

In 2017, Painted Hand Casino overhauled our gaming floor to provide an even more engaging guest experience. We wowed patrons with the installation of a video feature wall and debuted a new live game pit canopy with improved lighting for our live games tables. We also added a new entranceway for superior comfort during winter months. The promotion "Building Excitement" ran during casino renovations, giving guests the chance to win a \$10,000 home renovation package!

# BUILDING SUCCESS

## Building a better future for our people

### STRATEGIC PLAN OVERVIEW

SIGA's strategic plan focuses on developing an intimate relationship with customers and offering products and services to those customers that increase revenue, income and employment.

Using the Balanced Scorecard methodology, SIGA has developed strategic objectives and strategic initiatives. For each strategic objective, performance measures and targets have been established for a rolling five-year period. For strategic initiatives SIGA has designated a member of the executive team to act as project sponsor and milestones have been established to track the progress of the initiatives.

SIGA has developed our strategic plan using the Balanced Scorecard model to look at our business from the viewpoint of owners and customers to determine what products and services we must offer and what key business processes satisfy customer needs. The model allows SIGA to demonstrate how our employees are supported to meet customer needs by the organization's investments in developmental educational programs and technology.



## SHAREHOLDER PERSPECTIVE

### What are the outcomes expected by our owners?

STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	PROGRESS/RESULTS/MEASURE
Optimize Net Income	Revenue Net income	\$252.3 million \$84.5 million
Grow and Develop First Nation Employment	Total number of First Nation Employees	SIGA continues to be a leader in engaging, growing and developing a First Nation workforce with 64.26 per cent of our employee base being First Nation (1,113) and 60.19 per cent of managers are First Nation (62).
Support First Nation Economic Development	Total Payments to First Nation Companies	\$27.8 million

## CUSTOMER PERSPECTIVE

### What are our customers looking for?

Our strategy is “customer intimacy.”

STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	PROGRESS/RESULTS/MEASURE
Entertainment and Hospitality Experience	Become the first choice entertainment destination for customers by offering unique entertainment options in the markets we serve.	More than 21 per cent of the population rate casino as top entertainment destination in town. Visitors agree they would recommend the casinos to others. Almost four out of 10 adults in local market have visited the casino once in the last year.
Recognition and Appreciation	Value the contribution of every customer through personal interaction.	Guest satisfaction with friendliness of staff was rated very high. Rated very high that they are recognized and appreciated by staff. Increased Players Club membership.
Quality Value-Priced Dining	Be recognized for providing consistent, high quality dining options that meet the expectations of each of the market segments we serve and are rated by our customers as providing exceptional value for the price charged. Target 4.3 out of 5.	Guest surveys indicated a very high satisfaction level with quality of food rated 4.5 out of 5.
Memorable Facilities and Convenient Services	Be recognized as the highest quality entertainment facility in each market we operate in by incorporating customer convenience into the services we provide. Guest very satisfied. Atmosphere target 4 out of 5.	Guest satisfaction with overall atmosphere rated very high at 4.2 out of 5.

## INTERNAL PERSPECTIVE

### What services do we need to provide to excel?

To achieve our desired outcomes, SIGA will focus on several business process enhancements that are grouped in three primary themes: Customer Service Excellence, Grow and Develop the Business and Operational Excellence.

	STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	PROGRESS
<b>Customer Service Excellence</b>	Tend to VIPs	Recognize the importance of customers with a high value through segmented pricing promotion and customer service standards.	Marginally below target, holding numerous VIP appreciation events, which included dinner shows, live entertainment and special events.
	Exciting Entertainment	Create a winning atmosphere by celebrating wins and engaging customers with exciting and innovative promotions and events.	Two annual SIGA-wide events (Poker and slot tournaments). Welcomed more than 17,000 new Players Club members. Live entertainment and a variety of promotions and activities continue to draw customer participation.
	Know the Customer	Work continues on developing psychographic and demographic profiles of our customers. This helps us better serve our customers. This data is analyzed and integrated as a regular part of our decision-making process.	Bi-annual customer telephone surveys. Improving analytics through Bally Business Intelligence tools, enabling targeted promotions and loyalty rewards.
	Customer Service Technology	Use technology to enhance the delivery of customer service.	Mobile e-ticketing for entertainment SIGA Casinos app
	New Product Development	Research and develop gaming-related products and services that will add value to our customers.	Introduced: <ul style="list-style-type: none"> <li>• Slot System Management</li> <li>• Seventh Casino</li> <li>• Dakota Dunes Hotel partnership</li> <li>• EVERI gaming, new vendor</li> </ul>
<b>Organizational Excellence</b>	Corporate Social Responsibility	Responsible gambling awareness.	Meet or exceed targets for public opinion polling.
	Operational Efficiency	Increase the efficiency of key business processes to optimize productivity and income.	Meet targets to reduce salaries and benefits. Budget by controlling variable labour.

## LEARNING AND GROWTH

### The most important resource is our people.

One of SIGA's founding mandates is to grow and develop First Nation people. SIGA is committed to the career, training and development of our employees and believes this is a critical factor in achieving our strategic business goals and objectives.

STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	PROGRESS/RESULTS/MEASURE
Talented Workforce	Employees who have completed core training. Target 80%.	Investing in our employees is a priority for SIGA. SIGA's Core Training program is one way we invest in our employees, where all employees take required training within their first year of employment. SIGA exceeded an aggressive core training target achieving a 94% core training completion rate. Over the last fiscal year, employees participated in 11,390 learning events.
Leadership Development	Developing our leaders to motivate and inspire teams to accomplish SIGA's vision and mission as an organization.	192 of SIGA's leaders (supervisors and managers) have participated in SIGA's in-house built Leadership Development Program over the fiscal year. SIGA's Leadership Development Program consists of Leaders attended five modules with a sixth module "SIGA Business Acumen" being developed in the new fiscal year.
Engaged Workforce	Employee satisfaction and engagement	<p>Throughout the year, there were more than 26 permanent internal promotions, thousands of hours of Temporary Performance of Higher Duties (TPHD) and numerous acting appointments which provide employees with opportunities to grow and develop their leadership skills.</p> <p>Growing SIGA's reputation as an employer of first choice and a great place to work while ensuring competitive pay, benefits, safe workplace, and rich opportunities for learning and development are key areas of focus.</p> <p>Health and Wellness programming and services such as health and wellness fairs and workshops continue to promote healthy lifestyles among our employees and their families.</p> <p>SIGA measures engagement once every two years. The next cycle will start in fiscal 2018-2019.</p> <p>Using the Conference Board of Canada engagement criteria, SIGA had a strong employee engagement rate of 90% in 2016-2017. Employees expressed appreciation for flexibility and work-life balance and supported SIGA's guiding principles, leadership and fair performance objectives.</p>
	Employee volunteerism. Target 29% of all SIGA employees.	<p>SIGA achieved 29% employee volunteer participation.</p> <p>Volunteer partnerships have been developed with local charitable organizations in all communities where we operate (at least two per community).</p>

# RISK MANAGEMENT

At SIGA, business risk is defined as the degree of exposure associated with the achievement of key strategic financial, organizational and process objectives. Principal risks and uncertainties that could affect SIGA's future business results going forward are of primary concern.

## RISK MANAGEMENT GOVERNANCE STRUCTURE

Although the SIGA Board is ultimately accountable for overseeing risk management within SIGA, as a whole it has assigned responsibility to the Audit and Finance Committee to oversee SIGA's risk assessment and risk management processes. SIGA senior executives are responsible for ensuring key business risks are identified, defined and prioritized. Executive risk owners are engaged and charged with risk mitigation within limits established by the SIGA Board of Directors. These data are compiled in a corporate risk profile that is reported to the Audit and Finance Committee on a quarterly basis. Results of the quarterly risk and control assessment are incorporated into the strategic planning process.

There are a range of factors that may affect SIGA's results. Principal risks that could negatively affect our results and performance include:

### Strategic Risks

#### Reputation Risk

We recognize damage to reputation as the most severe risk SIGA faces. Our efforts to mitigate reputation risks include continual building of goodwill by effective communication with stakeholders, commitment to sustainability, transparency, leading-edge corporate governance and best practices.

#### Economic Slowdown

Changes in the economy impact the amount of disposable income people have to spend on entertainment, resulting in reduced gaming revenues. SIGA monitors the external environment and the individual performance of each property.

## Financial Risks

### Liquidity Risk

The risk that SIGA is unable to meet our financial commitments as they become due or can only do so at excessive costs. SIGA manages our cash resources based on financial forecast and anticipates cash flows.

### Theft of Assets

We recognize the extreme importance of maintaining strong controls over the safeguarding of cash and cash equivalents as specific to the gaming industry. SIGA manages these risks through the design of internal controls to mitigate such occurrences.

## Organizational and Process Risks

### Risk with Loss of Key Personnel

SIGA recognizes the impact to the organization should there be a loss of key personnel. In order to mitigate the impact of such a loss, executive and senior management succession plans are in place.

### Information Risk

SIGA recognizes information for decision making requires accurate, complete and timely reporting of financial and operational performance. SIGA manages these risks through continual evaluation of internal controls over financial reporting for new and existing systems.

### Regulatory Risk

SIGA operates in a highly regulated environment. In addition to general operating regulatory requirements, SIGA is required to comply with Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) guidelines.

**FINANCIALS**



# INDEPENDENT AUDITOR'S REPORT

## To the members of the Saskatchewan Indian Gaming Authority Inc.

We have audited the accompanying financial statements of the Saskatchewan Indian Gaming Authority Inc., which comprise the statement of financial position as at March 31, 2018, and the statement of comprehensive income, statement of changes in deficit and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Indian Gaming Authority Inc. as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Chartered Professional Accountants,  
Licensed Professional Accountants  
June 1, 2018  
Saskatoon, Saskatchewan

# STATEMENT OF FINANCIAL POSITION

As at March 31, 2018	2018	2017
<b>Current Assets</b>		
Cash and cash equivalents	\$ 21,410,451	\$ 21,026,299
Short-term investments (Note 4)	38,282,500	43,982,500
Accounts receivable (Note 5)	4,835,004	2,889,962
Inventories (Note 6)	1,132,030	682,398
Prepays	2,626,227	1,988,397
	<b>68,286,212</b>	70,569,556
<b>Intangible Assets</b> (Note 7)	<b>1,798</b>	1,470
<b>Property and Equipment</b> (Note 8)	<b>121,725,544</b>	102,877,860
	<b>\$ 190,013,554</b>	\$ 173,448,886
<b>Current Liabilities</b>		
Due to Saskatchewan Liquor and Gaming Authority (Note 9)	\$ 64,447,720	\$ 60,952,825
Accounts payable and accrued liabilities (Note 10)	21,566,115	20,738,167
Current portion of long-term debt (Note 11)	5,402,812	5,401,812
Current portion of finance lease obligation (Note 12)	3,901,278	3,356,362
	<b>95,317,925</b>	90,449,166
<b>Long-Term Debt</b> (Note 11)	<b>25,572,705</b>	30,975,517
<b>Finance Lease Obligation</b> (Note 12)	<b>69,122,924</b>	52,024,203
<b>Interest Rate Swap Liability</b> (Note 11)	<b>1,898,031</b>	3,688,525
	<b>191,911,585</b>	177,137,411
<b>Deficit Resulting from Unrealized Losses on Interest Rate Swaps</b>	<b>(1,898,031)</b>	(3,688,525)
	<b>\$ 190,013,554</b>	\$ 173,448,886

