



SaskGaming

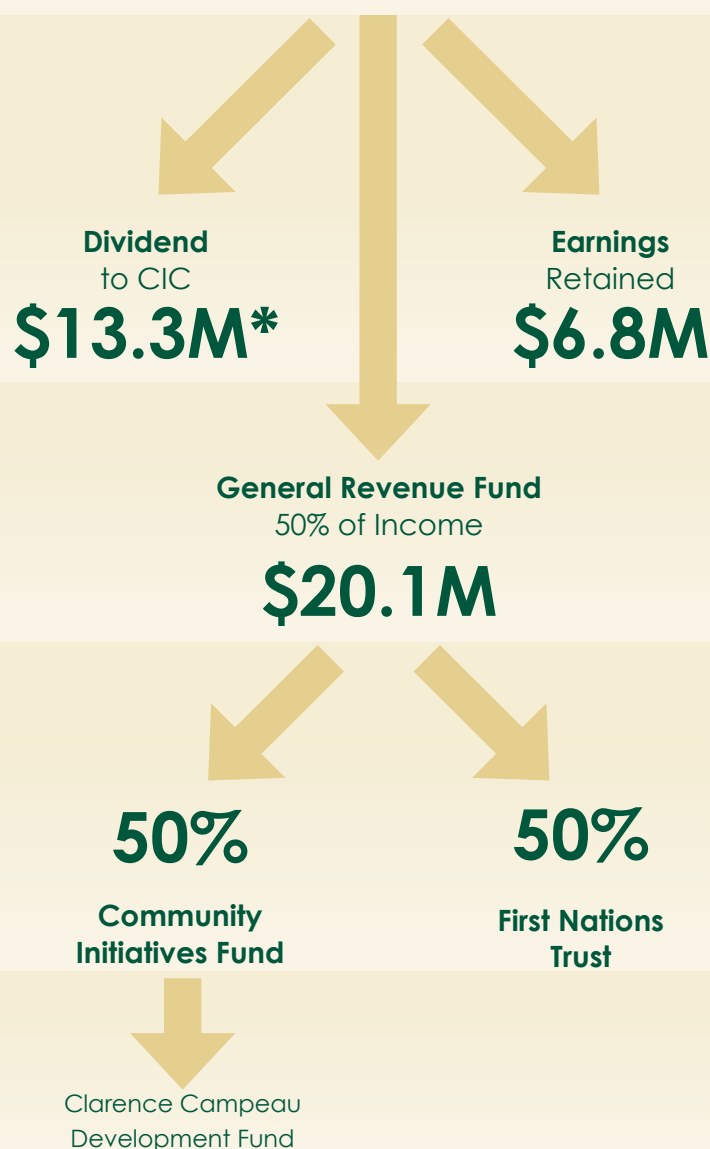
2019-20 ANNUAL REPORT

PROFIT SHARING

Saskatchewan Gaming Corporation's (SaskGaming) profits support people, programs and services throughout Saskatchewan. Half of the corporation's net income is paid to the General Revenue Fund each year to support the provincial government's commitment to the First Nations Trust, Community Initiatives Fund and Clarence Campeau Development Fund.

SASKGAMING
2019-20 Income

\$40.2M



*SaskGaming's dividend payment to the Crown Investments Corporation is set each year at a percentage of the corporation's income.

OPERATIONAL HIGHLIGHTS

TOTAL SLOT MACHINES	1,002
Casino Regina	790
Casino Moose Jaw	212

GUEST SATISFACTION	72.6%
--------------------	-------

MYSTERY SHOPPER	93.0%
-----------------	-------

SATISFACTION OF EMERGING GUESTS	77.1%
---------------------------------	-------

FINANCIAL HIGHLIGHTS

REVENUE
\$114.1 MILLION

EXPENSES
\$73.9 MILLION

INCOME
BEFORE PAYMENT TO THE GRF
\$40.2 MILLION

PAYMENT TO THE GRF
\$20.1 MILLION

DIVIDEND DECLARED TO CROWN INVESTMENTS CORPORATION

\$13.3 MILLION

Table of Contents

- Year at a Glance/Profit Sharing 3
- Vision, Mission, Values and Strategic Goals 5
- Letter of Transmittal 6
- Message from the Minister 7
- Message from the Chair 8
- Message from the President and CEO 9

- SASKGAMING YEAR IN REVIEW**
- Guest Experience 10
- Employee Experience 11
- Responsible Corporation 13
- Financial Sustainability 14

- MANAGEMENT’S DISCUSSION AND ANALYSIS**
- Financial Results 17
- Liquidity and Capital Resources 23
- Strategic Scorecard Measures and Performance Management 25
- Risk Management and Disclosure 30
- Stakeholder Engagement 37

- FINANCIAL RESULTS**
- Management’s Report on Financial Statements 39
- Management’s Report on Internal Control over Financial Reporting 40
- Independent Auditor’s Report 41
- Financial Statements and Notes 44

- GOVERNANCE**
- Mandate and Authority 62
- Role of the Board of Directors 64
- Board Committees 66
- Governance Practices 68
- Board of Directors 79
- Executive Team 81

- APPENDIX**
- Balanced Scorecard Reference Table 84

Vision, Mission, Values and Strategic Goals

Vision

We are the number one entertainment choice in our markets.

Mission

We offer an outstanding casino entertainment experience for our guests in a socially responsible manner, generating quality employment, economic benefit to the community, and profit for Saskatchewan people in partnership with First Nations.

Values

Diversity – We embrace diverse backgrounds. Together we respect our shared responsibilities to our guests, communities and each other.

Integrity – We are honest, fair and honour our commitments to our stakeholders and community. We accept responsibility for our actions, both personally and professionally.

Passion – We achieve our goals with enthusiasm, and we share in the fun experience we provide for our guests.

Creativity – We seek new ways to continuously improve our products, processes, skills and knowledge.

Strategic Goals

1. Guest Experience

SaskGaming knows its customers well and uses that knowledge to enhance the guest experience.

2. Employee Experience

SaskGaming hires, trains and supports a diverse team that delivers an excellent guest experience.

3. Responsible Corporation

SaskGaming will be a leader in its communities and operate with the highest standards of integrity.

4. Financial Sustainability

SaskGaming will continually reinvest in products, property and technology to maximize revenue opportunities.

Letter of Transmittal

Regina, Saskatchewan
July 8, 2020

To His Honour,
The Honourable Russ Mirasty, S.O.M., M.S.M.
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Saskatchewan Gaming Corporation for the year ended March 31, 2020, in accordance with *The Saskatchewan Gaming Corporation Act*. The financial statements are in the form approved by the Treasury Board, and duly certified by auditors for the Saskatchewan Gaming Corporation.

Respectfully submitted,



Christine Tell
Minister Responsible for Saskatchewan Gaming Corporation

Message from the Minister

On behalf of Premier Scott Moe and the Government of Saskatchewan, I am pleased to present the Saskatchewan Gaming Corporation's 2019-20 Annual Report.

The corporation continues to invest in its properties with significant facility upgrades to the interior of Casino Regina, including a dramatic renovation to The Last Spike restaurant and improvements to the Show Lounge.

SaskGaming manages its operations carefully to ensure long-term sustainability and to maximize its return to the people of Saskatchewan. In 2019-20, the corporation contributed \$20.1 million to the General Revenue Fund.

The corporation was also recognized in the communities in which it operates by way of its successful community partnerships, including the KidSport Corporate Challenge, the Ranch Ehrlo Society Powwow, the North Central Family Centre, Habitat for Humanity Regina, Hope's Home, Family Service Regina, the Festival of Words and Pride Week in Moose Jaw.

In March, the world was hit with a global pandemic and Saskatchewan was not immune to its impacts. To ensure the safety and security of guests and employees at Casinos Regina and Moose Jaw, a decision was made to temporarily suspend casino operations – a difficult but necessary choice in these unprecedented times.

I would like to extend my thanks to management and the Board of Directors for their unwavering leadership in this time of uncertainty, as well as my gratitude to the employees of SaskGaming for their understanding and patience as we navigated unknown waters. I look forward to the re-opening of both properties and getting back to business at the earliest opportunity.

Respectfully submitted,



Christine Tell
Minister Responsible for Saskatchewan Gaming Corporation



Message from the Chair

SaskGaming supported a variety of community programs as part of its commitment to social responsibility and maximizing its benefits to the people of Saskatchewan.

For the fourth year in a row, the corporation hosted its Charity Championship fundraising event. Nineteen teams raised over \$74,000 for Saskatchewan charities and non-profit organizations. Additionally, the corporation's Community Giving program endowed \$383,787 to 71 organizations, community projects and events in 2019-20.

For the 12 months ending March 31, 2020, SaskGaming paid \$20.1 million to the General Revenue Fund in support of the First Nations Trust, the Community Initiatives Fund and the Clarence Campeau Development fund. The corporation also paid a dividend of \$13.3 million to its shareholder, the Crown Investments Corporation.

On behalf of the Board of Directors, I would like to extend a heartfelt thank you to the SaskGaming team for delivering on their corporate goals, and for their handling of the COVID-19 pandemic in the final weeks of the fiscal year. I look forward to the re-opening of both casino properties, as soon as it is safe to do so.



A handwritten signature in black ink, appearing to read 'Blair Ross', with a long horizontal line extending to the right.

Blair Ross
Chair of the Board of Directors

Message from the President and CEO

In 2019-20, SaskGaming continued to develop an in-depth understanding of guest expectations and how to best deliver on its 'Always Entertaining' brand promise. A sweeping update to the GameOn Customer Service Strategy was developed and implemented in order to take our customer service offerings to the next level.

The corporation also made significant upgrades to the interior of Casino Regina including the construction of the Midway Bar, a refresh to the back of house flooring, a brand new stage floor and upgraded lighting in the Show Lounge, as well as a significant renovation to The Last Spike restaurant.

SaskGaming was thrilled to be selected as a finalist for the Mercer Award for Excellence in Diversity and Inclusion as part of the 2019 Canadian HR Awards. The Mercer Award recognizes an organization that has diversity and inclusion at the heart of its business, and that provides programs for employees from five groups: women, members of visible minorities, persons with disabilities, Indigenous peoples and members of the LGBTQI community.

As well, SaskBusiness Magazine's annual list of the province's top 100 companies saw SaskGaming coming in at number 50. The list ranks Saskatchewan-based companies according to their gross revenue within the province.

In late 2019, the corporation unveiled the Powerbucks progressive slot jackpot at Casinos Regina and Moose Jaw. Powerbucks is Canada's first multi-jurisdictional and multi-channel progressive jackpot with a minimum \$1.0 million up for grabs. This was an exciting addition to our casinos bringing us in line with other jurisdictions across the country.

During the final few weeks of the fiscal year, the world was hit with the COVID-19 pandemic. The safety of guests and employees at Casinos Regina and Moose Jaw was paramount. As such, SaskGaming heeded the advice of public health officials and suspended operations and temporarily closed Casinos Regina and Moose Jaw.

In this unprecedented time, I would like to thank the employees of SaskGaming, not only for another successful year, but for their patience and resilience during this time of great uncertainty. I look forward to re-opening both properties and seeing the gaming floor bustling with activity once again.



Susan Flett
President and CEO



SASKGAMING YEAR IN REVIEW

Guest Experience

SaskGaming continues to see success in a mature casino gaming market by delivering on its promise of offering an outstanding guest experience.

By rejuvenating the Casinos Regina and Moose Jaw brand and its properties, SaskGaming remains competitive and on the cutting edge of casino entertainment.

In 2019-20, SaskGaming took to the gaming floor for the first of many significant upgrades to the interior of Casino Regina. The Midway Bar opened in April 2019 with the first 100 guests receiving a free Casinos Regina and Moose Jaw etched glass.

The corporation's ongoing investment into its properties continued in May 2019 with a refresh of the back of house flooring at Casino Regina. The Show Lounge saw the install of a brand new stage floor, an upgraded lighting grid and improved seating with the addition of new chairs. To kick off the new decade, The Last Spike restaurant temporarily shuttered its doors on January 2, 2020 and became the next area of the casino to see a dramatic improvement – including a name change, which will be unveiled in 2020-21.

Casino Regina's renovations will continue to move from the east side of the property to the west. Property enhancements will be completed sometime in early 2023, at which time the corporation will commence renovations at Casino Moose Jaw.

Along with modernizing both casinos, SaskGaming has identified ways to promote innovation, enhance revenue and improve guest satisfaction.

New slot machines featured on the gaming floor include The Flintstones, Sex and the City, Fortune Coin, Solar Disc, Temple of Fire, Wild Pirates, Mad Millions and more. Each year, the casino replaces 10 per cent of slot machines with new themes to keep the product offerings fresh for guests. With 100 slot machines being replaced this year – 80 at Casino Regina and 20 at Casino Moose Jaw – guests were sure to be entertained at both properties.

All slot machines have been upgraded with the Bally iView hardware to support the future system upgrades, which will enhance the on-screen player experience and improve customer service for guests. It builds off the upgrade to the network infrastructure that was completed last year. This modern technology will position SaskGaming to be more nimble in reacting to market demands and provide options to create personalized experiences for guests.

The corporation continues to refine entertainment offerings based on feedback from its guests. The Fortune Cup horse racing product returned to Casinos Regina and Moose Jaw in 2019. The Fortune Cup game combines mechanical horse racing with real-time digital animation. It has 10 individual betting stations surrounding the main unit, each equipped with a 27-inch touchscreen interface.

