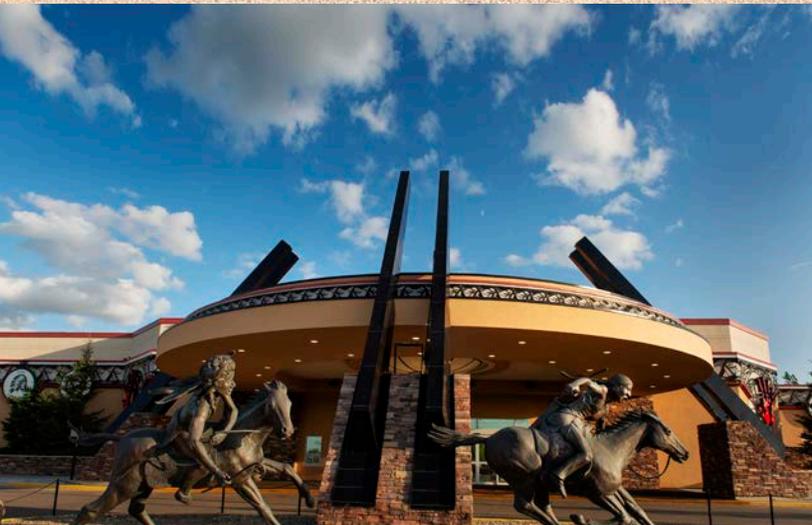




**BUILDING  
SUCCESS**

*2019-2020 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.



**We've completed 24 successful years of operations as a company – and during that time have reached many significant milestones.**

The same can be said for this year prior to the COVID-19 pandemic, which is causing global disruption across our economies and having significant impacts on families and communities. This year's report will continue to highlight key milestones for SIGA while addressing the realities and impacts this unprecedented event has had on us as a non-profit organization. For that reason, this year's report will look a bit different from previous years.

Our focus moving into our 25th year is on sustainability and to continue to manage our resources effectively so we can create employment for First Nation people and generate positive returns for our beneficiaries. We know it's still a difficult road ahead given recent and ongoing events but also that we are resilient and we will come back stronger as an organization in the long-term.

We look forward to continuing to to serve our customers with our unique brand of First Nation hospitality and customer service excellence. And also to carrying on our legacy of a successful First Nation business based on a 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.

## 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.

## 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.

## MIYO-WÎCÊHTOWIN

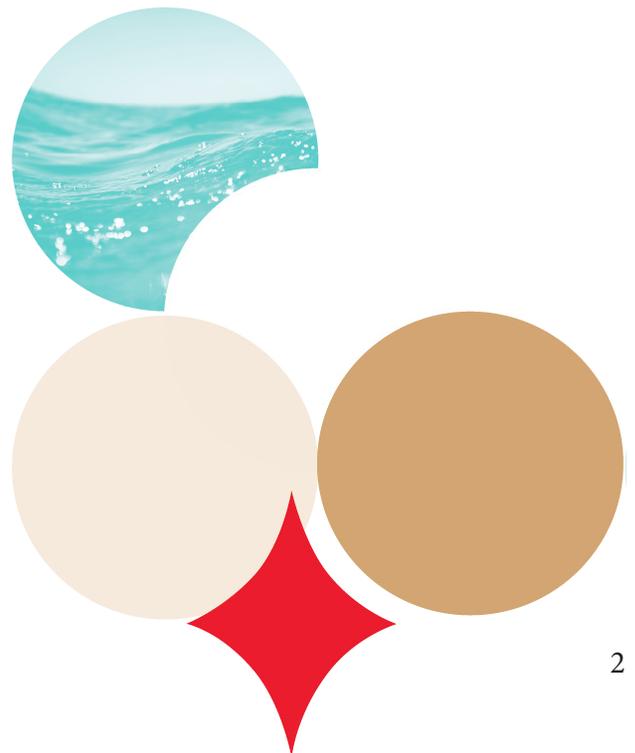
The value of getting along with others is embodied in the word Miyo-wîcêhtowin. By conducting our business in a manner that reflects our First Nation hospitality, traditions and customs, we are able to foster good relations with our customers. Guest satisfaction is crucial to our success and our First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

## 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.

## WÎTASKÊWIN

Living together on the land is the fundamental value conveyed by the word Wîtaskêwin. 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 has a mandate to create employment and maximize positive revenues for our beneficiaries.

The entertainment company currently ranks in Saskatchewan's top 30 companies and Canada's top 50 Best Workplaces with annual revenues of \$270.8 million and net income of \$72.8 million for 2019-2020.

SIGA casinos offer entertainment and excitement, including 2,370 slot machines, 57 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.



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 seven First Nation casinos in Saskatchewan. The casinos are conveniently located across the province:



White Bear First Nation  
near Carlyle



Kahkewistahaw First Nation  
Yorkton



Mosquito First Nation  
North Battleford



Peter Ballantyne Cree Nation  
Prince Albert



Whitecap Dakota First Nation  
near Saskatoon



Little Pine First Nation  
Lloydminster



Nekaneet First Nation  
Swift Current

# Message from the FSIN

On behalf of the Federation of Sovereign Indigenous Nations (FSIN), we submit the 2019-2020 Saskatchewan Indian Gaming Authority Inc. annual report ending March 31, 2020.

Now more than ever, it's important to remember why SIGA was established and the opportunity it has created for First Nation people over the past 24 years. The vision of our Chiefs all those years ago has enabled us to carry out our Inherent and Treaty Right to self-determination by increasing participation in the economy.

Despite the COVID-19 pandemic that has impacted all of our First Nations, communities and economies across the globe in recent months, SIGA still saw strong operational performance in 2019-2020. SIGA's impact in the areas of job creation, economic development and own-source revenue for First Nations cannot be understated.

Thank you to all of our Chiefs and councils for your service during this difficult time for our families and communities, and to SIGA's Board and Executive for your leadership as we navigate through an unprecedented time. By continuing to work together, we will be able to celebrate many more years of SIGA's operations and continue to create financial self-reliance for our people.

Ekosi,



Chief Bobby Cameron  
Federation of Sovereign Indigenous Nations



# Message from SIGA's Board Chair

It's been an honour to once again serve on the Saskatchewan Indian Gaming Authority Board of Directors. On behalf of the Board, I present this 2019-2020 annual report.

This is a challenging time for SIGA, for our First Nations, families and communities. The last weeks of this fiscal year had a significant impact on all of us and on SIGA's business results. This next year will be one of rebuilding, and SIGA's Board remains committed to transparent and strategic governance as we continue to navigate these challenging times. Thank you to all of SIGA's employees, who are our foundation and who, without, we would not have been able to achieve the success we have as an organization.

Despite the impact the COVID-19 pandemic has had, prior to its onset SIGA was on pace to out-perform previous years of operations and, owed to the significant hard work and achievements over this fiscal year, still managed to generate \$72.8 million in net income for our beneficiaries.

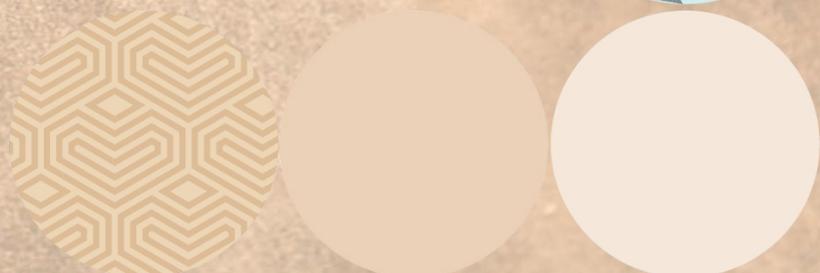
Even though our doors have reopened, it's in the best interest and safety of our employees and guests that we change the way we do business, and moving forward things will look different – we have a long road ahead but we will get there. Be assured that SIGA's same business values continue to guide our work now and into the future and we are confident that we will come out stronger and more resilient than ever.

Thank you to the Chiefs of Saskatchewan for your vision that led to SIGA's establishment 24 years ago. And thank you to our leaders, SIGA employees, management and Board for your commitment to fulfilling our mission as an organization.

As we move into this next year, we will continue to operate with a resolute focus on sustainability and effectively managing our resources so we can continue to serve our customers and build a better future for our people.



Chief Reginald Bellerose  
Board Chair, SIGA



# Message from SIGA's President and CEO

In 2019-2020, SIGA continued to grow and enhance our gaming products and services, expand partnerships in support of economic development, and give back to our communities, as we've done for the past 24 years. The achievements we've made over this past year will help us continue to deliver an exciting entertainment experience while remaining focussed on SIGA's long-term sustainability and maximizing revenues for our 74 First Nations. Thank you to our SIGA team members for your commitment to providing exceptional customer service and to our valued guests for your ongoing patronage and loyalty.

This year, we made significant upgrades to several of our products and facilities, including the expansion of the Dakota Dunes Casino High Limit and Smoking Rooms, the development of a new High Limit Slot Room, and several other renovations to prepare for the new hotel on the Whitecap Dakota First Nation. Together with our partners at Whitecap, we look forward to the upcoming fall opening of what will be the Dakota Dunes Resort & Casino.

SIGA and our partner Muskeg Lake Cree Nation cut the ribbon on a new central administrative office so SIGA can better support our casino destinations across the province. The catalyst for this development was the need for a warehouse that allowed SIGA to directly control our slot management system, making us a true operator.

Again this year, we were named a Top Saskatchewan Employer, demonstrating our ongoing commitment to organizational excellence and to our people. This award recognizes our business as a leading top 30 employer among major corporations representing Saskatchewan's diverse economy.

True to our guiding principle Wítaskêwin, we invested \$1.3 million in community programs, events and initiatives through our sponsorship program – that's on top of the net income we returned to our beneficiaries. We also reached a record for employee volunteerism – this fiscal year, 31 per cent of SIGA employees volunteered with the company.

Along with the successes of this fiscal year, we also experienced a devastating disruption to our business with the onset of the COVID-19 pandemic, which impacted communities and businesses the world over. Apart from the airline industry, gaming was among the hardest hit on a global scale. Heeding the advice of public health officials, SIGA's Board and leadership made the decision to temporarily close our seven casinos to protect the health and safety of our team members, guests, and broader communities. And while these closures significantly impacted our revenues, our positive performance prior to this pandemic enabled us to still achieve \$270.8 million in revenues and \$72.8 million in returns for our beneficiaries.

We are grateful that we have since been able to reopen our casinos safely. As a non-profit organization, we have a challenging road of rebuilding ahead as we adapt to the unprecedented realities that all operators now face. While our operations are seeing some necessary changes, we look forward to offering the same first-class entertainment we always have, while working diligently to fulfill our mission as an organization. Our purpose and values have and will continue to guide us through these difficult times, empowering us to make decisions in the best interests of our employees, guests and communities while sustaining us for the long-term.

On behalf of SIGA's Executive, thank you to the SIGA Board for your strategic and responsive governance and leadership as we all navigate this difficult period. We will continue to work together toward building a better future for our people.