See accompanying notes to the financial statements

Approved by the Board



Director



Director

# STATEMENT OF COMPREHENSIVE INCOME

Year Ended March 31, 2018	2018	2017
Revenue (Note 14)	\$ 252,252,428	\$ 253,659,717
Salaries and benefits expense	79,138,721	78,936,237
Materials and consumables (Note 15)	19,887,658	19,613,898
Slot machine reimbursement	17,601,526	19,727,267
Advertising	11,180,207	12,883,750
Depreciation and amortization expenses	10,817,091	10,865,135
Building rent and occupancy	10,245,313	10,201,514
Finance costs (Note 17)	7,025,411	7,588,894
Other expenses (Note 16)	5,882,807	6,877,860
Payment to Indigenous Gaming Regulators Inc. (Note 23)	3,300,000	3,300,000
Payment to Saskatoon Prairieland Park Corporation (Note 23)	2,600,004	2,600,004
	<b>167,678,738</b>	172,594,559
<b>Income Due to Saskatchewan Liquor and Gaming Authority (Note 1)</b>	<b>84,573,690</b>	81,065,158
Unrealized gain on interest rate swaps (Note 11)	1,790,494	1,754,582
<b>Total Comprehensive Income for the Year Before Distribution to Saskatchewan Liquor and Gaming Authority (Note 1)</b>	<b>\$ 86,364,184</b>	\$ 82,819,740

*See accompanying notes to the financial statements*

# STATEMENT OF CHANGES IN DEFICIT

Year Ended March 31, 2018	2018	2017
<b>Deficit</b>		
Balance, beginning of year	\$ (3,688,525)	\$ (5,443,107)
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Note 1)	86,364,184	82,819,740
Distribution payable to Saskatchewan Liquor and Gaming Authority (Note 9)	(84,573,690)	(81,065,158)
Balance, end of year	\$ (1,898,031)	\$ (3,688,525)

*See accompanying notes to the financial statements*

# STATEMENT OF CASH FLOWS

Year Ended March 31, 2018	2018	2017
<b>Cash Flows from (Used in) Operating Activities</b>		
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority	\$ 86,364,184	\$ 82,819,740
Adjustments for:		
Depreciation and amortization	10,817,091	10,865,135
Finance costs	7,025,411	7,588,894
Unrealized gain on interest rate swaps	(1,790,494)	(1,754,582)
Change in non-cash operating working capital items:		
Accounts receivable	(1,945,042)	(435,451)
Inventories	(449,632)	(55,832)
Prepays	(637,830)	428,476
Accounts payable and accrued liabilities	827,948	1,256,745
Payments to Saskatchewan Liquor and Gaming Authority (Note 9)	(81,078,795)	(77,684,036)
	<b>19,132,841</b>	<b>23,029,089</b>
<b>Cash Flows from (Used in) Investing Activities</b>		
Purchase of intangible assets	(6,359)	(14,406)
Purchase of property and equipment	(8,658,744)	(5,143,580)
Purchase of short-term investments	(132,400,000)	(137,095,752)
Proceeds on disposal of short-term investments	138,100,000	134,193,252
	<b>(2,965,103)</b>	<b>(8,060,486)</b>
<b>Cash Flows Used in Financing Activities</b>		
Interest paid	(7,025,411)	(7,588,894)
Repayment of finance lease obligation	(3,356,363)	(3,064,340)
Repayment of long-term debt	(5,401,812)	(5,402,812)
	<b>(15,783,586)</b>	<b>(16,056,046)</b>
<b>Increase (Decrease) in Cash Position</b>	<b>384,152</b>	<b>(1,087,443)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>21,026,299</b>	<b>22,113,742</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 21,410,451</b>	<b>\$ 21,026,299</b>

*See accompanying notes to the financial statements*

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2018

## 1 GENERAL INFORMATION

Saskatchewan Indian Gaming Authority Inc. ("SIGA") is incorporated under the *Non-profit Corporations Act, 1995* of Saskatchewan as a Charitable Corporation. Class A Memberships in SIGA are owned by the Federation of Sovereign Indigenous Nations ("FSIN") and each of ten Tribal Councils in Saskatchewan that are recognized by the Saskatchewan Indian Gaming Commission of the FSIN, as well as one independent member. The Government of Saskatchewan and the FSIN completed a Framework Agreement in 2002 that authorizes SIGA to operate casinos. SIGA operates six casinos in accordance with the 2002 Casino Operating Agreement ("Agreement") with Saskatchewan Liquor and Gaming Authority ("SLGA"). SLGA is responsible for the overall conduct and management of the slot machines in those casinos as required under *The Criminal Code of Canada*. Under the Agreement, SIGA is entitled to withhold the casinos' operating expenses, incurred in accordance with the operating policies and directives approved by SLGA, from slot machine revenues. SIGA is required to deposit the remainder into a trust account for SLGA in accordance with the procedures and formulas specified in the Agreement as outlined below. Under the Agreement, SIGA is entitled to recover, in any year, any net loss from the operation of licensed table games and ancillary operations from the net income earned from the operation of slot machines. The Agreement provides for SIGA to use any net income from the operation of licensed table games for charitable or religious objects or purposes. The Agreement expires on June 10, 2037.

The Agreement also provides for SIGA to remit to SLGA the net income from the operation of the slot machines in the SIGA casinos. More specifically, net income from the operation of slot machines is remitted to SLGA in accordance with a formula as defined in the Agreement. This formula provides for SIGA to remit to SLGA, on a weekly basis, one-half of the amount by which actual slot machine gaming revenue exceeds one-fifty-second of SIGA's annual budget. Shortfalls in weekly slot machine gaming revenue as compared to budget are recoverable against future remittances. The remaining one-half of the amount determined above is remitted to SLGA within one-hundred and eighty days of the applicable week. Pursuant to the Agreement, if, at the end of any operating

year, SIGA has not been fully reimbursed for amounts to which it is entitled for the operation of casinos, such amounts may be recovered from future operations. SIGA is allowed to retain \$5,000,000 as a capital reserve for the sole purpose of acquiring capital assets.

Also, under the Agreement, SIGA has granted a first charge security interest on all our present and after acquired assets to SLGA to secure contractual obligations of SIGA under the Agreement. However, the Agreement requires that upon joint written request by SIGA and our lenders, SLGA shall postpone such security in favour of the lenders who require a prior charge relating to funds lent to SIGA for the financing of our operations carried out in accordance with the Agreement.

On June 11, 2002, the Government of Saskatchewan and the FSIN signed a Gaming Framework Agreement which expires on June 10, 2037. The Government must distribute, in accordance with the provisions of the Framework Agreement, the income remitted to SLGA. Under the provisions of the 2002 Framework Agreement, the Government of Saskatchewan, as represented by the Minister responsible for SLGA, is entitled to recover its proportion of expenses that SLGA determines are not in accordance with the approved operating policies and directives from the future amounts payable to the First Nations Trust Fund.

Effective for the year ended March 31, 2008 and subsequent years, the Casino Operating Agreement between SLGA and SIGA was amended to exclude unrealized gains and losses on interest rate swaps from the calculation of net Casino profits payable to SLGA.

SIGA was incorporated under the *Non-profit Corporations Act, 1995* and is not subject to income tax under the provision of paragraph 149(1)(l) of the Income Tax Act (Canada). SIGA pays Goods and Services Tax and Provincial Sales Tax to government agencies and claims input tax credits on our ancillary operations.

SIGA is a corporation domiciled in Canada. SIGA's head office is located at 103 Packham Avenue in Saskatoon, Saskatchewan, Canada, S7N 4K4.

## **2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements for the year ended March 31, 2018, were authorized for issue by the Board of Directors (the “Board”) on June 1, 2018.

SIGA has prepared these financial statements using the historical cost basis unless otherwise noted in the significant accounting policies. These financial statements are presented in Canadian dollars, which is SIGA’s functional currency.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the preparation of these financial statements are summarized below. These accounting policies have been applied consistently to all years presented in these financial statements.

### **Use of Estimates, Key Judgments and Assumptions**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, and disclosure of contingent assets and contingent liabilities at the date of these financial statements as well as the reported amounts of revenue and expenses during the reporting year.

Accordingly, actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management estimates, judgments and assumptions are further described in the following summary of significant accounting policies and related notes:

- Useful lives and depreciation and amortization of property and equipment and intangible assets (Notes 3, 7 and 8)
- Customer loyalty program (Note 3)
- Accrued liabilities and provisions
- Assessment of impairment of property plant and equipment
- Classification of finance and operating leases (Note 12 and 23)

### **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand and on deposit with an original maturity of less than or equal to three months, and certain short-term investments. The short-term investments included in cash and cash equivalents are highly liquid investments with an original maturity of less than or equal to three months.

### **Short-Term Investments**

Short-term investments include any investments that have a term of more than three months, but less than one year from the statement of financial position date.

### **Accounts Receivable and Allowance for Doubtful Accounts**

Management evaluates collectability of receivables depending on the customer and the nature of the balance. Collectability of receivables is reviewed and the allowance for doubtful accounts is adjusted quarterly if required. Account balances are charged to comprehensive income when management determines that it is probable that the receivable will not be collected.

### **Inventories**

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is determined using the most recent cost. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs to make the sale.

### **Property and Equipment**

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly

**3** Significant Accounting Policies (continued)

attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets. SIGA ceases to capitalize borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

Depreciation is recorded in the accounts on a straight-line basis commencing when they are available for use, at rates expected to depreciate the cost of the assets over their estimated useful lives as follows:

<b>Asset</b>	<b>Rate</b>
Leasehold improvements	Lesser the useful life of the asset and term of the lease
Casino development	40 years
Furniture & equipment	4-5 years

Depreciation methods are reviewed at each financial year end and adjusted prospectively, if appropriate.

Periodically SIGA evaluates whether changes to estimated useful lives are necessary to ensure that these estimates accurately reflect the economic use of the assets.

When property and equipment are disposed of or retired, the related costs less accumulated depreciation are de-recognized. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds less costs of removal and the carrying amount of the asset. The gain or loss on asset disposals and retirements is recognized in other revenue or expenses.

**Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost, less any accumulated amortization and accumulated impairment losses, if any. SIGA's only identifiable intangible asset is software. Software costs include the cost of externally purchased software packages and, for internally developed programs, related external

and direct labour costs. Maintenance of existing software programs is expensed as incurred.

Amortization is calculated on a straight-line basis over its estimated useful life of between one to five years. The amortization method and estimated useful life is reviewed annually and any changes are applied prospectively.

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to SIGA. All other leases are classified as operating leases.

Assets held under a finance lease are initially recognized as assets of SIGA and are recorded at their fair value at the inception of the lease, or if lower, at the present value of the future minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between interest expense and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liabilities. The interest component is recognized in finance costs in the statement of comprehensive income.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

**Impairment of Non-Financial Assets**

At the end of each reporting period, SIGA reviews the carrying amount of our tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, SIGA estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units that a reasonable and consistent basis of allocation can be identified.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the

### 3 Significant Accounting Policies (continued)

estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

#### Revenues

Gaming revenue (slot and table revenues) represents the net win from those gaming activities calculated as the difference between amounts wagered and pay-outs by the casino.

Gaming revenues are net of accruals for anticipated payouts of progressive jackpots and promotion allowances from the player's club program.

Ancillary revenues include hotel, food, beverage, and concession revenue and such revenues are recognized when the goods and services are provided.

Revenues exclude the retail value of food, beverage and other promotional allowances provided on a complimentary basis to guests. The cost of providing the complimentary items is included in direct operating expenses.

#### Commitment of Net Proceeds of Table Operations

Liabilities are recorded when amounts to be distributed are approved by the Board.

#### Allocation of Expenses

##### Table game operations

Costs allocated to table game operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross table revenue to total revenue on an individual casino site basis.

Central office costs are allocated to table game operations based on a percentage of gross table revenue to total revenue. These central office costs are then allocated to each casino site based on the percentage of each casino site's table net income to all casinos' table net income before the allocation of indirect site expenses.

##### Slot machine operations

Costs allocated to slot machine operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross slot revenue to total revenue on an individual casino site basis.

All remaining central office costs net of table games and ancillary allocations are allocated to slot operations. These central office costs are then allocated to each casino site based on its percentage of casino slot net income net of indirect site expenses.

##### Ancillary operations

Costs allocated to ancillary operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross ancillary revenue to total revenue on an individual casino site basis.

Central office costs are allocated to ancillary operations based on a percentage of gross ancillary revenue to total revenue. These central office costs are then allocated to each casino site based on the percentage of each casino site's ancillary net income to all casinos' ancillary net income before the allocation of indirect site expenses.