Visitors of Casinos Regina and Moose Jaw enjoyed exciting in-house promotions including slot tournaments, swipe to win prize packages, social media offers and Players Club parties.

In 2019-20, Casinos Regina and Moose Jaw welcomed over 2.75 million visitors, gave away nearly \$1.0 million worth of prizes in over 100 promotions, and awarded over \$3.44 million in discounts, coupons and free play prizes throughout the year.

The Break the Vault promotion kicked off in January 2020 with a mass mailout to patrons in Regina, Moose Jaw and surrounding areas. Guests were encouraged to bring their unique code to the properties and check it against the vault code for a chance to win \$10,000. As an added bonus, if a code matched three or more numbers, guests were eligible for a prize. In total, Casinos Regina and Moose Jaw gave away over \$75,000 in prizes during the Break the Vault promotion.

The Show Lounge hosted over 70,000 guests at 188 events including live shows, brunch and poker events. In 2019-20, a strong focus was placed on Canadian artists in the Show Lounge including The New Montagues, Conrad Bigknife and Heidi Munroe's Tribute to Amy Winehouse. Other notable highlights were two sold out shows by Irish singing sensation, Daniel O'Donnell, and Piff the Magic Dragon from America's Got Talent.

Casino Regina once again hosted the Diamond Poker Classic and the Harvest Poker Classic. These two events welcomed over 1,800 participants from across North America and generated combined prize pools of over \$1.17 million. The Station Poker Classic was cancelled in March due to the COVID-19 pandemic.

The Dueling Pianos show was back by popular demand in the CPR Lounge. The duo played weekly to a packed house and was free for all guests to enjoy.

To remain innovative and attract new guests to the property, Casino Regina proudly hosted a number of unique foodie events this year.

In April 2019, Matt Jones, World Whisky ambassador for Beam Suntory, took guests on an educational and delectable adventure with six different premium Scotch whiskies paired with a full five-course dinner at Casino Regina.

Later in the year, Casino Regina welcomed Pile O' Bones Brewing Company to the property for an evening of beer sampling paired with a full four-course dinner prepared by Casino Regina's Executive Chef. Both events received rave reviews from those in attendance.

Casinos Regina and Moose Jaw work hard to provide an engaging and entertaining experience for guests, which continues to be the foundation of the core business at SaskGaming.

In September 2019, the corporation launched its Players Club Conversation, an online community forum to facilitate discussions with hundreds of committed and caring guests. The online community allows SaskGaming to conduct small surveys, host targeted forums, and pose questions about Players Club Members' preferences and experiences.

Since the launch, SaskGaming has fielded 15 surveys netting between 300 and 600 responses each. Six discussion threads on various topics were created and have generated between 30 and 250 replies each. This streamlined research approach brings the corporation closer to capturing guest feedback in real time.

Employee Experience

SaskGaming has worked diligently to develop an in-depth understanding of guest expectations and how to better deliver on its 'Always Entertaining' brand promise with a skilled and engaged workforce.

The corporation continues to have the highest Indigenous representation across the Government of Saskatchewan at 41.2 per cent. In 2019-20, SaskGaming's workforce also included 19.5 per cent visible minorities and 4.6 per cent persons with disabilities.

Investing in our employees and building employee culture are key components of the employee experience at Casinos Regina and Moose Jaw.

The Indigenous Employees Network hosted exciting events for staff including a traditional diet workshop, a self-defense class, a traditional sweat ceremony and an Indigenous jewelry making experience.

SaskGaming is proud of its employees and the exceptional work they do every day. This year, the corporation hosted the annual long service awards night where 79 staff and nine retirees were recognized for their contributions.

SaskGaming was thrilled to be selected as a finalist for the Mercer Award for Excellence in Diversity and Inclusion as part of the 2019 Canadian HR Awards. The Mercer Award recognizes an organization that has diversity and inclusion at the heart of its business, and that provides programs for employees from five groups: women, members of visible minorities, persons with disabilities, Indigenous peoples and members of the LGBTQI community. The corporation is proud of its employees and the contributions they make to its continued success.

In 2019-20, the corporation developed an Employee Wellness Strategy to support employee attendance in the workplace, and the physical and mental wellness of staff.

The overall strategy focused on the following three elements: healthy mind, healthy body and healthy life. The traditional medicine wheel embodied this approach and highlighted four key elements: mental, emotional, spiritual and physical health. The importance of Indigenous culture in the corporation continued to be essential in understanding the value placed on traditional approaches to wellness and health.

The corporation continued to focus on modernizing products and services, and to improve the operating experience for employees at Casinos Regina and Moose Jaw, while also supporting the hiring of new staff for the GameOn 2.0 Customer Service Strategy.

Listed as the most widely used communication tool for SaskGaming staff, the new and improved corporate intranet site was launched on October 2, 2019. The site is modern and includes new features intended to make the employee user experience easier and more enjoyable. Employees gave the new site excellent reviews and the corporation is pleased this communication channel has evolved as the go-to spot for accessing information that impacts the employee experience and informs day-to-day tasks.

As well, the new online recruitment and selection system for both internal and external applicants went live in early January 2020. The new system is part of the existing Employee Self Service module at SaskGaming. Both current staff and interested external applicants can view and apply on open competitions by logging into the online platform and browsing through the Career Opportunities section.

In early 2020, SaskGaming also successfully upgraded all devices that use the Microsoft Windows operating system – including desktop computers, laptops, Players Club Kiosks and GameSense kiosks – to the Windows 10 operating system.

Employees at Casinos Regina and Moose Jaw continue to embrace the GameOn Customer Service Strategy and work attentively to meet the needs of guests and ensure customer interactions are positive and effective.

Offering guests an outstanding entertainment experience is imperative to the corporation's day-to-day operations. In 2019-20, the corporation updated its GameOn Customer Service Strategy and rolled out GameOn 2.0 to employees. Training for employees in GameOn 2.0 began in February to ensure staff are equipped to meet the high expectations around guest interactions and engagement.

GameOn 2.0 is built on a number of pillars, including ownership – where staff take customer service to the next level from service to experience; empowerment – where staff are empowered to make a difference and meet guests' immediate needs in the moment; and personalization – where staff engage with guests to personalize their visit and offer them their ideal casino entertainment experience.

Employee training for GameOn 2.0 was suspended in March due to COVID-19 and will resume when business returns to normal.

SaskGaming worked diligently to secure agreements with two of its four unions representing workers at Casinos Regina and Moose Jaw.

SaskGaming and the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada (IATSE) Local 295 reached a memorandum of settlement on a new collective agreement in September 2019.

As well, a memorandum of settlement between the corporation and the Public Service Alliance of Canada (PSAC) was ratified in October 2019. PSAC is SaskGaming's largest bargaining unit that consists of gaming employees at Casino Regina including dealers, table game supervisors, customer service representatives, bank staff, maintenance mechanics, slot attendants and casino technicians.

SaskGaming and the Retail, Wholesale and Department Store Union (RWDSU) bargaining units at Casinos Regina and Moose Jaw continue to make progress at the bargaining table. The collective bargaining agreements for these units expired on February 6, 2018 and September 30, 2018, respectively.

Responsible Corporation

With extended operating hours, plus new and exciting gaming options hitting the gaming floors, it continues to be imperative that SaskGaming offer its guests casino entertainment in a socially responsible manner.

That is why Casinos Regina and Moose Jaw proudly utilize the internationally-renowned GameSense responsible gambling program to promote informed choices and healthy game play among its guests.

On September 30, 2019, Casinos Regina and Moose Jaw earned reaccreditation through the Responsible Gambling Council's (RGC) RG Check Program. The RGC is an independent non-profit organization dedicated to problem gambling prevention. Casinos Regina and Moose Jaw initially obtained the RG Check accreditation in 2013, which remains valid for three years. The corporation was also reaccredited in 2016.

For the safety and well-being of its valued guests, SaskGaming introduced a new fatigue impairment policy as part of its responsible gambling program to assist staff in responding to guests who exhibit signs of impairment due to fatigue – especially over the weekend during 24 hour operations.

The corporation also developed a new whistleblower policy that details the reporting of actual or potential business misconduct such as theft, fraud, security concerns, harm to casino property, conflicts of interest or a violation of any other laws. This new policy also provides details on the protection provided to those employees who report such conduct.

On June 25, 2019, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) released changes to its regulations including a phased in implementation strategy. Minor changes were put into effect on the release date. Changes to reporting and recordkeeping requirements will follow on June 1, 2020 and June 1, 2021. Nearly all changes that impact casino operations will come into effect on June 1, 2021. SaskGaming continues its preparations to implement the changes and also participates in a national cross-jurisdictional committee on regulatory changes.

SaskGaming participated in a number of initiatives and supported a variety of programs in the communities in which it operates.

As part of the corporation's commitment to social responsibility, SaskGaming proudly invested in three key areas to create a balanced community impact including core community needs, 'Always Entertaining' sponsorships and strategic sponsorships.

In 2019-20, SaskGaming's partnerships included the KidSport Corporate Challenge, the Ranch Ehrlo Society Powwow, the Moose Jaw Festival of Words, the Jukebox Mania event benefiting Family Service Regina, Habitat for Humanity Regina, Swinging with the Stars for Hope's Home, Moose Jaw Pride Week, the Regina International Film Festival and Awards, the North Central Family Centre, the Alzheimer Society of Saskatchewan and the Kitchener School Holiday Dinner.

SaskGaming's fourth annual Charity Championship was another success. Nineteen teams raised over \$49,000 coupled with the \$25,000 provided by SaskGaming for a total of just over \$74,000 donated to Saskatchewan charities and non-profit organizations.

Donation boxes on the gaming floors at Casinos Regina and Moose Jaw allowed guests to donate their cash-out vouchers to charity, with SaskGaming matching all funds donated. In 2019-20, donations were endowed to Big Brothers and Sisters, the Humane Society, the Lung Association and St. John Ambulance.

SaskGaming promotes environmentally sustainable business practices. As such, the corporation continues to take a number of steps to make both properties more environmentally friendly.

Recently, SaskGaming removed plastic straws from all food and beverage outlets at Casinos Regina and Moose Jaw. The corporation has also upgraded to biodegradable single-use drinking cups for pop and water at both properties. Ketchup packets and plastic bottles have been removed from food and beverage outlets and a transition to one, stationary ketchup pump was made to reduce waste.

Lighting at Casinos Regina and Moose Jaw has been changed from fluorescent to LED bulbs, which provides higher efficiency illumination within the property and results in lower energy and maintenance costs. Batteries and light bulbs continue to be recycled at both properties.

In an effort to control energy costs, SaskGaming has upgraded the HVAC units at Casino Regina to a high-efficiency system. Two of the original roof top units have been replaced to allow for gains in efficiency as the new units come equipped with variable fans and high-performance motors.

SaskGaming will continue to explore ways to reduce energy consumption at its properties and has engaged a local company to help expand its sustainable business practices in 2020-21.

Financial Sustainability

SaskGaming manages its operations carefully to achieve its goal of being a sustainable corporation and to maximize its return to the people of Saskatchewan. The corporation continued to meet the revenue challenges of a mature gaming market by focusing on customer service, innovation and expense management.

In July 2019, Casinos Regina and Moose Jaw began operating on a 24-hour basis over the weekends. Both properties remain open consecutively from 9 a.m. Friday morning to 4 a.m. Monday morning at Casino Regina and 3 a.m. at Casino Moose Jaw. This adjustment better aligns the corporation with other Canadian jurisdictions that operate their casino gaming facilities on a 24-hour basis.

For the second year in a row, Casinos Regina and Moose Jaw were open on December 24 and 25 with limited operating hours. This modification has enhanced the guest experience during the holiday season with SaskGaming seeing an increase in net profit over the previous year and will continue as guest demand supports the change.

In December 2019, the corporation unveiled the Powerbucks progressive slot jackpot at Casinos Regina and Moose Jaw. Powerbucks is Canada's first multi-jurisdictional and multi-channel progressive jackpot with a minimum of \$1.0 million up for grabs. This lifestyle-changing jackpot is also available through slot machines and multiple gambling channels in Manitoba, British Columbia, Ontario, Quebec and PEI.

SaskBusiness Magazine's annual list of the province's top 100 companies saw SaskGaming coming in at number 50. The list ranks Saskatchewan-based companies according to their gross revenue within the province.

The corporation endowed approximately \$10.0 million to both the First Nations Trust and Community Initiatives Fund to support Saskatchewan Indigenous communities in areas such as entrepreneurship and social justice.

In March 2020, at the tail end of the fiscal year, the world was hit with a global pandemic. The safety of guests and employees at Casinos Regina and Moose Jaw was paramount. As such, SaskGaming heeded the advice of public health officials on the COVID-19 pandemic and temporarily closed Casinos Regina and Moose Jaw at the end of the gaming day on March 16.

The decision to temporarily close both properties was in line with all other provincial jurisdictions, which temporarily closed their casino operations – including the Saskatchewan Indian Gaming Authority.

Ensuring our employees could focus on staying healthy and taking care of their families during this temporary shutdown was critically important.

At the end of March, the corporation made the difficult decision to temporarily lay off 549 permanent employees – 497 unionized and 52 non-unionized. These temporary layoffs were effective April 3, 2020 and were made under the Public Emergency Provisions in the amended *Saskatchewan Employment Act*.

All employees who were laid off can return to their home position at the end of the temporary closure, allowing for job security and the ability to access government programs during this time of crisis.

Management's Discussion and Analysis

Introduction

This Management Discussion and Analysis (MD&A) highlights the primary factors that impacted SaskGaming's financial and operating results for the year ended March 31, 2020. For the purposes of this MD&A, results for the year ended March 31, 2020 will be compared to the year ended March 31, 2019.