Regards,

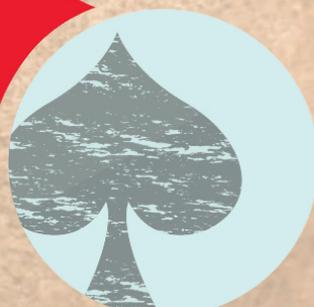


Zane Hansen  
President and CEO, SIGA

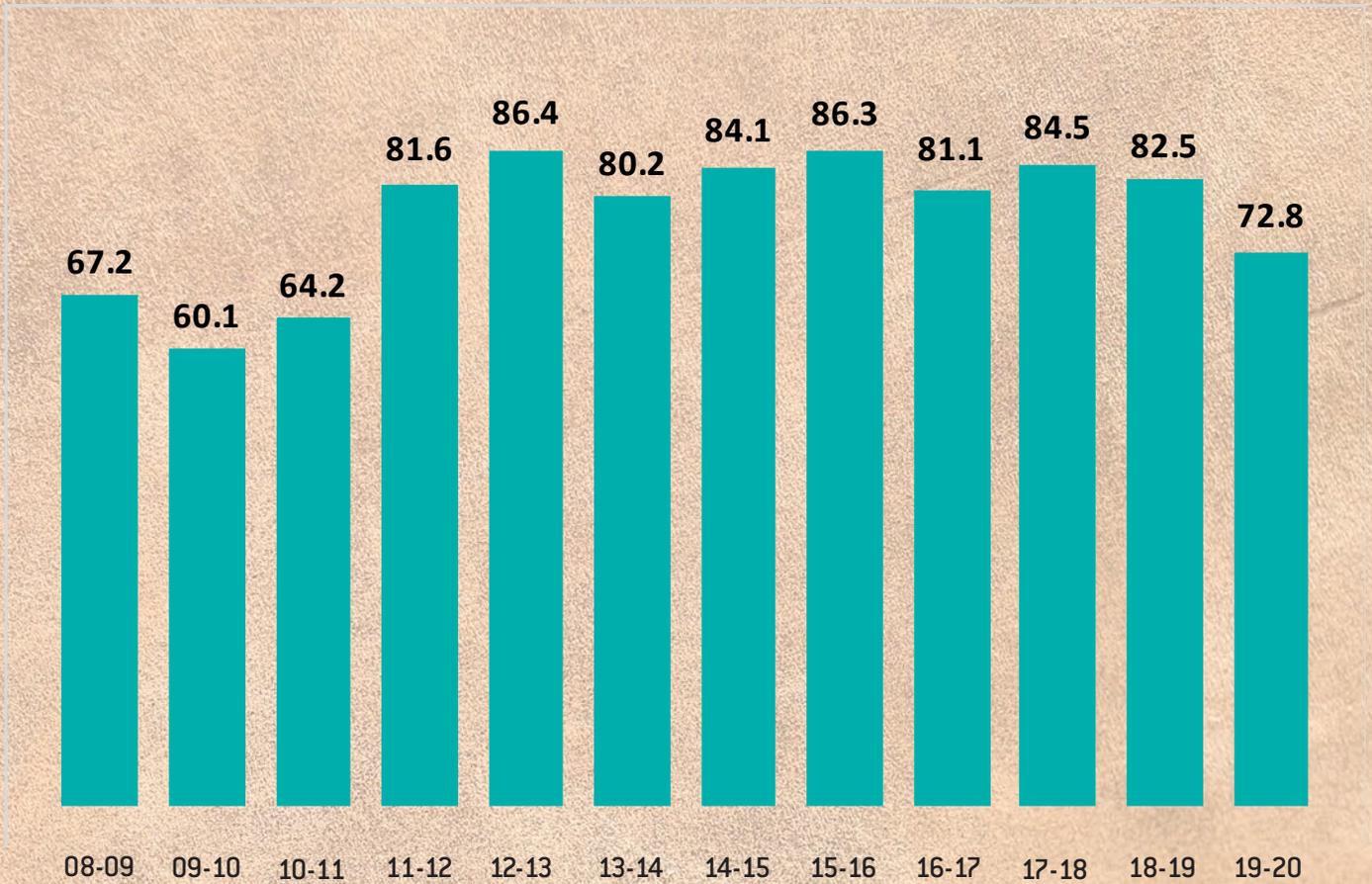


# Central Office Grand Opening Celebration





# Annual Profits



\$270.8 million in revenue for the 2019-2020 fiscal year



# Profit Distribution



# Corporate Social Responsibility

Giving back is core to who we are at SIGA. Our value Wîtaskêwin guides us to share of our land and our resources, and reminds us to give back to the communities where we work and play through sponsorships, scholarships and volunteerism. SIGA Shares Success with organizations and communities across Saskatchewan and, in particular, First Nation youth and Elders.

## Community Relations and Investment

### SPONSORSHIP

\$1.3 million. That's the investment we make annually through our community investment program into charitable and non-profit organizations here in our province.

We work toward having a lasting, positive impact in our communities and, we do this in part, through focussing on key target areas: Sports and recreation, education and training, arts and culture, health and well-being and business and tourism.

### Highlights

In 2019-2020, SIGA was a major sponsor of the Tony Cote First Nation Summer Games, Gordon Tootoosis Nikāniwin Theatre, and the NICU at Prince Albert's Victoria Hospital. SIGA also celebrated its \$500,000 donation to support the prenatal unit at Jim Pattison Children's Hospital at its opening this year.

### EMPLOYEE-DRIVEN VOLUNTEER PROGRAM

Our employee-driven volunteer program is supported by volunteer coordinators at each of our locations. During this past fiscal year, 31 per cent of SIGA employees volunteered with the company to support hundreds of local events and community organizations, such as: Habitat for Humanity, Salvation Army, Food Banks, Friendship Inn, Friendship Centres, White Buffalo Youth Lodge, Meals on Wheels and a number of community schools, to name a few.

### SCHOLARSHIPS

In 2018, SIGA began awarding a new \$5,000 scholarship: SIGA's Justice Paul Favel Indigenous Award for Outstanding Leadership in Community Involvement. In 2019, Andre Bear from Canoe Lake First Nation was the proud winner of this award, which recognizes a full-time post-secondary student who demonstrates extraordinary commitment to Indigenous culture, their community and their own education.



### RESPONSIBLE GAMING

At SIGA, we are committed to keeping gambling fun and improving players' knowledge about the games. Our responsible gaming strategy helps us to provide casino entertainment in a socially responsible manner and provides resources so that patrons can develop and practise responsible gambling behaviour.

In 2019, all SIGA Casinos maintained their RGCheck accreditation. Administered by the Responsible Gambling Council, RGCheck is the most rigorous gambling accreditation program in the world.

# Our Operations

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



## Operational Impact

The impact of SIGA's operations is immense. While a non-profit organization, we are also a key economic driver, adding \$11.4 billion in economic activity or \$6.9 billion in Gross Domestic Product to the provincial economy since our first casinos opened in 1996. This spending has a strong economic and financial impact in the locality where the money is spent and reverberates throughout the greater Saskatchewan economy.

Since 1996, we've also contributed more than \$1.23 billion to the Saskatchewan economy through our profit-sharing model generated through our casino operations.

Thank you to all of our employees and loyal guests who continue to help us build and Share Success.

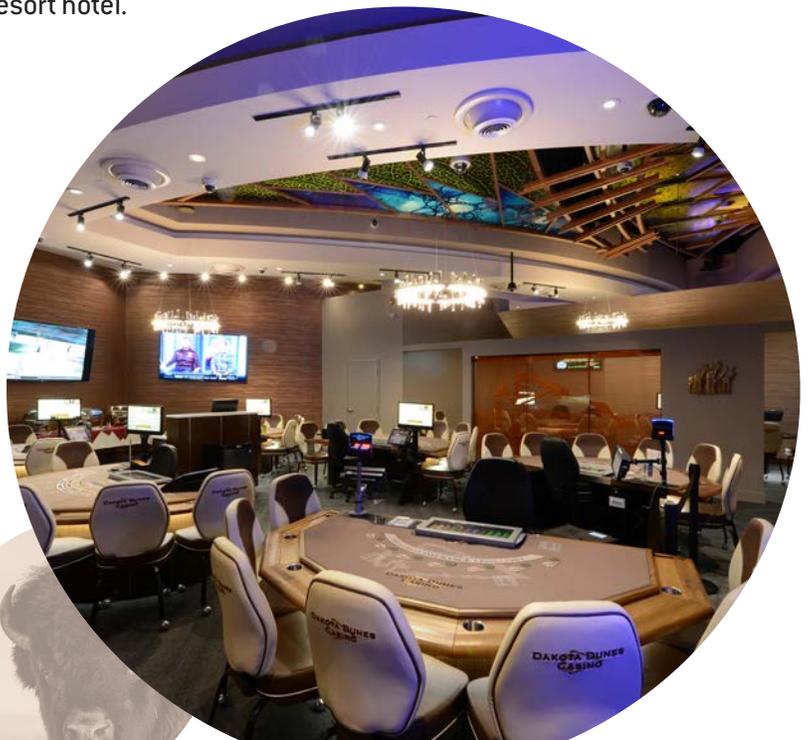
## Gaming Highlights

During this past fiscal year, we demonstrated our commitment to providing an exciting entertainment experience for our guests by investing in cutting-edge products and exceptional customer service – this included a focus on preparing for the new Dakota Dunes Resort opening by completing many renovations and enhancements to our High Limit offerings at Dakota Dunes Casino.

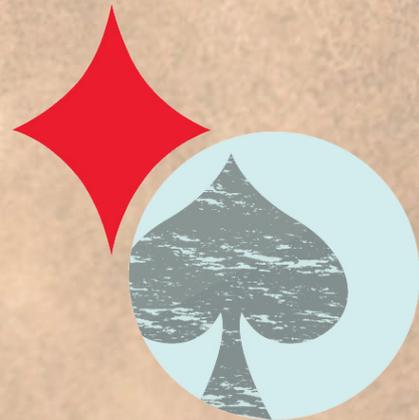
Working with our partner at the Whitecap Dakota First Nation, who is building the new high-end resort hotel, we completed a number of activities to expand and improve the guest experience ahead of its grand opening anticipated for fall 2020.

We developed two High Limit Rooms – a Spin High Limit Slot room and a live games High Limit Room as an extension of the Dakota Dunes Casino gaming floor. Thanks to the very positive response and feedback from guests, we expanded the refreshed room to offer more gaming options and elevate the gaming experience. We also expanded the Dakota Dunes smoking room and re-situated several gaming products in preparation for the new resort to open.

We look forward to welcoming our valued guests to an even more exciting entertainment experience, when they will be able to stay and play with the addition of the resort hotel.