##### Customer Loyalty Program

As part of its customer loyalty initiative, SIGA offers a players club program to patrons. Under the program, club members accumulate reward points based on amounts wagered on slot machines. Members can redeem their points for cash or vouchers for free or discounted goods or services. SIGA records the points earned as a reduction of gaming revenue. Accounts payable and accrued liabilities are accrued for the estimated cost of the earned points balance at the end of the period under the player's club program. If the patron chooses to redeem their points for a voucher for free or discounted goods or services, the revenue is determined by the fair value of the undelivered goods and services related to a customer loyalty program and remains in accounts payable and accrued liabilities until the promotional consideration is provided.

### 3 Significant Accounting Policies (continued)

#### Employee Benefits

A defined contribution pension plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. SIGA's matching contributions to the defined contribution pension plan for employees are recorded as salaries and benefits expense in the statement of comprehensive income when services are rendered by employees.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

#### Foreign Currency

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to SIGA's functional currency at the exchange rate at that date. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. Translation gains and losses on foreign currency denominated monetary items are taken into income in the current year.

#### Financial Instruments

##### Classification and measurement

All financial instruments are initially measured at fair value, plus transaction costs, except in the case of financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial instruments were acquired or issued, their characteristics and SIGA's designation of such instruments. Measurement in subsequent periods depends on whether the financial instruments have been classified as FVTPL, loans and receivables, and other liabilities. An explanation of the nature of these classifications follows. SIGA's classifications of its financial instruments are disclosed in Note 20.

Financial assets are classified as at FVTPL when the financial asset is either held-for-trading or it is designated as at FVTPL.

A financial asset is classified as held-for-trading if:

- It has been acquired principally for the purpose of selling it in the near term; or

- On initial recognition it is part of a portfolio of identified financial instruments that SIGA manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held-for-trading may be designated as FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with SIGA's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39, *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial instruments classified as FVTPL are subsequently measured at fair value, with changes in fair value recognized in comprehensive income. The net gain or loss recognized in comprehensive income incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 20.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market that SIGA does not intend to sell immediately or in the near term. Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment. Interest income, calculated using the effective interest rate method, is recognized in comprehensive income.

Other financial liabilities include financial liabilities that have not been classified as FVTPL. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Finance costs, calculated using the effective interest rate method, are recognized in comprehensive income.

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts

### 3 Significant Accounting Policies (continued)

and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

#### Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs include fees and commissions paid to advisors, brokers and dealers. Transaction costs do not include debt premiums or discounts or financing costs. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case they are expensed as incurred. SIGA uses trade date accounting for regular way contracts when recording financial asset transactions.

#### Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition.

#### Derecognition

SIGA derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by SIGA is recognized as a separate asset or liability. SIGA derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

#### Derivative financial instruments

SIGA uses interest rate swap derivatives to manage its exposure to interest rate risk. Derivatives are initially recognized at fair value at the date that the derivative contract is entered into and subsequently measured at fair value with changes in fair value recognized through comprehensive income immediately.

#### Embedded derivatives

Derivatives may be embedded in other host instruments and are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, when the embedded derivative has the same terms as those of a stand-alone derivative, and the combined contract is not held-for-trading or designated at fair value. These embedded derivatives are measured at fair value with subsequent changes recognized in the statement of comprehensive income.

As at March 31, 2018, SIGA had no contracts (March 31, 2017 – none) with embedded derivatives that are required to be valued separately.

#### Fair value of financial instruments

Fair values approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics such as risk and remaining maturities. Fair values are determined, where possible, by reference to quoted bid or asking prices in an active market. In the absence of an active market, SIGA determines fair value based on internal or external valuation models, such as discounted cash flow analysis or using observable market based inputs (bid and ask price) for instruments with similar characteristics and risk profiles. SIGA's own credit risk and the credit risk of the counterparty have been taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. Fair value measurements are subjective in nature, and represent point-in-time estimates which may not reflect fair value in the future.

SIGA classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

**Level 1** – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2** – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

### 3 Significant Accounting Policies (continued)

**Level 3** – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy. See Note 20 for further discussion on the classification and fair value of financial instruments.

#### **Impairment of financial assets (including receivables)**

A financial asset not carried at FVTPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss in the statement of comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss in the statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

#### **Finance Costs**

Finance costs comprise interest expense on borrowings not subject to capitalization, amortization of costs related to borrowings, interest on finance leases, and impairment losses recognized on financial assets.

#### **Future Accounting Changes**

A number of new standards and amendments to standards and interpretations are not yet effective for the year ended March 31, 2018 and have not been applied in preparing these financial statements. The following future standards are relevant to SIGA:

- IFRS 9, *Financial Instruments*. IFRS 9 has a significant impact on financial liabilities designated under the fair value option. In addition, IFRS 9 retains virtually all of the classification and measurement guidance in IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.
- IFRS 15, *Revenue from Contracts with Customers*. IFRS 15 will require revenue recognition to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.
- IFRS 16, *Leases*. IFRS 16 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15, *Revenue from Contracts with Customers*, has also been applied.

SIGA does not have any plans to early adopt any of the new or amended standards. The extent of the impact on adoption of these standards is not known at this time.

#### 4 SHORT-TERM INVESTMENTS

Short-term investments consist of investments in guaranteed investment certificates and term deposits totaling \$38,282,500 (2016 – \$43,982,500). Individual interest

rates range from 1.00% and 2.09% and will mature between April 16, 2018 and September 26, 2018.

#### 5 ACCOUNTS RECEIVABLE

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Trade accounts receivable	\$ 4,130,654	\$ 2,323,027
GST input tax credits receivable	330,650	280,065
Advances to suppliers, contractors and employees	373,700	286,870
	<b>\$ 4,835,004</b>	<b>\$ 2,889,962</b>

SIGA's exposure to credit and currency risks, and impairment losses related to trade and other receivables, is disclosed in Note 20.

#### 6 INVENTORIES

Inventories totalling \$6,894,919 were recognized as food and beverage cost of goods sold for the year ended March 31, 2018 (2017 – \$6,910,757). No write-downs of

inventories were noted for the year ended March 31, 2018 (2017 – \$nil), and there were no reversals of write-downs from previous years.

**7 INTANGIBLE ASSETS**

	<b>Software</b>
<b>Cost</b>	
Balance at March 31, 2016	\$ 5,004,330
Additions	14,406
Balance at March 31, 2017	5,018,736
Additions	6,359
Balance at March 31, 2018	\$ 5,025,095
<b>Accumulated amortization and impairment</b>	
Balance at March 31, 2016	\$ 4,876,068
Amortization expense	141,198
Balance at March 31, 2017	5,017,266
Amortization expense	6,031
Balance at March 31, 2018	\$ 5,023,297
Net Book Value – March 31, 2017	\$ 1,470
<b>Net Book Value – March 31, 2018</b>	<b>\$ 1,798</b>

The amortization expense for software for the year ended March 31, 2018 was \$6,031 (2017 – \$141,198) and is included in depreciation and amortization expenses in the statement of comprehensive income. There were no write-downs of software due to impairments for the year ended March 31, 2018 (2017 – \$nil).

## 8 PROPERTY AND EQUIPMENT

	Leasehold Improvements	Casino Development	Furniture & Equipment	Construction In Progress	Total
<b>Cost</b>					
Balance at March 31, 2016	45,263,052	128,855,649	48,114,010	786,365	223,019,076
Additions	943,316	598,198	1,925,113	1,827,103	5,293,733
Transfer	–	–	–	(150,153)	(150,153)
Balance at March 31, 2017	\$ 46,206,368	\$ 129,453,847	\$ 50,039,123	\$ 2,463,318	\$ 228,162,656
Additions	1,360,926	38,321	2,564,315	26,106,963	30,070,525
Transfer	–	–	–	(411,781)	(411,781)
Balance at March 31, 2018	\$ 47,567,294	\$ 129,492,168	\$ 52,603,438	\$ 28,158,500	\$ 257,821,400
<b>Accumulated depreciation</b>					
Balance at March 31, 2016	38,478,436	35,008,552	41,073,871	–	114,560,859
Depreciation expense	1,971,913	5,964,923	2,787,101	–	10,723,937
Balance at March 31, 2017	\$ 40,450,349	\$ 40,973,475	\$ 43,860,972	\$ –	\$ 125,284,796
Depreciation expense	1,952,973	5,932,015	2,926,072	–	10,811,060
Balance at March 31, 2018	\$ 42,403,322	\$ 46,905,490	\$ 46,787,044	\$ –	\$ 136,095,856
<b>Net Book Value</b>					
Balance at March 31, 2017	\$ 5,756,019	\$ 88,480,372	\$ 6,178,151	\$ 2,463,318	\$ 102,877,860
<b>Balance at March 31, 2018</b>	<b>\$ 5,163,971</b>	<b>\$ 82,586,678</b>	<b>\$ 5,816,394</b>	<b>\$ 28,158,500</b>	<b>\$ 121,725,544</b>

Construction in progress represents costs incurred for capital projects under construction at existing casinos and central office. Upon completion, these costs are transferred into the appropriate capital asset category.

During the year, additions of \$21,000,000 (2017 – nil) relate to a finance lease obligation which have not been reflected in the statement of cash flows.

Included in casino development and construction in progress above are the following assets under finance lease:

Net carrying amount of leased assets	March 31, 2018	March 31, 2017
Base Building Costs		
– Gold Eagle Casino	\$ 14,976,187	\$ 16,595,279
– Painted Hand Casino	6,082,192	6,739,726
– Living Sky Casino	7,983,687	8,844,674
– Dakota Dunes Casino	9,592,772	10,639,033
– Gold Horse Casino	21,000,000	–
	<b>\$ 59,634,838</b>	<b>\$ 42,818,712</b>

**9 DUE TO SASKATCHEWAN LIQUOR AND GAMING AUTHORITY**

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Balance, beginning of year	<b>\$ 60,952,825</b>	\$ 57,571,703
Income due to Saskatchewan Liquor and Gaming Authority	<b>84,573,690</b>	81,065,158
Payments to Saskatchewan Liquor and Gaming Authority	<b>(81,078,795)</b>	(77,684,036)
Balance, end of the year	<b>\$ 64,447,720</b>	\$ 60,952,825

As described in Note 1, SIGA is required to remit to Saskatchewan Liquor and Gaming Authority ("SLGA") the net income from the operation of the slot machines in accordance with a formula as defined in the Agreement. According to the Agreement, unrealized gains and losses on interest rate swaps are excluded from the calculation of net casino profits payable to SLGA.

Included in the above balance of the due to SLGA is the \$5,000,000 that has been retained as a capital reserve as disclosed in Note 1.

**10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

SIGA is required to pay SLGA an amount equivalent to the imputed Goods and Services Tax ("GST") that is payable by SLGA on gaming expenses incurred by SIGA related to its slot machine operations. Included in accounts payable and accrued liabilities are amounts owing to SLGA for GST of

\$314,284 (2017 – \$300,557). Also, \$939,636 (2017 – \$1,820,872) is due to SLGA for slot machine and operating system reimbursement and is included in accounts payable and accrued liabilities.

**11 LONG-TERM DEBT****Casino Projects Financing**

In 2007, SIGA entered into a long-term financing agreement with a financial institution ("Bank") for \$79 million to finance all of its casino projects. The Bank syndicated this financing with a secondary lender to provide SIGA with \$20 million. The Bank, as the lead lender, provided SIGA with the remaining \$59 million.

SIGA has drawn on the remaining approved financing to complete the construction of its casinos.

The long-term financing agreement is secured by a general security agreement and mortgage of leasehold interests of SIGA's casinos.