This report should be read in conjunction with the audited financial statements and accompanying notes, which have been prepared in accordance with International Financial Reporting Standards (IFRS). Using the financial and performance results as its basis, the MD&A enables readers to view SaskGaming's past performance from the perspective of management. It also provides forward-looking statements outlining SaskGaming's priorities. All forward-looking statements reflect SaskGaming's best estimates and assumptions based on information available at the time the statements were made. However, actual results and events may vary significantly from those included in, contemplated by, or implied by such statements.

Our Business

SaskGaming manages and operates Casinos Regina and Moose Jaw. SaskGaming was established to operate casinos in Saskatchewan; conduct and manage games of chance in casinos; and to establish and operate or to provide for establishment and operation of any business or activity that it considers reasonably related to operating a casino.

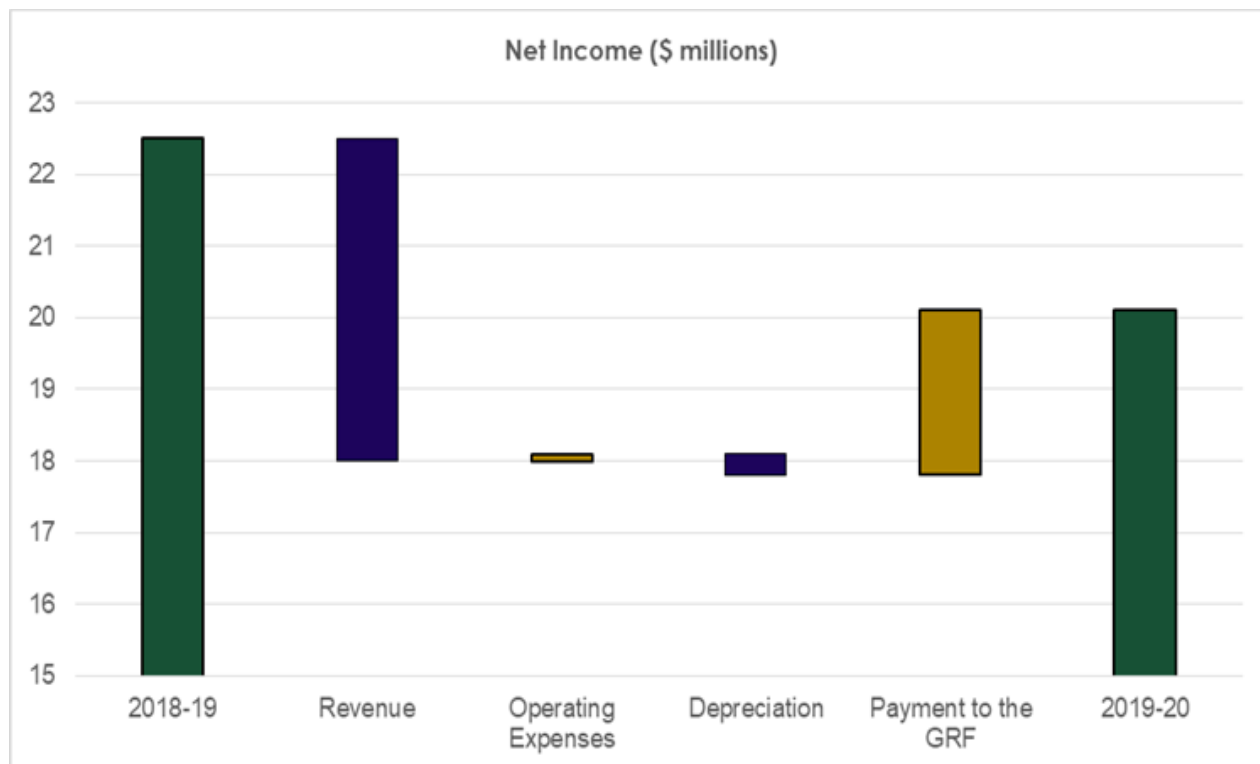
SaskGaming operates in an industry that is in a mature market position, marked by lower annual revenue growth and operating costs increased by the cost of inflation. In addition to the challenges of operating in a mature market, SaskGaming also faces increased competition from gaming competitors in the province. SaskGaming is meeting these challenges by investing in technology, facilities and new initiatives, while continuing to focus on customer service and employee excellence, expense management and productivity.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The Government of Saskatchewan declared a provincial state of emergency on the same day. On the advice of Saskatchewan Health Authority and the Chief Medical Health Officer, SaskGaming temporarily closed Casinos Regina and Moose Jaw at the end of gaming day on March 16, 2020.

The temporary closure of Casinos Regina and Moose Jaw impacted 2019-20 actual results, with SaskGaming experiencing decreased revenues compared to the prior year, as well as compared to budget. SaskGaming estimates revenues lost due to the casino closures to be between \$5.2 million and \$5.8 million, based on actual results throughout the year. The situation is continually evolving and the ultimate duration and financial impact on SaskGaming's future revenues, operating results and overall financial performance is unknown at this time. Due to this uncertainty, 2020-21 budget figures have not been included in the following analysis.

Financial Results

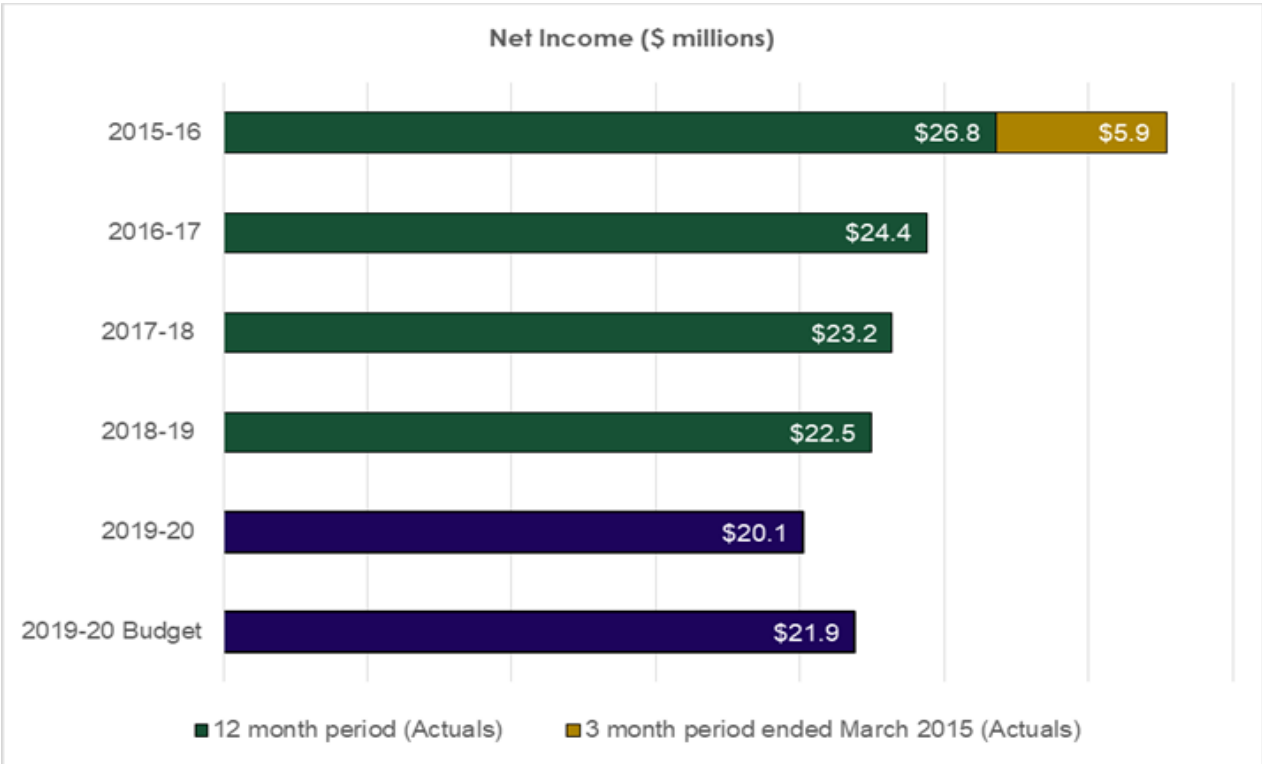
Net Income



The above chart reflects the year ended March 31, 2020 and highlights the significant changes compared to the year ended March 31, 2019. Decreases to net income are noted in blue, while increases are noted in yellow.

Net income for the year ended March 31, 2020 was \$20.1 million, a decrease of \$2.4 million (10.7 per cent) from the year ended March 31, 2019.

- Revenue declined by \$4.5 million (3.8 per cent) largely as a result of the temporary closure of Casinos Regina and Moose Jaw at the end of the gaming day on March 16, 2020.
- Operating expenses decreased by \$0.1 million (0.2 per cent) primarily due to decreases in food and beverage cost of goods sold and entertainment expenses.
- Depreciation increased by \$0.3 million (4.8 per cent) due largely to increased capital investment during the year, including property renovations and implementation of new gaming technology.
- Payment to the General Revenue Fund (GRF) decreased by \$2.3 million (10.3 per cent) as a direct result of the overall decrease in Income Before Payment to the GRF for 2019-20.

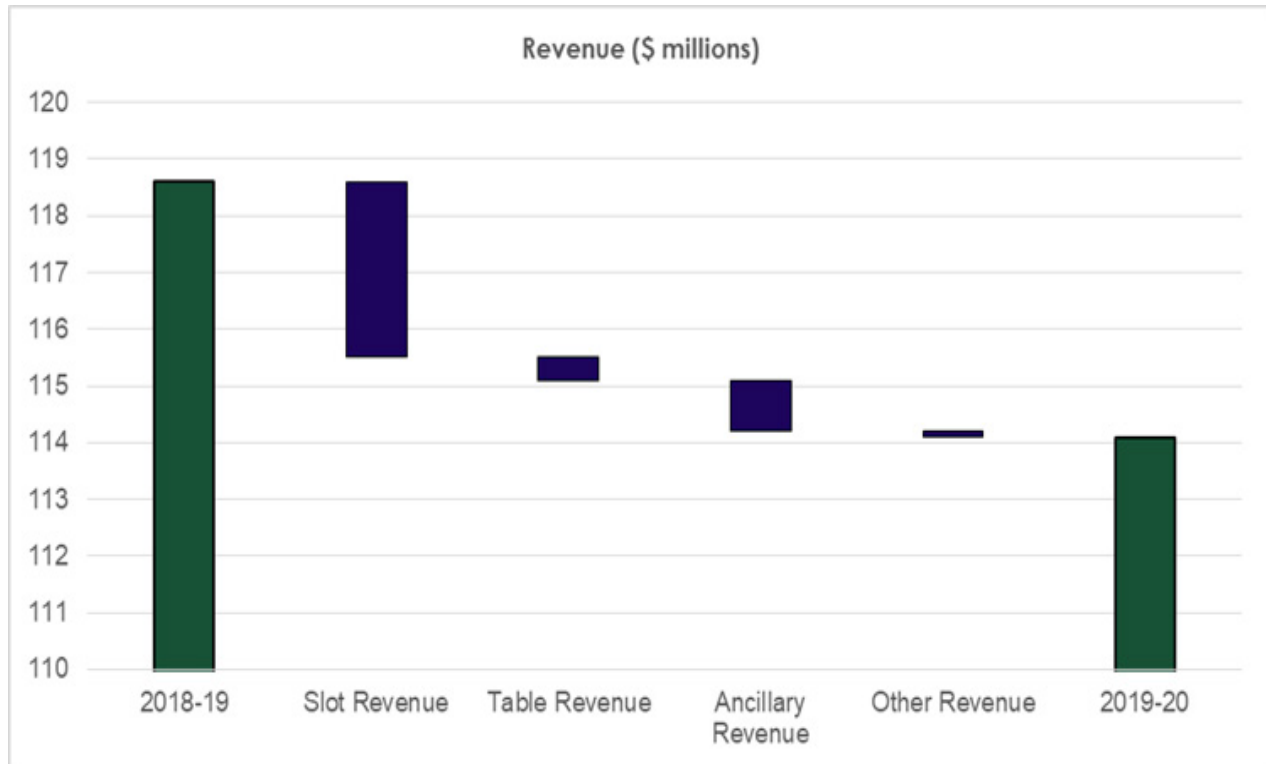


SaskGaming operates in a mature gaming market and has experienced declining net income over the past several years. In order to stabilize net income, SaskGaming has embedded a culture of efficiency in its operations and investment decisions. These efforts have allowed SaskGaming to meet the challenges of a mature gaming market, while identifying strategies to continue to deliver an outstanding guest experience.

In 2019-20, net income was \$20.1 million, which was \$1.8 million under budget and \$2.4 million behind the prior year. Throughout the year, net income was trending above budget and the prior year. This trend reversed with the temporary closure of Casinos Regina and Moose Jaw at the end of the gaming day on March 16, 2020.

The 2020-21 budget was developed with a focus on reinvestment in technology, facilities, people and new initiatives. While the COVID-19 pandemic has led to uncertainty with respect to operations and results, SaskGaming remains committed to the fundamental principles of this strategy and will endeavor to execute on these goals within current realities.

