



**BUILDING SUCCESS**  
2020-2021

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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.

# 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 Sauteaux, 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

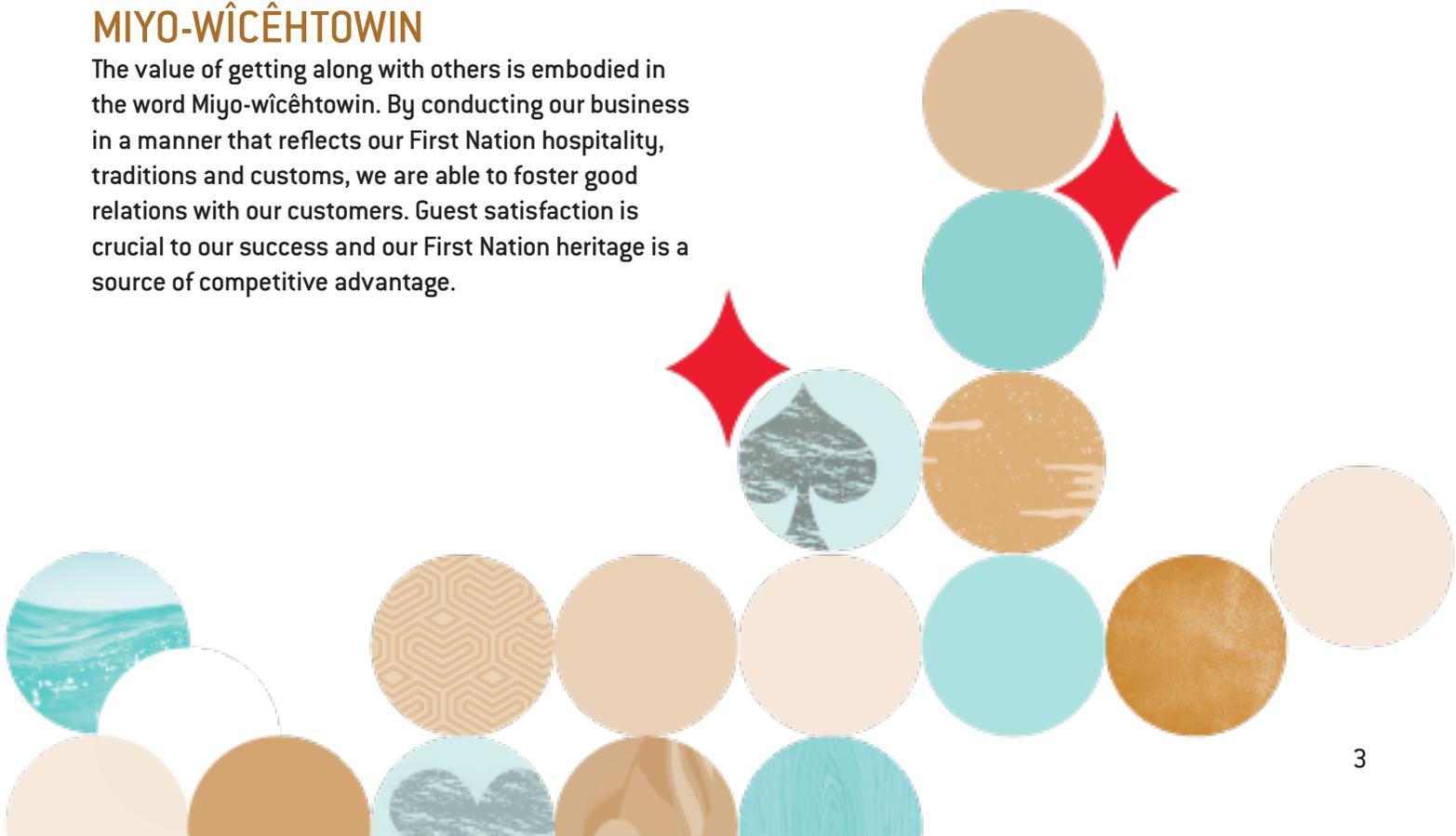
The value of getting along with others is embodied in the word Miyo-wîcêhtowin. By conducting our business in a manner that reflects our First Nation hospitality, traditions and customs, we are able to foster good relations with our customers. Guest satisfaction is crucial to our success and our First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

2020-2021 was unlike any other reporting year in the history of SIGA, owed to the impacts of the COVID-19 pandemic. As a result, this year's report will not provide an overview of operations but rather a close look at the impacts of COVID-19 on SIGA, SIGA's actions to mitigate those impacts and manage risks, and the year's financial results.

SIGA provides first-class entertainment to patrons across Saskatchewan through our seven casino destinations. Currently, SIGA ranks in Saskatchewan's top 30 companies and Canada's top 50 Best Workplaces with annual revenues of \$85.7 million and net income of [\$16.6 million] for 2020-2021.

SIGA casinos deliver entertainment and excitement, offering slot machines, live table games, electronic table games, live on-stage entertainment and food and beverage services. SIGA employees provide a second-to-none customer service experience, rooted in traditional First Nation hospitality and culture.

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

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

50%

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

25%

Is shared with regional Community Development Corporations (CDCs), which are situated in the casino locations and fund local initiatives.

25%

Is shared with the provincial government's General Revenue Fund.

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

SIGA is the operator of seven First Nation owned casinos located across Saskatchewan:



# Message from the FSIN

On behalf of the Federation of Sovereign Indigenous Nations (FSIN), we submit the 2020-2021 Saskatchewan Indian Gaming Authority (SIGA) Inc. annual report ending March 31, 2021.

This past year has proven to have been more disruptive than anyone ever expected, with the COVID-19 pandemic having major impacts on the economy the world over. At SIGA, we saw the closure of our casinos for extended periods of time over the course of the year. Consequentially, this impacted our employees and resulted in significant financial losses for our company.

Despite this reality, SIGA has built a strong and resilient organization over the past 25 years. We are confident that our company will continue to fulfill the mandate set by the Chiefs of Saskatchewan so many years ago – to create employment for First Nation people. It was the Chiefs' vision that enabled us to carry out our Inherent and Treaty Right to self-determination through our participation in the economy and we will continue to do so as we begin the process of rebuilding our business.

Thank you to all of our Chiefs and councils for your unwavering service to your families and communities during this pandemic, and to SIGA's Board and Executive for your leadership as we navigate through an unprecedented time. By working together, we will create opportunity and 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 2020-2021 annual report.

This past year has been one of the most difficult years for SIGA, our First Nations, families, and communities. The COVID-19 pandemic has had far-reaching impacts across the organization and across the world that will be felt for some time.

Over the past fiscal year (2020-2021), under the Public Health Order, SIGA Casinos were required to close on two separate occasions, totalling more than six months.

With SIGA's operations closed for a majority of the 2020-2021 fiscal year, there was limited opportunity to generate revenue. As a result, the Board of Directors and the Executive team had to make very difficult decisions to ensure the preservation of the company. As a non-profit where 100 per cent of our earnings are returned to our communities through our distribution model, this has made it challenging for SIGA to sustain closures for any period of time. The Board and Management have worked diligently to mitigate as much risk as possible throughout this unprecedented time.

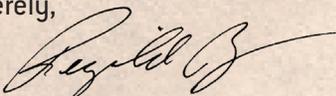
With the rollout of the vaccinations coming on stream and the reopening of SIGA casinos on June 20, 2021, there is finally a light at the end of the tunnel, and we have been working hard towards getting the business back up and operating. I want to thank our employees for their patience during this past year. Your commitment to the organization is appreciated.

As challenging as this year has been, we must now look to the future and the task ahead of us, to rebuild our company over the coming years. SIGA has always operated with the best interest of our patrons, employees, and shareholders in mind. Rest assured that SIGA's same business values continue to guide our work now and into the future. We are confident that we will come out stronger and more resilient than ever.

To our Board of Directors, thank you for staying focused as we navigated our way through these times of uncertainty. Your strategic and transparent governance continues to guide the organization and will be our foundation as we go forward.