**11** Long-Term Debt (continued)

The long-term debt obligations are as follows:

	March 31, 2018	March 31, 2017
Term Loan Tranche D – Part A repayable in monthly instalments of \$116,667 plus interest at banks acceptance rate plus 1%, maturity April 2023.	\$ 7,116,667	\$ 8,516,667
Term Loan Tranche D – Part B repayable in monthly instalments of \$127,000 including interest at bankers acceptance rate plus 1.5%, maturity April 2023.	7,740,000	9,262,000
Term Loan Tranche E repayable in monthly instalments of \$117,762 plus interest at bankers acceptance rate plus 1.5%, maturity August 2024.	9,185,528	10,598,672
Term Loan Tranche F repayable in monthly instalments of \$88,889 plus interest at bankers acceptance rate plus 1.5%, maturity August 2024.	6,933,322	7,999,990
	<b>30,975,517</b>	36,377,329
Less current portion	<b>(5,402,812)</b>	(5,401,812)
	<b>\$ 25,572,705</b>	\$ 30,975,517

Principal repayments required for the above loans, assuming renewal under similar terms, are as follows:

2019	\$ 5,401,812
2020	5,402,812
2021	5,402,812
2022	5,402,812
2023	5,645,478
Thereafter	3,718,791
	<b>\$ 30,975,517</b>

In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for the Dakota Dunes, Living Sky and Painted Hand construction projects. These arrangements fixed the interest rates for the loans for each construction project at 4.94% and 2.08%

for Dakota Dunes, 5.09% for Living Sky and 5.09% for Painted Hand over the term of the loans. These swap terms are April 2023, April 2023, August 2024, and August 2024 respectively. A liability of \$1,898,031 has been recorded at March 31, 2018 (2017 – \$3,688,525), representing the fair value of the instruments. Changes to the fair value are recorded as an unrealized gain or loss in the current period. The notional amount of the interest rate swaps at March 31, 2018, were \$7,116,666 and \$7,740,000 for Dakota Dunes, \$9,185,528 for Living Sky, and \$6,933,322 for Painted Hand.

SIGA has established an unsecured \$2,000,000 line of credit with a financial institution. Interest is charged on the line of credit at the financial institution's prime rate plus 1%. At March 31, 2018, no amount is owing on the line of credit (2016 – \$nil).

**12 FINANCE LEASE OBLIGATION**

On December 23, 2004, SIGA entered into an agreement with STC Casino Holdings Limited Partnership for lease of Dakota Dunes Casino on Whitecap Dakota First Nation. Beginning in April 2007, SIGA leased the property from that Partnership for approximately 20 years at an annual cost of \$2,248,477. In 2011, there was an addition to this capital lease, for approximately 16 years, at an annual cost of \$380,969. In 2012, there was a further addition to this lease for approximately 15 years, at an annual cost of \$60,571.

On October 26, 2005, SIGA entered into an agreement with PHC Holdings Limited Partnership for lease of Painted Hand Casino in Yorkton. Beginning in February 2009, SIGA leased the property from that Partnership for approximately 19 years at an annual cost of \$1,646,400.

On January 26, 2006, SIGA entered into an agreement with FHQ Casino Holdings Limited Partnership for lease of Living Sky Casino in Swift Current. Beginning in December 2008, SIGA leased the property from the Partnership for approximately 19 years at an annual cost of \$2,195,200.

On April 1, 2014 SIGA entered into an agreement with FNH Development Limited Partnership for lease of Gold Eagle Casino in North Battleford. SIGA will lease the property from the Partnership for 13 years at an annual cost of \$1,441,496.

On April 1, 2014 SIGA entered into an agreement with BATC Investments Limited Partnership for lease of an expansion at Gold Eagle Casino in North Battleford. Beginning September 1, 2015, SIGA leased the property from the Partnership for 13 years at an annual cost of \$404,280.

On May 31, 2017 SIGA entered into an agreement with Board Tribal Council Limited Partnership for lease of Gold Horse Casino in Lloydminster. Lease payments to the Board Tribal Council Limited Partnership will commence once the property is complete for SIGA to occupy, which is estimated to be November, 2018. The original lease term will be for 9 years, with the initial term automatically extended upon the renewal of the casino operating agreement for up to an additional 10 years. The annual lease payments may be adjusted upon commencement of operations of the casino dependent on whether the land has received reserve status.

STC Casino Holdings Limited Partnership, PHC Holdings Limited Partnership, FHQ Casino Holdings Limited Partnership, FNH Development Limited Partnership, BATC Investments Limited Partnership are related to SIGA as they are owned by Class A membership holders of SIGA.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 3.0% to 12.5% (2017 – 3.0% to 12.5%) per annum.

The minimum lease payments under the finance lease obligation are as follows:

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Total future minimum lease payments	<b>\$ 122,770,787</b>	\$ 87,160,693
Less future finance charges on finance leases	<b>(49,746,585)</b>	(31,780,128)
Present value of finance lease obligation	<b>73,024,202</b>	55,380,565
Less current portion of finance lease obligation	<b>(3,901,278)</b>	(3,356,362)
Finance lease obligation	<b>\$ 69,122,924</b>	\$ 52,024,203

As at March 31, 2018, scheduled future minimum lease payments of the finance lease obligation are as follows:

	<b>1 Year</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>
Future minimum lease payments	\$ 9,645,849	\$ 43,536,356	\$ 69,588,582
Present value of finance lease obligation	3,901,278	20,953,618	48,169,306

Due to the related party nature of the finance lease obligation, fair value information has not been disclosed as fair value cannot be reliably measured.

### 13 UNCOMMITTED NET PROCEEDS OF TABLE OPERATIONS

The Casino Operating Agreement provides for SIGA to use any net income from the operation of licensed table games for charitable or religious objects or purposes. Distributions of funds were made during the year as follows:

	March 31, 2018	March 31, 2017
Balance, beginning of year	\$ -	\$ -
Net loss from table operations (Note 22)	<b>(1,800,361)</b>	(1,886,402)
	<b>(1,800,361)</b>	(1,886,402)
Net loss from table operations allocated to slot operations	<b>1,800,361</b>	1,886,402
Amounts disbursed	-	-
Balance, end of year	<b>\$ -</b>	\$ -

### 14 REVENUE

	March 31, 2018	March 31, 2017
Gaming	<b>\$ 231,073,048</b>	\$ 231,108,801
Ancillary	<b>21,179,380</b>	22,550,916
	<b>\$ 252,252,428</b>	\$ 253,659,717

### 15 MATERIALS AND CONSUMABLES

	March 31, 2018	March 31, 2017
Food and beverage cost of goods sold	<b>\$ 6,894,919</b>	\$ 6,910,757
Imputed goods and services tax	<b>3,090,533</b>	3,329,378
Building repairs and maintenance	<b>2,222,221</b>	2,090,512
Software licenses and agreements	<b>1,323,056</b>	1,074,571
Staff benefits and recruitment	<b>1,197,769</b>	1,358,442
Consulting	<b>849,363</b>	380,296
Insurance	<b>725,078</b>	996,010
Accounting and internal audit services	<b>597,312</b>	670,897
Postage and stationery	<b>593,522</b>	643,315
Telephone	<b>552,306</b>	527,185
Board remuneration and travel	<b>472,929</b>	504,721
Miscellaneous	<b>455,261</b>	283,842
Legal	<b>394,326</b>	338,593
Bank charges	<b>389,181</b>	365,797
Dues and subscriptions	<b>129,882</b>	139,582
	<b>\$ 19,887,658</b>	\$ 19,613,898

**16 OTHER EXPENSES**

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Departmental supplies	\$ 1,070,478	\$ 1,195,342
Shuttle operating costs	708,734	848,215
Equipment lease	578,942	685,192
Uniforms and laundering	680,813	665,137
Travel and sustenance	586,166	765,543
Other	583,062	583,367
Ancillary consumables	540,972	555,929
Staff training	471,037	674,977
Equipment repairs	388,610	599,005
Printing	273,993	305,153
	<b>\$ 5,882,807</b>	<b>\$ 6,877,860</b>

**17 FINANCE COSTS**

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Interest on long-term debt	\$ 1,938,535	\$ 2,226,977
Interest on finance lease obligations	5,086,876	5,361,917
	<b>\$ 7,025,411</b>	<b>\$ 7,588,894</b>

The weighted average capitalization rate on funds borrowed generally is 9.06% per annum (2017 – 8.87% per annum).

**18 EMPLOYEE BENEFITS**

Effective April 1, 1997, SIGA established a pension plan for employees. The plan is a defined contribution plan administered by Great West Life. Substantially all of SIGA's full-time employees participate in the plan. SIGA's financial

obligation is limited to matching the required amounts contributed by employees, 6% of salary, which totalled \$3,854,038 in fiscal 2018 (2017 – \$3,818,563).

**19 CAPITAL DISCLOSURES**

SIGA's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of SIGA.

SIGA funds its capital requirements through the \$5,000,000 capital reserve from SLGA, internal operating activities and

debt. SIGA also has an available line of credit of \$1,000,000 at a financial institution (Note 11).

SIGA limits the amount of risk in proportion to its capital. The initial financing option of the Dakota Dunes, Living Sky, and Painted Hand casino projects ("casino projects") was limited to

## 19 Capital Disclosures (continued)

variable rate loans. SIGA entered into four interest rate swap agreements to exchange the variable rate debt instruments to fixed rate loans to mitigate fluctuations in interest rates. SIGA also regularly evaluates if any factors have the potential to change the capital structure of the organization. Risk management reports are presented to the Audit and Finance Committee and Board of Directors on a quarterly basis.

SIGA entered into a credit agreement with financial institutions in order to obtain financing for the casino projects. There are currently four financial covenants which are reported on a quarterly basis to the financial institutions. SIGA monitors its capital structure using these covenants. The financial covenants are as follows:

- (a) The senior fund debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio shall be less than or equal to 2.0:1.0 for each fiscal quarter;
- (b) The interest coverage ratio shall not be less than 5.0:1.0;
- (c) The total debt service coverage ratio shall not be less than 2.0:1.0; and
- (d) The earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR") coverage ratio shall not be less than 2.0:1.0.

Ratios at year-end were 0.36, 13.19, 6.45 and 4.28 respectively. In all instances during the year ended March 31, 2018 (and March 31, 2017), SIGA was in compliance with the above covenants.

## 20 FINANCIAL RISK MANAGEMENT

SIGA, through its financial assets and liabilities, has exposure to a number of risks from its use of financial instruments. The following analysis provides a measurement of these risks as at March 31, 2018:

### Risk Management

The Board has overall responsibility for the establishment and oversight of SIGA's risk management framework and is responsible for developing and monitoring SIGA's risk management policies.

SIGA's risk management policies are established to identify and analyze the risks faced by SIGA, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and SIGA's activities.

SIGA's Board oversees how management monitors compliance with SIGA's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by SIGA. The Board is assisted in its

oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

### Credit Risk

SIGA's principal financial assets are cash and cash equivalents, short-term investments, and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent SIGA's maximum credit exposure at the statement of financial position date.

SIGA does not extend credit to its gaming customers. Credit risk is limited to its accounts receivable balance which consists primarily of credit extended to business entities for business functions held at the various casino locations. The credit risk on cash and cash equivalents and short-term investments is limited because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies. Credit risk is not considered significant.

**20** Financial Risk Management (continued)

The following reflects an aging summary of SIGA's trade accounts receivable balances:

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Current	\$ 4,045,505	\$ 2,223,989
30-59 days	49,967	61,485
60-89 days	2,190	1,469
90 days and greater	23,992	36,084
	<b>4,130,654</b>	2,323,027
Allowance for doubtful accounts	-	-
	<b>\$ 4,130,654</b>	\$ 2,323,027

The allowance for doubtful accounts is reviewed quarterly based on an estimate of outstanding amounts that are considered uncollectible. Historically, SIGA has not written off a significant portion of its trade accounts receivable balances.

**Interest Rate Risk**

Interest rate risk is the risk of financial loss resulting from changes in market interest rates. In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for the Dakota Dunes, Living Sky and Painted Hand construction projects as described in Note 11. These arrangements fixed the interest rates for the loan for each construction project at 4.94%, 2.08%, 5.09% and 5.09% respectively over the term of the loans.

At March 31, 2018, if interest rates at that date had been 100 basis points lower with all other variables held constant, total comprehensive income for the year before distribution to SLGA would have been \$903,174 (2017 – \$1,293,848)

lower, arising mainly as a result of higher unrealized losses on interest rate swaps, partially offset by lower interest expense on variable borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, total comprehensive income for the year before distribution to SLGA would have been \$865,837 (2017 – \$1,232,403) higher, arising mainly as a result of lower unrealized losses on interest rate swaps, partially offset by higher interest expense on variable borrowings.