# High Limit Room Expansion Celebration



# Our Casinos



# Gold Eagle Casino

Mosquito First Nation  
Kelly Atcheynum, GM



*Team members gave even more back this year, spending countless volunteer hours in the local community*

39,000 sq. ft facility

325 slot machines

7 live table games

68 partnerships/sponsorships

68% First Nation employees

283 employees

Award-winning Kihiw Restaurant

# Northern Lights Casino

Peter Ballantyne Cree Nation

Richard Ahenakew, GM



*2019 Samuel McLeod Business of the Year and Community Involvement Awards winner*

46,500 sq. ft facility

575 slot machines

11 live table games

18 electronic table games

17

118 partnerships/sponsorships

80% First Nation employees

357 employees

Award-winning Starlight Lounge

# Painted Hand Casino

Kahkewistahaw First Nation

Charles Ryder, GM



*Recognized for 20 plus years of membership with the Yorkton Chamber of Commerce*

43,000 sq. ft facility

250 slot machines

6 live table games

50 partnerships/sponsorships

66% First Nation employees

204 employees

Home to the Legends Restaurant

# Living Sky Casino

Nekaneet First Nation

Trevor Marion, GM



*Celebrated 10 years of Sharing Success with Swift Current and the southwest*

**60,000 sq. ft facility**

**200 slot machines**

**5 live table games**

**31 partnerships/sponsorships**

**15% First Nation employees**

**177 employees**

**Sky Centre multi-purpose venue**

# Gold Horse Casino

Little Pine First Nation  
Roger Anderson, GM



*Celebrated one year of successful operations in December 2019!*

48,000 sq. ft facility

255 slot machines

6 live table games

58 partnerships/sponsorships

57% First Nation employees

205 employees

18 electronic table games

# Bear Claw Casino & Hotel

White Bear First Nation  
Jonathan Pasap, GM



*Created remarkable customer experiences with outdoor concerts and memorable promotions*

**30,000 plus sq. ft facility**

**140 slot machines**

**4 live table games**

**28 partnerships/sponsorships**

**65% First Nation employees**

**115 employees**

**Hotel with 35 newly renovated rooms**

# Dakota Dunes Casino

Whitecap Dakota First Nation  
Gary Daniels, GM



*A brand new hotel is coming in fall 2020 and many gaming floor renovations have been completed in anticipation!*

80,000 plus sq. ft facility

620 slot machines

24 live table games

18 electronic table games

158 partnerships/sponsorships

78% First Nation employees

354 employees

Slot and live games High Limit Rooms

# 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 initiatives.

For each strategic objective, we have established performance measures and targets for a rolling five-year period. For strategic projects, SIGA has designated a member of the executive team to act as project sponsor and established milestones to track the progress of the initiative.

SIGA has developed its 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.

\*With the onslaught of the COVID-19 pandemic, SIGA closed all casinos and central office operations on March 16, 2020 bringing immediate disruption to SIGA's business just two-weeks prior to fiscal year-end, severely impacting our ability to formally complete our year-end.



## Shareholder Perspective

What are the outcomes expected by our owners?

Strategic Objectives	Performance Indicators	Progress/Results/Measure
Optimize Net Income	Revenue Net income	\$270.8 million \$72.8 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. 63.08% of our employee base is First Nation (1,179) and 64.71% of managers are First Nation (77)
Support First Nation Economic Development	Total Payments to First Nation Companies	\$30.1 million

## Customer Perspective

What are our customers looking for?

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	YTD guest events/year 60 – exceeded annual target of 55  YTD Goal: 1,648,700; as of March 16, 2020 our visitation was 1,412,600
Recognition and Appreciation	Value the contribution of every customer through personal interaction – Target 4.3	Guest satisfaction with friendliness of staff was rated very high – 4.4/5  Guests rated that they are recognized and appreciated by staff very highly – 4.4/5  Players Club Membership down due to pandemic affecting early March numbers. SIGA Casinos closed temporarily on March 16, 2020.

# Customer Perspective (continued)

Strategic Objectives	Performance Indicators	Progress/Results/Measure
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	Guest surveys indicated a very high satisfaction level with quality of food – 4.3/5
Memorable Facilities and Convenient Services	Be recognized as the highest quality entertainment facility in each market we operate by incorporating customer convenience into the services we provide. Guests very satisfied – atmosphere target 4.0	Guest satisfaction with overall atmosphere rated very highly – 4.2/5

## 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
Customer Service Excellence	Tend to VIP	Recognize the importance of customers with a high value through segmented pricing promotion and customer service standards	Continued VIP appreciation events, such as dinner shows, live entertainment and special events. In addition, VIPs were also treated to a variety of off-site events: Saskatchewan Roughrider games and trips to other SIGA Casinos
	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 23,150 new Players Club members  Customer participation steady for both entertainment and a variety of draws and promotions

## Internal Perspective (continued)

Strategic Objectives	Performance Indicators	Progress
Know the Customer	Work continues on developing psychographic and demographic profiles of our customers. This helps us better serve our customers; these data are analyzed and integrated as a regular part of our decision-making process	Research both formal and informal continued with focus groups and customer preference gathering, including bi-annual customer telephone surveys. Improving analytics through Bally Business Intelligence has enabled us to deliver tailored offers
New Product Development or Services	Research and develop gaming related products and services that will add value to our customers	24 hours for weekends Horse Racing (NLC) Expanded electronic table games – three casinos
Continuous Procedural Improvements	Ensure organization's processes are efficient and effective and in alignment with organization's policies	Benefits processing automation using Cherwell Rebranding Health & Wellness Program Daily meter logging by slot attendant (one hour/morning) – labour savings ICB hardware install SIGA new website launch (in-house development)
Organizational Excellence	Corporate Social Responsibility (CSR)	Met or exceeded targets for public opinion polling
Operational Efficiency	Increase the efficiency of key business processes to optimize productivity and income	Met targets to reduce salaries and benefits. Budget by controlling variable labour

# Learning and Growth

## Our 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 believe it 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 85%	Investing in our employees is a priority for SIGA. SIGA's Core Training Program is one way SIGA does this, where all employees take required training within their first year of employment. *Based on February 2020's core training stats SIGA exceeded our aggressive target, achieving a 91% core training completion
Leadership Development	Developing our leaders to motivate and inspire teams to accomplish SIGA's vision and mission as an organization	<p>383 supervisors and managers attended SIGA's in-house built Leadership Development Program over the fiscal year, which consists of five classroom modules</p> <p>Throughout the year, there were 72 permanent internal promotions, thousands of hours of Temporary Performance of Higher Duties and numerous acting appointments and lateral transfers, which provide employees opportunities to grow and develop their leadership skills</p>
Engaged Workforce	<p>Employee Satisfaction and Engagement</p> <p>Employee Volunteerism – Target 30% of all SIGA employees</p>	<p>No employee engagement survey for 2019-2020</p> <p>SIGA had high levels of employee volunteer participation 31%</p> <p>SIGA's Day of Sharing had all casinos and central office participate in volunteer activity across the province</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 risk include continual building of goodwill by effective communication with stakeholders and shareholders, 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.

#### FORCED CASINO CLOSURE AND/OR IMPOSED OPERATING RESTRICTIONS

External environmental events such as public health concerns causing the closure of a casino or all the casinos and/or restricting operating conditions on the company, resulting in reduced gaming revenue. SIGA monitors the external environment to anticipate changes it may be required to make to stay viable under such conditions.

## 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 anticipated 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.

## 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. Executive and senior management succession plans are in place to mitigate the impact of such a loss.

### 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.

### PUBLIC HEALTH ORDER RISK

SIGA operates in a highly regulated environment with its doors open to the general public. In addition to gaming regulatory requirements, SIGA is required to comply with a public health order under *The Public Health Act* to address measures to reduce the risk of concern.

# Financials

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# Independent Auditor's Report

To the Members of the Saskatchewan Indian Gaming Authority Inc.

## Opinion

We have audited the financial statements of the Saskatchewan Indian Gaming Authority Inc. ("SIGA"), which comprise the statement of financial position as at March 31, 2020, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SIGA as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

## Basis for Opinion

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

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

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

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

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

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

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

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

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

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

*Deloitte LLP*

Chartered Professional Accountants  
Saskatoon, Saskatchewan  
May 29, 2020

## Statement of Financial Position

As at March 31, 2020	Notes	2020	2019
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		19,842,336	28,868,182
Short-term investments	4	31,332,500	16,332,500
Accounts receivable	5	1,936,176	6,515,279
Inventories	6	1,882,625	2,147,695
Prepays		2,801,518	1,988,306
		57,795,155	55,851,962
<b>Intangible assets</b>			
	7	21,001	18,847
<b>Property and equipment</b>			
	8	77,309,290	130,083,347
<b>Right-of-use assets</b>			
	12	74,091,803	—
		209,217,249	185,954,156
<b>Current liabilities</b>			
Due to Saskatchewan Liquor and Gaming Authority	9	45,921,376	63,811,410
Accounts payable and accrued liabilities	10	26,816,681	27,282,775
Current portion of long-term debt	11	7,353,812	5,401,812
Current portion of lease liabilities	12	8,356,779	4,517,256
		88,448,648	101,013,253
<b>Long-term debt</b>			
	11	39,842,080	20,170,893
<b>Lease liabilities</b>			
	12	80,926,521	64,770,010
<b>Interest rate swap liability</b>			
	11	3,298,315	1,568,707
		212,515,564	187,522,863
<b>Deficit resulting from unrealized losses on interest rate swaps</b>			
		(3,298,315)	(1,568,707)
		209,217,249	185,954,156

The accompanying notes are an integral part of the financial statements

Approved by the Board



Director



Director

## Statement of Comprehensive Income

Year ended March 31, 2020	Notes	2020	2019
		\$	\$
<b>Revenue</b>	14	<b>270,782,680</b>	262,290,009
Salaries and benefits expense		<b>91,866,308</b>	84,627,984
Materials and consumables	15	<b>26,843,521</b>	23,652,321
Slot machine reimbursement		<b>16,995,012</b>	15,389,561
Depreciation and amortization expenses		<b>16,794,311</b>	11,356,833
Advertising		<b>12,052,522</b>	12,538,357
Occupancy		<b>11,232,238</b>	10,962,995
Finance costs	17	<b>8,423,129</b>	6,887,346
Other expenses	16	<b>7,833,584</b>	8,436,586
Payment to Indigenous Gaming Regulators Inc.	23	<b>3,300,000</b>	3,300,000
Payment to Saskatoon Prairieland Park Corporation	23	<b>2,600,004</b>	2,600,004
		<b>197,940,629</b>	179,751,987
<b>Income due to Saskatchewan Liquor and Gaming Authority</b>	1	<b>72,842,051</b>	82,538,022
Unrealized (loss) gain on interest rate swaps	11	<b>(1,729,608)</b>	329,324
<b>Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority</b>	1	<b>71,112,443</b>	82,867,346

The accompany notes are an integral part of the financial statements

## Statement of Changes in Deficit

Year ended March 31, 2020	Notes	2020	2019
		\$	\$
<b>Deficit</b>			
Balance, beginning of year		(1,568,707)	(1,898,031)
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority	1	71,112,443	82,867,346
Distribution payable to Saskatchewan Liquor and Gaming Authority	9	(72,842,051)	(82,538,022)
Balance, end of year		(3,298,315)	(1,568,707)

The accompany notes are an integral part of the financial statements

## Statement of Cash Flows

Year ended March 31, 2020	Notes	2020	2019
		\$	\$
<b>Cash flows from (used in) operating activities</b>			
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority		71,112,443	82,867,346
Adjustments for:			
Depreciation and amortization		16,794,311	11,356,833
Finance costs		8,423,129	6,887,346
Unrealized gain on interest rate swaps		1,729,608	(329,324)
Change in non-cash operation working capital items:			
Accounts receivable		4,579,103	(1,680,275)
Inventories		265,070	(1,015,665)
Prepays		(813,212)	637,921
Accounts payable and accrued liabilities		(466,094)	5,716,660
Payments to Saskatchewan Liquor and Gaming Authority	9	(90,732,085)	(83,174,332)
		<b>10,892,273</b>	<b>21,266,510</b>
<b>Cash flows from (used in) investing activities</b>			
Purchase of intangible assets		(49,024)	(47,672)
Purchase of property and equipment		(13,043,111)	(19,684,013)
Purchase of short-term investments		(56,500,000)	(74,250,000)
Proceeds on disposal of short-term investments		41,500,000	96,200,000
		<b>(28,092,135)</b>	<b>2,218,315</b>
<b>Cash flows used in financing activities</b>			
Interest paid		(8,423,129)	(6,887,346)
Repayment of lease liabilities		(5,026,042)	(3,736,936)
Proceeds from long-term debt		28,000,000	—
Repayment of long-term debt		(6,376,813)	(5,402,812)
		<b>8,174,016</b>	<b>(16,027,094)</b>
<b>(Decrease) increase in cash and cash equivalents</b>		<b>(9,025,846)</b>	<b>7,457,731</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>28,868,182</b>	<b>21,410,451</b>
<b>Cash and cash equivalents, end of year</b>		<b>19,842,336</b>	<b>28,868,182</b>

# Notes to the Financial Statements

Year ended March 31, 2020

## 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 seven 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 its 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 its 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 its 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.