To the Chiefs of Saskatchewan, thank you for your leadership and commitment to your communities as we managed our way through this pandemic. To our SIGA employees, management, and Board, as we move into this next year, we will continue to operate with a resolute focus on sustainability and effectively managing our resources so that we can continue to serve our guests and build a better future for our people.

Sincerely,



Chief Reginald Bellerose  
Board Chair, SIGA



# Message from SIGA's President and CEO

Over the past 15 months, the COVID-19 virus has brought immediate disruption to the Canadian economy – including the closure of every casino across Canada. As a non-profit organization, the impact of this pandemic on SIGA has been particularly devastating, as it has been for communities and economies globally. Impacts to the Gaming and broader Tourism industries, on the whole, have been immense.

SIGA, following in the footsteps of all other gaming operators in Canada, has adapted our operating model to allow us to not only safely welcome back our customers and employees but to do it with a smaller operational footprint.

Due to the impact of the pandemic, this fiscal year of 2020-2021 was one of the most challenging operational years in remembrance for our employees and shareholders.

Since March 16, 2020, when the COVID-19 pandemic hit Saskatchewan, the health and safety of our customers, employees, their families, and our communities has been and continues to be the priority for SIGA. As a result, a decision was made to close our doors prior to the Public Health Order requiring us to do this. This decision was in the best interest of our employees, guests, and community members' health and safety, and as part of ongoing efforts to contain the spread of COVID-19.

Throughout the closures, every effort was made to support our impacted employees by using the various federal programs that were made available.

During a period of zero revenues, cash management was critical to ensure the company remained viable. This was particularly critical for SIGA as a non-profit, which has limited amounts of cash on hand to pay for operational needs during temporary closure periods. SIGA's Board and Management were forced to implement immediate and significant austerity measures to ensure the future viability of the organization. Our sincerest thoughts go out to those employees who were affected. These decisions were not taken lightly and SIGA remains committed to rebuilding as a leader in First Nation employment and supporting economic opportunity.

As difficult as the past year has been, we have learned from this experience and have turned our attention toward recovery. As we go forward into 2021-2022, we will be working to rebuild the business safely and progressively for our loyal customers and employees.

We are proud to be a First Nation owned and operated organization and I would like to thank the Chiefs of Saskatchewan for their leadership throughout the pandemic. And to our Board of Directors, thank you for your strategic oversight and unwavering support as we made our way through this unprecedented time. Fortunately, we can now look forward with optimism as we work toward building a better future for our people.

Regards,



Zane Hansen  
President and CEO, SIGA



# COVID-19 Impacts and Mitigation Actions

## Impacts

The COVID-19 pandemic has had devastating impacts on businesses and economies globally – and SIGA was no exception. This pandemic single-handedly shut down the world’s casinos, which has been the gambling sector hardest hit by COVID-19.

### Financial

The suspension of SIGA’s operations on two separate occasions, totalling more than eight months of temporary closures, had a significant impact on our financial results for the 2020-2021 fiscal year. Typically, SIGA realizes a net income of close to or eclipsing \$80 million. This year, due to the Public Health Order and accompanying public health restrictions, which resulted in our suspension of operations, SIGA ended with a net loss of \$16 million. During a period of zero revenues, cash management has been critical to ensure the company remains viable. As a non-profit, SIGA had a limited amount of cash on hand to pay for critical needs during these temporary closure periods.

We want to assure all of our shareholders, employees, and customers that we made responsible but very difficult decisions throughout this past year to mitigate our financial risks as much as possible and ensure our business remains viable in the long-term.

### Operational

Following the initial closure of our casinos in March 2020, SIGA activated our continuity plan and significantly reduced our footprint, maintaining only small crews at our casinos and central services to protect our assets and plan for reopening while we navigated through the temporary period of zero cashflows. This meant a significant reduction to our employee base. It also meant stalling everything that was not a core operating system and focusing our work solely on business continuity and working toward the eventual reopening of our seven properties.

With the temporary closures extended throughout the majority of the fiscal year due to the Public Health Order, SIGA’s Board and Management also made the difficult decision to restructure SIGA’s operating model to create efficiencies and carry forward with a smaller footprint to ensure our sustainability.

### People

The suspension of operations at all seven casinos forced us to make the difficult decision to temporarily reduce our employment structure across the company, significantly impacting our employees and their families. Eventually, the decision was made to restructure our operating model. This will have a long-term impact on our employee base, which will be ramped up over time as our recovery and the public health restrictions allow.

The negative impacts from COVID-19 also extend to the communities where we operate. These impacts were exacerbated by our closures and resulting inability to finish the year with net profits – profits that would have been returned to our 74 First Nations. The extended restrictions on casino operations have had a disproportionately negative impact on First Nation communities in Saskatchewan, with no other group carrying the burden of COVID-19 related restrictions in this same way.

## Mitigation Actions

On March 16, 2020, based on recommendations from government and public health officials, SIGA leadership decided to temporarily suspend operations at all seven of our casino properties to contribute to the efforts to contain the spread of the COVID-19 virus. This decision was made in the best interest of our employees, guests, and community members' health and safety. Those temporary closures were soon extended by government mandate with Saskatchewan Premier Scott Moe declaring a state of emergency on March 18 and implementing a Public Health Order that required our business and many others to temporarily cease operations. Over the past year, our properties saw a total of eight months of suspended operations owed to public health restrictions: from March 16 to July 8, 2020, and December 19, 2020 to June 19, 2021.

## Health and Safety Measures

Since the arrival of the COVID-19 pandemic, SIGA has ensured compliance with public health guidelines and has implemented extensive health and safety standards that have exceeded the casino guidelines required by the Saskatchewan Health Authority (SHA).

Based on our research of best practices across North America, here are some of the key measures we have deployed that have worked well to mitigate risks related to COVID-19:

- We require all team members and guests to go through a pre-screening process and to sanitize their hands prior to casino entry. If someone is exhibiting signs of COVID-19, they are asked the pre-screening questions again. If SIGA management determines there's a probable risk, we ask the guest to leave and encourage them to call the provincial Healthline 811;
- We require all team members and guests to wear a non-medical mask, which we have enforced since day one;
- We have carded entry into our buildings for patrons to assist contact tracing should it be required and we have worked closely with the SHA to this end; likewise, we have existing systems in place to track dates and times that SIGA team members are on site at our properties;
- We differentiate ourselves from others in having security and surveillance in our buildings so that we can properly enforce our health and safety protocols, including masking, physical distancing and preventing congregating;
- We significantly reduced the number of gaming and food and beverage spaces and have limited capacity at all facilities according to the public health restrictions – consuming food outside of restaurant areas is prohibited;
- We deep clean our casinos twice daily, including high touch areas, which are cleaned throughout the day;
- We clean all slot machines and table games after each use and deep-clean all gaming stations as part of our full facility deep-cleans every 24 hours;
- We have hand sanitizer and disinfecting wipes readily available for all guests;
- We use electrostatic sprayers with approved Canadian Standards Association cleaning products;
- We have eliminated close contact and touchpoints wherever possible;
- We have installed plexiglass dividers between all gaming devices and invested more than \$1 million in Personal Protective Equipment (PPE);
- We do not allow loitering in areas where people can congregate;
- We have state-of-the-art ventilation systems with fresh-air exchange from the outside and high ceilings that support proper air circulation; and
- We have extensive print and digital signage, and routine public service announcements to support the enforcement of all health and safety protocols.

Every SIGA department has an exhaustive list of procedures to follow and every team member is required to complete Worksafe COVID-19 Leader Designation Training to ensure we are providing the safest environment possible at all of our entertainment destinations.

We also strongly encourage all of our team members and guests to get vaccinated to help protect each other and our communities, and so that the province can continue to safely reopen.

Our full health and safety guidelines and protocols can be found at [siga.ca](http://siga.ca). We continue to evolve our health and safety measures based on recommendations from the SHA, public health officials, and best practices.