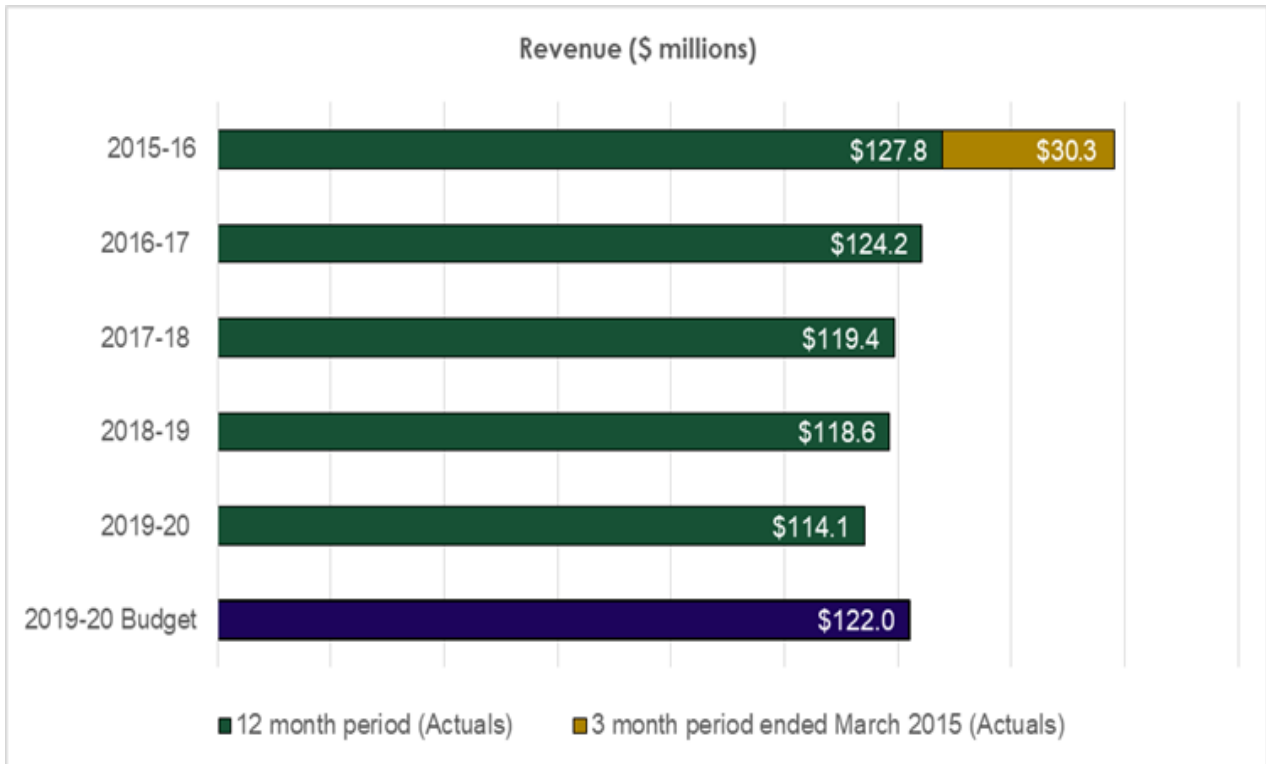
Revenue



The above chart reflects revenue by line of business for the year ended March 31, 2020 and highlights the significant changes compared to the year ended March 31, 2019. Decreases to net income are noted in blue, while increases are noted in yellow.

Revenues for the year ended March 31, 2020 were \$114.1 million, which was \$4.5 million (3.8 per cent) lower than the year ended March 31, 2019.

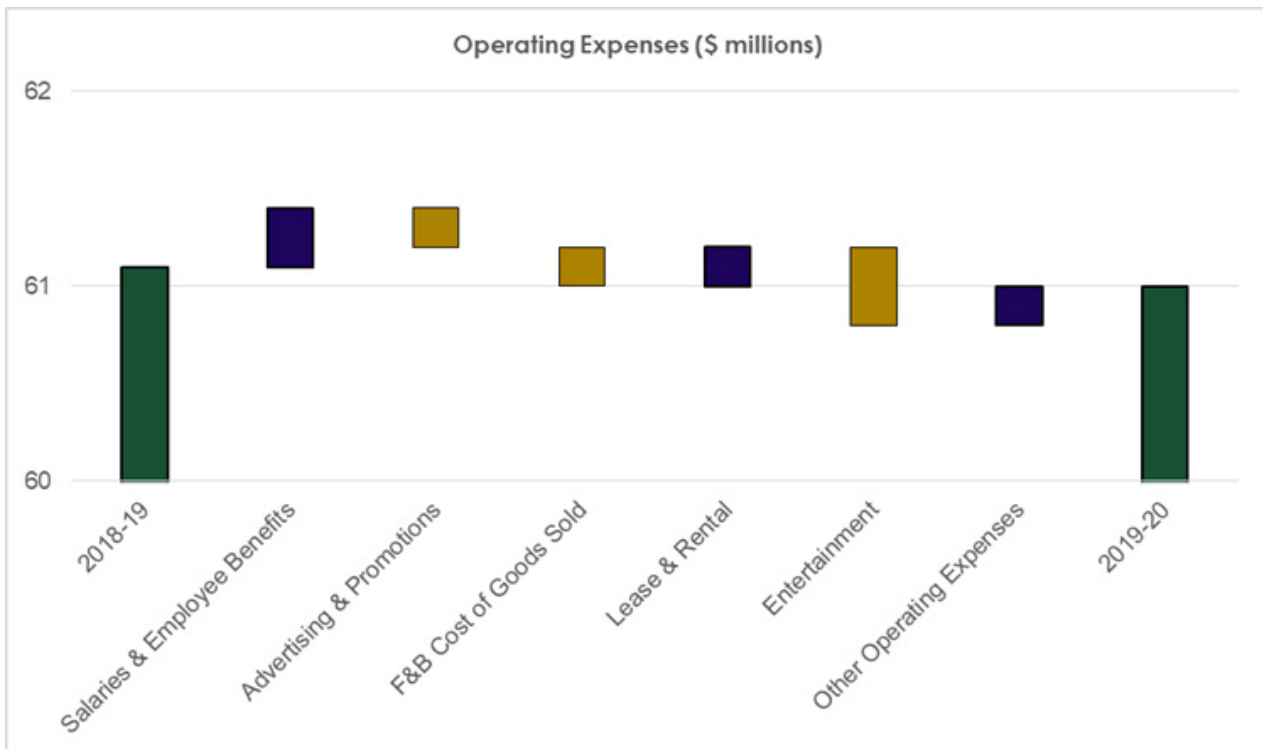
- Slot revenue decreased by \$3.1 million (3.2 per cent). The decrease in slot revenue is largely due to the temporary closure of Casinos Regina and Moose Jaw at the end of the gaming day on March 16, 2020. Prior to the temporary closure, slot revenue was trending above prior year levels. Both Casinos Regina and Moose Jaw experienced increased spend per guest throughout the year.
- Table revenue decreased by \$0.4 million (3.2 per cent), largely due to the closure of the casinos at the end of the gaming day on March 16, 2020. Table games revenue was tracking above prior year levels before the temporary closure.
- Ancillary revenue decreased by \$0.9 million (9.2 per cent). This decrease was primarily due to decreased food and beverage sales. The Last Spike restaurant at Casino Regina closed for renovations in January 2020, which led to decreased food and beverage availability through the last quarter of 2019-20. In addition, the temporary casino closure at the end of the gaming day on March 16, 2020 resulted in the elimination of any remaining food and beverage services.
- Other revenue, consisting of several miscellaneous revenue sources, showed an overall decrease from the prior period of \$0.1 million (12.5 per cent).



SaskGaming has seen a declining trend in revenues since 2014. While other jurisdictions across Canada have begun to see increasing results, these increases have largely been attributable to the introduction of new gaming channels and increased capacity. In recent years, the Saskatchewan economy has also been impacted by low commodity prices, international trade issues and uncertainty in the oil sector, which limits the amount of discretionary income available to spend on entertainment.

The declining trend in revenues was furthered in 2019-20 as a result of the COVID-19 pandemic, which resulted in lost revenues during the month of March. Throughout 2019-20, revenues were trending close to budget and above the prior year. As previously noted, lost revenue due to the temporary closure of Casinos Regina and Moose Jaw has been estimated to be between \$5.2 million and \$5.8 million.

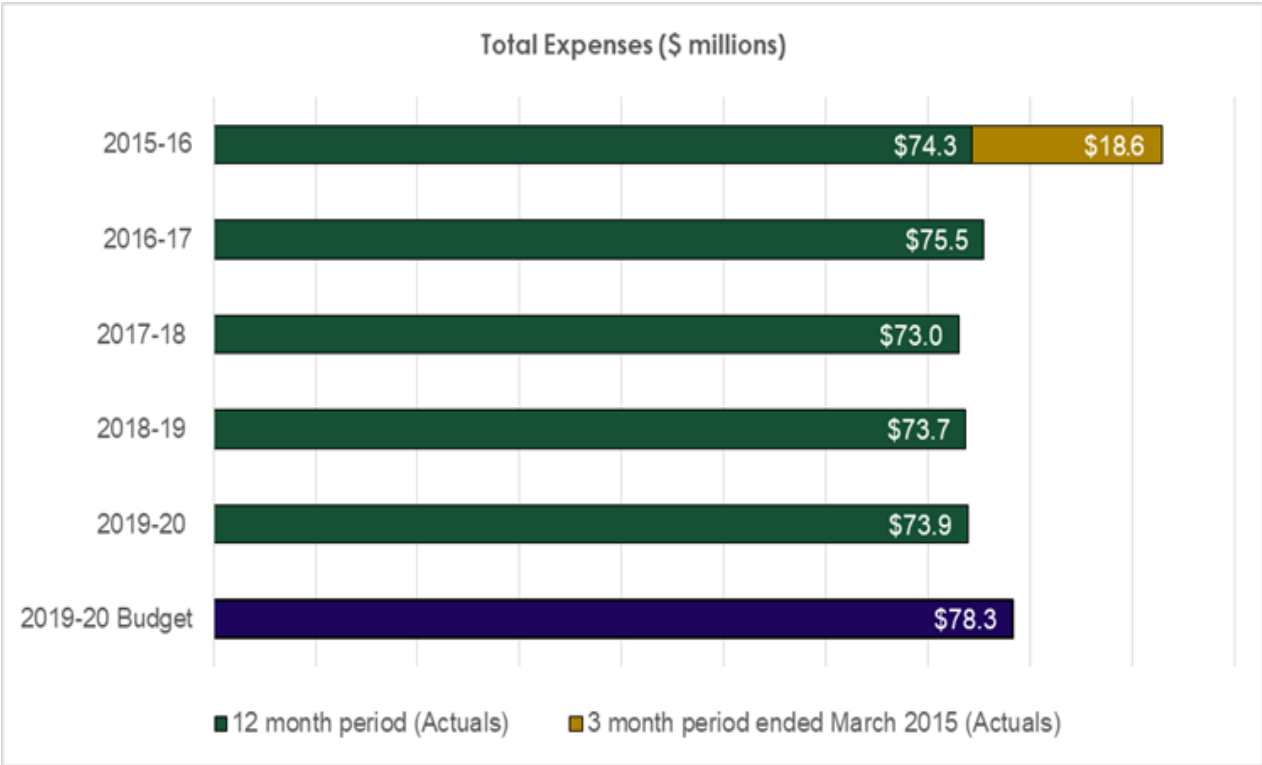
Operating Expenses



The above chart reflects expenses for the year ended March 31, 2020 and highlights the significant changes compared to the year ended March 31, 2019. Decreases to net income are noted in blue, while increases are noted in yellow.

Expenses for the year ended March 31, 2020 were \$61.0 million, which was an overall decrease of \$0.1 million (0.2 per cent) from the year ended March 31, 2019.

- Salaries and employee benefits increased by \$0.3 million (0.8 per cent) primarily due to merit and cost of living increases for staff, as well as increased cost of employee benefits. This was offset by effective scheduling to match staffing levels with guest counts, as well as a reduction of full-time equivalents in 2019-20.
- Advertising and promotions decreased by \$0.2 million (5.4 per cent). This decrease was primarily as a result of the temporary closure of Casinos Regina and Moose Jaw at the end of the gaming day on March 16, 2020. Planned advertising content printing and mail outs did not occur.
- Food and beverage cost of goods sold decreased by \$0.2 million (6.7 per cent). Consistent with the decreased food and beverage revenue, the decrease in cost of goods sold was as a result of the closure of The Last Spike restaurant for renovations in January, as well as the elimination of remaining food and beverage services with the temporary closure of the casinos in March.
- Lease and rental costs increased by \$0.2 million (10.0 per cent). This increase is largely due to new leased gaming equipment. In December 2019, Casinos Regina and Moose Jaw launched Powerbucks – a linked jackpot progressive which allows players across several provinces access to a linked progressive jackpot with a minimum value of \$1.0 million.
- Entertainment decreased by \$0.4 million (22.2 per cent), which was primarily due to some shows carrying lower entertainer costs compared to the prior year. In addition, the temporary closure of Casino Regina also resulted in the temporary closure of the Show Lounge. All shows from March 15 through the end of the year were postponed, resulting in lower entertainer expenses for the year.
- Other operating expense categories showed a collective increase of \$0.2 million (1.6 per cent).



The above chart reflects total expenses for each year. These expense categories include: operating expenses, depreciation, contractual obligations, taxes and finance expense.

Expenses over the five-year period continue to be managed in an effective and prudent manner to reflect SaskGaming’s commitment to providing excellent customer service in the most efficient manner possible. Decreases in expenses were as a result of ensuring overtime was used efficiently, and that staffing levels were adjusted to meet customer demand.