## 1. GENERAL INFORMATION (continued)

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 its ancillary operations.

SIGA is a corporation domiciled in Canada. SIGA's head office is located at 103 Aspen Place in Saskatoon, Saskatchewan, Canada, S7N 1K4.

## 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, 2020, were authorized for issue by the Board of Directors (the "Board") on May 29, 2020.

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.

### *Temporary Business Interruption*

Effective March 16, 2020 SIGA temporarily suspended the operations of all of its gaming facilities and ancillary amenities across Saskatchewan in an effort to contribute to the containment of the COVID-19 coronavirus pandemic ("the pandemic") and to protect the health of its team members and guests. Subsequent to SIGA announcing the closure of the facilities; on March 20, 2020 the Premier signed an order pursuant to the provincial State of Emergency directing that all orders of the government and Chief Medical Health Officer must be followed, which included the mandatory closure of all casinos effective March 23, 2020.

SIGA has undertaken several measures in response to the pandemic. Management has worked diligently to monitor the potential implications of the pandemic on the business and at all times prioritized the health and safety of its team members and guests. SIGA has assessed its working capital requirements to sustain the closure until reopening. In response to the closures of its facilities, SIGA made operational adjustments to reduce its human resources and property, marketing and administration expenses in an effort to reduce its cash outflows during the suspension period.

SIGA believes that its actions taken in response to the temporary business interruption noted above will allow SIGA to effectively maintain its capital structure and minimize its cash outflows. SIGA will continue to follow the orders of the health authorities and local governments and will resume operations once deemed safe and appropriate to do so. Given the dynamic nature of the pandemic, the duration and magnitude of the temporary suspension remains unknown, including the impact of any additional health and safety measures introduced on reopening. Accordingly, the long-term impact on SIGA's finance performance, cash flows and financial position cannot be reasonably estimated at this time.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

#### *Adoption of new accounting standards*

IFRS 16, Leases, (“IFRS 16”) specifies how to recognize, measure, present and disclose leases for lessees and lessors. For lessors, the accounting remains largely unchanged from the previous standard under IAS 17, Leases (“IAS 17”) in which lessors continue to classify leases as finance or operating leases.

#### *Adoption of new accounting standards (continued)*

For lessees, the new standard provides a single lessee accounting model, requiring lessees to recognize right-of-use assets and lease liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. As a lessee, SIGA previously classified leases as operating or finance leases under IAS 17 based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to SIGA.

SIGA adopted IFRS 16 on April 1, 2019 using the modified retrospective approach. Comparative information has not been restated.

SIGA had operating lease commitments as at March 31, 2019. The presentation of the majority of these operating leases, which were recorded as expenses under IAS 17, has changed under IFRS 16 by recognizing right-of-use assets and lease liabilities for these leases, resulting in an increase in total assets and total liabilities in the statement of financial position as at April 1, 2019. The presentation of certain lease expenses on the statement of comprehensive income as a component of “building rent and occupancy” expense has changed to “depreciation and amortization expenses” and “financing costs”.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at SIGA’s incremental borrowing rate as at April 1, 2019. Right-of-use assets were measured at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments and lease incentives received. For leases previously classified as finance leases under IAS 17, right-of-use assets were measured at the carrying amount of the assets immediately before the date of adoption.

SIGA elected to apply the following practical expedients and exemptions when applying IFRS 16 to leases:

- applied the exemption not to apply the requirements to short term leases and leases for which the underlying asset is of low value;
- not to reassess whether a contract is, or contains, a lease at the date of initial application;
- to exclude initial direct costs from the measurement of the right of use asset at the date of initial application;
- not to apply the requirements to leases for which the lease term ends within 12 months of the date of initial application;
- applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- using hindsight to determine the lease term where the contract contains options to extend or terminate the lease.

As at March 31, 2019, SIGA’s operating lease commitments were \$18,383,038, as disclosed in Note 23. The following table is a reconciliation of the operating lease commitments at March 31, 2019 to the amount recognized as lease liabilities at April 1, 2019. When measuring the lease liabilities, SIGA discounted the lease payments using the applicable incremental borrowing rate specific to the lease at April 1, 2019. The weighted-average rate applied was 3%.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Adoption of new accounting standards (continued)*

	\$
Operating lease commitments at March 31, 2019	18,383,038
Less: short-term leases and leases of low value assets	<u>(1,106,234)</u>
Undiscounted operating lease payments at April 1, 2019	17,276,804
Effect of discounting using the incremental borrowing rate at April 1, 2019	<u>(838,487)</u>
Lease liabilities recognized at April 1, 2019	<u>16,438,317</u>

On transition to IFRS 16, SIGA recognized \$71,609,385 in right-of-use assets at April 1, 2019. The following table is a reconciliation of the lease liabilities to right-of-use assets recognized at April 1, 2019:

	\$
Lease liabilities recognized at April 1, 2019	16,438,317
Carrying amount of assets classified as finance leases under IAS 17	<u>55,171,068</u>
Right-of-use assets recognized at April 1, 2019	<u>71,609,385</u>

Assets classified as finance leases under IAS 17 relate to casino development assets and were recognized in property, plant and equipment. Upon adoption of IFRS 16, the carrying value of these finance leases at April 1, 2019 has been transferred to right-of-use assets.

#### *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
- Determination if an agreement contains a lease (Note 12 and 23)
- Fair value of interest rate swap liability (Note 11)

#### *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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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 credit loss allowance 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 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	5 years
Casino development	Useful life of the asset
Furniture and 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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 1 to 5 years. The amortization method and estimated useful life is reviewed annually and any changes are applied prospectively.

#### *Leases*

At inception of a contract, SIGA assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, SIGA assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- SIGA has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- SIGA has the right to direct the use of the asset. SIGA has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

SIGA recognizes a right-of-use asset and a lease liability at the lease commencement date.

#### **Right-of-use assets**

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment, which are intended to reduce the carrying value to the estimated residual value, if any. In addition, the right-of-use asset is subject to impairment assessment and adjusted for certain remeasurements of its associated lease liability.

#### **Lease Liabilities**

The lease liability is initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate specific to the lease.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Leases (continued)*

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments;
- lease payments that depend on an index or a rate (such as inflation), initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that SIGA is reasonably certain to exercise;
- lease payments in an optional renewal period if SIGA is reasonably certain to exercise an extension; and
- penalties for early termination of a lease unless SIGA is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in SIGA's estimate of the amount expected to be payable under a residual value guarantee, or if SIGA changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in net earnings if the carrying amount of the right-of-use asset is nil.

A lease modification is accounted for as a separate lease if there is an increase in the scope of a lease and a corresponding increase in consideration, such as adding the right to use one or more underlying assets in a contract. Otherwise, a lease modification is considered a remeasurement of the lease liability, as discussed above.

#### **Recognition Exemptions**

SIGA has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. SIGA recognizes short-term leases and leases of low-value assets in income 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 its 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 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Impairment of non-financial assets (continued)*

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*

SIGA evaluates all contractual arrangements it enters into and evaluates the nature of the promises it makes, and rights and obligations under the arrangement, in determining the nature of its performance obligations. Where such performance obligations are concluded to be distinct from each other, the consideration SIGA expects to be entitled under the arrangement is allocated to each performance obligation based on its relative estimated stand-alone selling prices. Performance obligations that are concluded not to be distinct are combined together into a single unit of account. Revenue is recognized at an amount equal to the transaction price allocated to the specific performance obligation when it is satisfied.

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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Allocation of expenses (continued)*

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. Historically non-redeemed loyalty rewards have not been significant.

#### *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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Financial instruments*

Financial assets and liabilities are initially measured at fair value and are recognized in SIGA's statement of financial position when SIGA becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")), are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at FVTPL are recognized immediately in profit or loss. SIGA's classifications of its financial instruments are disclosed in Note 20.

#### *Financial assets*

Financial assets are initially recorded at fair value and are measured subsequently at either amortized cost, fair value through other comprehensive income, or fair value through profit or loss depending on the classification of the financial assets.

#### *Amortized cost*

Financial assets are measured subsequently at amortized cost using the effective interest rate method if acquired principally to collect contractual cash flows of principal and interest on specified dates. Interest income calculated using the effective interest rate method is recognized in profit or loss through "finance costs" on the statement of comprehensive income.

#### *Fair Value Through Other Comprehensive Income ("FVTOCI")*

Financial assets are measured subsequently at FVTOCI using the effective interest rate method if acquired to collect contractual cash flows of principal and interest on specified dates and to sell the financial asset. Interest income calculated using the effective interest rate method is recognized in profit or loss through "finance costs" on the statement of comprehensive income. Any other changes to the carrying amount of the financial asset are recognized in other comprehensive income ("OCI").

#### *Fair Value Through Profit or Loss ("FVTPL")*

Financial assets are measured subsequently at FVTPL by default or do not meet the criteria for being measured at amortized cost or FVTOCI. Fair value gains or losses at the end of each reporting period are recognized in profit or loss through "finance costs" on the statement of comprehensive income to the extent they are not part of a designated hedging relationship.

#### *Impairment of financial assets*

At the end of each reporting period, SIGA assesses whether to recognize a loss allowance for expected credit losses ("ECL") for a financial asset or a group of financial assets, other than those classified as FVTPL. If there is objective evidence that an ECL exists, the loss is recognized in profit or loss with a corresponding adjustment to the carrying amount of the financial asset through a loss allowance account. The ECL is estimated as the difference between the contractual cash flows that SIGA is entitled to receive and the cash flows that SIGA expects to receive.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Financial instruments (continued)*

##### *Financial liabilities*

Financial liabilities that are held-for-trading are measured subsequently at FVTPL, with gains and losses arising on changes in fair value recognized in profit or loss through “finance costs” on the statement of comprehensive income to the extent they are not part of a designated hedging relationship. Changes in fair value of the financial liability due to changes in the credit risk of the liability is recognized in OCI, unless the recognition of the effects of changes in the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other financial liabilities not designated as at FVTPL are measured subsequently at amortized cost using the effective interest rate method.