## **Austerity Measures**

SIGA's Board and management have taken the most responsible yet difficult steps to ensure our business can operate effectively and be sustainable into the future, which included significant austerity measures following the initial closure of our casino properties in March 2020.

The most significant of these measures was to adapt our operational structure to suit our current environment and financial position, realigning resources to have a smaller footprint. Given the significant economic and public health disruption, SIGA is taking a phased-in approach to operations and employment as we navigate through the recovery

## **Employee Supports**

Following our initial closures on March 16, 2020 and as per the Public Health Order, employees were placed on leave and eligible for employment insurance. SIGA took additional steps to support our employees during this time, which included:

- Two weeks of pay for all affected employees for the period of March 17-31, 2020;
- A one-time COVID-19 relief payment for all affected employees;
- Payment of all accrued vacation balances owing to March 31, 2020; and
- A call centre to help employees navigate employment insurance, CERB applications and challenges, along with two Service Canada employees dedicated to supporting SIGA claimants.

Employees remained on leave for the duration of the Public Health Order that required our casinos to remain closed. As the initial temporary closure extended, SIGA also applied for and secured the Federal Wage Subsidy to further support our employees while we awaited the green-light to resume operations. SIGA's Board and management also approved a top-up over and above the wage subsidy payments to try to keep our people as whole as possible throughout this unprecedented year.

Since March 2020, SIGA has been in continuous discussions with the SHA, the provincial government and SLGA, to create a health and safety plan for SIGA that would allow us to operate in the safest manner possible and to advocate for the safe reopening of our casinos.

Our goal, over time, is to get our business back to where it was before the COVID-19 outbreak and we are confident that with our strong leadership, and our loyal employees and customers, we will succeed.

# Our Casinos



## Gold Horse Casino

Little Pine First Nation  
Roger Anderson, GM

Home to SIGA's inaugural  
electronic table game offerings



# Bear Claw Casino & Hotel

White Bear First Nation  
Jonathan Pasap, GM

Home to the Bear Claw Hotel with  
35 newly renovated rooms



# Painted Hand Casino

Kahkewistahaw First Nation  
Charles Ryder, GM

Home to business excellence, as  
recognized by the Yorkton  
Chamber in 2020



# Northern Lights Casino

Peter Ballantyne Cree Nation  
Richard Ahenakew, GM

Home to the Starlight lounge,  
featuring award-winning  
entertainment



# Living Sky Casino

Nekaneet First Nation  
Trevor Marion, GM

Home to the Sky Centre  
multi-purpose entertainment venue



# Gold Eagle Casino

Mosquito First Nation  
Kelly Atcheynum, GM

Home to the award-winning  
Kihiw Restaurant



# Dakota Dunes Casino

Whitecap Dakota First Nation  
Gary Daniels, GM

Home to SIGA's slot and live games  
High Limit Rooms



# 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 is 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 the 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 forecasts and anticipated cashflows.

### 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 on 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 the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) guidelines.

### PUBLIC HEALTH ORDER RISK

SIGA operates in a highly regulated environment with our 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, 2021, and the statement of comprehensive (loss) 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, 2021, 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.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that SIGA incurred a comprehensive loss of \$16,596,165 during the year ended March 31, 2021 and, as of that date, SIGA's current liabilities exceeded its current assets by \$37,263,581 and has a deficit of \$19,894,480. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on SIGA's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### 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 28, 2021

# Statement of Financial Position

As at March 31, 2021	Notes	2021	2020
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		6,757,819	19,842,336
Short-term investments	4	24,802,500	31,332,500
Accounts receivable	5	5,963,017	1,936,176
Inventories	6	1,665,993	1,882,625
Prepays		2,216,084	2,801,518
		<b>41,405,413</b>	57,795,155
<b>Intangible assets</b>			
	7	—	21,001
<b>Property and equipment</b>			
	8	68,221,903	77,309,290
<b>Right-of-use assets</b>			
	8 and 12	66,543,969	74,091,803
		<b>176,171,285</b>	209,217,249
<b>Current liabilities</b>			
Due to Saskatchewan Liquor and Gaming Authority	9	5,853,545	45,921,376
Accounts payable and accrued liabilities	10	21,185,886	26,816,681
Current portion of long-term debt	11	42,123,351	7,353,812
Current portion of lease liabilities	12	9,506,212	8,356,779
		<b>78,668,994</b>	88,448,648
<b>Long-term debt</b>			
	11	43,279,553	39,842,080
<b>Lease liabilities</b>			
	12	72,796,647	80,926,521
<b>Interest rate swap liability</b>			
	11	1,320,571	3,298,315
		<b>196,065,765</b>	212,515,564
<b>Deficit</b>		<b>(19,894,480)</b>	(3,298,315)
		<b>176,171,285</b>	209,217,249

The accompanying notes are an integral part of the financial statements

Approved by the Board



Director



Director

## Statement of Comprehensive (Loss) Income

Year ended March 31, 2021	Notes	2021 \$	2020 \$
<b>Revenue</b>	14	<b>85,672,634</b>	270,782,680
Salaries and benefits expense	24	<b>31,462,605</b>	91,866,308
Depreciation and amortization expenses		<b>21,590,158</b>	16,794,311
Materials and Consumables	15	<b>13,513,087</b>	26,843,521
Slot machine reimbursement		<b>13,085,316</b>	16,995,012
Finance costs	17	<b>8,689,081</b>	8,423,129
Occupancy		<b>7,047,300</b>	11,232,238
Payment to Indigenous Gaming Regulators Inc.	23	<b>3,000,000</b>	3,300,000
Other expenses	16	<b>2,717,223</b>	7,833,584
Payment to Saskatoon Prairieland Park Corporation	23	<b>2,600,004</b>	2,600,004
Advertising		<b>541,769</b>	12,052,522
		<b>104,246,543</b>	197,940,629
<b>(Loss due from) income due to Saskatchewan Liquor and Gaming Authority</b>	1	<b>(18,573,909)</b>	72,842,051
Unrealized gain (loss) on interest rate swaps	11	<b>1,977,744</b>	(1,729,608)
<b>Total comprehensive (loss) income for the year before distribution to Saskatchewan Liquor and Gaming Authority</b>	1	<b>(16,596,165)</b>	71,112,443

The accompany notes are an integral part of the financial statements

## Statement of Changes in Deficit

Year ended March 31, 2021	Notes	Unrealized losses on interest rate swaps reserve \$	Deficit from operations \$	Total 2021 \$	Total 2020 \$
Balance, beginning of year		<b>(3,298,315)</b>	—	<b>(3,298,315)</b>	(1,568,707)
Total comprehensive (loss) income for the year before distribution to Saskatchewan Liquor and Gaming Authority	1 and 9	<b>1,977,744</b>	<b>(18,573,909)</b>	<b>(16,596,165)</b>	71,112,443
Distribution payable to Saskatchewan Liquor and Gaming Authority		—	—	—	72,842,051]
Balance, end of year		<b>(1,320,571)</b>	18,573,909]	(19,894,480)	(3,298,315)