While cost containment measures have been effective in mitigating the loss of revenue stemming from a mature and competitive market, SaskGaming has looked to investment in technology, facilities and new initiatives to stabilize and grow earnings. These investments are intended to increase revenue and improve the guest experience and may lead to increased operating expenses.

In 2019-20, SaskGaming introduced 24-hour operations on the weekends, which resulted in new revenues while increasing operating costs. This resulted in both Casinos Regina and Moose Jaw being open an additional ten hours per week. These costs were as a result of the increased resources required to operate extended hours. While the COVID-19 pandemic resulted in decreased revenues for 2019-20, the timing of the temporary closure of the casinos meant operating expenses were not significantly impacted, as SaskGaming maintained full staffing throughout the month of March.

SaskGaming intends to continue strategically reinvesting in property refreshment and new gaming technology to continually improve the guest experience.

Liquidity and Capital Resources

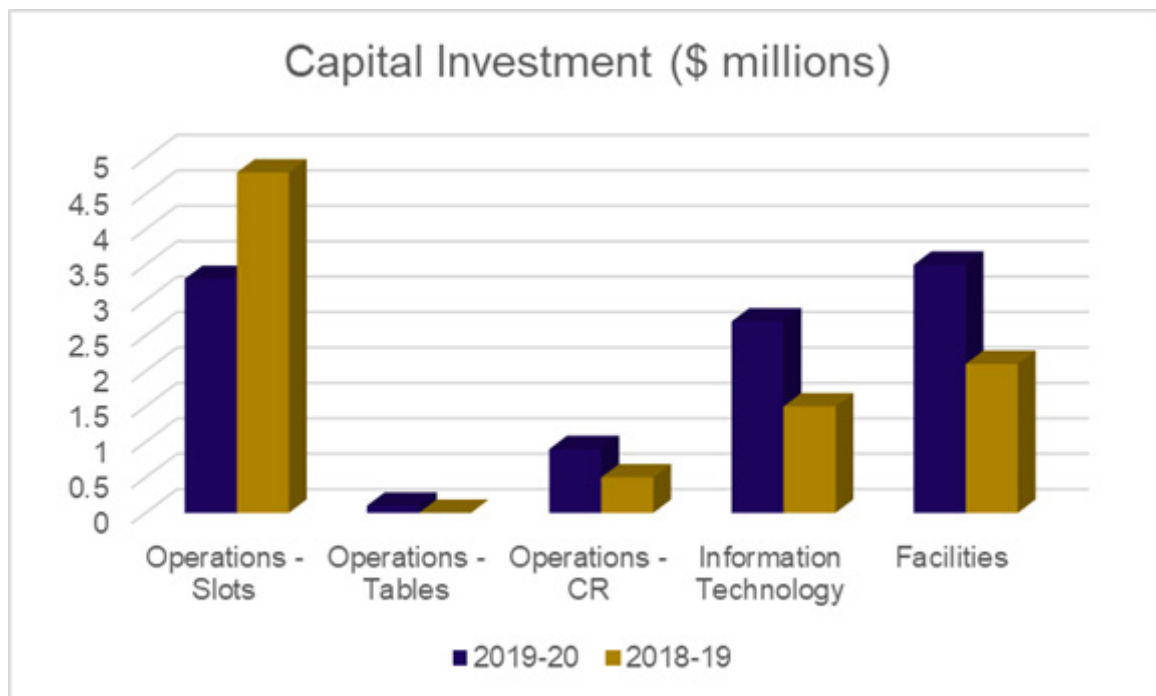
SaskGaming secures capital investment dollars through a combination of internally generated cash from operations and debt. The corporation's maximum debt level is determined by the Government of Saskatchewan through Order in Council. Through this process, SaskGaming may borrow up to \$56.2 million, which includes finance leases and temporary loans. The corporation also has an available line of credit of \$3.0 million at a financial institution.

In March 2020, SaskGaming obtained financing through the GRF in the form of a line of credit. The line of credit was issued in the amount of \$5.0 million, with a maturity date of April 24, 2020 and an interest rate of 1.50 per cent. Subsequent to year end, this line of credit was converted into a promissory note with a maturity date of March 17, 2021 and an interest rate of 0.45 per cent.

SaskGaming also has an outstanding finance lease for the Casino Moose Jaw property of \$5.0 million (March 31, 2019 - \$5.4 million).

Capital Infrastructure

For the period ending March 31, 2020, SaskGaming invested a total of \$10.5 million (March 31, 2019 - \$8.9 million) in capital infrastructure.



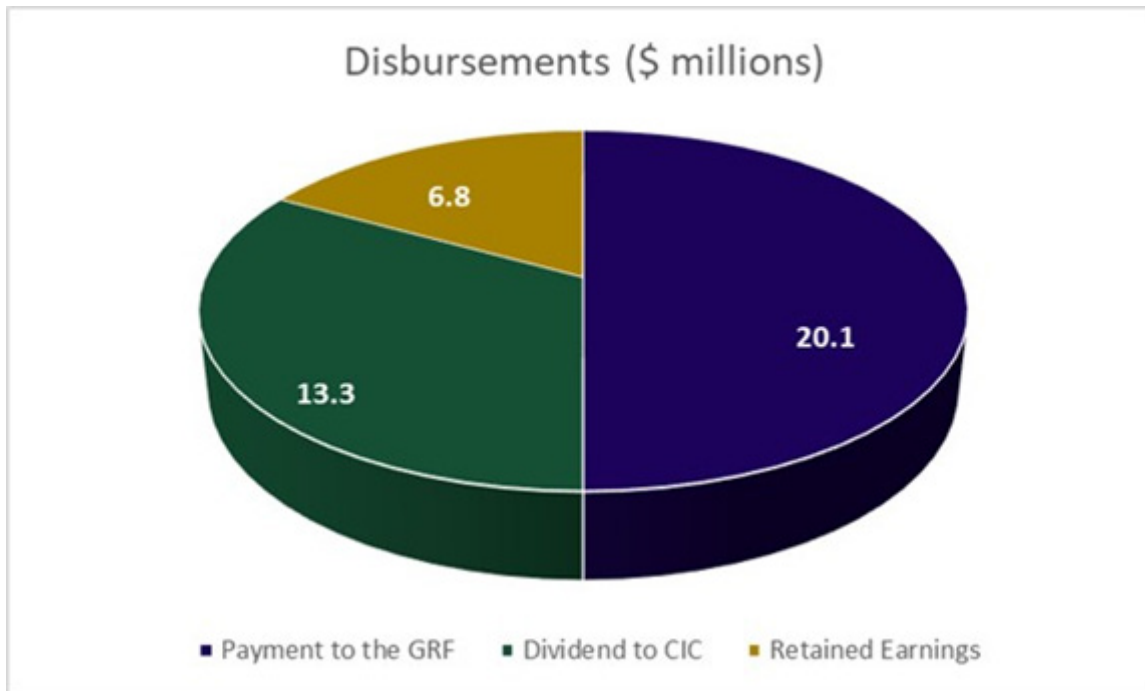
SaskGaming increased investment in capital infrastructure in 2019-20 by \$1.6 million. This increase was primarily driven by SaskGaming's strategic initiatives to modernize the gaming floors, both in terms of technology and the aesthetic of its properties.

In 2019-20, work continued in modernizing gaming technology which resulted in an increased investment in information technology. A property refresh also began at Casino Regina with the renovation of The Last Spike restaurant. The property refresh is part of a multi-year project that will continue in 2020-21.

Disbursements

SaskGaming is required to distribute 50.0 per cent (March 31, 2019 - 50.0 per cent) of income to the GRF each year. For the period ending March 31, 2020, SaskGaming is required to distribute \$20.1 million (March 31, 2019 - \$22.4 million) to the GRF.

SaskGaming is also required to distribute 80.0 per cent (March 31, 2019 - 80.0 per cent) of Income After Payment to the GRF to its shareholder, Crown Investments Corporation (CIC), in the form of a dividend. As a result of the casino closures due to COVID-19, CIC cancelled SaskGaming's fourth quarter dividend. This resulted in SaskGaming distributing 66.1 per cent of income after payment to the GRF to CIC. For the period ending March 31, 2020, SaskGaming declared dividends of \$13.3 million (March 31, 2019 - \$18.0 million) and paid dividends of \$17.8 million (March 31, 2019 - \$18.6 million).



Strategic Scorecard Measures and Performance Management

Corporate Strategy

SaskGaming's vision is to be the number one entertainment choice in our markets. To achieve this vision, SaskGaming has four strategic priorities – Guest Experience, Employee Experience, Responsible Corporation and Financial Sustainability. These priorities align with the Saskatchewan Crown Sector Strategic Priorities:

- Customer Focus;
- Financial Sustainability;
- Priority Investments;
- Private Sector Engagement;
- Technology and Innovation; and
- Skilled Labour Force.

Each year, as part of the performance management process, SaskGaming measures the progress towards achieving the corporation's strategic priorities through the balanced scorecard. The scorecard, including metrics and targets, is approved by SaskGaming's Board of Directors and CIC's Board of Directors. SaskGaming reports quarterly on its achievements against its balanced scorecard targets.

Balanced Scorecard Performance Measures

The following discussion outlines SaskGaming's performance relative to its balanced scorecard measures for the 12 months ended March 31, 2020.

In the tables below, the results can be interpreted as follows:

- Exceeded = 121 per cent or greater than target
- Achieved = 95 per cent to 120 per cent of target
- Progressing = 80 per cent to 95 per cent of target
- Not Met = Less than 80 per cent of target

BSC MEASURES	2018-19 Actual	2019-20 Target	2019-20 Actual	
Guest Count (000s)	3,257	3,650	2,752	Not Met
Mystery Shopper	96.2%	92.5%	93.0%	Achieved
Guest Satisfaction	75.5%	78.0%	72.6%	Progressing
Satisfaction of Emerging Guests (%)	82.5%	85.0%	77.1%	Progressing

Guest Experience

Strategy

Providing an engaging and entertaining Guest Experience is at the core of SaskGaming's business.

Knowledge of the expectations of both current and future guests is key to the corporation delivering on an experience that encourages guests to return. Extensive research into market trends, customer preferences and analysis of Players Club data informs decisions related to new product offerings, promotions and the introduction of new amenities.

The corporation continually monitors products and services using guest satisfaction surveys and mystery shoppers, and has ongoing dialogue with key guests.

Result

In 2019-20, Casinos Regina and Moose Jaw welcomed approximately 2.75 million guests, which was well below the target of 3.65 million. This is due to the discovery of a technical issue with some of the guest count sensors, and the temporary closure of Casinos Regina and Moose Jaw as a result of the COVID-19 pandemic.

SaskGaming's Mystery Shopper score was 93.0 per cent, slightly above the target of 92.5 per cent.

Guest Satisfaction was 72.6 per cent, below the 2019-20 target of 78.0 per cent.

Satisfaction of Emerging Guests (aged 35 to 49) was 77.1 per cent, below the target of 85.0 per cent.

Decreases in both satisfaction scores has been an ongoing trend, as there has not been a significant refresh of SaskGaming's facilities in several years – an issue that has often been identified in guest surveys. Meanwhile, customer service and product offerings continue to receive strong ratings from guests.

2020-21 Focus

In 2019-20, SaskGaming launched Players Club Conversation, an online community forum to facilitate the ongoing conversation with hundreds of committed and caring guests. The online community allows SaskGaming to get detailed information more quickly than traditional survey techniques. Smaller, directed surveys allow for immediate feedback that can be used to make informed decisions on facility modernization, service delivery, products and branding.

In order to achieve its vision of being the number one entertainment choice in our markets, SaskGaming must offer an outstanding entertainment experience. In 2020-21, the corporation will continue to roll-out GameOn 2.0 – its updated customer service program, which will equip employees to meet the high expectations around guest interactions and engagement.

Employee Experience

BSC MEASURES	2018-19 Actual	2019-20 Target	2019-20 Actual	
Employee Satisfaction	56.0%	N/A*	N/A*	N/A*
Core Training	95.7%	90.0%	96.8%	Achieved
Employee Absenteeism	6.0%	5.0%	5.9%	Progressing
Indigenous Representation	41.1%	45.0%	41.2%	Progressing

*conducted biennially

Strategy

SaskGaming's greatest investment is in its people. Friendly, well-trained and informed staff are critical to achieving an outstanding guest experience and financial success.

SaskGaming is proud to have one of the most diverse workforces in the Government of Saskatchewan, with 41.2 per cent of staff being of Indigenous descent, 19.5 per cent being visible minorities and 4.6 per cent being persons with disabilities. This diversity greatly enriches the corporation's working environment.

SaskGaming has an updated Indigenous Employment Strategy and maintains an Indigenous Employee Network in order to support recruitment and retention of Indigenous people and promote First Nations, Métis and Inuit culture in the workplace.

The corporation is a developmental employer where careers can begin and grow. Many employees, particularly Indigenous employees, have graduated to even greater roles in the public and private sectors. Tracking the trajectory of these employees provides SaskGaming the ability to highlight its former employees' successes to others.

Result

SaskGaming continues to invest in employees and provide an opportunity to establish and grow their careers with the corporation.

The corporation's Core Training measure was 96.8 per cent, significantly ahead of the target of 90.0 per cent.

Employee Absenteeism was 5.9 per cent for 2019-20, ahead of the 2018-19 result of 6.0 per cent but shy of the target of 5.0 per cent.