**Foreign Exchange Risk**

SIGA faces exposure to the U.S./Canadian dollar exchange rate through the purchase of goods and services payable in U.S. dollars. The risk is not considered significant.

## 20 Financial Risk Management (continued)

**Liquidity Risk**

Liquidity risk is the risk that SIGA is unable to meet its financial commitments as they become due or can only do so at excessive cost. SIGA manages its cash resources based on financial forecasts and anticipated cash flows. The following summarizes the contractual maturities of SIGA's financial liabilities based on undiscounted payments:

2018	Contractual cash flows						
	Financial Liabilities	Carrying Amount	0-12 months	1-2 years	3-5 years	More than 5 years	Total
Due to SLGA	\$ 64,447,720	\$ 64,447,720	\$ -	\$ -	\$ -	\$ -	\$ 64,447,720
Accounts payable and accrued liabilities	21,566,115	21,566,115	-	-	-	-	21,566,115
Long-term debt	30,975,517	6,991,024	6,697,452	12,494,107	9,975,889		36,158,472
Finance lease obligation	73,024,202	9,645,849	10,848,798	32,687,558	69,588,583		122,770,787
Interest rate swap liability	1,898,031	-	-	-	1,898,031		1,898,031
	\$ 191,911,585	\$ 102,650,708	\$ 17,546,250	\$ 45,181,665	\$ 81,462,503		\$ 246,841,126

The interest included in the payments of long-term debt were estimated using the interest rates prevailing at the end of the reporting period, assuming that such rates remain unchanged during the term of the long-term debt arrangements.

2017	Contractual cash flows						
	Financial Liabilities	Carrying Amount	0-12 months	1-2 years	3-5 years	More than 5 years	Total
Due to SLGA	\$ 60,952,825	\$ 60,952,825	\$ -	\$ -	\$ -	\$ -	\$ 60,952,825
Accounts payable and accrued liabilities	20,738,167	20,738,167	-	-	-	-	20,738,167
Long-term debt	36,377,329	7,287,702	6,991,024	13,094,052	16,073,396		43,446,174
Finance lease obligation	55,380,565	8,443,239	8,465,849	25,536,624	44,714,981		87,160,693
Interest rate swap liability	3,688,525	-	-	-	3,688,525		3,688,525
	\$ 177,137,411	\$ 97,421,933	\$ 15,456,873	\$ 38,630,676	\$ 64,476,902		\$ 215,986,384

Management believes its ability to generate funds will be adequate to support these financial liabilities.

**20** Financial Risk Management (continued)**Classification and Fair Value of Financial Instruments**

	<b>Classification</b>	<b>Fair Value Level</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Cash and cash equivalents	L&R	N/A	<b>\$ 21,410,451</b>	\$ 21,026,299
Short-term investments	L&R	N/A	<b>38,282,500</b>	43,982,500
Accounts receivable	L&R	N/A	<b>4,835,004</b>	2,889,962
Due to SLGA	OL	N/A	<b>64,447,720</b>	60,952,825
Accounts payable and accrued liabilities	OL	N/A	<b>21,566,115</b>	20,738,167
Long-term debt	OL	N/A	<b>30,975,517</b>	36,377,329
Interest rate swap liability	FVTPL	2	<b>1,898,031</b>	3,688,525

FVTPL – Fair value through profit and loss, L&R – Loans and receivables, OL – Other liabilities.

Derivatives are carried at their fair value. Derivative instrument fair value is calculated using pricing models that incorporate current market prices and the contractual prices of the underlying instruments, the time value of money and yield curves.

The fair value of long-term debt approximates carrying value due to its floating interest rates.

The fair value of the remaining financial instruments classified as loans and receivables or other liabilities approximates carrying value due to their current nature.

**21 RELATED PARTY TRANSACTIONS**

Significant related parties to SIGA include the FSIN, holder of a Class A membership in SIGA, and entities related to the FSIN (including Saskatchewan Indian Institute of Technologies, First Nations University of Canada, Indigenous Gaming Regulators Inc., Saskatchewan Indian Cultural Centre, and Saskatchewan Indian Equity Foundation). Related parties also include the Tribal Councils of Saskatchewan and Board Tribal Council Limited Partnership (and their related entities) that hold Class A memberships in SIGA. All transactions with related parties were made in the normal course of business and have been recorded at exchange amounts agreed upon between the parties.

The following are balances outstanding with related parties:

<b>Amounts owed by related parties</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>\$ 17,478</b>	\$ 46,537
<b>Amounts owed to related parties</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>\$ 1,376</b>	\$ 1,200

**21** Related Party Transactions (continued)

Significant transactions with related parties throughout the year are as follows:

<b>Purchases of goods and services</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Building rent and occupancy	\$ 7,290,671	\$ 7,175,327
Finance lease payments (principal and interest)	8,443,239	8,426,257
Purchase of property and equipment	4,693,969	–
Indigenous Gaming Regulators Inc.	4,161,635	3,333,685
Other	1,757,088	1,711,853
Sponsorship	282,506	400,483

**Key Management Personnel Compensation**

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of SIGA, directly or indirectly. Key management personnel of SIGA include the President/CEO, vice-presidents, and members of the board of directors. Key management personnel compensation is comprised of:

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Employee compensation and benefits	\$ 1,876,715	\$ 1,812,581
Post-employment benefits	177,659	172,802
	<b>\$ 2,054,374</b>	<b>\$ 1,985,383</b>

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and the notes thereto.

**22** SEGMENTED INFORMATION

SIGA operates in three segments – table operations, slot operations and ancillary operations. The following table shows key amounts by segment.

	<b>Slot Operations</b>	<b>Table Operations</b>	<b>Ancillary Operations</b>	<b>Elimination of Intercompany Transactions</b>	<b>Total</b>	
					<b>2018</b>	<b>2017</b>
Revenues	\$ 221,423,626	\$ 12,627,119	\$ 21,179,380	\$ (2,977,697)	\$ 252,252,428	\$ 253,659,717
Expenses	125,670,373	14,427,480	30,558,582	(2,977,697)	167,678,738	172,594,559
Profit (loss) before the following:	\$ 95,753,253	\$ (1,800,361)	\$ (9,379,202)	\$ –	\$ 84,573,690	\$ 81,065,158
Unrealized gain on interest rate swaps (Note 11)					1,790,494	1,754,582
Total net income and comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Notes 1 & 9)					\$ 86,364,184	\$ 82,819,740

**22** Segmented Information (continued)

The accounting policies of the reportable segments are the same as SIGA's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of unrealized gain (loss) on interest rate

swaps and distribution to Saskatchewan Liquor and Gaming Authority. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**23** COMMITMENTS AND CONTINGENCIES**Operating Leases**

SIGA has obligations under operating leases for buildings, equipment and vehicles. The minimum lease payments required under these operating leases are as follows:

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Less than one year	<b>\$ 4,594,468</b>	\$ 2,934,518
Between one and five years	<b>12,977,266</b>	4,283,412
More than five years	<b>2,136,463</b>	2,842,007
	<b>\$ 19,708,198</b>	\$ 10,059,937

The above commitments include amounts committed to related parties of \$13,730,018 for years 2018/19 through 2022/23 and \$2,094,958 for the years beyond 2022/23.

During the year ended March 31, 2018, an amount of \$5,128,185 (2017 – \$5,279,123) was recognized as an expense in comprehensive income in respect of operating leases.

**Capital Commitment – Slot Machines**

The Casino Operating Agreement requires SLGA to supply slot machines and the slot management system to SIGA for use in its casinos and for SIGA to reimburse to SLGA the cost of these machines over the estimated useful life of the equipment. Included in expenses is \$10,410,339 (2017 – \$12,499,438) for reimbursement of the purchase of slot machines and the slot machine management system. SIGA estimates total costs over the next five years, based on the machines currently in use, as follows:

2019	\$ 10,422,159
2020	9,401,041
2021	6,037,922
2022	4,410,275
2023	2,437,625

**Letters of Credit**

SIGA has three letters of credit with First Nations Bank of Canada, \$50,000 payable to the City of Swift Current, \$200,000 payable to the City of Yorkton and \$30,000 payable to Saskatchewan Sport Distributors Inc.

**Other**

The Casino Operating Agreement requires SIGA, upon receiving direction from SLGA, to pay to Indigenous Gaming Regulators Inc. ("IGR") the amount of IGR's annual operating budget. SLGA has directed SIGA to pay IGR \$3,300,000 for 2018-2019 (2017-2018 – \$3,300,000).

SIGA entered into an agreement with Saskatoon Prairieland Park Corporation ("SPPC") regarding the maintenance of a certain level of income when SPPC closed its casino. Under this agreement, SIGA agreed to pay SPPC \$216,667 monthly, subject to certain conditions, effective August 10, 2007 and continuing for 30 years.

**Contingencies**

SIGA enters into contractual arrangements with suppliers of services, products and facilities in the normal course of business. Contracts are subject to legal interpretation from time to time and disputes do arise. Management plans to account for such dispute resolutions in the year such disputes are settled, as they cannot be reasonably estimated prior to this time.

In addition, various other claims and lawsuits are pending against SIGA in the ordinary course of business. While it is not possible to determine the ultimate outcome of such actions at this time, and there exist inherent uncertainties in predicting such outcomes, it is SIGA's belief that the ultimate resolution of such actions is not reasonably likely to have a material adverse effect on its financial position or results of operations.



# EXECUTIVE STRUCTURE

FEDERATION OF SOVEREIGN INDIGENOUS NATIONS  
AND CHIEFS IN ASSEMBLY

**SIGA BOARD**

GOVERNANCE

STRATEGIC AFFAIRS

AUDIT AND FINANCE



**PRESIDENT/CEO**  
Zane Hansen



**VP CORPORATE AFFAIRS**  
Patricia Cook



**SENIOR VP FINANCE  
AND ADMINISTRATION**  
Tim Prosser



**VP HUMAN RESOURCES**  
Shauna Bear



**SENIOR VP I.T. AND  
BUSINESS DEVELOPMENT**  
Vern Acoose



**SENIOR VP OPERATIONS**  
Lionel Tootoosis



**VP MARKETING**  
Vance McNab



**GM - BEAR CLAW**  
Jonathan Pasap



**GM - DAKOTA DUNES**  
Gary Daniels



**GM - GOLD EAGLE**  
Kelly Atcheynum



**GM - LIVING SKY**  
Trevor Marion



**GM - NORTHERN LIGHTS**  
Richard Ahenakew



**GM - PAINTED HAND**  
Charles Ryder

# BOARD OF DIRECTORS



**BOARD CHAIR – CHIEF REGINALD BELLEROSE**

is currently serving his eighth consecutive term as Chief of Muskowekwan First Nation (MFN). Prior to his work at MFN, he held positions at Royal Bank, University of Alberta and Junior Achievement Canada. Chief Bellerose holds a Master's degree in Project Management from the University of Saskatchewan and a Bachelor of Arts in History and Political Science from Concordia University. As Chief of Muskowekwan First Nation, he remains focused on enterprise in and for his community, primarily in the area of natural resource development and sustainability. He's

passionately committed to future generations through investment in education and long-term business thinking, and through generating own-source revenue through exercising Inherent and Treaty Rights; and he speaks often on the need to address healing and wellness in First Nation communities. He is known for fair and transparent leadership, and for his community dedication and compassion. Chief Bellerose sits on various boards throughout the province and nationally, including First Nation Power Authority, Saskatchewan Indian Institute of Technologies and Encanto Potash Corp.



**CHIEF DARCY BEAR** is in his eighth consecutive term as Chief of the Whitecap Dakota First Nation. He holds a Business Administration Certificate and an Honorary Doctorate of Law from the University of Saskatchewan. Chief Bear has also been the recipient of many awards including the Commemorative Medal for the Centennial of Saskatchewan in 2005; the Saskatchewan Order of Merit in 2011; and the Saskatchewan Diamond Jubilee in 2012. Recently,

he was awarded the 2016 Canadian Council for Aboriginal Business Hall of Lifetime Achievement Award for his oversight of the transformation of the community, increasing opportunity and prosperity against formidable odds. He has dedicated half of his life to the betterment of his community and has been the driving force behind extensive economic development and an improved quality of life within the community.