The accompany notes are an integral part of the financial statements

# Statement of Cash Flows

Year ended March 31, 2021	Notes	2021	2020
		\$	\$
<b>Cash flows from (used in) operating activities</b>			
Total comprehensive (loss) income for the year before distribution to Saskatchewan Liquor and Gaming Authority		(16,596,165)	71,112,443
Adjustments for:			
Depreciation and amortization		21,590,158	16,794,311
Finance costs		8,689,081	8,423,129
Unrealized (gain) loss on interest rate swaps		(1,977,744)	1,729,608
Change in non-cash operation working capital items:			
Accounts receivable		(4,026,841)	4,579,103
Inventories		216,632	265,070
Prepays		585,434	(813,212)
Accounts payable and accrued liabilities		3,913,007	(466,094)
Payments to Saskatchewan Liquor and Gaming Authority	9	(6,332,079)	(90,732,085)
		<b>6,061,483</b>	<b>10,892,273</b>
<b>Cash flows from (used in) investing activities</b>			
Purchase of intangible assets		—	(49,024)
Purchase of property and equipment		(3,405,048)	(13,043,111)
Purchase of short-term investments		(130,500,000)	(56,500,000)
Proceeds on disposal of short-term investments		137,030,000	41,500,000
		<b>3,124,952</b>	<b>(28,092,135)</b>
<b>Cash flows (used in) financing activities</b>			
Interest paid		(8,689,081)	(8,423,129)
Repayment of lease liabilities		(8,509,329)	(5,026,042)
Proceeds from long-term debt		—	28,000,000
Repayment of long-term debt		(5,072,542)	(6,376,813)
		<b>(22,270,952)</b>	<b>8,174,016</b>
<b>Decrease in cash and cash equivalents</b>		<b>(13,084,517)</b>	<b>(9,025,846)</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>19,842,336</b>	<b>28,868,182</b>
<b>Cash and cash equivalents, end of year</b>		<b>6,757,819</b>	<b>19,842,336</b>

The accompanying notes are an integral part of the financial statements

# Notes to the Financial Statements

Year ended March 31, 2021

## 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. As a result, in a year where SIGA incurred a net loss this will be recovered in the next operating year by withholding the same amount from net earnings prior to making any weekly distribution payments. 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, 2021, were authorized for issue by the Board of Directors (the "Board") on May 28, 2021.

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.

### *Going concern*

While the financial statements have been prepared on the basis of accounting principles applicable to a going concern, several adverse conditions indicate the existence of a material uncertainty that may cast significant doubt on SIGA's ability to continue as a going concern.

The Covid-19 coronavirus pandemic ("the pandemic") continues to have a significant impact on SIGA's business. 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 pandemic. The first closure period began on March 16, 2020 and continued through to July 8, 2020. On July 9, 2020 SIGA reopened all of the gaming facilities without guest capacity restrictions until the Province implemented a mandatory 30 guest capacity restriction, per location, to take effect on November 27, 2020. SIGA continued to operate under this capacity restriction until the Province implemented another temporary suspension of all the gaming operations. This closure period started on December 19, 2020 and remains in effect as of the date of approval of these financial statements. 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. The Government of Saskatchewan has revised its public health orders and as a result casinos may reopen on June 20, 2021 with a 150 patron capacity limit. SIGA expects to resume operations on that day. Further easing of capacity limits are dependent on the Province's Re-Open Saskatchewan Plan.

SIGA continues to undertake 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. Further, on March 29, 2021, SIGA entered into a Forbearance and Debt Repayment Agreement with SLGA whereby amounts due to SLGA of \$33,735,752 and accrued slot billing of \$9,543,802 payable to SLGA and included in accounts payable and accrued liabilities were converted to long-term debt (Note 11).

SIGA incurred a comprehensive loss of \$16,596,165 during the year ended March 31, 2021 and, as of that date, SIGA's current liabilities exceeded its current assets by \$37,263,581 and has a deficit of \$19,894,480. SIGA also

## 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (CONTINUED)

has breached its financial covenants relating to its long-term debt (Note 11). As a result, SIGA will need to rely on the continued financial support from SLGA and its financial institution to support future operations until such time SIGA can reopen and return to profitability.

If the going concern assumption were not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets and liabilities, the reported net earnings, and the statement of financial position classifications.

## 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.

### *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.

### *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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Accounts receivable and expected credit losses*

Management evaluates collectability of receivables depending on the customer and the nature of the balance. Collectability of receivables is reviewed and the allowance for expected credit losses 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:

Asset	Rate
Leasehold improvements	5 years
Casino development	Useful life of the asset
Furniture & equipment	4-5 years

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

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

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

### 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.

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#### 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 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.

##### *Government grants*

Government grants are not recognized until there is reasonable assurance that SIGA will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in earnings on a systematic basis over the periods in which SIGA recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that SIGA should purchase, construct or otherwise acquire non-current assets (including property and equipment) are recognized as deferred income in the statement of financial position and transferred to earnings on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to SIGA with no future related costs are recognized in earnings in the period in which they become receivable.

## 4. SHORT-TERM INVESTMENTS

Short-term investments consist of investments in guaranteed investment certificates and term deposits totaling \$24,802,500 (\$31,332,500 in 2020). Individual interest rates range from 0.40% and 0.70% and will mature between April 8, 2021 and November 30, 2021.

## 5. ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
Trade accounts receivable	<b>36,997</b>	823,805
Government grant receivable	<b>5,372,814</b>	—
Goods and Services Tax input tax credit receivable	<b>109,205</b>	497,776
Advances to suppliers, contractors and employees	<b>444,001</b>	614,595
	<b>5,963,017</b>	1,936,176

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 \$1,031,715 were recognized as food and beverage cost of goods sold for the year ended March 31, 2021 (\$7,361,905 in 2020). No write-downs of inventories were noted for the year ended March 31, 2021 (nil in 2020), and there were no reversals of write-downs from previous years.

## 7. INTANGIBLE ASSETS

	Software \$
Cost	
Balance at March 31, 2019	5,072,767
Additions	49,024
Balance at March 31, 2020	5,121,791
Additions	—
<b>Balance at March 31, 2021</b>	<b>5,121,791</b>
Accumulated amortization and impairment	
Balance at March 31, 2019	5,053,920
Amortization expense	46,870
Balance at March 31, 2020	5,100,790
Amortization expense	21,001
<b>Balance at March 31, 2021</b>	<b>5,121,791</b>
Net book value, March 31, 2020	21,001
<b>Net book value, March 31, 2021</b>	<b>—</b>

The amortization expense for software for the year ended March 31, 2021 was \$21,001 (\$46,870 in 2020) 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, 2021 (nil in 2020).

## 8. PROPERTY AND EQUIPMENT

	Leasehold improvements \$	Casino development \$	Furniture and equipment \$	Construction in progress \$	Right-of-use assets \$	Total \$
Cost						
Balance at March 31, 2019	49,371,635	162,904,200	52,975,188	5,232,176	—	270,483,199
IFRS traditional adjustment	—	(89,016,427)	—	—	105,454,744	16,438,317
Additions	4,495,888	912,548	10,356,467	954,795	10,825,603	27,545,301
Transfer	—	—	—	(3,676,588)	—	(3,676,588)
Balance at March 31, 2020	53,867,523	74,800,321	63,331,655	2,510,383	116,280,347	310,790,229
Additions	5,116,797	—	687,463	9,689	1,528,888	7,342,837
Transfer	—	—	—	(2,408,901)	—	(2,408,901)
<b>Balance at March 31, 2021</b>	<b>58,984,320</b>	<b>74,800,321</b>	<b>64,019,118</b>	<b>111,171</b>	<b>117,809,235</b>	<b>315,724,165</b>
Accumulated depreciation						
Balance at March 31, 2019	38,381,205	58,888,062	43,130,585	—	—	140,399,852
IFRS traditional adjustment	—	(33,845,359)	—	—	33,845,359	—
Depreciation expense	3,130,848	3,082,108	4,433,143	—	8,343,185	18,989,284
Balance at March 31, 2020	41,512,053	28,124,811	47,563,728	—	42,188,544	159,389,136
Depreciation expense	4,309,677	3,526,617	4,656,141	—	9,076,722	21,569,157
<b>Balance at March 31, 2021</b>	<b>45,821,730</b>	<b>31,651,428</b>	<b>52,219,869</b>	<b>—</b>	<b>51,265,266</b>	<b>180,958,293</b>
Net book value						
Balance at March 31, 2020	12,355,470	46,675,510	15,767,927	2,510,383	74,091,803	151,401,093
<b>Balance at March 31, 2021</b>	<b>13,162,590</b>	<b>43,148,893</b>	<b>11,799,249</b>	<b>111,171</b>	<b>66,543,969</b>	<b>134,765,872</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

	2021	2020
	\$	\$
Balance, beginning of year	45,921,376	63,811,410
Income due to Saskatchewan Liquor and Gaming Authority	—	72,842,051
Payments to Saskatchewan Liquor and Gaming Authority	(6,332,079)	(90,732,085)
Transfer to long-term debt (Note 2)	(33,735,752)	—
Balance, end of the year	5,853,545	45,921,376

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.