##### *Derecognition of financial liabilities*

SIGA derecognizes financial liabilities when, and only when, SIGA’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss. When SIGA exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, SIGA accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

##### *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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Financial instruments (continued)*

##### *Financial liabilities (continued)*

##### *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

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.

##### *Finance costs*

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

### 4. SHORT-TERM INVESTMENTS

Short-term investments consist of investments in guaranteed investment certificates and term deposits totaling \$31,332,500 (\$16,332,500 in 2019). Individual interest rates range from 1.05% and 2.28% and will mature between April 30, 2020 and November 30, 2020.

## 5. ACCOUNTS RECEIVABLE

	2020	2019
	\$	\$
Trade accounts receivable	823,805	4,845,547
Goods and Services Tax input tax credits receivable	497,776	477,386
Advances to suppliers, contractors and employees	614,595	1,192,346
	<b>1,936,176</b>	<b>6,515,279</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 totaling \$7,361,906 were recognized as food and beverage cost of goods sold for the year ended March 31, 2020 (\$7,415,018 in 2019). No write-downs of inventories were noted for the year ended March 31, 2020 (nil in 2019), and there were no reversals of write-downs from previous years.

## 7. INTANGIBLE ASSETS

	Software \$
Cost	
Balance at March 31, 2018	5,025,095
Additions	47,672
Balance at March 31, 2019	5,072,767
Additions	49,024
<b>Balance at March 31, 2020</b>	<b>5,121,791</b>
Balance at March 31, 2018	5,023,297
Amortization expense	30,623
Balance at March 31, 2019	5,053,920
Amortization expense	46,870
<b>Balance at March 31, 2020</b>	<b>5,100,790</b>
Net book value, March 31, 2019	18,847
<b>Net book value, March 31, 2020</b>	<b>21,001</b>

The amortization expense for software for the year ended March 31, 2020 was \$46,870 (\$30,623 in 2019) 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, 2020 (nil in 2019).

## 8. PROPERTY AND EQUIPMENT

	Leasehold improvements \$	Casino devel- opment \$	Furniture and equipment \$	Construction in progress \$	Total \$
Cost					
Balance at March 31, 2018	46,661,357	129,492,168	46,565,344	28,158,500	250,877,369
Additions	2,710,278	33,007,355	6,892,704	3,949,848	46,560,185
Transfer	—	—	—	(26,876,172)	(26,876,172)
Balance at March 31, 2019	49,371,635	162,499,523	53,458,048	5,232,176	270,561,382
Transferred to right-of-use as	—	(89,016,427)	—	—	(89,016,427)
Balance at April 1, 2019	49,371,635	73,483,096	53,458,048	5,232,176	181,544,955
Additions	4,495,888	912,548	10,356,467	954,795	16,719,698
Transfer	—	—	—	(3,676,588)	(3,676,588)
<b>Balance at March 31, 2020</b>	<b>53,867,523</b>	<b>74,395,644</b>	<b>63,814,515</b>	<b>2,510,383</b>	<b>194,588,065</b>
Accumulated depreciation					
Balance at March 31, 2018	36,230,445	52,173,479	40,747,901	—	129,151,825
Depreciation expense	2,150,760	6,309,906	2,865,544	—	11,326,210
Balance at March 31, 2019	38,381,205	58,483,385	43,613,445	—	140,478,035
Transferred to right-of-use as	—	(33,845,359)	—	—	(33,845,359)
Balance at April 1, 2019	38,381,205	24,638,026	43,613,445	—	106,632,676
Depreciation expense	3,130,848	3,082,108	4,433,143	—	10,646,099
<b>Balance at March 31, 2020</b>	<b>41,512,053</b>	<b>27,720,134</b>	<b>48,046,588</b>	<b>—</b>	<b>117,278,775</b>
Net book value					
Balance at March 31, 2019	10,990,430	104,016,138	9,844,603	5,232,176	130,083,347
<b>Balance at March 31, 2020</b>	<b>12,355,470</b>	<b>46,675,510</b>	<b>15,767,927</b>	<b>2,510,383</b>	<b>77,309,290</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.

## 9. DUE TO SASKATCHEWAN LIQUOR AND GAMING AUTHORITY

	2020	2019
	\$	\$
Balance, beginning of year	<b>63,811,410</b>	64,447,720
Income due to Saskatchewan Liquor and Gaming Authority	<b>72,842,051</b>	82,538,022
Payments to Saskatchewan Liquor and Gaming Authority	<b>(90,732,085)</b>	(83,174,332)
Balance, end of the year	<b>45,921,376</b>	63,811,410

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 \$337,259 (\$84,529 in 2019). Also, \$1,435,266 (\$1,293,574 in 2019) 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)

### Casino projects financing (continued)

The long-term debt obligations are as follows:

	2020	2019
	\$	\$
	<hr/>	<hr/>
Term loan #1 repayable in monthly instalments of \$116,667 plus interest at banks acceptance rate plus 1%, maturity April 2023.	<b>4,316,666</b>	5,716,666
Term loan #2 repayable in monthly instalments of \$127,000 including interest at bankers acceptance rate plus 1.5%, maturity April 2023.	<b>4,695,000</b>	6,217,000
Term loan #3 repayable in monthly instalments of \$117,762 plus interest at bankers acceptance rate plus 1.5%, maturity August 2024.	<b>6,359,240</b>	7,772,385
Term loan #4 repayable in monthly instalments of \$88,889 plus interest at bankers acceptance rate plus 1.5%, maturity August 2024.	<b>4,799,986</b>	5,866,654
Term loan #5 repayable in monthly instalments of \$71,000 plus interest at bankers acceptance rate plus 1.5%, maturity September 2034.	<b>16,575,000</b>	—
Term loan #6 repayable in monthly instalments of \$50,000 plus interest at bankers acceptance rate plus 1.5%, maturity September 2029.	<b>5,700,000</b>	—
Term loan #7 repayable in monthly instalments of \$42,000 plus interest at bankers acceptance rate plus 1.5%, maturity September 2029.	<b>4,750,000</b>	—
	<b>47,195,892</b>	25,572,705
Less: current portion	<b>(7,353,812)</b>	(5,401,812)
	<b>39,842,080</b>	20,170,893

## 11. LONG-TERM DEBT (CONTINUED)

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

	\$
2021	7,353,812
2022	7,351,812
2023	7,351,812
2024	4,673,478
2025	3,189,978
Thereafter	17,275,000
	<u>47,195,892</u>

In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for construction projects. These arrangements fixed the interest rates for the loans for each construction project at 4.94%, 2.08% and 2.05% for Dakota Dunes, 5.09% for Living Sky, 5.09% for Painted Hand, 2.10% for Gold Horse and 2.05% for Central Office over the term of the loans. These swap terms are range from April 2023 to September 2034. A liability of \$3,298,315 has been recorded at March 31, 2020 (\$1,568,707 in 2019), 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, 2020 is equal to the carrying value of the term loans of \$47,195,892.

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, 2020, no amount is owing on the line of credit (nil in 2019).

## 12. LEASE LIABILITIES

On November 1, 2004, SIGA entered into an agreement with White Bear Holdings Limited for lease of Bear Claw Casino. Beginning in April 2005, SIGA leased the property from the company for approximately 22 years at an annual cost of \$480,000.

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 \$1,783,028.

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 \$2,364,409.

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.

## 12. LEASE LIABILITIES (CONTINUED)

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 Border Tribal Council Limited Partnership for lease of Gold Horse Casino in Lloydminster. Beginning January 10, 2019, SIGA leased the property from the Partnership for 9 years at an annual cost of \$2,383,000. The initial term will be automatically extended upon the renewal of the casino operating agreement for up to an additional 10 years. The annual lease payments may be adjusted dependent on whether the land has received reserve status at a future date.

On July 15, 2017, SIGA entered into an agreement with Prince Albert Casino Ventures Limited Partnership for lease of Northern Lights Casino. Beginning in July 2017, SIGA leased the property from the Partnership for approximately 5 years at an annual cost of \$2,164,185.

On July 16, 2019 SIGA entered into an agreement with ICR Commercial Real Estate for lease of the Central Office building in Saskatoon. SIGA will lease the property from ICR for 15 years at an annual cost of \$1,266,763.

White Bear Holdings Limited, STC Casino Holdings Limited Partnership, PHC Holdings Limited Partnership, FHQ Casino Holdings Limited Partnership, FNH Development Limited Partnership, BATC Investments Limited Partnership, Border Tribal Council Limited Partnership, and Prince Albert Casino Ventures 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% (3.0% to 12.5% in 2019) per annum.

### *Right-of-use assets*

	Casino development \$
Cost	
Balance at March 31, 2018	—
IFRS 16 transitional adjustment	16,438,317
Transfer from property and equipment	89,016,427
Balance at April 1, 2019	105,454,744
Additions	10,825,603
<b>Balance at March 31, 2020</b>	<b>116,280,347</b>
Accumulated amortization and impairment	
Balance at March 31, 2019	—
Transfer from property and equipment	33,845,359
Balance at April 1, 2019	33,845,359
Amortization expense	8,343,185
<b>Balance at March 31, 2020</b>	<b>42,188,544</b>
Net book value, March 31, 2019	—
<b>Net book value, March 31, 2020</b>	<b>74,091,803</b>

## 12. LEASE LIABILITIES (CONTINUED)

Net carrying amount of leased assets:

	2020	2019
	\$	\$
Gold Eagle Casino	11,498,502	13,357,096
Painted Hand Casino	5,656,362	5,424,658
Living Sky Casino	7,363,005	7,122,700
Dakota Dunes Casino	7,499,685	8,546,510
Gold Horse Casino	23,069,436	20,720,104
Northern Lights Casino	4,871,201	—
Bear Claw Casino	3,124,064	—
Central Office	11,009,548	—
	<b>74,091,803</b>	<b>55,171,068</b>

### *Lease liabilities*

The minimum lease payments under the lease liabilities are as follows:

	2020	2019
	\$	\$
Total future minimum lease payments	130,762,509	113,321,605
Less future finance charges on lease liabilities	(41,479,209)	(44,034,339)
Present value of lease liabilities	89,283,300	69,287,266
Less current portion of lease liabilities	(8,356,779)	(4,517,256)
Lease liabilities	<b>80,926,521</b>	<b>64,770,010</b>

As at March 31, 2020, scheduled future minimum lease payments of the lease liabilities are as follows:

	1 year	1-5 years	More than 5 years
	\$	\$	\$
Future minimum lease payments	14,899,703	54,556,802	61,306,004
Present value of lease liabilities	<b>8,356,779</b>	34,564,892	46,361,629

Due to the related party nature of the lease liabilities, 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:

	<b>2020</b>	2019
	<b>\$</b>	\$
Balance, beginning of year	—	—
Net loss from table operations (Note 22)	<b>(3,269,796)</b>	(1,779,077)
	<b>(3,269,796)</b>	(1,779,077)
Net loss from table operations allocated to slot operations	<b>3,269,796</b>	1,779,077
Amounts disbursed	—	—
Balance, end of year	—	—