Indigenous Representation was 41.2 per cent in 2019-20, below the target of 45.0 per cent as the corporation contended with challenges in both recruitment and retention. Despite these results, meeting the 50.0 per cent Indigenous Representation target remains a priority for SaskGaming.

2020-21 Focus

The Employee Wellness Strategy will continue to be rolled-out in 2020-21. The strategy supports employee attendance in the workplace, and the physical and mental wellness of staff, with the traditional medicine wheel as its defining approach. The overall strategy will focus on the following three elements: healthy mind, healthy body and healthy life. The importance of Indigenous culture in the corporation will continue to be essential in understanding the value placed on traditional approaches to wellness and health.

A significant focus will also be placed on the implementation of the revised Learning Strategy and related training programs. This revised strategy fosters a culture of learning and embraces more dynamic and flexible learning approaches. This includes integrating informal learning, coaching, mentoring, among many other educational tactics that will support success at every level of the corporation.

Responsible Corporation

Strategy

BSC MEASURES	2018-19 Actual	2019-20 Target	2019-20 Actual	
Guest Awareness of Responsible Gambling	83.3%	84.0%	84.0%	Achieved
Public Opinion of Community Support	54.3%	55.0%	61.3%	Achieved
Indigenous Sponsorship (% of Total Sponsorship)	29.2%	25.0%	26.3%	Achieved

SaskGaming is committed to providing gambling in a socially responsible manner and in compliance with the various regulatory requirements that support the highest standards of integrity. SaskGaming looks for opportunities to improve the efficiency and effectiveness of its compliance regime through changes to policy, process and technology.

Saskatchewan communities are important and giving back is integral to the corporation's mandate. SaskGaming contributes approximately one per cent of its Income before Payment to the GRF to community sponsorships, in-kind support and donations, with 25.0 per cent of these investments allocated to Indigenous projects, programs and initiatives.

Participation in volunteer events offers employees the opportunity to give back to the community and assist local charities and non-profits. As identified in SaskGaming's Indigenous employment strategy, giving back to the community is important in Indigenous culture and to Indigenous employees. SaskGaming will look to strengthen partnerships in the communities in which it operates by promoting volunteer opportunities that include Indigenous events and organizations.

In 2019-20, SaskGaming established a partnership with Habitat for Humanity Regina. Employees participated in Habitat Build Days in July and October 2019, with the October build day contributing sweat equity toward a home for a SaskGaming employee.

Result

The GameSense responsible gambling program ensures guests are making healthy and informed decisions about their play. In 2019-20, Guest Awareness of Responsible Gambling was on target at 84.0 per cent. This was largely due to enhanced on-floor emphasis of responsible gambling programming.

SaskGaming began the replacement of its building control system and hardware, which was well past its end of life. The new system will be fully implemented in May 2020 to ensure SaskGaming maintains effective security of its property and assets.

Public Opinion of Community Support was 61.3 per cent, well above the target of 55.0 per cent. This was thanks, in part, to the strength of SaskGaming's Community Relations program and enhanced social media highlights of the corporation's efforts. Indigenous Sponsorship was just slightly above the target of 25.0 per cent with a score of 26.3 per cent.

2020-21 Focus

Ensuring staff and guests feel safe while on property is of great importance to SaskGaming. As part of our facilities modernization, additional changes will be made to further improve security for employees and guests.

SaskGaming is partnering with the private sector to review the energy usage at the casino. This includes reviewing peak energy load, identifying efficiencies in equipment before costly breakdowns occur and allowing the corporation the ability to reduce its energy usage, save on power costs and reduce its carbon footprint.

SaskGaming will continue to support a number of charitable initiatives across the province by establishing partnerships with major events, encouraging employee volunteerism and supporting local charities, as well as expanding the creation of community events to leverage charitable funds.

Financial Sustainability

BSC MEASURES	2018-19 Actual	2019-20 Target	2019-20 Actual	
Net Average Guest Spend (\$/Guest)	36.43	33.41	41.45	Exceeding
Income Before Payment to the GRF (000s of \$)	44,920	43,674	40,160	Progressing
EBITDA Margin	48.5%	47.6%	46.6%	Achieved
Debt/Equity Ratio	10.2%	21.1%	16.7%	Exceeding
Payroll Percentage	32.3%	31.6%	34.0%	Progressing

Strategy

SaskGaming operates in a mature market highlighted by declining revenue and upward pressure on expenses. Despite these challenges, effective expense management has allowed the corporation to remain strong, profitable and efficient.

SaskGaming continually reinvests in products, property and technology to maximize revenue opportunities in order to generate profit for the people of Saskatchewan and enhance the guest experience.

In order to offset declining revenues, SaskGaming strives to identify incremental revenue opportunities, as well as operational and cost efficiencies. One component of these initiatives involves working in collaboration with other Saskatchewan Crown corporations to find shared service opportunities.

Result

Net Average Guest Spend Per Visit was \$41.45, well above the target of \$33.41. This is largely due to the recalibration of the guest visit numbers discussed in the Guest Experience section.

Income Before Payment to the GRF was \$40.2 million, \$3.5 million below target. SaskGaming was slightly below its EBITDA Margin at 46.6 per cent. Both results were due entirely to the temporary closure of Casinos Regina and Moose Jaw in March as a result of the COVID-19 pandemic.

Further to this, the Debt/Equity Ratio was lower than target due to the cancellation of a planned special dividend and the cancellation of the fourth quarter dividend. The Payroll Percentage was below target. Again, each of these measures was significantly impacted by the temporary closure of the casinos due to the COVID-19 pandemic.

2020-21 Focus

SaskGaming has developed a long-term plan that provides a path to sustainable growth by reinvesting capital in its technology, infrastructure and facilities. This plan can be achieved by modest borrowing.

Risk Management and Disclosure

SaskGaming has an Enterprise Risk and Opportunities Management (EROM) Policy and Framework that defines the process and management of risks and opportunities for the corporation. The Board of Directors reviews the policy and framework every two years.

Annually, the Board of Directors also reviews a Risk and Opportunities Assessment Report. The report contains the corporate risk register, and an assessment of the processes and controls to mitigate the risks. SaskGaming conducts the following activities to complete the annual Risk and Opportunities Assessment Report:

- Revise the list of corporate risks and opportunities and update the risk and opportunity statements, where necessary;
- Conduct an inherent risk assessment, and rate the likelihood and impact for new risks and opportunities or where statements were changed from the prior year;
- Conduct a residual risk assessment, and rate the likelihood and impact of each risk and opportunity to identify the top residual corporate-wide risks; and
- Develop a prioritized corporate risk and opportunities register.

To actively manage and monitor risk, all risks defined as top corporate-wide risks are reviewed and reported quarterly to the Executive Committee, Audit and Finance Committee and the Board of Directors. By policy, all EROM reports provided to the Board of Directors are also provided to CIC. To ensure the EROM assessment remains accurate, a mid-year review of risks and mitigations is conducted.

The Risk and Opportunities Assessment Report played a major role in the development of initiatives to support the corporation's goals and objectives in the 2019-20 Performance Management Plan (PMP).

Separated by risk category below are SaskGaming's six top corporate-wide risks, as well as the mitigation activities that address each risk.

Separated by risk category are SaskGaming's six top corporate-wide risks, as well as the mitigation activities that address each risk.

Strategic Risk

Sustainable Income	
Risk	Mitigation Activities
<p>The inability to take advantage of opportunities to grow or support the business, as well as moving beyond the traditional gaming market is outside SaskGaming's control. This could lead to a decline in income and not meeting the shareholder's dividend expectations.</p>	<p>Use of mass mail, expanded entertainment options, and targeted advertising that creates an emotional connection with each product line to attract non-Players Club guests.</p>
	<p>Evolution of the Players Club program through attraction into the program, upward movement through the tiers and retention of members.</p>
	<p>Improve revenue through the expansion of the casinos' operating hours by opening for limited hours on December 24 and 25, and remaining open for 24 hours on weekends.</p>
	<p>Improve product offering through the implementation of the Powerbucks progressive jackpot.</p>
	<p>Development of a comprehensive plan to educate stakeholders on the need to modernize SaskGaming's business model to continue to be successful in the long-term.</p>
	<p>Investments in products, properties and technologies has been increased. Studies have also been conducted to examine the reconfiguration of selected gaming floor space for expanded/modified amenities.</p> <p>Installation of a high-speed gaming floor in preparation for the introduction of software to enhance the gaming experience and improve the delivery of services.</p>

Operational Risk

Business Interruption	
Risk	Mitigation Activities
SaskGaming is unable to provide services due to a business interruption (situations including: accidents, labour disruption, loss of a key supplier, sabotage, weather, technology failure) resulting in loss of revenue and dissatisfied guests, among other issues.	A Business Continuity Plan covering Casinos Regina and Moose Jaw exists and includes business impact assessments, critical suppliers, departmental action plans and checklists. This plan is reviewed annually and is updated as required.
	Tabletop exercises are conducted annually, confirming the effectiveness of the Business Continuity Plan.
	Annual fire drills are conducted at both casinos.
	Emergency measure procedures have been developed and are available on the intranet to assist employees in responding to various emergency situations.
	The data centre and all critical gaming applications are located off-site for increased asset protection.
	SaskGaming carries business interruption insurance.
	A review and update of the Disaster Recovery Plan occurs annually to ensure it is current and effective.
	The surveillance system has failover capabilities in the event of a disaster.
	Contingency plans have been developed in event of a work stoppage.

Guest Experience	
Risk	Mitigation Activities
<p>Failure to consistently meet guest expectations with respect to facilities, safety, and customer service results in a loss of business, declining revenues and loss of market share.</p>	Free parking at Casino Regina was implemented to improve the guest experience.
	The slot floor response system will be utilized to provide guests more timely service, as well as proactively identify slot machine issues.
	SaskGaming plans to refresh and renovate its facilities to enhance the guest experience.
	Targeted surveys to assess the guest experience are conducted to ensure we consistently meet guests' needs.
	Creation of strategic food and beverage product offerings to provide an enhanced experience for select clientele.
	Implementation and evaluation of the Guest Experience Strategy to ensure the corporation consistently meets its balanced scorecard targets.
	In conjunction with the refresh of its facilities, the branding of Casinos Regina and Moose Jaw will be refreshed to ensure a consistent look and feel.
	The Players' Club program supports the Guest Experience Strategy by rewarding guests for play at Casinos Regina and Moose Jaw.
	SaskGaming's GameOn customer service strategy and training has been enhanced (GameOn 2.0) and will continue to be rolled out in support of the Guest Experience Strategy.
	The Diamond Lounge provides benefits to top-tiered Players' Club members.

Systems & Information Security

Risk	Mitigation Activities
<p>Loss or theft of revenue, proprietary information, unauthorized knowledge and use of confidential information resulting from inappropriate or unlawful access to data can result in litigation and/or a loss of guest and stakeholder confidence, and thereby have a negative financial impact.</p>	<p>Corporate Systems and Technology facilitates a semi-annual account audit to ensure access control is adequate. The audit includes third-party contractors and external vendors. Privileged accounts are reviewed on a quarterly basis.</p>
	<p>The corporation has a standardized process for assigning permissions within applications to enhance security.</p>
	<p>A third-party contractor performs daily data backups and has a Disaster Recovery System in case of emergencies.</p>
	<p>An IT Security and Acceptable Use of Technology policy was developed. On an annual basis, employees reaffirm their adherence to this policy.</p>
	<p>To enhance awareness, security information is prepared and distributed to staff using internal communications channels.</p>
	<p>A third-party contractor monitors the managed hosting environment to investigate, remediate and report on suspicious activity.</p>
	<p>A third-party contractor monitors network activity to identify security incidents and recommend courses of action.</p>
	<p>SaskGaming utilizes anti-virus software to detect and remediate viruses and malware on desktop computers.</p>
	<p>Passive penetration testing is completed on the corporation's network to identify security risks.</p>
	<p>Cybersecurity awareness training is mandatory for all employees to enhance IT education.</p>

Talent Management

Risk	Mitigation Activities
<p>Not effectively developing and managing the corporate culture, human resources and intellectual capital results in an unsatisfied workforce and the inability to sustain the capability of the corporation to achieve its business objectives, including Indigenous representation. This includes attraction, training, retention, workforce planning, labour relations and wellness.</p>	A Learning Hub hosts e-Learning training for employees.
	Biennial employee surveys are conducted to identify issues impacting employee satisfaction.
	Employee Satisfaction Committees were established to review the employee survey results, discuss concerns and develop strategies to address root causes of employee dissatisfaction.
	An "ASK" program has been established, as well as structured staff meetings where "top five" issues are raised and addressed in a timely manner.
	A Succession Planning and Management Framework is in place. Critical positions and key business processes are annually reviewed. Through this process, any risks are identified and mitigation plans developed.
	An Attendance Support Program is in place, with quarterly reporting and dedicated resources to assist managers in the administration of the program.
	Social Committees are in place to organize and coordinate social events. These committees contribute to employee satisfaction and help build capacity.
	Established communications protocols and procedures, as well as a variety of established communications channels to share information with employees.
	The Kronos Time and Attendance System (including a mobile application) is utilized by employees and their managers.
	A Situational Leadership and Coaching for Excellence Program was established to support leaders within the corporation.
	Human resource-related policies and procedures are updated on a biennial basis.
	A Strike Contingency Plan has been developed in the case of job action.
	Initiatives identified in the updated Indigenous Employment Strategy continue to be implemented to improve employee satisfaction.
	A third-party contract is in place to support employee workplace accommodations, return to work plan implementation and additional attendance supports for employees.
	Implementation of a new applicant tracking system and staffing process to support the GameOn 2.0 Customer Service Program.
GameOn 2.0 Customer Service Program training has been developed and continues to be implemented in support of the Guest Experience Strategy.	
A Learning Strategy was developed and continues to be implemented.	