In the year ended March 31, 2021, SIGA incurred a loss of \$18,573,909 (2020 – nil) in excess of the capital reserve, which may be recovered from income in future years.

## 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 \$193,805 (\$337,259 in 2020).

## 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)

There are currently four financial covenants which are reported on a quarterly basis. 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.

In all instances during the year ended March 31, 2021, SIGA was not in compliance with the above covenants. SIGA has engaged in continuous contact and reporting with its lending institution who are working with SIGA to revise the covenant terms for 2021/2022 to reflect external environmental factors outside of SIGA's control that are currently impacting compliance with the existing terms. The financial statements present all term loans under the financing agreement as current as at March 31, 2021.

The financing agreement includes terms such as senior fund debt, EBITDA and EBITDAR which are not defined under IFRS.

### *SLGA financing*

On March 29, 2021, SIGA entered into a Forbearance and Debt Repayment Agreement with SLGA whereby SLGA has provided an unsecured loan to a maximum of \$46,091,761. The unsecured loan is repayable in monthly instalments of \$384,465 for 10 years plus 1 month once slot machines and casinos are permitted to be operational for a consecutive 3-month period at a minimum capacity of 40% and bears interest at 0.881% per annum until principal of \$12,356,006 has been repaid. It is non-interest bearing thereafter.

## 11. LONG-TERM DEBT (CONTINUED)

The long-term debt obligations are as follows:

	2021	2020
	\$	\$
Term loan #1 repayable in monthly instalments of \$116,667 plus interest at banks acceptance rate plus 1%, maturity April 2023.	<b>3,383,333</b>	4,316,666
Term loan #2 repayable in monthly instalments of \$127,000 including interest at bankers acceptance rate plus 1.5%, maturity April 2023.	<b>3,673,000</b>	4,695,000
Term loan #3 repayable in monthly instalments of \$117,762 plus interest at bankers acceptance rate plus 1.5%, maturity August 2024.	<b>5,417,144</b>	6,359,240
Term loan #4 repayable in monthly instalments of \$88,889 plus interest at bankers acceptance rate plus 1.5%, maturity August 2024.	<b>4,088,874</b>	4,799,986
Term loan #5 repayable in monthly instalments of \$71,000 plus interest at bankers acceptance rate plus 1.5%, maturity September 2034.	<b>15,937,000</b>	16,575,000
Term loan #6 repayable in monthly instalments of \$50,000 plus interest at bankers acceptance rate plus 1.5%, maturity September 2029.	<b>5,250,000</b>	5,700,000
Term loan #7 repayable in monthly instalments of \$42,000 plus interest at bankers acceptance rate plus 1.5%, maturity September 2029.	<b>4,374,000</b>	4,750,000
Unsecured SLGA loan	<b>43,279,553</b>	—
	<b>85,402,904</b>	47,195,892
Less: current portion	<b>(42,123,351)</b>	(7,353,812)
	<b>43,279,553</b>	39,842,080

## 11. LONG-TERM DEBT (CONTINUED)

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 range from April 2023 to September 2034. A liability of \$1,320,571 has been recorded at March 31, 2021 (\$3,298,315 in 2020), 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, 2021 is equal to the carrying value of the term loans of \$42,123,351.

SIGA has established an unsecured \$5,000,000 line of credit with a financial institution, subject to SIGA maintaining a minimum balance of \$5,000,000 in short-term investments. Interest is charged on the line of credit at the financial institution's prime rate. At March 31, 2021, no amount is owing on the line of credit (nil in 2020).

## 12. LEASE LIABILITIES

On November 1, 2004, SIGA entered into an agreement with White Bear Holdings Limited for the 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 the 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 the 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 the 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 the lease of Gold Eagle Casino in North Battleford. SIGA will lease the property from the Partnership for 13 years at an annual cost of \$1,441,496.

On April 1, 2014, SIGA entered into an agreement with BATC Investments Limited Partnership for the 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 the 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.

## 12. LEASE LIABILITIES (CONTINUED)

On July 15, 2017, SIGA entered into an agreement with Prince Albert Casino Ventures Limited Partnership for the 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 the 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 rates ranging from 3.0% to 12.5% (3.0% to 12.5% in 2020) per annum.

Net carrying amount of right-of-use assets:

	2021	2020
	\$	\$
Gold Horse Casino	<b>21,841,317</b>	23,147,243
Gold Eagle Casino	<b>10,019,962</b>	11,576,309
Central Office	<b>9,707,402</b>	10,283,338
Dakota Dunes Casino	<b>7,420,979</b>	7,759,053
Living Sky Casino	<b>6,472,616</b>	7,440,812
Painted Hand Casino	<b>4,990,719</b>	5,734,169
Northern Lights Casino	<b>3,268,992</b>	4,949,008
Bear Claw Casino	<b>2,821,982</b>	3,201,871
	<b>66,543,969</b>	74,091,803

### *Lease liabilities*

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

	2021	2020
	\$	\$
Total future minimum lease payments	<b>117,098,149</b>	130,762,509
Less future finance charges on lease liabilities	<b>(34,795,290)</b>	(41,479,209)
Present value of lease liabilities	<b>82,302,859</b>	89,283,300
Less current portion of lease liabilities	<b>(9,506,212)</b>	(8,356,779)
Lease liabilities	<b>72,796,647</b>	80,926,521

## 12. LEASE LIABILITIES (CONTINUED)

As at March 31, 2021, scheduled future minimum lease payments of the lease liabilities are as follows:

	<b>1 year</b>	1-5 years	More than 5 years
	<b>\$</b>	\$	\$
Future minimum lease payments	<b>15,522,453</b>	53,026,586	48,549,110
Present value of lease liabilities	<b>9,506,212</b>	35,850,448	36,946,199

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>2021</b>	2020
	<b>\$</b>	\$
Balance, beginning of year	—	—
Net loss from table operations (Note 22)	<b>(2,812,268)</b>	(3,269,796)
	<b>(2,812,268)</b>	(3,269,796)
Net loss from table operations allocated to slot operations	<b>2,812,268</b>	3,269,796
Amounts disbursed	—	—
Balance, end of year	—	—

## 14. REVENUE

	<b>2021</b>	2020
	<b>\$</b>	\$
Gaming	<b>81,534,123</b>	247,332,164
Ancillary	<b>4,138,511</b>	23,450,516
	<b>85,672,634</b>	270,782,680

## 15. MATERIALS AND CONSUMABLES

	2021	2020
	\$	\$
Software licenses and agreements	<b>3,172,617</b>	3,858,845
Imputed Goods and Services Tax	<b>2,862,862</b>	3,884,637
Building repairs and maintenance	<b>1,523,708</b>	2,902,812
Insurance	<b>1,154,778</b>	978,460
Food and beverage cost of goods sold	<b>1,031,715</b>	7,361,905
Telephone	<b>1,030,163</b>	1,150,173
Staff benefits and recruitment	<b>568,498</b>	1,488,133
Consulting	<b>403,445</b>	1,528,747
Accounting and internal audit services	<b>397,784</b>	679,207
Board remuneration and travel	<b>388,747</b>	542,074
Postage and stationary	<b>275,612</b>	938,475
Legal	<b>274,074</b>	224,513
Bank charges	<b>245,568</b>	555,192
Miscellaneous	<b>129,369</b>	585,832
Dues and subscriptions	<b>54,147</b>	164,516
	<b>13,513,087</b>	26,843,521

## 16. OTHER EXPENSES

	2021	2020
	\$	\$
Emergency planning	<b>1,025,561</b>	10,756
Departmental supplies	<b>332,029</b>	1,364,419
Equipment repairs	<b>253,775</b>	1,496,876
Equipment lease	<b>226,260</b>	677,517
Licenses	<b>194,379</b>	198,542
Other	<b>192,141</b>	291,376
Uniforms and laundering	<b>149,987</b>	701,892
Travel and sustenance	<b>126,788</b>	954,155
Ancillary consumables	<b>92,389</b>	666,047
Printing	<b>83,385</b>	300,131
Shuttle operating costs	<b>31,965</b>	586,134
Staff training	<b>8,564</b>	585,739
	<b>2,717,223</b>	7,833,584

## 17. FINANCE COSTS

	2021	2020
	\$	\$
Interest on long-term debt	<b>1,679,127</b>	1,867,479
Interest on lease liabilities	<b>7,009,954</b>	6,555,650
	<b>8,689,081</b>	8,423,129

The weighted average capitalization rate on funds borrowed generally is 7.04% per annum (7.74% per annum in 2020).