**CHIEF RICHARD BEN** joined the SIGA Board in October 2009. Prior to being elected as Chief of Makwa Sahgaiehcan First Nation, he had served one term as a band councillor. Chief Ben's experience includes terms with the FSIN Education and Justice Commissions, and a number of boards with the Meadow Lake Tribal Council. He is currently Vice Chair

on the Saskatchewan Indian Institute of Technologies' Board of Directors. Chief Ben's background also includes three years in the army reserve, four years as a recreation director on his home reserve, as well as an education in PolicePrep, Police Sciences and Information Technology.



**CHIEF CONNIE BIG EAGLE**, Pro. Dir, is the Chief of Ocean Man First Nation. She has served her Nation in leadership for 15 years as Chief and on Council. Chief Connie is Chair of the Yorkton Tribal Council Treasury Board, Vice Chair of the Treaty 4 Education Alliance

and represents Saskatchewan on the Assembly of First Nations Women's Council. Chief Big Eagle joined SIGA Board in August 2015.



**CAROLE BRYANT**, Pro. Dir, rejoined the SIGA Board in January 2010. Carole is currently Director of Governance and Corporate Services with the Ranch Ehrlo Society. She has had diverse career experience in social work, community development, human resources, corporate services, board governance and communication. Carole is the past-president of the Saskatchewan Association of Social Workers and is

a former past-president of the Regina Rotary Club. She was one of the founding board members of SaskPower Commercial Inc. and has board experience with the Luther College Board of Directors, Investment Saskatchewan and is a former President of the Regina and District Food Bank. Carole has a Master's degree in Social Work. She completed her MBA from Queen's University in Kingston and has her CPA designation.



**CHIEF EDWARD HENDERSON** of the Montreal Lake Cree Nation joined the Board in December 2005. He is past Chair of Little Red Reserve School Authority and Woodland Cree Board. He currently serves on the boards of PAGC Education, Forestry,

Women's Commission, Sports Culture and Recreation, Saskatchewan Indian Equity Foundation, First Nations University of Canada and the Saskatchewan Indian Education and Training Commission.

**DR. RON MARTIN**, Pro. Dir, of the Fond-du-Lac First Nation was appointed to the SIGA Board on October 2012. Dr. Martin completed his Native Law Program, a Bachelor of Arts Advanced Degree in Sociology, Bachelor of Science Advanced Degree in Anatomy,

and Doctor of Medical Dentistry Degree. He owns and operates a busy and expanding dental practice (Dene Dent Family Dentistry) on Treaty 4 Territory near Fort Qu'Appelle.



**CHIEF KENNY MOCCASIN**, Pro. Dir, joined the SIGA Board in December 2015. Chief Moccasin was elected in 2011 and more recently in 2015 to the position of Chief of the Sauteaux First Nation. Prior to being elected as a band councillor, Chief Moccasin completed his Computer Information Technology Diploma and worked in the education system for eight

years as a computer technician/networking/teacher at the Sauteaux Heritage School and the Northwest Nations Education Council School Board. He currently represents Battleford Agency Tribal Chiefs on the SIGA Board, and was appointed as Tribal Chief in October 2015.



**CHIEF MARIE ANNE DAYWALKER-PELLETIER**, Pro. Dir, was appointed from the File Hills Qu'Appelle Tribal Council in early January, 2013 to the SIGA Board. She is currently Chief of Okanese First Nation, a position she has filled since March, 1981 – serving 37 consecutive years to date. Chief Daywalker-

Pelletier has sat on many boards and obtained professional director designation in 2015. She is currently the Chair of the Saskatchewan Indian Women's Commission, Chair of the TFHQ Safe Shelter Inc. and a commission member of the Health and Social Development Commission.



**KEVIN POOCK** from the Battleford Tribal Council Management Corp. was appointed to the Board in February 2012 by the Battlefords Tribal Council. Kevin is a Chartered Financial Planner who has 25 years of experience in the financial services industry. He was instrumental in the financing and opening of the first

four casinos operated by SIGA. In 1998, he joined Battlefords Tribal Council to assist their Economic Development Division. He currently is part of a group that manages several diversified businesses, holding companies, and analyzes new opportunities for First Nations.



**CHIEF DELBERT WAPASS** is a fluent speaker of the Cree language and is from Thunderchild First Nation. Chief Wapass holds a Bachelor of Arts degree in Native Studies from the University of Regina and a Master of Education from the University of Saskatchewan. Chief Wapass has previously served

with the Federation of Sovereign Indigenous Nations as both the Second and Third Vice Chief, with portfolio experience in economic development, education and health. A very traditional and cultural person, Chief Wapass was raised by his grandparents on the Thunderchild First Nation.



**CHIEF NATHAN PASAP** is a proud Nakota/Cree member and the Chief of White Bear First Nation. Prior to being elected as Chief of White Bear, he had served one term as band councillor. Chief Pasap is currently Chair of Treaty 4 Education Alliance, was the president of First Nations University of Canada and has sat as a member on the First Nations University Board of Governors. Chief Pasap holds a Bachelor

of Arts degree with a dual major in Political Science and Indigenous Studies from First Nations University and University of Regina. He is a proud father of one son and two daughters and has strong blood ties to Ochapowace First Nation. His hobbies include golf, hockey and practicing his Treaty Rights to hunt, fish and gather like his forefathers and grandmothers did since time immemorial.



**JOHN CHARLES THOMAS – SENATOR FSN** is a distinguished member of Beardy's & Okemasis First Nation. Prior to being elected as band councillor in the late 1980s, he had worked as a probation officer, lands coordinator, lands manager, treaty land entitlement trustee and was involved with Saskatchewan Indigenous Cultural Centre and Beardy's & Okemasis First Nation. Senator Thomas was instrumental in developing the *Executive*

*Management Act, Senate Act, Land Management Act, Housing Act, Personnel Management Act and Band Custom Election Act* for Beardy's & Okemasis First Nation. After his term as band councillor, he started working for the Federation of Sovereign Indigenous Nations. He is very passionate about his family, especially his grandchildren, politics, treaties, economic development, sports and recreation, and governance and justice.



**RUBY WILLIAMS – BOARD SECRETARY**

# CORPORATE GOVERNANCE

## AUTHORITY

Under the *First Nations Gaming Act*, the Federation of Sovereign Indigenous Nations created the Saskatchewan Indian Gaming Authority on June 10, 1995. The FSIN entered into the Gaming Framework Agreement (GFA) with the Province of Saskatchewan, which established our exclusive access to casino markets in Saskatchewan. SIGA was designated as the proponent for casino development and was then incorporated under *The Non-Profit Corporation Act, 1995*, of Saskatchewan on January 11, 1996.

The Province of Saskatchewan regulates SIGA through the Saskatchewan Liquor and Gaming Authority (SLGA) and the Indigenous Gaming Regulators (IGR). Accountable to the mandate set out by our shareholders, SIGA operates under the terms set out in the Casino Operating Agreement (COA) and gaming regulatory conditions established by IGR and SLGA.

## SASKATCHEWAN LIQUOR AND GAMING AUTHORITY

The Province of Saskatchewan regulates SIGA through the Saskatchewan Liquor and Gaming Authority. This authority is responsible for the approval of budgets, operating policies, procedures and expansion of services. There is constant dialogue between the management and employees of both organizations.

## OUR STRUCTURE

SIGA's gaming operations are a revenue source for Saskatchewan's First Nations, the Provincial Treasury and for the Community Development Corporations. The CDCs distribute this money to charitable and non-profit community organizations. Profits generated from SIGA's operations are administered by the Province of Saskatchewan using the following breakdown: 50 per cent to Saskatchewan First Nations, as distributed through the First Nations Trust; 25 per cent to the CDCs; and 25 per cent to the provincial government's General Revenue Fund.

## ROLE OF THE BOARD

On behalf of the shareholders, the Board of Directors is responsible for the stewardship of the organization and is ultimately accountable for the management of the affairs and business of SIGA. In meeting this responsibility, the Board works with management to develop and approve the organization's strategic plan, annual budgets, and ensures that a communication policy is in place. The Board has established a terms of reference addressing our principal duties and responsibilities as a Board.

While focusing on the strategic direction of the organization, the Board delegates day-to-day operations to the President and CEO. The Board has resolved to adopt a policy governance model that empowers the President and CEO and holds them accountable for achieving the Board's directives, managing risks, complying with the Casino Operating Agreement and Board policies. In addition, the organization has a comprehensive Delegation of Authority Policy that governs the approvals and spending authorities for all managers consistent with their responsibilities, accountabilities, and budgetary allocations. The policy specifies those matters that require Board approval, including items specific to capital expenses (including renovation projects) planned over \$1,000,000; and unplanned over \$500,000, including any property management, land and building leases, and all other operating expenses and contracts.

All of our Directors are independent of management and no member of management serves as a Director. The Board held seven meetings in the 2017-2018 fiscal year.

## BOARD CHAIR – CHIEF REGINALD BELLEROSE

The Chair provides leadership by guiding the Board, coordinating our activities, and fostering relationships in the best interests of the organization. The Chair, while working closely with the President and CEO, retains an independent perspective to best represent the interests of SIGA, the Board, and the communities they serve. The Chair, on behalf of the Board, reports to the FSIN Gaming Commission and the FSIN Legislative Assembly on the affairs of the corporation, including all business aspects of casinos owned and operated by SIGA. The Chair, in turn, reports to the Board of Directors any recommendations brought forward by the Gaming Commission and the Assembly. The Board has delegated authority and assigned responsibility to the Board Chair for managing SIGA's relationship with the shareholders as per policy B03-012 Board Chair – Terms of Reference.

## DIRECTORS

The Board of Directors was comprised of 12 members for the 2017-2018 fiscal year. The Federation of Sovereign Indigenous Nations and the Tribal Councils nominate these members (one per Tribal Council). There is one independent director appointed by the SIGA Board who has financial expertise. Only individuals registered under *The Alcohol and Gaming Regulation Act, 1997*, may be Directors of the Board.

As per the Casino Operating Agreement, the Board structure is comprised of no more than 13 Directors.

The 2017-2018 Directors are as follows:

- Chief Reginald Bellerose
- Chief Edward Henderson
- Chief Darcy Bear
- Chief Nathan Pasap
- Chief Richard Ben
- Carole Bryant
- Chief Delbert Wapass
- Kevin Pooch
- Dr. Ron Martin
- Chief Marie Anne Daywalker-Pelletier
- Chief Connie Big Eagle
- Chief Ken Moccasin

The Board also has an advisor:

- Senate Advisor, John C. Thomas

## COMMITTEE STRUCTURE

The Board may appoint any committees that it considers necessary for the efficient conduct of the affairs and business of SIGA and may prescribe the duties of any committee it appoints. It is important to note that assignment of responsibility by the Board to a committee does not absolve the full Board from responsibility for a committee's work or decisions. The Chair is ex-officio on all committees and may attend any meeting as deemed appropriate. All committees have established terms of reference governing their conduct and mandate.

The Board has three (3) committees with established terms of reference governing their code and mandate. These three committees are as follows: Audit and Finance, Governance (includes, Human Resource, Compensation and Ethics and Governance mandates) and Strategic Affairs.

### AUDIT AND FINANCE COMMITTEE – CAROLE BRYANT, CHAIR

The Audit and Finance Committee monitors the financial performance and internal controls of SIGA, assesses risk management strategies, and acts as a liaison between the internal and external auditors and the Board. This committee is responsible for the internal audit function and has retained an independent internal auditor who is accountable to the Board through the Audit and Finance Committee, and has unimpeded access to corporate information and reports. SIGA's internal auditor is PricewaterhouseCoopers (PwC). The fee for the internal audit function for the fiscal year is \$365,760. The committee monitors internal controls over the financial reporting process, auditing matters, and financial reporting issues. The SIGA audit is completed by the audit firm Deloitte LLP. The fee for the audit for the fiscal year is \$243,000. In addition to the statutory audit requirements, Deloitte LLP submits management letters that contain internal control recommendations and identify management and system control risks. Deloitte LLP has examined the corporation's financial statements and issued an auditor's report included in this annual report. Deloitte LLP did not provide any non-audit services this past fiscal year. The committee met seven times in the 2017-2018 fiscal year.