Physical Security	
Risk	Mitigation Activities
Failure to adequately safeguard SaskGaming's property, people and assets results in misappropriation/theft, financial loss and safety concerns.	Access levels exist for every position in the corporation. This ensures appropriate levels of control for access to SaskGaming's facilities.
	The ability to make changes to keys and access cards is limited and is defined in policies and procedures.
	Notice of changes to access levels (e.g. promotion or termination of employees, etc.) are communicated through the completion of authorized forms or e-mails to ensure access remains current.
	Regular audits of access are conducted and/or facilitated to ensure they are current.
	Floor Security, Control Room and Surveillance secure and monitor both casino properties on a 24-hour basis.
	A management and inventory system is used to secure and monitor all keys.
	Insurance is carried to address potential liability from theft and loss.
	Casino Regina has Special Constables onsite to be able to issue summary offense tickets to banned guests who have reentered.
	Select doors at Casino Regina are locked from entry after midnight to enhance security for employees and guests.

Stakeholder Engagement

SaskGaming connects with the Saskatchewan public, its guests and employees through a variety of communications channels.

Public and Guest Communications

Casinos Regina and Moose Jaw interact openly with the public and guests through digital and online tools, as well as traditional print media.

SaskGaming uses social media platforms to interact with the public including Twitter, Facebook and Instagram. The corporation responds to all public inquiries received by email within two business days.

The Players Club program offers guests exciting news and promotions. Guests are encouraged to sign up to receive a monthly newsletter by mail or email to stay informed about upcoming Show Lounge events, food and beverage features and other floor fun promotions. Players Club members can access their profile on Casinos Regina and Moose Jaw's websites, as well as the Players Club kiosks on the gaming floors.

Corporate information is available on Casinos Regina and Moose Jaw's websites including quarterly financial statements, annual reports and media releases.

Casinos Regina and Moose Jaw utilize front-of-house electronic signage to inform guests of promotions, entertainment offerings, responsible gambling, recent winners and other pertinent guest information.

SaskGaming conducts targeted advertising through television, radio, billboards, direct mail and online platforms.

Guest Engagement and Feedback

SaskGaming values guest feedback and continues to refine entertainment offerings based on this feedback.

In 2019-20, SaskGaming launched an online community forum to facilitate discussions with hundreds of committed guests. Smaller more direct surveys offer immediate feedback which are then used to make informed decisions on modernizing the casinos, improving service delivery and developing the corporation's brands. The online forum also allows SaskGaming to host discussion forums and pose questions to guests about preferences and experiences.

Guest Advisory Committees continue to meet on a quarterly basis to make recommendations to improve the overall guest experience at Casinos Regina and Moose Jaw.

Guests are also encouraged to submit feedback and engage with SaskGaming through comment cards, email, in-person discussions and surveys.

Employee Communications

Effective employee communication is imperative to SaskGaming's success. Casinos Regina and Moose Jaw operate in a shift work environment, with employees working varied hours with limited access to email or a smartphone.

With this in mind, the corporation uses a range of mediums to connect with employees at all levels of the corporation, including a weekly employee newsletter, a recently-upgraded employee intranet and a weekly email to managers and supervisors.

Other internal communications methods utilized by SaskGaming include corporate memos from senior leadership, an "ASK" question-and-answer feature for employees to anonymously submit their questions to management and back-of-house electronic signage. All of these tactics arm SaskGaming employees with the information they need to stay up-to-date and deliver an exceptional customer experience.

Management's Report on Financial Statements

The accompanying financial statements have been prepared by management in accordance with International Financial Reporting Standards. Financial information included elsewhere in this annual report is consistent with that in the financial statements. Management is responsible for the integrity, objectivity and reliability of the financial statements.

The financial statements for the period ended March 31, 2020 have been approved by the Saskatchewan Gaming Corporation's Board of Directors.

Management of the corporation has established (and maintains) a system of internal controls, providing assurance that transactions are recorded and executed in compliance with legislation and authority, assets are safeguarded, there is an effective segregation of duties and responsibilities, and reliable records are maintained. An internal audit function independently evaluates the effectiveness of these controls on an ongoing basis and reports its findings to management and the Audit and Finance Committee of the Board.

The corporation's independent auditors, KPMG LLP, on behalf of management have examined the corporation's financial statements as of March 31, 2020. The auditor's report, which follows, outlines the scope of their examination and sets forth their opinion.



Susan Flett
President and CEO



John Amundson
Sr. Vice President, Finance and IT

May 28, 2020

Management's Report on Internal Control over Financial Reporting

I, Susan Flett, the President and CEO of the Saskatchewan Gaming Corporation, and I, John Amundson, the Sr. Vice President, Finance and IT of the Saskatchewan Gaming Corporation, certify the following:

- a. That we have reviewed the financial statements included in the Annual Report of the Saskatchewan Gaming Corporation (SaskGaming). Based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report, fairly present, in all material respects the financial condition, results of operations, and cash flows, as of March 31, 2020.
- b. That based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report of SaskGaming do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made.
- c. That SaskGaming is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and SaskGaming has designed internal controls over financial reporting that are appropriate to the circumstances of SaskGaming.
- d. That SaskGaming conducted its assessment of the effectiveness of the corporation's internal controls over financial reporting and, based on the results of this assessment, SaskGaming can provide reasonable assurance that internal controls over financial reporting as of March 31, 2020 were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.



Susan Flett
President and CEO



John Amundson
Sr. Vice President, Finance and IT

May 28, 2020

Independent Auditor's Report

To the Members of the Legislative Assembly, Province of Saskatchewan

Opinion

We have audited the consolidated financial statements of Saskatchewan Gaming Corporation ("the Entity") which comprise:

- the consolidated statement of financial position as at March 31, 2020
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity 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.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Annual report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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 International Financial Reporting Standards, and for such internal control as

management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity 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.

KPMG LLP

Chartered Professional Accountants

Regina, Canada
May 28, 2020

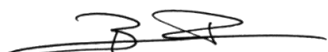
Saskatchewan Gaming Corporation Consolidated Statement of Financial Position

As at March 31


(Thousands of Dollars)	Note	2020	2019
ASSETS			
Current			
Cash		\$ 20,069	\$ 18,195
Accounts receivable		188	140
Inventory		147	257
Prepaid expenses		626	793
		<u>21,030</u>	<u>19,385</u>
Property, plant and equipment	4	<u>63,103</u>	<u>59,278</u>
		<u>\$ 84,133</u>	<u>\$ 78,663</u>
LIABILITIES AND EQUITY			
Current			
Trade and other payables		\$ 11,875	\$ 10,592
Short-term debt	5	5,000	-
Payable to the General Revenue Fund (GRF)	6	2,498	5,120
Dividend payable		-	4,576
Current portion of lease liabilities	7	471	425
		<u>19,844</u>	<u>20,713</u>
Lease liabilities	7	<u>4,505</u>	<u>4,976</u>
		<u>24,349</u>	<u>25,689</u>
Retained earnings		<u>59,784</u>	<u>52,974</u>
		<u>\$ 84,133</u>	<u>\$ 78,663</u>
Description of business	1		
Commitments and contingencies	8		

(See accompanying notes)

On behalf of the Board:



Director



Director

Saskatchewan Gaming Corporation

Consolidated Statement of Comprehensive Income

For the year ended March 31

(Thousands of Dollars)	Note	2020	2019
Revenue	9	\$ 114,077	\$ 118,637
Operating expenses	10,17	60,974	61,113
Depreciation		6,623	6,337
Contractual obligations	8	3,015	3,015
Taxes	11	2,769	2,680
Finance expense	12	536	572
		<u>73,917</u>	<u>73,717</u>
Income before payment to GRF		40,160	44,920
Payment to GRF	6	20,080	22,460
Net income		20,080	22,460
Other comprehensive income		-	-
Comprehensive income		<u>\$ 20,080</u>	<u>\$ 22,460</u>

(See accompanying notes)

Consolidated Statement of Changes in Equity

For the year ended March 31

(Thousands of Dollars)	2020	2019
Retained earnings, beginning of year	\$ 52,974	\$ 48,482
Comprehensive income	20,080	22,460
Dividends	(13,270)	(17,968)
Retained earnings, end of year	<u>\$ 59,784</u>	<u>\$ 52,974</u>

(See accompanying notes)

Saskatchewan Gaming Corporation Consolidated Statement of Cash Flows

For the year ended March 31

(Thousands of Dollars)	<u>2020</u>	<u>2019</u>
Operating activities		
Net income	\$ 20,080	\$ 22,460
Adjustments for:		
Finance expense	536	572
Depreciation	6,545	6,326
Loss on sale of property, plant and equipment	78	11
Changes in non-cash working capital balances		
Accounts receivable	(48)	79
Inventory	110	(14)
Prepaid expenses	167	(347)
Trade and other payables	1,277	70
Payable to GRF	(2,622)	233
	<u>26,123</u>	<u>29,390</u>
Investing activities		
Proceeds from sale of property, plant and equipment	-	1
Purchases of property, plant and equipment	(10,448)	(8,887)
	<u>(10,448)</u>	<u>(8,886)</u>
Financing activities		
Dividends paid	(17,846)	(18,557)
Short-term debt received	5,000	-
Interest paid	(530)	(572)
Repayment of lease liabilities	(425)	(384)
	<u>(13,801)</u>	<u>(19,513)</u>
Change in cash	1,874	991
Cash, beginning of year	<u>18,195</u>	<u>17,204</u>
Cash, end of year	<u>\$ 20,069</u>	<u>\$ 18,195</u>

(See accompanying notes)

Saskatchewan Gaming Corporation

Notes to the Consolidated Financial Statements

March 31, 2020

1. Description of Business

The Saskatchewan Gaming Corporation (SaskGaming) is a corporation domiciled in Canada. The address of SaskGaming's registered office and principal place of business is 1880 Saskatchewan Drive, Regina, SK, S4P 0B2.

SaskGaming manages and operates Casino Regina and Casino Moose Jaw. SaskGaming was established under *The Saskatchewan Gaming Corporation Act* to establish and operate casinos in Saskatchewan; conduct and manage games of chance in casinos; and to establish and operate or to provide for the establishment and operation of any business or activity that it considers reasonably related to operating a casino. SaskGaming must operate in accordance with statutory provisions established under Section 207 of the Criminal Code of Canada and *The Alcohol and Gaming Regulation Act, 1997*. Regulation of SaskGaming's operations is controlled by the separately constituted Saskatchewan Liquor and Gaming Authority. SaskGaming is an agent of Her Majesty in Right of the Province of Saskatchewan, and, as a provincial Crown corporation, is not subject to provincial or federal income taxes. As well, SaskGaming is not subject to provincial capital taxes.

SaskGaming operates under the direction of its owner, Crown Investments Corporation of Saskatchewan (CIC). CIC is the Government of Saskatchewan's holding corporation for its commercial Crown corporations. The financial results of SaskGaming are included in the consolidated financial statements of CIC.

On March 11, 2020, the World Health Organization (WHO) declared the novel coronavirus disease (COVID-19) a global pandemic. The pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. On the advice of Saskatchewan Health Authority and the Chief Medical Health Officer, SaskGaming suspended operations at the close of the gaming day on March 16, 2020 until further notice. The decision to temporarily close operations is in line with other jurisdictions in Canada which have temporarily suspended casino operations. The situation is dynamic and the ultimate duration and magnitude on the economy and the financial effect on SaskGaming's future revenues, operating results and overall financial performance is unknown at this time. The current events and conditions are expected to be temporary and SaskGaming has responded to these events by reducing employees except for those that are essential to the continued management of assets and continuation of corporate responsibilities.

2. Basis of Preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated financial statements were authorized for issue by the Board of Directors on May 28, 2020.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are classified as fair value through profit and loss, which are measured at fair value (Note 16).

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is SaskGaming's functional currency.

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Useful lives of property, plant and equipment (Note 3(e) and Note 4)
- Customer loyalty program (Note 3(c))

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by SaskGaming and its subsidiary.

This is the first set of SaskGaming's financial statements in which IFRS 16, *Leases*, has been applied. The related changes to significant accounting policies is described in 3(f).

a) Basis of consolidation

The consolidated financial statements include the accounts of SaskGaming and its wholly-owned subsidiary, SGC Holdings Inc. which is incorporated under *The Business Corporations Act (Saskatchewan)*. All intercompany transactions and accounts have been eliminated on consolidation.

b) Revenue

Gaming revenue (table and slot revenues) represents the net win from gaming activities, which is the difference between the amounts wagered and payouts by the casino. Gaming revenues are net of accruals for anticipated payouts of progressive jackpots and liabilities under the Players Club Program.

Ancillary revenues include food, beverage, parking and Show Lounge revenue.

Food, beverage and parking revenue is recognized when the goods and services are provided. Show Lounge revenue is recognized when the event occurs.