## 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 \$1,976,546 in fiscal 2021 (\$4,411,394 in 2020).

## 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 \$5,000,000 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.

## 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, 2021:

### *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 government subsidy receivable. 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:

	2021	2020
	\$	\$
Current	<b>11,872</b>	472,673
30-59 days	—	61,995
60-89 days	—	255,727
90 days and greater	<b>25,125</b>	33,450
	<b>36,997</b>	823,805
Credit loss allowance	—	—
	<b>36,997</b>	823,805

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, 2021, 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 \$1,883,316 (\$381,030 in 2020) 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 \$1,883,316 (\$381,030 in 2020) 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					2021
	Carrying amount	0-12 months	1-2 years	3-5 years	More than 5 years	Total \$
Financial liabilities						
Due to SLGA	5,853,545	5,853,545	—	—	—	5,853,545
Accounts payable and accrued liabilities		21,185,886	—	—	—	21,185,886
Long-term debt	85,402,904	47,135,101	4,613,580	13,840,740	25,058,658	90,648,079
Lease liabilities	82,302,859	15,522,453	14,251,055	38,775,530	48,549,111	117,098,149
Interest rate swap liability	1,320,571	—	—	—	1,320,571	1,320,571
	196,065,765	89,696,985	18,864,635	52,616,270	74,928,340	236,106,230

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)

	Carrying amount	Contractual cash flows				2020
		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 temporary suspension of all gaming operations has increased SIGA's liquidity risk. Management has taken steps to lower expenditures and has secured debt financing to cover shortfalls during the periods of closure. Management believes its ability to generate funds once open will be adequate to support the financial liabilities being incurred during these closure periods.

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

	Classification	Fair value level	2021 \$	2020 \$
Cash and cash equivalents	<b>Amortized cost</b>	<b>N/A</b>	<b>6,757,819</b>	19,842,336
Short-term investments	<b>Amortized cost</b>	<b>N/A</b>	<b>24,802,500</b>	31,332,500
Accounts receivable	<b>Amortized cost</b>	<b>N/A</b>	<b>5,963,017</b>	1,936,176
Due to SLGA	<b>Amortized cost</b>	<b>N/A</b>	<b>5,853,545</b>	45,921,376
Accounts payable and accrued liabilities	<b>Amortized cost</b>	<b>N/A</b>	<b>21,185,886</b>	26,816,681
Long-term debt	<b>Amortized cost</b>	<b>N/A</b>	<b>85,402,904</b>	47,195,892
Interest rate swap liability	<b>FVTPL</b>	<b>2</b>	<b>1,320,571</b>	3,298,315

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 the term loans approximates carrying value due to the 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:

	2021 \$	2020 \$
Amounts owed by related parties	<b>20,601</b>	39,654
Amounts owed to related parties	—	—

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

	2021 \$	2020 \$
Purchases of goods and services		
Lease liabilities payments (principal and interest)	<b>11,217,747</b>	11,581,692
Building rent and occupancy	<b>6,825,816</b>	7,754,726
Indigenous Gaming Regulators Inc.	<b>3,027,045</b>	3,338,220
Purchase of property and equipment	<b>1,162,400</b>	3,145,634
Other	<b>824,908</b>	3,054,820
Sponsorship	<b>35,324</b>	184,925

### *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:

	2021 \$	2020 \$
Employee compensation and benefits	<b>2,022,535</b>	1,803,317
Post-employment benefits	<b>193,524</b>	186,101
	<b>2,216,059</b>	1,989,418

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

## 22. SEGMENTED INFORMATION

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

	Slot operations \$	Table operations \$	Ancillary operations \$	Elimination if inter- company transaction \$	2021 \$	2020 \$
Revenue	79,133,921	2,447,677	4,138,511	(47,475)	85,672,634	270,782,680
Expenses	91,481,820	5,259,945	7,552,253	(47,475)	104,246,543	197,940,629
(Loss) profit before the following	(12,347,899)	(2,812,268)	(3,413,742)	—	(18,573,909)	72,842,051
Unrealized gain (loss) on interest rate swaps (Note 11)					1,977,744	(1,729,608)
Total net (loss) income and comprehensive (loss) income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Notes 1 and 9)					(16,596,165)	71,112,443

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:

	2021 \$	2020 \$
Less than one year	595,628	807,274
Between one and five years	615,443	785,088
More than five years	—	—
	<b>1,211,071</b>	<b>1,592,362</b>

The above commitments include amounts committed to related parties of \$54,873.

## 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 \$11,994,269 [\$13,900,799 in 2020] 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>
2022	10,408,737
2023	8,463,038
2024	6,878,891
2025	5,002,355
2026	1,702,327

### *Letters of credit*

SIGA has two letters of credit with First Nations Bank of Canada, \$52,500 payable to the City of Swift Current and \$750,000 payable to the City of Lloydminster.

### *Other*

The Casino Operating Agreement requires SIGA, upon receiving direction from SLGA, to pay to Indigenous Gaming Regulators Inc. ("IGR") the amount of IGR's annual operating budget. SLGA has directed SIGA to pay IGR \$3,300,000 for 2021-2022 [\$3,000,000 in 2020-2021].