## **STRATEGIC AFFAIRS COMMITTEE – DARCY BEAR, CHAIR**

The Strategic Affairs Committee is mandated to ensure there are sufficient processes in place to develop, maintain and monitor the strategic plan, provide direction on shareholder and stakeholder relations and review and provide direction on new business opportunities. The Strategic Affairs Committee is also responsible to review, assess and monitor strategic level risk in SIGA's risk management plan and to ensure the appropriate risk mitigation strategies are in place. Further, the committee will review and provide recommendations on the Casino Operating Agreement and the Framework Agreement. The committee met four times in the 2017-2018 fiscal year.

## **GOVERNANCE COMMITTEE – RON MARTIN, CHAIR**

The Governance Committee is responsible for overseeing the Authority's governance processes and the quality of our corporate governance, reporting to the Board concerning the same. The committee helps the Board deliver exemplary governance and human resource practices ensuring that SIGA's overall compensation structure provides appropriate incentives to employees at all levels. The committee ensures that SIGA is observing the highest standards of ethical business conduct. The Governance Committee monitors the functioning of the Board and committees of the Board, and recommends governance issues to be discussed by the Board and Board committees. It is also responsible to ensure timely and complete information and decision-making at the Board and committee levels. The Governance Committee is responsible to ensure an annual review of the terms of reference of the Board and our committees. The committee coordinates the bi-annual evaluations of the Board, the Board Chair and our committees.

The evaluation of the Board and our committees was completed in 2017. The Governance Committee also oversees the annual evaluation of the CEO, which will be completed in July 2018. The Board engaged Dr. Bob Kayseas, an independent third party consultant, to conduct the evaluation of the Board, Board Chair, committees and the President and CEO. This committee met four times in the 2017-2018 fiscal year.

## **GOVERNANCE PRACTICES**

The SIGA Board has formally adopted a governance model with generally accepted governance practices, and a suite of corporate governance policies. These policies ensure continuity of good governance practices and provide ongoing direction for the Board, our committees, and management. To ensure that SIGA continues to exemplify high standards of corporate governance, the Board has mandated that the corporation's governance practices be monitored annually and an audit of all governance practices be conducted every three years. The audit was completed in 2018 by the audit firm PwC.

SIGA's current governance and disclosure practices are consistent with the guidelines advocated in the Ontario Securities Commission National Policy 58-201. SIGA's current disclosure practices are consistent with the guidelines set out in the Ontario Securities Commission National Policy 58-101.

The Board substantially complies with our corporate governance policies. Unlike a publicly held entity, SIGA is not required to comply with these policies. The corporation, however, has adopted an approach of benchmarking itself to these standards.

SIGA's alignment with the CSA Corporate Governance Guidelines is set out in the following scorecard:

	<b>SIGA'S GOVERNANCE PRACTICES</b>	<b>DOES SIGA ALIGN?</b>
<b>Composition of the Board</b>		
<b>NP 58-201, Section 3.1</b> The Board should have the majority of independent Directors.	The Directors of the SIGA Board are appointed by the Members and approved by Federation of Sovereign Indigenous Nations. All Directors are independent. SIGA's Board composition is 13 members with 12 of those Directors being confirmed as of this date.	Yes
<b>NP 58-201, Sections 1(a) and (d)</b> 1 (a) Disclose the identity of Directors who are independent; (b) Disclose the identity of Directors who are not independent and the basis for that determination; (c) Disclose whether the majority of Directors are independent; and (d) Disclose whether a Director is a Director of any other issuer that is a reporting issuer.	<b>Reginald Bellerose, Chair: Independent</b> – Chief, Muskowekwan First Nation, Touchwood Agency Tribal Council. <b>Edward Henderson, Director: Independent</b> – Chief, Montreal Lake Cree Nation, Prince Albert Grand Council. <b>Brian Standingready, Director: Independent</b> – Chief, White Bear First Nation, Southeast Treaty 4 Tribal Council. <b>Nathan Pasap, Director: Independent</b> – Chief, White Bear First Nation, Southeast Treaty 4 Tribal Council. <b>Vacant</b> – Agency Chiefs Tribal Council. <b>Richard Ben, Director: Independent</b> – Chief, Makwa Sahgaiehcan First Nation, Meadow Lake Tribal Council. <b>Carole Bryant, Director: Independent</b> – Director of Governance and Corporate Services, Ranch Ehrlo Society. <b>Delbert Wapass, Director: Independent</b> – Chief, Thunderchild First Nation, Independent First Nations. <b>Kevin Pook, Director: Independent</b> – Chartered Financial Planner, Battlefords Tribal Council. <b>Ron Martin, Director: Independent</b> – Dentist, Federation of Sovereign Indigenous Nations. <b>Marie Anne Daywalker-Pelletier, Director: Independent</b> – Chief, Okanese First Nation, File Hills Qu'Appelle Tribal Council. <b>Darcy Bear, Director: Independent</b> – Chief, Whitecap Dakota First Nation, Saskatoon Tribal Council. <b>Connie Big Eagle, Director: Independent</b> – Chief, Ocean Man First Nation, Yorkton Tribal Council. <b>Ken Moccasin, Director: Independent</b> – Chief, Saulteaux First Nation, Battlefords Agency Tribal Chiefs.  This criterion is met by all current Board Members being external Directors (i.e. not managers or employees of SIGA) and by having each Board member complete and sign code of conduct acknowledgement and conflict of interest (COI) disclosure forms. All Directors have completed COI forms on file. Section 1(d) does not apply to SIGA, as SIGA does not have share capital and is not an issuer.	Yes
<b>NP 58-201, Section 3.2</b> 3.2 The Chair of the Board should be an independent Director who is the effective leader of the Board, who ensures that the Board's agenda will enable it to successfully carry out its duties.	The Chair of the Board is an independent Director who provides leadership in board organization, processes, effectiveness and renewal and serves as a liaison between the roles of the Board, shareholders and that of President and CEO.	Yes
<b>NI 58-101FI, Section 1(f)</b> 1 (f) Disclose whether the Chair of the Board is an independent Director; disclose the identity of the Chair and describe the role of the Chair.	Reginald Bellerose, who is an independent Director, assumed the responsibilities of Chair in February 2015.  The Chair reports to the Board and ultimately to the shareholders and is responsible for presiding over meetings of the Board and ensuring the Board discharges its fiduciary and legal responsibilities. The Board has developed a Terms of Reference for the Chair in policy B03-012 which can be obtained from SIGA upon request.	Yes

## SIGA'S GOVERNANCE PRACTICES

## DOES SIGA ALIGN?

### Meetings of Independent Directors

#### NI 58-101FI, Section 3.3

- 3.3 The independent Directors should hold regularly scheduled meetings at which non-independent Directors and members of management are not present.
- 1 (e) Disclose whether the independent Directors hold regularly scheduled meetings at which members of management are not present, disclose the number of such meetings held in the previous 12 months; if such meetings are not held, disclose what the Board does to facilitate open and candid discussion among independent Directors.

This criterion is met by all current Board members being external Directors. The terms of reference for the Board/committee require that the Board/committees meet regularly without management present. In-camera sessions are a standing agenda item.

There were seven Board meetings held in 2017-2018 and, during each regular meeting, in-camera sessions are a standing agenda item. Board practices that facilitate open and candid discussion allow for open and direct communication on issues that it may not be appropriate to discuss with representatives of management.

The Board is satisfied that its governance practices foster full and open discussion and debate and that it retains the independence of mind to make decisions in the best interest of the corporation and the shareholder.

Yes, SIGA substantially meets this requirement.

#### NI 58-101FI, Section 1(g)

- 1 (g) Disclose the attendance record of each Director for the Board meetings held in the most recently completed financial year.

The Board held a minimum of seven meetings in 2017-2018, which included its regularly scheduled Board meetings, a strategic planning session and one special meeting.

Yes

	Meetings Attended*	Total Meetings
Edward Henderson, Director	7	(7)
Reginald Bellerose, Director	7	(7)
Brian Standingready, Director	3	(3)
Carole Bryant, Director	6	(7)
Richard Ben, Director	7	(7)
Delbert Wapass, Director	6	(7)
Kevin Poock, Director	7	(7)
Ron Martin, Director	6	(7)
Marie Anne Daywalker-Pelletier, Director	7	(7)
Darcy Bear, Director	7	(7)
Connie Big Eagle, Director	6	(7)
Ken Moccasin, Director	7	(7)
Nathan Pasap, Director	3	(4)

\* For the purposes of this report, members who attended meetings in part were considered to be present. Figures in brackets represent the maximum number for the period in which the individual was a Board member.

### Board Mandate

#### NP 58-201, Section 3.4

- 3.4 The Board should adopt a written mandate which explicitly acknowledges responsibility for the stewardship of the corporation and responsibility for:
- (a) To the extent possible, satisfying itself as to the integrity of the CEO and executive and that they have created a culture of integrity throughout the organization;
- (b) Adopting a strategic planning process and approving at least annually a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- (c) Identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks.

The Board has adopted a comprehensive written Board mandate, policy no. B03-001 that complies with the elements required in this policy. Specific policies B03-008 Board Member Responsibilities and B03-012 Board Chair – Terms of Reference outline the primary duties and responsibilities of the Board, including the responsibility to function as stewards of the corporation.

- (a) The corporation has a comprehensive Code of Conduct and Ethics Policy in place for the Board and senior management.
- (b) SIGA has a strategic plan in place for the Authority. SIGA is using a highly regarded model of planning known as the Balanced Scorecard. This performance management tool helps us ensure that operational activities and initiatives are aligned with the objectives of the company in terms of vision and strategy. The Board approved the strategic measures and targets for the company in May 2017. The President reported on those measures on a quarterly basis. The results are also reported on in this annual report.
- (c) The corporation has established an integrated risk management function and the corporate "infrastructure" for the identification and management of the risks that could prevent SIGA from achieving its strategic goals and priorities. The Board delegates this responsibility to the Audit and Finance Committee.

Yes

	<b>SIGA'S GOVERNANCE PRACTICES</b>	<b>DOES SIGA ALIGN?</b>
<b>NP 58-201, Section 3.4 continued</b>		
<p>(d) Succession planning, including appointing, training and monitoring senior management;</p> <p>(e) Adopting a communications policy for the corporation;</p> <p>(f) The integrity of the corporation's internal control and management information systems; and</p> <p>(g) Developing the corporation's approach to corporate governance, including a set of principles and guidelines specific to the corporation.</p>	<p>(d) The Board approves succession plans for the President and CEO and senior executive on an annual basis.</p> <p>(e) The Board has a communications policy with processes in place to ensure effective communications with shareholders, stakeholders and the public. The annual general meeting of the members was held on November 23, 2017.</p> <p>(f) A principal duty of the Board is to identify principal risks of the business in which the corporation is engaged to achieve a proper balance between risks incurred and potential returns, and to oversee the implementation of appropriate systems to manage the risks. SIGA manages information risks through continual evaluation of the internal controls over financial reporting for new and existing systems.</p> <p>(g) The SIGA Board has formally adopted a governance model with generally accepted governance practices and a suite of corporate governance policies. The Governance Committee is mandated to oversee the corporation's governance practices. An audit of the corporation's governance practices is completed every three years with the latest on completed in April 2018.</p>	
<b>NP 58-201, Section 2</b>		
2 Disclose the Board's written mandate.	The Board's written mandate, Policy B03-001, can be obtained from SIGA upon request.	Yes
<b>Position Descriptions</b>		
<b>NP 58-201, Section 3.5</b>		
3.5 The Board should: develop clear position descriptions for the Chair of the Board and the Chair of each committee; together with the CEO, develop a position description for the CEO delineating management's responsibilities; develop or approve corporate goals and objectives that the CEO is responsible to meet.	<p>The Board has adopted specific policies which outline the primary duties and responsibilities of the Board Chair, Committee Chairs and Board members. The Board has adopted mandates for all standing committees, which outline their specific responsibilities. The Delegation of Authority Policy B05-018, applicable to monetary and non-monetary matters, sets out those matters that require Board approval and delegates other matters to management.</p> <p>The Board annually approves a strategic plan, which includes the corporate objectives and goals (Balanced Scorecard targets) for the upcoming year. The CEO is ultimately responsible to the Board for meeting these goals and objectives. The Board assesses the CEO against these performance targets.</p>	Yes
<b>NI 58-101FI, Sections 3(a) and (b)</b>		
3 (a) Disclose whether the Board has developed written position descriptions for the Chair of the Board and the Chair of each Board committee and, if not, describe how the Board delineates the role and responsibilities of each such position.	3 (a) The Board has policies in place that set out the roles and responsibilities for the Board Chair, Vice Chair and Committee Chairs. In addition to this, the committees all have written mandates adopted by the Board that delineate the roles and responsibilities of that committee.	Yes
(b) Disclose whether the Board and CEO have developed a written position description for the CEO.	(b) The Board has developed a comprehensive job description for the CEO.	