### 14. REVENUE

	<b>2020</b>	2019
	<b>\$</b>	\$
Gaming	<b>247,332,164</b>	239,168,991
Ancillary	<b>23,450,516</b>	23,121,018
	<b>270,782,680</b>	262,290,009

## 15. MATERIALS AND CONSUMABLES

	2020	2019
	\$	\$
	<hr/>	<hr/>
Food and beverage cost of goods sold	<b>7,361,905</b>	7,415,018
Imputed Goods and Services Tax	<b>3,884,637</b>	3,403,323
Consulting	<b>3,519,409</b>	2,233,842
Building repairs and maintenance	<b>2,902,812</b>	2,392,557
Software licenses and agreements	<b>1,868,183</b>	1,590,682
Staff benefits and recruitment	<b>1,488,133</b>	1,508,310
Telephone	<b>1,150,173</b>	946,073
Insurance	<b>978,460</b>	655,083
Postage and stationary	<b>938,475</b>	1,064,922
Accounting and internal audit services	<b>679,207</b>	595,425
Miscellaneous	<b>585,832</b>	502,623
Bank charges	<b>555,192</b>	518,273
Board remuneration and travel	<b>542,074</b>	459,776
Legal	<b>224,513</b>	243,969
Dues and subscriptions	<b>164,516</b>	122,445
	<hr/> <b>26,843,521</b> <hr/>	<hr/> 23,652,321 <hr/>

## 16. OTHER EXPENSES

	2020	2019
	\$	\$
	<hr/>	<hr/>
Equipment repairs	<b>1,496,876</b>	1,811,865
Departmental supplies	<b>1,364,419</b>	1,565,922
Travel and sustenance	<b>954,155</b>	1,079,518
Uniforms and laundering	<b>701,892</b>	758,471
Equipment lease	<b>677,517</b>	444,192
Ancillary consumables	<b>666,047</b>	608,395
Shuttle operating costs	<b>586,134</b>	611,141
Staff training	<b>585,739</b>	631,172
Other	<b>500,674</b>	616,289
Printing	<b>300,131</b>	309,621
	<hr/> <b>7,833,584</b> <hr/>	<hr/> 8,436,586 <hr/>

## 17. FINANCE COSTS

	2020	2019
	\$	\$
Interest on long-term debt	<b>1,867,479</b>	1,627,434
Interest on lease liabilities	<b>6,555,650</b>	5,259,912
	<b>8,423,129</b>	6,887,346

The weighted average capitalization rate on funds borrowed generally is 7.74% per annum (7.73% per annum in 2019).

## 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 totaled \$4,411,394 in fiscal 2020 (\$3,982,081 in 2019).

## 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 \$2,000,000 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 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 0.63, 8.92, 5.07 and 3.64 respectively. In all instances during the year ended March 31, 2020 (and March 31, 2019), 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, 2020:

### *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.

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

	<b>2020</b>	2019
	<b>\$</b>	\$
	<hr/>	<hr/>
Current	<b>472,673</b>	4,776,363
30-59 days	<b>61,955</b>	680
60-89 days	<b>255,727</b>	2,645
90 days and greater	<b>33,450</b>	65,859
	<hr/> <b>823,805</b>	<hr/> 4,845,547
Credit loss allowance	<hr/> —	<hr/> —
	<hr/> <b>823,805</b>	<hr/> 4,845,547

The credit loss allowance for accounts receivable is estimated based on an assessment of individual accounts and the length of time balances have been outstanding. Historically, SIGA has not written-off a significant portion of its trade accounts receivable balances.

## 20. FINANCIAL RISK MANAGEMENT (CONTINUED)

### *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, Painted Hand, Gold Horse and Central Office 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%, 2.05%, 5.09%, 5.09%, 2.10% and 2.05% respectively over the term of the loans.

At March 31, 2020, 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 \$381,030 (\$625,172 in 2019) 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 \$381,030 (\$602,895 in 2019) 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.

### *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:

	Contractual cash flows					2020
	Carrying amount	0-12 months	1-2 years	3-5 years	More than 5 years	Total \$
Financial liabilities						
Due to SLGA	45,921,376	45,921,376	—	—	—	45,921,376
Accounts payable and accrued liabilities	26,816,681	26,816,681	—	—	—	26,816,681
Long-term debt	47,195,182	8,671,239	8,404,186	13,367,143	22,760,422	53,202,990
lease liabilities	89,283,300	14,899,703	15,118,564	39,438,238	61,306,004	130,762,509
Interest rate swap liability	3,298,315	—	—	—	3,298,315	3,298,315
	212,514,854	96,308,999	23,522,750	52,805,381	87,364,741	260,001,871

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.

## 20. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Contractual cash flows					2019
	Carrying amount	0-12 months	1-2 years	3-5 years	More than 5 years	Total \$
Financial liabilities						
Due to SLGA	63,811,410	63,811,410	—	—	—	63,811,410
Accounts payable and accrued liabilities	27,282,775	27,282,775	—	—	—	27,282,775
Long-term debt	25,572,705	6,697,452	6,396,600	12,012,428	4,060,968	29,167,448
lease liabilities	69,287,266	10,848,798	10,872,091	32,759,556	58,841,160	113,321,605
Interest rate swap liability	1,568,707	—	—	—	1,568,707	1,568,707
	<b>187,522,863</b>	<b>108,640,435</b>	<b>17,268,691</b>	<b>44,771,984</b>	<b>64,470,835</b>	<b>235,151,945</b>

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

### *Classification and fair value of financial instruments*

	Classification	Fair value level	2020 \$	2019 \$
Cash and cash equivalents	<b>Amortized cost</b>	<b>N/A</b>	<b>19,842,336</b>	28,868,182
Short-term investments	<b>Amortized cost</b>	<b>N/A</b>	<b>31,332,500</b>	16,332,500
Accounts receivable	<b>Amortized cost</b>	<b>N/A</b>	<b>1,936,176</b>	6,515,279
Due to SLGA	<b>Amortized cost</b>	<b>N/A</b>	<b>45,921,376</b>	63,811,410
Accounts payable and accrued liabilities	<b>Amortized cost</b>	<b>N/A</b>	<b>26,816,681</b>	27,282,775
Long-term debt	<b>Amortized cost</b>	<b>N/A</b>	<b>47,195,892</b>	25,572,705
Interest rate swap liability	<b>FVTPL</b>	<b>2</b>	<b>3,298,315</b>	1,568,707

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 amortized cost 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 Border 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:

	2020	2019
	\$	\$
Amounts owed by related parties	<b>39,654</b>	51,668
Amounts owed to related parties	—	13,503

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

	2020	2019
	\$	\$
Purchases of goods and services		
Lease liabilities payments (principal and interest)	<b>11,581,692</b>	8,996,848
Building rent and occupancy	<b>7,754,726</b>	6,605,545
Indigenous Gaming Regulators Inc.	<b>3,338,220</b>	2,512,625
Purchase of property and equipment	<b>3,145,634</b>	10,971,011
Other	<b>3,054,820</b>	2,329,953
Sponsorship	<b>184,925</b>	348,971

### *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:

	2020	2019
	\$	\$
Employee compensation and benefits	<b>1,803,317</b>	1,798,222
Post-employment benefits	<b>186,101</b>	178,836
	<b>1,989,418</b>	1,977,058

## 22. SEGMENTED INFORMATION

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

	Slot operations \$	Table operations \$	Ancillary operations \$	Elimination if inter- company transaction \$	2020 \$	2019 \$
Revenue	236,365,382	14,143,891	23,450,516	(3,177,109)	270,782,680	262,290,009
Expenses	149,335,682	17,413,687	34,368,369	(3,177,109)	197,940,629	179,751,987
Profit (loss) before the following	87,029,700	(3,269,796)	(10,917,853)	—	72,842,051	82,538,022
Unrealized (loss) gain on interest rate swaps (Note 11)					(1,729,608)	329,324
Total net income and comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Notes 1 and 9)					71,112,443	82,867,346

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 commitments*

SIGA has obligations under operating commitments. The minimum payments required under these commitments are as follows:

	2020 \$	2019 \$
Less than one year	807,274	4,933,299
Between one and five years	785,088	11,281,137
More than five years	—	2,168,602
	<b>1,592,362</b>	<b>18,383,038</b>

The above commitments include amounts committed to related parties of \$75,863.

## 23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### *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 \$13,900,799 (\$11,598,820 in 2019) 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:

	<u>\$</u>
2021	12,443,373
2022	10,493,876
2023	8,431,474
2024	6,755,190
2025	4,809,774

### *Letters of credit*

SIGA has three letters of credit with First Nations Bank of Canada, \$52,500 payable to the City of Swift Current, \$750,000 payable to the City of Lloydminster 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 \$3,175,000 for 2020-2021 (\$3,300,000 in 2019-2020).

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 AND CEO  
ZANE HANSEN



VP CORPORATE AFFAIRS  
PATRICIA COOK



SENIOR VP FINANCE  
AND ADMINISTRATION  
TIM PROSSER



VP HUMAN RESOURCES  
SHAUNA BEAR



SENIOR VP IT AND  
BUSINESS DEVELOPMENT  
VERN ACOOSE



SENIOR VP OPERATIONS  
LIONEL TOOTOOSIS



VP MARKETING  
VANCE MCNAB



GM - NORTHERN LIGHTS  
RICHARD AHENAKEW



GM - LIVING SKY  
AND SIGA REGIONAL GM  
TREVOR MARION



GM - BEAR CLAW  
AND SIGA REGIONAL GM  
JONATHAN PASAP



GM - GOLD EAGLE  
KELLY ATCHEVNUM



GM - GOLD HORSE  
ROGER ANDERSON



GM - DAKOTA DUNES  
GARY DANIELS



GM - PAINTED HAND  
CHARLES RYDER



# Board of Directors



## CHIEF REGINALD BELLEROSE - BOARD CHAIR

Chief Reginald Bellerose is serving his seventh consecutive term as Chief of Muskowekwan First Nation (MFN). Prior to MFN, he held positions at Royal Bank, University of Alberta and Junior Achievement Canada. Chief Bellerose holds a master's certificate in Project Management from the University of Saskatchewan and a Bachelor of Arts in History and Political Science from Concordia University. As Chief of MFN, he remains focused on enterprise in and for his community, focussing on 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 local and national boards, including First Nation Power Authority, Saskatchewan Indian Institute of Technologies and Encanto Potash Corp.



## CHIEF DARCY BEAR

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 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 overseeing 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

Chief Richard Ben joined the SIGA Board in October 2009. Richard served as Chief of the Makwa Sahgaiehcan First Nation until 2019 when he was elected as Tribal Chief of the Meadow Lake Tribal Council. Prior to his tenure as Chief, he served one term as a band councillor. Currently, Chief Ben is also Vice Chair of SIIT. His experience includes terms with the FSIN Education and Justice Commissions, and he serves on a number of boards with the Meadow Lake Tribal Council. Chief Ben's background includes three years in the army reserve, four years as a Recreation Director on his home reserve, and an education in Police Sciences and Information Technology. He recently obtained his certificate in Business Administration.