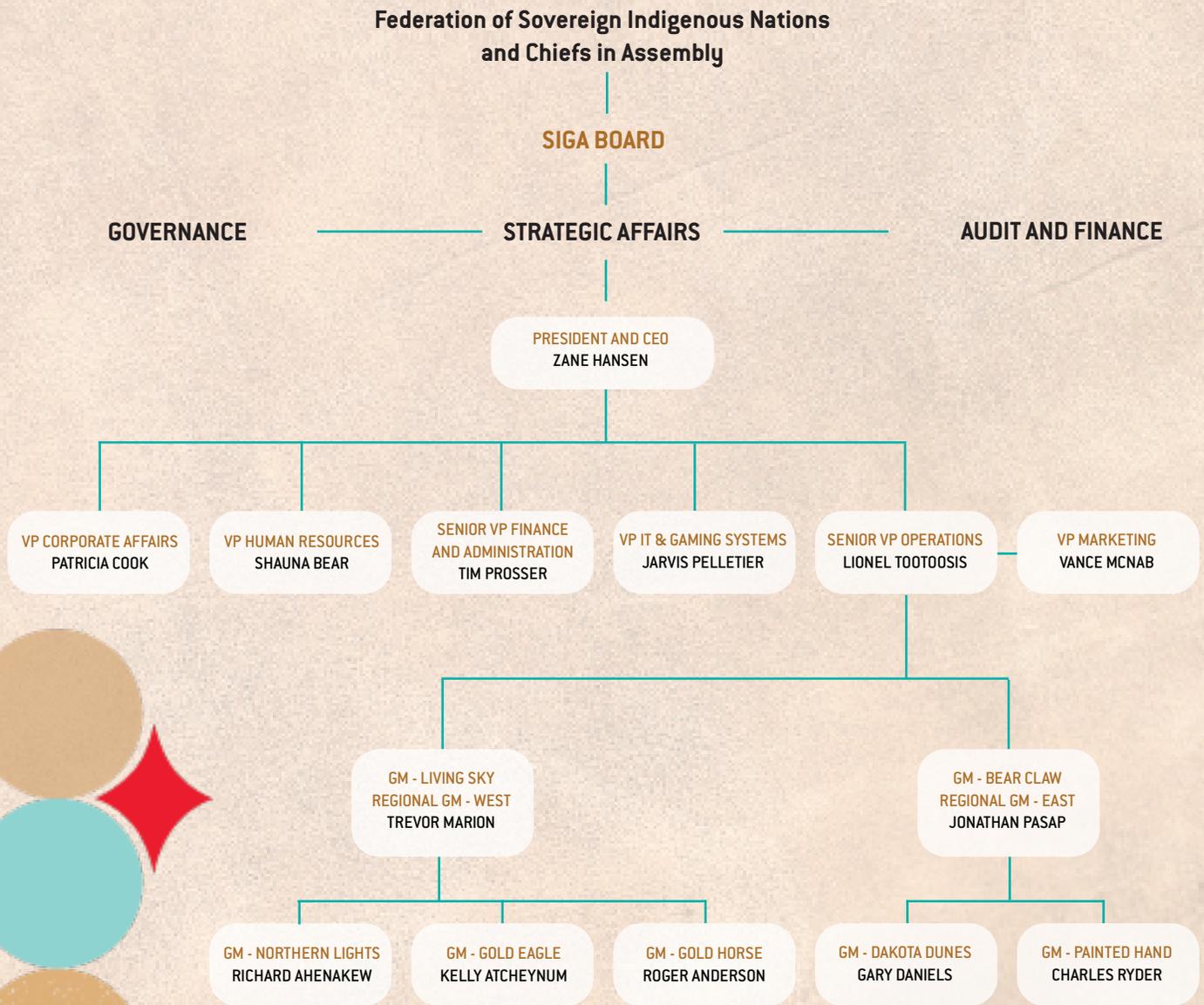
SIGA entered into an agreement with Saskatoon Prairieland Park Corporation ("SPPC") regarding the maintenance of a certain level of income when SPPC closed its casino. Under this agreement, SIGA agreed to pay SPPC \$216,667 monthly, subject to certain conditions, effective August 10, 2007 and continuing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

## 24. GOVERNMENT GRANTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Canada Emergency Wage Subsidy	<b>30,315,958</b>	—

As a result of Covid-19, some governments made available wage subsidy programs for eligible entities who meet certain criteria. SIGA records government grants when it is reasonably assured that SIGA will comply with the relevant conditions and the grant will be received. In the year ended March 31, 2021, SIGA recorded a \$30,315,958 benefit (2020 – nil) from the Canada Emergency Wage Subsidy as it was reasonably assured that it complied with the relevant eligibility requirements and conditions for the grant and that the grant would be received. The wage subsidy was recorded as a reduction to salaries and benefits expense.

# Executive Structure



# Board of Directors



JOE QUEWEZANCE - ELDER

## CHIEF REGINALD BELLEROSE - BOARD CHAIR

Chief Bellerose is currently serving his eighth 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 degree in Project Management from the University of Saskatchewan and a Bachelor of Arts in History and Political Science from Concordia University. As Chief of MFN, he remains focused on enterprise in and for his community, primarily 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. 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 provincial and national boards, including the First Nation Power Authority, Saskatchewan Indian Institute of Technologies (SIIT), and Encanto Potash Corp.



## CHIEF DARCY BEAR

Chief Bear is in his eighth consecutive term as Chief of the Whitecap Dakota First Nation. He holds a Business Administration Certificate and an Honorary Doctorate of Law from the University of Saskatchewan. Chief Bear has also been the recipient of many awards, including the Commemorative Medal for the Centennial of Saskatchewan in 2005; the Saskatchewan Order of Merit in 2011; and the Saskatchewan Diamond Jubilee in 2012. Recently, he was awarded the 2016 Canadian Council for Aboriginal Business Hall of Lifetime Achievement Award for his oversight of the transformation of the community, increasing opportunity and prosperity against formidable odds. He has dedicated half of his life to the betterment of his community and has been the driving force behind extensive economic development and an improved quality of life within the community.



## CHIEF RICHARD BEN

Chief Ben joined the SIGA Board in October 2009. In 2019, Richard served as Chief of the Makwa Sahgaiehcan First Nation until he was elected as the 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 a number of boards with the Meadow Lake Tribal Council. Chief Ben's background also includes three years in the army reserve, four years as a Recreation Director on his home reserve, an education in Police Sciences and Information Technology, and a certificate in Business Administration.



## CHIEF CONNIE BIG EAGLE

Chief Big Eagle is the Chief of Ocean Man First Nation. She has served her Nation in leadership for 18 years; currently, she's on her fifth term as Chief and prior to that she completed two terms on Council. Chief Big Eagle is the Saskatchewan representative on the Assembly of First Nations (AFN, a national Indigenous organization) Women's Council and is also its Chair. Chief Big Eagle also chairs the Yorkton Tribal Council Health Commission and represents her Nation and Tribal Council on the FSIN Gaming Commission, as well as other numerous boards and commissions.



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



## CHIEF TAMMY COOK-SEARSON

Chief Cook-Searson is Chief of the 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-Searson 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 the Jim Pattison's Children's Hospital Foundation. Chief Cook-Searson is a mother of three and wife for 27 years. Her hobbies include volunteering with the community, berry picking, boating, and canoeing.



### CHIEF BOBBY CAMERON

As a member of Witcheakan Lake First Nation located in Treaty Six territory, Chief Cameron has spent most of his life maintaining strong ties to culture, language and identity. As an avid hunter, trapper, and fisher, Chief Cameron advocates and understands the significance of First Nation culture and tradition with respect to keeping close ties to traditional lands. He is currently in his second term as Chief of the FSIN, which represents 74 First Nations and more than 160,000 First Nation people. Chief Cameron is also the Regional Chief for the Assembly of First Nations. Chief Cameron holds a Bachelor of Arts, with a major in Indigenous Studies from the University of Regina. Chief Cameron is a strong advocate for Treaty and Inherent Rights for future generations of First Nation people.



### CHIEF MICHAEL STARR

Chief Starr was first elected as Chief of Star Blanket Cree Nation in 2009 and has held this role for four consecutive terms. Prior to being elected Chief, he was a councillor for 15 years. Chief Starr sits on several boards, committees and commissions dedicated to working toward economic sovereignty, strengthening education systems, and supporting health and wellness for First Nations. These include: FHQ E-Commerce, Keeseechiwan Holdings, FHQ Casino Holdings, All Nations Healing Hospital, and the Leading Thunderbird Lodge. Chief Starr has worked diligently toward supporting source-owned revenue for First Nations through many of these roles, and is also advancing solar energy and greenhouse projects. He is passionate about education, honouring the Treaties in curricula, and has committed focus to advancing educational opportunities and outcomes for First Nation youth locally, regionally, and nationally. Chief Starr holds a Professional Director designation, a Business Administration Diploma from the First Nations University of Canada, and a Community Programming Diploma from the Saskatchewan Indian Institute of Technologies.



### 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 26 years of experience in the financial services industry. He was instrumental in the financing and opening of the first four casinos operated by SIGA. In 1998, he joined Battlefords Tribal Council to assist their Economic Development Division. He currently is part of a group that manages several diversified businesses, holding companies, and analyzes new opportunities for First Nations.



### CHIEF NATHAN PASAP

Chief Pasap is a proud Nakota/Cree member and also the Chief of White Bear First Nation. Prior to being elected Chief of White Bear, he served one term on the Band Council. Chief Pasap currently chairs Treaty 4 Education Alliance, has been the president of the First Nations University of Canada, and has sat as a member on the First Nations University Board of Governors. He holds an Arts Degree 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 Ahenakew was appointed to the SIGA Board of Directors on May 2020. Originally from Ahtahkakoop Cree Nation, Chief Ahenakew represents the Battlefords Agency Tribal Chiefs, where he was appointed Tribal Chief in April 2020. Chief Ahenakew graduated from the University of Saskatchewan with a Native Studies degree. Chief Ahenakew was formerly a Band Councillor on his reserve, a position he held for 12 years before he decided to take on the larger role of Chief in 2005. Chief Ahenakew is currently fulfilling an eighth term, re-elected June 18, 2021. Chief Ahenakew strongly upholds the Treaty Rights and is in the final stages to complete his Treaty Land Entitlement. His hobbies include hunting, golfing, skidooring, fishing and quading.