	<b>SIGA'S GOVERNANCE PRACTICES</b>	<b>DOES SIGA ALIGN?</b>
<b>NI 58-101FI, Section 5(a)</b>		
5 (a) Disclose whether the Board has adopted a written code of ethical business conduct for the Directors, officers and employees of the corporation; how to obtain a copy of the code; how the Board monitors compliance with the code; and reference any material change report in the most recent financial year relating to any conduct of a Director or officer that constitutes a departure from the code.	5 (a) A copy of the Directors, President and CEO Code of Conduct Policy can be obtained by contacting SIGA.  The Board Chair and the Governance Committee monitor compliance with the Code of Conduct Policy for the Directors and the President and CEO. The President and CEO monitors compliance with the Code of Conduct Policy for senior management. The Audit and Finance Committee is responsible for: monitoring and reviewing the financial performance and internal controls of the Authority; monitoring, reviewing and ensuring the adequacy of the Authority's risk management policies and procedures; enhancing the credibility and objectivity of the Authority's financial reports; and acting as a communication link between the Board of Directors, the external and provincial auditors and the internal auditor. The mandate of the Audit and Finance Committee shall be tabled at the annual general meeting for review by the members. The Governance Committee shall review the Authority's overall compensation programs and recommend compensation for the President and CEO and senior executive, and ensure that the overall compensation structure provides appropriate incentives to management and employees at all levels.	Yes
<b>NP 58-201, Section 3.9</b>		
3.9 The Board should monitor compliance with the code and any waivers granted for the benefit of Directors and executive officers should be granted by the Board or committee. Any waivers for a material departure from the code for any Directors or officers should disclose full details of the material change.	3.9 The Governance Committee is responsible to receive and consider directors and managers Conflict of Interest and Relationship Declaration Forms.	Yes
<b>NI 58-101FI, Sections 5(b) and (c)</b>		
5 (b) Describe steps the Board takes to ensure Directors exercise independent judgement in considering transactions and agreements where a Director or officer has a material interest.  (c) Describe other steps the Board takes to encourage and promote a culture of ethical business conduct.	5 (b) SIGA has a written Code of Conduct Policy applicable to all Directors. The corporation has a Director's Conflict of Interest Policy meant to protect the Authority's interest by outlining guidelines for the Authority's Board which ensures that a conflict of interest does not exist or appear to exist. The corporation has a Disclosure of Wrongdoing Policy in place and, to further support that, the Board has implemented an employee hotline that is independently operated. The hotline provides a means for employees to report allegations of serious wrongdoing and identify situations where wrongdoing is or has occurred so it can be eliminated.	Yes
<b>Nomination of Directors</b>		
<b>NP 58-201, Section 3.10</b>		
3.10 The Board should appoint a nominating committee composed of entirely independent Directors.	As identified in the by-laws of the corporation, the Board structure will be comprised of no more than 13 Directors. The Federation of Sovereign Indigenous Nations and the Tribal Councils appoint 12 of these Directors (one per Tribal Council) with the SIGA Board appointing one independent Director with financial expertise. All appointments are ratified by the Federation of Sovereign Indigenous Nations' Legislative Assembly.  The SIGA Board has undertaken the responsibility of developing a skills profile for our Board members. It is distributed to all shareholders for their use as criteria to base their nomination/selection of Directors.	N/A
<b>Compensation</b>		
<b>NP 58-201, Section 3.15</b>		
3.15 The Board should appoint a compensation committee composed entirely of independent Directors.	3.15 The Board has appointed a Governance Committee of entirely independent Directors who are responsible for compensation matters.	Yes



## SIGA'S GOVERNANCE PRACTICES

## DOES SIGA ALIGN?

### NP 58-201, Section 3.16

3.16 The compensation committee should have a written charter establishing the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations (including any authority to delegate to individual Directors or subcommittees) and manner of reporting to the Board. In addition, the compensation committee should be given authority to engage and compensate outside advisors necessary to permit it to carry out its work.

3.16 The Governance Committee responsibilities include:

Annually review and monitor senior executive contracts, compensation and benefits program and recommend changes where appropriate.

Ensure there are ongoing executive development programs that help promising individuals within the organization develop the critical skills identified in the succession plan.

Annually review the administration of all management and staff benefits and compensation plans to ensure conformity with approved policies.

Review on a regular basis the mechanisms that management has in place for employee recruitment and monitor the retention of employees with a process for monitoring risk.

Based on the CEO evaluation results, the Governance Committee reviews and makes recommendations to the Board regarding the CEO's compensation.

Yes

### NP 58-201, Section 3.17

3.17 The compensation committee should be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining the CEO's compensation level based on the evaluation; making recommendations to the Board respecting non-CEO officer and Director compensation, incentive-compensation plans and equity-based plans; and reviewing executive compensation prior to public disclosure.

3.17 The Board evaluates the performance of the President and CEO annually. The Governance Committee oversees the evaluation of the President and CEO. The evaluation results are reported in writing to the Board. The President and CEO is evaluated based on performance targets and measures laid out in the strategic plan, and for complying with management limitations policies prescribed by the Board. The results of the CEO's performance are approved by the full Board. The President and CEO evaluation is scheduled to be completed in July 2018.

Yes

## Board Assessments

### NP 58-201, Section 3.18

3.18 Each individual Director should be regularly assessed regarding their effectiveness and contribution. An assessment should consider:

- (a) In the case of the Board or a Board committee, its mandate or charter; and
- (b) In the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.

3.18 The Board, committees, and the Chair evaluation occur on a two-year cycle. The evaluations were conducted by Dr. Bob Kayseas, an external consultant, and were completed in February 2017.

The Board and its committees review their Terms of Reference annually. The Board has developed a skills matrix that will be used for future planning.

Yes

### NI 58-101FI, Sections 7(a) and (b)

7 (a) Describe the process by which the Board determines compensation for the Directors and officers of the corporation.

(b) Disclose whether the Board has a compensation committee composed entirely of independent Directors and, if not, describe the steps the Board takes to ensure an objective process for determining such compensation.

7 (a) The corporation has developed a number of policies to assist in determining rates for Director compensation. Directors will be compensated for serving on SIGA's Board through a combination of retainer fees and per diems. Directors will be reimbursed for travel and business expenses in accordance with Corporate Policy No. B03-017 Travel and Business Expenses (Board members). The monitoring of compensation for Directors is the responsibility of the Governance Committee, which reviews this on a bi-annual basis. The Board determines compensation by retaining the services of an external consultant to complete a market survey utilizing industry standards.

(b) Board members receive the following retainer fees on an annual basis to be paid in quarterly installments: Board Chairperson \$20,000; Committee Chair \$16,000; Director \$12,500; with meeting fees at \$700.

Yes

	<b>SIGA'S GOVERNANCE PRACTICES</b>	<b>DOES SIGA ALIGN?</b>
<b>NI 58-101FI, Section 7(c)</b>		
7 (c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the committee.	7 (c) The Governance Committee serves as SIGA's compensation committee. This is a standing committee and serves as an advisory committee appointed by the Board. The committee's core responsibilities are identified above.	Yes
<b>NI 58-101FI, Section 7(d)</b>		
7 (d) If a compensation consultant has been retained at any time during the corporation's most recently completed fiscal year, to assist in determining compensation for any of the corporation's Directors and officers, disclose the identity of the consultant and briefly summarize their mandate. If retained to perform any other work, state that fact and briefly describe the nature of the work.	(d) The Board did not retain the services of compensation consultant services in 2017-2018.	
<b>Other Board Committees</b>		
<b>NI 58-101FI, Section 8</b>		
8 If the Board has standing committees of the Board, other than audit, compensation and nominating committees, identify the committees and describe their function.	The SIGA Board has appointed the following standing committees to conduct the business of the corporation: Governance Committee, Audit and Finance Committee and the Strategic Affairs Committee. All committees have comprehensive mandates that meet the policy requirements. All committee mandates are available upon request from SIGA.	Yes
<b>Director Term Limits and Other Mechanisms of Board Renewal</b>		
<b>NP 58-201, Section 10</b>		
10 Disclose whether or not the issuer has adopted term limits for the directors on our Board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	The SIGA Board is appointed by the members and ratified by the Federation of Sovereign Indigenous Nations Legislative Assembly. All Board members are registered with SLGA. Members may fill any vacancy that occurs on the Board as required.	Yes
<b>Policies Regarding the Representation of Women on the Board</b>		
<b>NP 58-201, Section 11</b>		
11 (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.	No policy	N/A
(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:	No policy	N/A
(i) A short summary of its objectives and key provisions;		
(ii) The measures taken to ensure that the policy has been effectively implemented;		
(iii) Annual and cumulative progress by the issuer in achieving the objectives of the policy; and		
(iv) Whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy.		

	<b>SIGA'S GOVERNANCE PRACTICES</b>	<b>DOES SIGA ALIGN?</b>
<p><b>Consideration of the Representation of Women in the Director Identification and Selection Process</b></p> <p><b>NP 58-201, Section 12</b></p> <p>12 Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer's reasons for not doing so.</p>	<p>For 2017-2018, SIGA had a 12-member board and three are women.</p> <p>No policy</p>	<p>Yes</p> <p>N/A</p>
<p><b>Consideration Given to the Representation of Women in Executive Officer Appointments</b></p> <p><b>NP 58-201, Section 13</b></p> <p>13 Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>SIGA does not have any women in executive officer positions. Women would be considered should vacancies occur. SIGA does have two women Vice Presidents on the seven-member executive team.</p>	<p>Yes</p>
<p><b>Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</b></p> <p><b>NP 58-201, Section 14</b></p> <p>14 (a) For purposes of this item a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's Board or in executive officer positions of the issuer by a specific date.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women on issuer's Board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>SIGA has not adopted a target for these positions. Women would be considered during the hiring process.</p> <p>SIGA does not appoint the Directors of the Board, no targets are in place for identification and nomination of women directors. In 2017-2018 three of the current 12 member board are women.</p> <p>SIGA has not adopted a target for these positions. Women would be considered during the hiring process.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>

# SIGA CASINO LOCATIONS



NORTH BATTLEFORD

PRINCE ALBERT



SASKATOON

DAKOTA DUNES  
CASINO



YORKTON

SWIFT CURRENT



CARLYLE



**BEAR CLAW CASINO & HOTEL**

White Bear First Nation  
Near Carlyle  
306.577.4577

**DAKOTA DUNES CASINO**

Whitecap Dakota First Nation  
Near Saskatoon  
306.667.6400

**GOLD EAGLE CASINO**

Mosquito First Nation  
North Battleford  
306.446.3833

**LIVING SKY CASINO**

Nekaneet First Nation  
Swift Current  
306.778.5759

**NORTHERN LIGHTS CASINO**

Peter Ballantyne Cree Nation  
Prince Albert  
306.764.4777

**PAINTED HAND CASINO**

Kahkewistahaw First Nation  
Yorkton  
306.786.6777

**SIGA.SK.CA**

**SIGA CENTRAL OFFICE**

250-103C Packham Ave  
Saskatoon, SK  
S7N 4K4  
306.477.7777