## CHIEF CONNIE BIG EAGLE

Chief Connie Big Eagle is the Chief of Ocean Man First Nation. She has served her Nation in leadership for 16 years as both Chief and band councillor. Chief Connie Chairs the Yorkton Tribal Council Treasury Board, is Vice Chair of the Treaty 4 Education Alliance and represents Saskatchewan on the Assembly of First Nations Women's Council. Chief Big Eagle joined the SIGA Board in August 2015. Chief Big Eagle secured her professional director designation in 2015.



## CAROLE BRYANT

Carole Bryant 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 TAMMY COOK-SEARSON

Chief Tammy Cook-Se arson is the Chief of Lac La Ronge Indian Band (LLRIB), currently serving her fifth consecutive term. Prior to running for Chief, she served three consecutive terms on the LLRIB council. She also serves as the President of Kitsaki Management Limited Partnership, the band's economic development initiative that focuses on long-term sustainable businesses. Chief Cook-Se arson received an honorary Doctor of Law degree from the University of Regina for her leadership and advocacy for Indigenous issues. She also received the Queen's Golden Jubilee Medal in 2002, the Saskatchewan Centennial Medal in 2006, and the Queen Elizabeth II Diamond Jubilee Medal in 2012. An active member of the community, she is also involved in many cultural events and fundraising activities, including for the Jim Pattison's Children's Hospital Foundation. Chief Cook-Se arson is a mother of three and wife for 26 years. Her hobbies include volunteering with the community, berry picking, boating, and canoeing.

### CHIEF BOBBY CAMERON

Chief Bobby Cameron is a member of Witchehan Lake First Nation located in Treaty Six Territory. Chief Cameron has spent the majority of his life maintaining strong ties to culture, language and identity. As an avid hunter, trapper, and fisher, he advocates and understands the significance of First Nation culture and tradition with respect to keeping close ties to traditional lands. Chief Cameron is currently in his second term as Chief of the Federation of Sovereign Indigenous Nations, a Treaty and Inherent Rights organization that represents 74 First Nations and more than 160,000 First Nation people. Previously, he served one term as a Vice Chief for the FSIN. Chief Cameron is also the Regional Chief for the Assembly of First Nations. He holds a Bachelor of Arts with a major in Indigenous Studies from the First Nations University of Canada. Chief Cameron is a strong advocate for Treaty and Inherent Rights for future generations of First Nation people.



### CHIEF MARIE ANNE DAYWALKER-PELLETIER

Chief Marie Anne Daywalker-Pelletier was appointed to the SIGA Board by the File Hills Qu'Appelle Tribal Council in January, 2013. She is Chief of Okanese First Nation, a position she has held since March, 1981 – serving 39 consecutive years to date. In 2015, Chief Daywalker-Pelletier obtained a professional director designation. She is currently the Chair of SIGA's Governance Committee, the Saskatchewan Indian Women's Commission and the TFHQ Safe Shelter Inc., as well as a member of the Health and Social Development Commission. She is also a board member with the Silver Sage Housing Corp., the All Nations Healing Hospital and Regina Treaty Status Indian Services. Last year, she received the Order of Canada for her role as the longest-standing woman Chief in Canada.



### KEVIN POOCK

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 with 25 years of experience in financial services. 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 and, currently, is part of a group that manages several diversified businesses, holding companies, and analyzes new opportunities for First Nations.



### CHIEF NATHAN PASAP

Chief Nathan Pasap is a proud Nakota/Cree member and the Chief of White Bear First Nation. Prior to being elected Chief of White Bear, he served one term as band councillor. Chief Pasap is currently Chair of the Treaty 4 Education Alliance. He was also the president of First Nations University and sat as a member on the First Nations University Board of Governors. He holds a Bachelor of Arts with a dual Major in Political Science and Indigenous Studies from First Nations University and the University of Regina. Chief Pasap is a proud father of one son and two daughters and has strong blood ties to Ochapowace Cree Nation. His hobbies include golf, hockey and practising his Treaty Rights to hunt, fish and gather like his forefathers and grandmothers did since time immemorial.



### CHIEF LARRY AHENAKEW

Chief Larry Ahenakew was appointed to the SIGA Board on May 11, 2010 and served until 2016. He rejoined the SIGA Board in August 2019. He's Chief of Ahtahkakoop Cree Nation and, since April 2010, he has served as Tribal Chief of the Battlefords Agency Tribal Chiefs. He is currently serving his seventh term as Chief – prior to taking on this larger role, he also served as a band councillor for 12 years. Chief Ahenakew graduated from the University of Saskatchewan with a Native Studies degree.



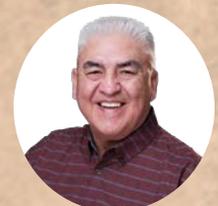
### CHIEF CALVIN SANDERSON

Chief Calvin Sanderson was appointed to the SIGA Board in the fall of 2018 and represents the Independent Bands. Chief Sanderson was a Band Councillor from 2000 to 2003 and then became Chief of the Chakastaypasin Band, a position he has held since. He has been involved in settling land and annuity claims for Chakastaypasin and strives to work hard to benefit his membership. Chief Sanderson has also served on the Board of Indigenous Gaming Regulators for nine years.



### JOHN CHARLES THOMAS - FSIN SENATOR

John Charles Thomas is a distinguished member of Beardsy's & Okemasis Cree Nation (BOCN). Prior to being elected as a band councillor in the late 1980s, he worked as a Probation Officer, Lands Coordinator, Land Manager, and a Treaty Land Entitlement Trustee. He was also involved with the Saskatchewan Indigenous Cultural Center and the BOCN. 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 BOCN. After his term as a councillor, he started working for the FSIN. Senator Thomas is very passionate about his family, especially his grandchildren, politics, treaties, economic development, sports and recreation, governance and justice.



# Corporate Governance

## Authority

Under the *First Nations Gaming Act*, the Federation of Sovereign Indigenous Nations (FSIN) created the Saskatchewan Indian Gaming Authority (SIGA) on June 10, 1995. The FSIN entered into the Gaming Framework Agreement (GFA) with the Province of Saskatchewan, which established its 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 (SLGA). 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 (CDCs). 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% to Saskatchewan First Nations, as distributed through the First Nations Trust; 25% to the CDCs; and 25% 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 under Board policy B03 001 addressing its 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.

## Role of the Board (continued)

All of its Directors are independent of management and no member of management serves as a Director. The Board held eight meetings in the 2019-2020 fiscal year.

## Board Chair - Reginald Bellerose

The Chair provides leadership by guiding the Board, coordinating its 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 2019-2020 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 2019-2020 Directors are as follows:

- Chief Reginald Bellerose
- Chief Tammy Cook-Searson
- Chief Darcy Bear
- Chief Nathan Pasap
- Chief Richard Ben
- Chief Mary Anne Daywalker-Pelletier
- Kevin Poock
- Chief Bobby Cameron
- Chief Calvin Sanderson
- Chief Connie Big Eagle
- Chief Larry Ahenakew
- Carole Bryant

The Board also has an advisor:

- Senator, 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 committees with established terms of reference governing their code and mandate.

## Committee Structure (continued)

These three committees are as follows: Audit and Finance; Governance, Human Resource, Compensation and Ethics; and Strategic Affairs.

### Audit and Finance Committee - Carole Bryant, Chair

The Audit and Finance Committee under Board policy B03-033 monitors the financial performance and internal controls of SIGA, 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 PwC. The fee for the internal audit function for the fiscal year is \$289,020. 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 of \$350,000 represents the financial statement audit and Gaming Services system audit for the fiscal year. 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 six times in the 2019-2020 fiscal year.

### Strategic Affairs Committee - Darcy Bear, Chair

The Strategic Affairs Committee is mandated under Board policy B03-036 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 2019-2020 fiscal year.

### Governance, Human Resource, Compensation and Ethics Committee - Mary Anne Daywalker-Pelletier, Chair

The Governance Committee under Board policy B03-32 is responsible for overseeing the Authority's governance processes and the quality of its 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 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 its committees.

The evaluation of the Board and its committees is scheduled for 2020; the last one was completed in 2018. The Governance Committee also oversees the annual evaluation of the CEO, which was completed in July 2019 by Dwight Percy, an independent consultant. This committee met five times in the 2019-2020 fiscal year.

# Governance Practices

The SIGA Board has formally adopted a governance model, under policy B03-002 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, its 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 last governance 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 and 58-101.

The Board substantially complies with its 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 with 12 of those Directors being confirmed as of this date.	Yes

**SIGA'S GOVERNANCE PRACTICES**

**DOES SIGA ALIGN?**

**NP 58-201, Sections 1(a) and (d)**

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.

Reginald Bellerose, Chair: Independent – Chief, Muskowekwan First Nation, Touchwood Agency Tribal Council.  
 Nathan Pasap, Director: Independent – Chief, White Bear First Nation, Southeast Treaty #4 Tribal Council.  
 Vacant - Agency Chiefs Tribal Council.  
 Richard Ben, Director: Independent – Tribal Chief, Meadow Lake Tribal Council.  
 Carole Bryant, Director: Independent – Director of Governance & Corporate Services, Ranch Erhlo Society.  
 Calvin Sanderson, Director: Independent – Chief, Chakastaypasin Cree Nation, Independent First Nations.  
 Kevin Poock, Director: Independent – Chartered Financial Planner, Battlefords Tribal Council.  
 Mary Anne Daywalker-Pelletier, Director: Independent – Chief, Okanese First Nation, File Hills Qu'Appelle Tribal Council.  
 Darcy Bear, Director: Independent – Chief, Whitecap Dakota First Nation, Saskatoon Tribal Council.  
 Connie Big Eagle, Director: Independent – Chief, Ocean Man First Nation, Yorkton Tribal Council.  
 Larry Ahenakew, Director: Independent – Chief, Ahtakakoop Cree Nation, Battleford's Agency Tribal Chiefs.  
 Tammy Cook-Searson, Director: Independent- Chief, Lac La Ronge Indian Band, Prince Albert Grand Council  
 Bobby Cameron- Director: Independent- Chief, Federation of Sovereign Indigenous Nations  
 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

**NP 58-201, Section 3.2**

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

**NI 58-101FI, Section 1(f)**

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.

Yes

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.

**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.

3.3 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 eight Board meetings held in 2019-2020 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, Sections 1(g)**

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

1.(g) The Board held a minimum of eight meetings in 2019-2020 which included its regular scheduled Board meetings, a strategic planning session and one special meeting.

Yes

Director	Meetings Attended*	Total Meetings
Tammy Cook-Searson	6	(8)
Reginald Bellerose	8	(8)
Carole Bryant	7	(8)
Richard Ben	6	(8)
Calvin Sanderson	7	(7)
Kevin Poock	6	(8)
Mary Anne Daywalker-Pelletier	8	(8)
Darcy Bear	8	(8)
Connie Big Eagle	7	(8)
Nathan Pasap	8	(8)
Larry Ahenakew	5	(5)
Bobby Cameron	7	(8)

\*\*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;
- (d) succession planning, including appointing, training and monitoring senior management;
- (e) adopting a communications policy for the corporation;
- (f) the integrity of the corporation's internal control and management information systems; and
- (g) developing the corporation's approach to corporate governance, including a set of principles and guidelines specific to the corporation.