### CHIEF CALVIN SANDERSON

Chief Sanderson was appointed to the SIGA Board of Directors 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's 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 been on the Board of Indigenous Gaming Regulators since 2009.



### JOHN CHARLES THOMAS - FSIN SENATOR

John Charles Thomas is a distinguished member of Beardy's & Okemasis Cree Nation. Prior to being elected Band Councillor in the late 1980s, he worked as a Probation Officer; a Lands Coordinator; a Land Manager; a Treaty Land Entitlement Trustee; and was involved with the Saskatchewan Indigenous Cultural Center and the Beardy's & Okemasis Cree Nation. Senator Thomas was instrumental in developing the Executive Management Act, Senate Act, Land Management Act, Housing Act, Personnel Management Act, and Band Custom Election Act for Beardy's & Okemasis Cree Nation. After his term as Councillor, he started working for the Federation of Sovereign Indigenous Nations. Senator Thomas is very passionate about his family, especially his grandchildren, politics, the Treaties, economic development, sports and recreation, and 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 a 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, which include items specific to capital expenses (including renovation projects): planned over \$1 million; 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 12 meetings in the 2020-2021 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 2020-2021 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 2020-2021 Directors are as follows:

- Chief Reginald Bellerose
- Chief Tammy Cook-Searson
- Chief Darcy Bear
- Chief Nathan Pasap
- Chief Richard Ben
- Chief Marie Anne Daywalker-Pelletier
- Chief Michael Starr
- 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 PricewaterhouseCoopers (PwC). Due to the COVID-19 pandemic and closure of the casinos in March 2020, SIGA did not have the internal audit function in place for the fiscal year. As a result, there was no audit fee for the internal audit function for the fiscal year. 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 seven times in the 2020-2021 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 risks in SIGA's risk management plan and to ensure the appropriate risk mitigation strategies are in place. Furthermore, the committee will review and provide recommendations on the Casino Operating Agreement and the Framework Agreement. The committee met six times in the 2020-2021 fiscal year.

### Governance, Human Resource, Compensation and Ethics Committee - Marie 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.

Due to the COVID-19 pandemic, the evaluation of the Board and its Committees is rescheduled for 2021; the last one was completed in 2018. The Governance Committee also oversees the annual evaluation of the CEO. This committee met five times in the 2020-2021 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.

The corporation has developed a number of policies to help determine 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 Board policy B03-017 Travel and Business Expenses [Board Members]. The monitoring of compensation for Directors is the responsibility of the Governance Committee, which reviews this every three years. The Board determines compensation by retaining the services of an external consultant to complete a market survey using industry standards.

Board Members receive the following retainer fees on an annual basis to be paid in quarterly installments: Board Chair: \$20,000; Committee Chair: \$17,500; Director: \$12,500; with meeting fees at \$750.

## Board Meeting Attendance

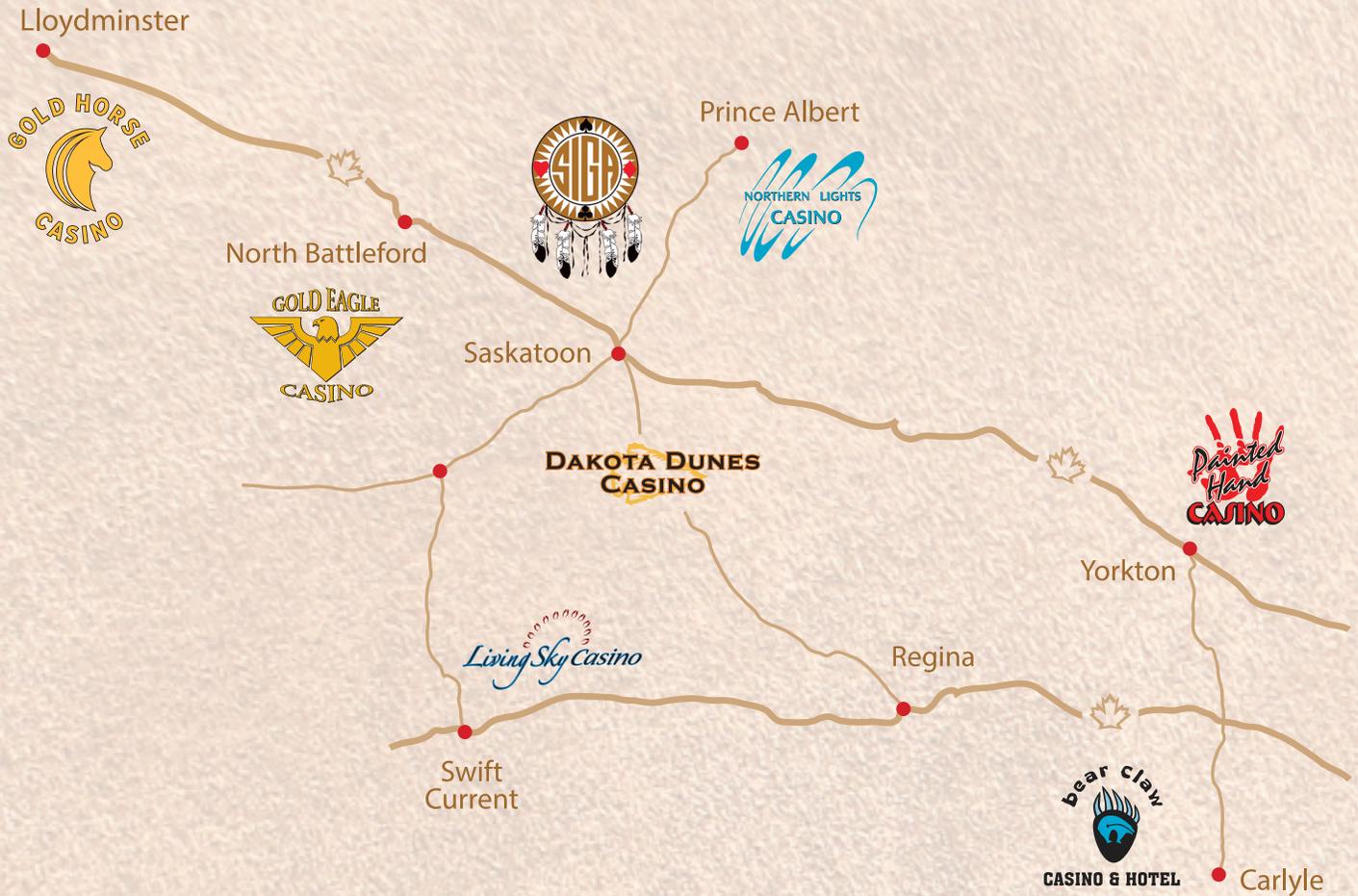
The Board held a minimum of nine meetings in 2020-2021, which included its regular scheduled Board meetings, a strategic planning session and two special meetings.

Director	Meetings Attended*	Total Meetings
Tammy Cook-Searson	9	12
Reginald Bellerose	11	12
Carole Bryant	10	12
Richard Ben	10	12
Calvin Sanderson	11	12
Kevin Poock	9	12
Marie Anne Daywalker-Pelletier	7	(7)
Darcy Bear	11	12
Connie Big Eagle	10	12
Nathan Pasap	11	12
Larry Ahenakew	6	12
Bobby Cameron	11	12
Michael Starr	4	(5)

\*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.

Please note that all Board policies can be requested through Corporate Affairs at [www.siga.ca](http://www.siga.ca).

# 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