3.4 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 April 2019. 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 Strategic Affairs Committee.
- (d) The Board approves succession plans for the President and CEO and Senior Executive on an annual basis.
- (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 October 10, 2019.
- (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.
- (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 corporation's governance practices. An audit of the corporation's governance practices is completed every three years with latest one completed in 2018 by the audit firm PwC.

Yes

NP 58-201, Section 2

2. Disclose the Board's written mandate.

2. The Board's written mandate, Policy B03-001, can be obtained from SIGA upon request.

Yes

**SIGA'S GOVERNANCE PRACTICES**

**DOES SIGA ALIGN?**

**POSITION DESCRIPTIONS**

**NP 58-201, Section 3.5**

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.

3.5 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.

Yes

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

**NI 58-101FI, Sections 3(a) and (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.  
(b) Disclose whether the Board and CEO have developed a written position description for the CEO.

3.(a) The Board has policies in place that set out the roles and responsibilities for the Board Chair, Co- Vice Chairs 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.  
(b) The Board has developed a comprehensive job description for the CEO.

Yes

**Orientation and Continuing Education**

**NP 58-201, Sections 3.6 and 3.7**

3.6 The board should ensure new directors receive comprehensive orientation and fully understand the role of the board and committees, the contribution individual directors are expected to make and the nature and operation of the business.

3.6 The Governance Committee is responsible to ensure whether the proper orientation and continuing education training opportunities are made available to the Board. SIGA management has provided comprehensive orientation training for all the Directors about the business and the industry. SIGA also provides all Directors with online resource and reference materials.

Yes

3.7 The board should provide continuing education opportunities for all directors to enhance their skills and abilities and ensure their knowledge of the corporation's business is current.

3.7 The corporation has made available to the Directors the opportunity to participate in education programs such as: The Chartered Directors and the Johnson Shoyama & Browne Governance Director Education & Certification Program. These are comprehensive training program focusing on best governance practices. All the Directors have participated in an orientation program. On a regular basis, industry experts provide the Board with relevant information related to the gaming industry.

Yes

**SIGA'S GOVERNANCE PRACTICES**

**DOES SIGA ALIGN?**

**Code of Business Conduct and Ethics**

**NP 58-201, Section 3.8**

3.8 The Board should adopt a written code of business conduct and ethics applicable to Directors, officers and employees of the corporation designed to promote integrity and deter wrongdoing. The code should address:

- (a) conflicts of interest, including transactions and agreements where a Director or officer has a material interest;
- (b) protection and proper use of corporate assets and opportunities;
- (c) confidentiality of corporate information;
- (d) fair dealing with the corporation's security holders, customers, suppliers, competitors and employees;
- (e) compliance with laws, rules and regulations; and
- (f) reporting of illegal or unethical behaviour.

3.8 SIGA has developed a written Code of Conduct and Ethics Policy applicable to all Directors, a separate Code of Conduct and Ethics Policy that is applicable to Senior Management and a Code of Conduct and Ethics Policy applicable to the employees. The Directors Policy: Establishes guidelines for conduct required of all Directors of the Saskatchewan Indian Gaming Authority. In addition, each Director must complete a Conflict of Interest Declaration form and a Relationship Declaration form. The declaration forms shall be completed on an annual basis, or more often in the event a potential conflict of interest situation arises. The completed forms are forwarded to and retained on file in Corporate Services. Copies are to be provided to the Governance Committee. Conflict of Interest declarations are completed at every Board and Committee meeting.

Yes

The President and CEO and Senior Management policies require that management observe the highest standards of ethical conduct, consistent with the values of integrity, impartiality and discretion, both within and outside the workplace, and to promote a corporate culture in which ethical conduct is recognized, valued and exemplified by everyone.

The President and CEO and all senior managers sign a declaration form upon commencement of employment with SIGA, and sign a Conflict of Interest and a Relationship Declaration form. The declaration forms shall be completed on an annual basis, or more often in the event a potential conflict of interest situation arises. The completed forms are forwarded to and retained on file and are reviewed with the Governance Committee.

**NI 58 -101 FI, Sections 5(a)**

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; 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>SIGA'S GOVERNANCE PRACTICES</b>	<b>DOES SIGA ALIGN?</b>
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<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
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<b>NI 58-101FI, Section 5(b)</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. 5.(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
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<b>Nomination of Directors</b>		
<hr/>		
<b>NP 58-201, Section 3.10</b>		
3.10 The Board should appoint a nominating committee composed of entirely independent Directors.	3.10 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 twelve 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 its Board Members. It is distributed to all shareholders for their use as criteria to base their nomination/selection of directors.	N/A
<hr/>		
<b>Compensation</b>		
<hr/>		
<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
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**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 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 2020.

Yes

**Board Assessments**

**NP 58-201, Section 3.18**

3.18. Each individual Director should be regularly assessed regarding his, her or its 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 Chairman evaluation occur on a two-year cycle. The evaluations were conducted by Dr. Bob Kayseas, an external consultant, and were completed in February 2019. The Board and its Committees review their Terms of Reference annually. The Board have developed skills matrix that will be utilized for future planning.

Yes

## SIGA'S GOVERNANCE PRACTICES

## DOES SIGA ALIGN?

### NI 58-101F1, 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, who reviews this every three years. 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

### NI 58-101F1, Sections 7(c)

(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the committee.

(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

### NI 58-101F1, Sections 7(d)

(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 retained the services of Korn Ferry Hay Group an independent consulting firm to complete a Board compensation review in 2018-2019. The Governance Committee is responsible for reviewing the level and nature of compensation every three years.

Yes

### Other Board Committees

#### NI 58-101F1, Section 8

8. If the Board has standing Committees of the Board, other than audit, compensation and nominating committees, identify the committees and describe their function.

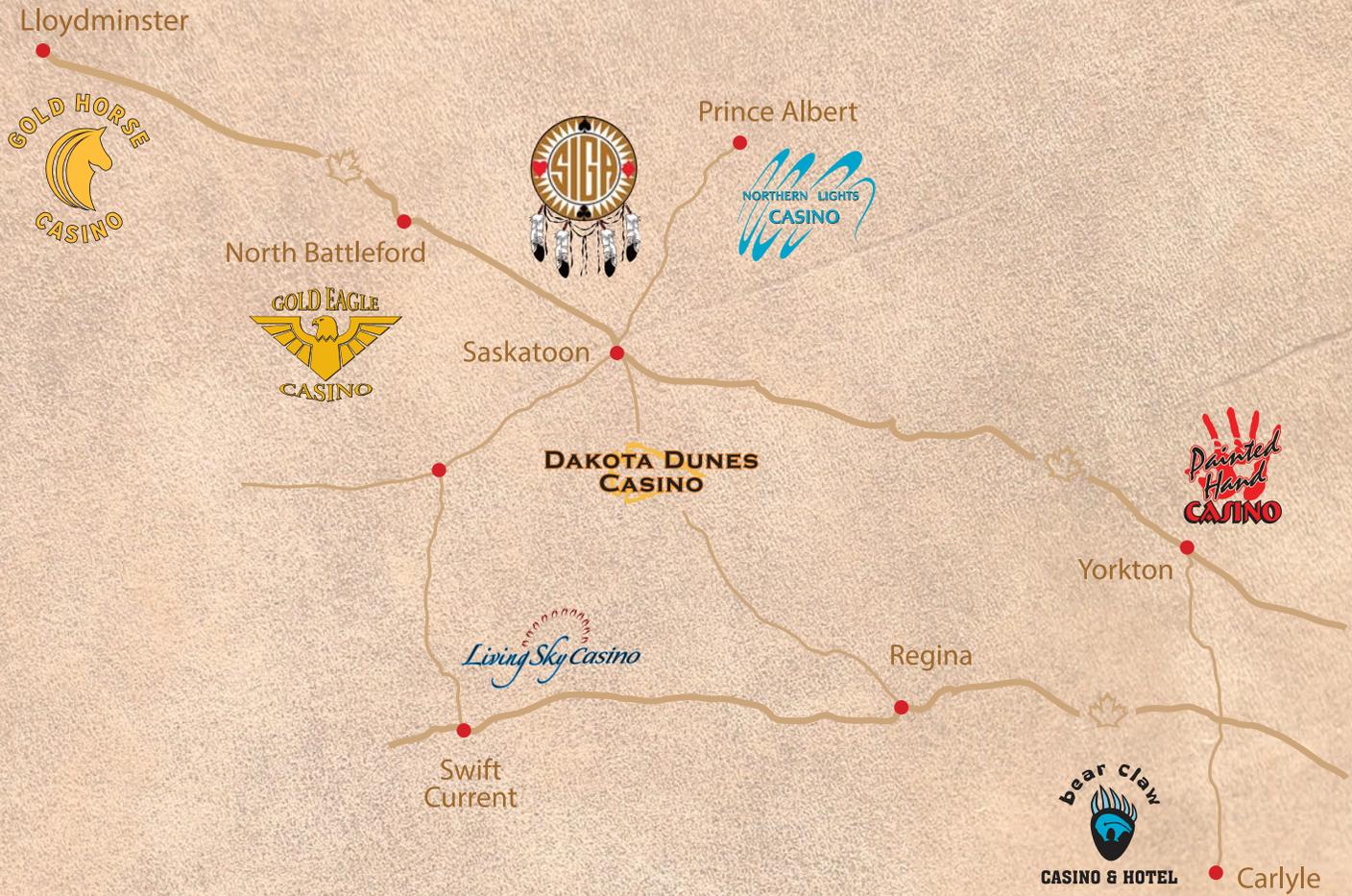
8. The SIGA Board has appointed the following standing committees to conduct the business of the corporation, Governance Committee, Audit & Finance Committee and the Strategic Affairs Committee. All committees have comprehensive mandates that meet the policy requirements. All committee mandates are available upon request from SIGA.

Yes

	<b>SIGA'S GOVERNANCE PRACTICES</b>	<b>DOES SIGA ALIGN?</b>
<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 its 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.	10. 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>Consideration of the Representation of Women in the Director Identification and Selection Process</b>		
<b>NP 58-201, Section 12</b>		
12. Disclosure 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.	12. For 2019-2020 SIGA had a 12 member Board and three positions were held by women.  No Policy	N/A

	SIGA'S GOVERNANCE PRACTICES	DOES SIGA ALIGN?
<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>13. SIGA does not set targets for women in executive positions as the representation of women is already considered during the hiring process. SIGA currently has two women vice presidents on a 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>14.(a) SIGA has not adopted a target for these positions. women would be considered during the hiring process.</p>	<p>Yes</p>
<p>(b) Disclose whether the issuer has adopted a target regarding women on the issuer's Board.</p>	<p>(b) SIGA does not appoint the Directors of the Board, no targets are in place for identification and nomination of women directors. In 2019-20 three of the current twelve member board are women.</p>	<p>Yes</p>
<p>(c) 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>(c) SIGA has not adopted a target for these positions. women would be considered during the hiring process</p>	<p>Yes</p>

# SIGA Casino Locations



## 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

## GOLD HORSE CASINO

Little Pine First Nation  
Lloydminster  
306.825.3777

## 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

*Thank you to our people, customers and communities for helping us to build and Share Success for the past 24 years*



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**SIGA.ca**