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.

c) Customer loyalty program

As part of its customer loyalty initiative, SaskGaming offers a Players Club Program to patrons. Under the program, club members accumulate reward points based on a combination of average bet, theoretical hold percentage, game speed and length of play at slot machines and tables. Members can redeem their points for cash or vouchers for free or discounted goods or services. SaskGaming records the points earned as a reduction of gaming revenue. A liability is accrued for the estimated cost of the earned points balance at the end of the period under the Players 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 and is deferred until the promotional consideration is provided.

d) Inventory

Inventory is stated at the lower of cost and net realizable value. The cost of inventory is determined using the most recent replacement cost.

e) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant 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 cost of those assets. SaskGaming ceases to capitalize borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

Assets are depreciated commencing in the year in which they are available for use, using the straight-line method over their useful lives as follows:

Building and renovations, including leased building	5 - 40 years
Furniture and equipment	3 - 20 years

Depreciation methods and useful lives are reviewed at each financial year end and adjusted if appropriate.

f) Leases

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees where the lessee recognizes all leases as a lease liability with a corresponding right-of-use asset, subject to recognition exemptions for certain short-term and low value leases, resulting in lease payments being expensed on a straight line basis. Short-term leases are leases with a lease term of 12 months or less that do not contain a purchase option. Low value assets are generally office furniture, office equipment and information technology equipment. For the

year ended March 31, 2020, SaskGaming expensed \$2,115 thousand in short-term leases and \$27 thousand in low-value leases.

SaskGaming adopted IFRS 16 using the modified retrospective approach whereby the cumulative effect of the change determined by applying the principles and practices of IFRS 16 are recognized in retained earnings on April 1, 2019. There was no impact to SaskGaming's opening retained earnings on transition. Comparative information was not restated and continues to be reported under IAS 17, Leases.

In adopting the standard, SaskGaming has applied various practical expedients:

- Recognition exemptions for short-term and low value leases
- Use of hindsight in assessing lease terms
- Grandfathering the lease definition on transition.

Policy from April 1, 2019

The lessee recognizes a right-of-use asset and a lease liability at the lease commencement date. Upon recognition, the right-of-use asset is measured at cost, which includes the initial lease liability adjusted for any lease payments made at or before the commencement date of the lease less any lease incentives received, plus any direct costs incurred and estimated costs to dismantle and remove the asset, if any.

The right-of-use asset is subsequently depreciated 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 the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are also periodically assessed and adjusted for impairment.

The lease liability is initially measured at the present value of outstanding lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, SaskGaming's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method. If there is a change in the future lease payments the lease liability will be adjusted.

Leasing Activities

The major categories of leased items include:

- Gaming equipment leases (including slot machines);
- Other equipment.

SaskGaming leases certain gaming equipment, which primarily includes slot machines. SaskGaming utilizes a combination of purchased and leased slot machines to enable the continuous refreshment of the gaming experience for guests. As a result slot machines are leased on a short-term basis and replaced frequently. SaskGaming has elected to apply the recognition exemption for short-term leases.

SaskGaming leases the property where Casino Moose Jaw is located. Prior to adoption of IFRS 16 this lease was accounted for as a finance lease obligation. There is no change to the accounting for this lease under IFRS 16. The "Finance lease obligation" lines on the Statement of Financial Position have been renamed as "Lease liabilities".

g) Employee benefits

(i) Defined contribution plan

SaskGaming provides pension benefits to eligible employees through participation in a defined contribution plan. A defined contribution 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. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the consolidated statement of comprehensive income when services are rendered by employees.

(ii) Short-term employee benefits

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

h) Foreign currency

Transactions in foreign currencies are translated to the functional currency of SaskGaming at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. All gains and losses on translation of these foreign currency transactions are included in income in the current period.

i) Financial instruments

(i) Non-derivative financial assets and liabilities

SaskGaming classifies its financial instruments into one of the following categories: fair value through profit or loss; amortized cost; and other liabilities. All financial instruments are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below.

Cash is classified as fair value through profit or loss and is recorded at fair value. Accounts receivable are classified as amortized cost. Financial assets classified as amortized cost are subsequently measured at amortized cost using the effective interest method, less any impairment.

SaskGaming has the following non-derivative financial liabilities which are classified as other liabilities: trade and other payables, short-term debt, payable to the GRF and dividend payable. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when SaskGaming has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) 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 net income.

SaskGaming had no contracts with embedded derivatives as at March 31, 2020 (March 31, 2019 - no embedded derivatives).

j) Impairment

i) Financial assets

SaskGaming recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. SaskGaming measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased, SaskGaming performs a quantitative and qualitative analysis based on SaskGaming's historical experience and forward-looking information. SaskGaming assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due. SaskGaming considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to SaskGaming in full, without recourse by SaskGaming to actions such as realizing security.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

ii) Non-financial assets

The carrying amounts of SaskGaming's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

k) Finance income and finance costs

Finance income comprises interest income on bank balances. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

l) New standards and interpretations not yet adopted

SaskGaming has assessed the impact of new standards, interpretations and amendments to existing standards were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for annual accounting periods beginning after March 31, 2020. There were no pronouncements impacting SaskGaming.

4. Property, Plant and Equipment

(Thousands of Dollars)	<u>Land</u>	<u>Buildings and Renovations</u>	<u>Furniture and Equipment</u>	<u>Right-of-Use Asset</u>	<u>Total</u>
Cost					
Balance at April 1, 2018	\$ 15,154	\$ 44,620	\$ 38,690	\$ 8,791	\$ 107,255
Additions	-	1,931	6,956	-	8,887
Disposals	-	-	(2,910)	-	(2,910)
Balance at March 31, 2019	<u>\$ 15,154</u>	<u>\$ 46,551</u>	<u>\$ 42,736</u>	<u>\$ 8,791</u>	<u>\$ 113,232</u>
Balance at April 1, 2019	\$ 15,154	\$ 46,551	\$ 42,736	\$ 8,791	\$ 113,232
Additions	-	3,316	7,118	14	10,448
Disposals	-	(678)	(3,706)	-	(4,384)
Balance at March 31, 2020	<u>\$ 15,154</u>	<u>\$ 49,189</u>	<u>\$ 46,148</u>	<u>\$ 8,805</u>	<u>\$ 119,296</u>
Accumulated Depreciation					
Balance at April 1, 2018	\$ -	\$ 20,681	\$ 26,587	\$ 3,258	\$ 50,526
Depreciation	-	2,093	3,973	260	6,326
Disposals	-	-	(2,898)	-	(2,898)
Balance at March 31, 2019	<u>\$ -</u>	<u>\$ 22,774</u>	<u>\$ 27,662</u>	<u>\$ 3,518</u>	<u>\$ 53,954</u>
Balance at April 1, 2019	\$ -	\$ 22,774	\$ 27,662	\$ 3,518	\$ 53,954
Depreciation	-	2,172	4,129	244	6,545
Disposals	-	(668)	(3,638)	-	(4,306)
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 24,278</u>	<u>\$ 28,153</u>	<u>\$ 3,762</u>	<u>\$ 56,193</u>
Carrying Amounts					
At March 31, 2019	<u>\$ 15,154</u>	<u>\$ 23,777</u>	<u>\$ 15,074</u>	<u>\$ 5,273</u>	<u>\$ 59,278</u>
At March 31, 2020	<u>\$ 15,154</u>	<u>\$ 24,911</u>	<u>\$ 17,995</u>	<u>\$ 5,043</u>	<u>\$ 63,103</u>

SaskGaming leases building and land under a finance lease agreement. At March 31, 2020, the net carrying amount of leased building was \$3,867 thousand (March 31, 2019 - \$4,097 thousand) and the leased land was \$1,176 thousand (March 31, 2019 - \$1,176 thousand).

5. Short-term Debt

On March 25, 2020, SaskGaming obtained \$5 million in financing through the General Revenue Fund in the form of a line of credit with a maturity date of April 24, 2020. The line of credit carries a fixed interest rate of 1.50 per cent.

Subsequent to year-end the line of credit was converted into a promissory note with a maturity date of March 17, 2021 and a fixed interest rate of 0.45%.

6. Payment to the General Revenue Fund

SaskGaming pays monies to the GRF to the extent required to meet the Government's obligations under the *The Saskatchewan Gaming Corporation Act* to the First Nations Trust, the Community Initiatives Fund and the Métis Development Fund.

7. Lease Liabilities

Beginning in September 2002, SaskGaming leased the Casino Moose Jaw property for 25 years at an annual cost of \$900 thousand for the first ten years, and \$955 thousand annually thereafter. At the end of the lease, SaskGaming will acquire the property for the sum of one dollar.

(Thousands of Dollars)	2020	2019
Total future minimum lease payments	\$ 7,083	\$ 8,038
Less: future finance charges on lease	(2,107)	(2,637)
Present value of lease liabilities	4,976	5,401
Less: current portion of lease liabilities	(471)	(425)
Lease liabilities	<u>\$ 4,505</u>	<u>\$ 4,976</u>

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

(Thousands of Dollars)	1 year	1 - 5 years	More than 5 Years
Future minimum lease payments	\$ 955	\$ 3,820	\$ 2,308
Present value of finance lease liabilities	471	2,453	2,052

8. Commitments and Contingencies

a) Agreement with Regina Exhibition Association (Association)

On April 1, 1997, SaskGaming entered into an agreement with the Association to fulfill previous commitments made to the Association regarding the maintenance of a certain level of its income.

The Association terminated the agreement effective November 23, 1997. Under the termination provisions of the agreement, SaskGaming agreed to pay the Association monthly payments of \$235,417 for the first year following termination of the agreement and, subject to certain conditions, monthly payments of \$216,667 until 2027.

b) Agreement with Moose Jaw Exhibition Company Ltd. (MJEX)

On July 31, 2001, SaskGaming entered into an agreement with MJEX regarding the maintenance of a certain level of income upon the opening of Casino Moose Jaw. Under this agreement, SaskGaming agreed to pay MJEX \$34,583 monthly, subject to certain conditions, starting in 2003 and continuing until 2028.

c) Litigation and claims

SaskGaming is involved in litigation and claims that arise from time to time in the normal course of business. In the opinion of management, any liability that may arise from such contingencies would not have a material impact on the consolidated financial position or the consolidated results of operations of SaskGaming.

9. Revenue

(Thousands of Dollars)	2020	2019
Gaming revenue	\$ 104,493	\$ 108,059
Ancillary revenue	8,896	9,799
Other	688	779
	<u>\$ 114,077</u>	<u>\$ 118,637</u>

Ancillary revenues include revenue from food and beverage, parking, Show Lounge and other non-gaming related activities.

10. Operating Expenses

(Thousands of Dollars)	2020	2019
Salaries and employee benefits	\$ 36,964	\$ 36,650
Employee future benefits	1,777	1,717
Maintenance and supplies	6,901	6,773
Advertising, promotions and sponsorships	3,549	3,745
Food and beverage cost of goods sold	2,779	2,979
Lease and rental	2,203	1,972
Entertainment	1,361	1,773
Printing and communication	1,090	1,249
Professional services	965	894
Other direct operating	3,385	3,361
	<u>\$ 60,974</u>	<u>\$ 61,113</u>

11. Taxes

SaskGaming is on the prescribed list of lottery corporations pursuant to Section 188 of *The Excise Tax Act*. In lieu of collecting Goods and Services Tax (GST) on revenue at the retail level, SaskGaming calculates and remits GST according to a formula prescribed by the Canada Revenue Agency (CRA). The formula requires SaskGaming to pay 10 per cent on the purchase of goods and services related to gaming activities.

GST and provincial sales tax on leased equipment is expensed over the term of the lease. Also included in taxes are grants in lieu of property tax.

As a provincial Crown corporation, SaskGaming is not subject to federal or provincial income or capital taxes.

12. Finance Expense

(Thousands of Dollars)	2020	2019
Interest on lease liabilities	\$ 530	\$ 572
Interest on short-term debt	6	-
	<u>\$ 536</u>	<u>\$ 572</u>

13. Pension Plan

Substantially all of SaskGaming's permanent employees participate in the Public Employees Pension Plan (the Plan), a defined contribution pension plan administered by the Plan's Board of Directors. The Public Employees Pension Plan is registered under *The Income Tax Act (Canada)* and is governed by the Plan board in accordance with *The Public Employees Pension Plan Act*. SaskGaming's financial obligation is limited to making the employer's required contributions for current service. During the year ended March 31, 2020, SaskGaming expensed \$1,777 thousand (March 31, 2019 - \$1,717 thousand) for the employer's required contributions.

14. Bank Indebtedness

SaskGaming has established a line of credit of \$3 million with its financial institution. The line of credit is unsecured. Interest is charged on the line of credit at the bank's prime rate. SaskGaming did not have any amount owing on the line of credit at March 31, 2020 (March 31, 2019 - nil).

15. Capital Management

SaskGaming's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of SaskGaming, and to ensure adequate returns to CIC. During the year, CIC required SaskGaming to declare 66.1 per cent (2019 - 80 per cent) of net earnings by way of dividend. As a result of the casino closures due to COVID-19, CIC cancelled the fourth quarter dividend.

SaskGaming funds its capital requirements through internal operating activities and debt. SaskGaming's maximum debt level is determined by the Government of Saskatchewan through Order-in-Council. Through this process, SaskGaming may borrow up to \$56.2 million, which includes finance leases and temporary loans. SaskGaming also has an available line of credit of

\$3.0 million at a financial institution. In fiscal 2020 SaskGaming obtained \$5 million in financing through the General Revenue Fund in the form of a line of credit.

SaskGaming monitors capital on the basis of the debt to equity ratio. The ratio is calculated as total debt divided by total equity. Total debt includes long and short term debt and finance lease obligations. Total equity is equal to retained earnings.

For fiscal 2020, SaskGaming's goal is a debt to equity ratio of 21.1%.

The debt to equity ratio is as follows:

(Thousands of Dollars)	<u>2020</u>	<u>2019</u>
Lease obligation	\$ 4,976	\$ 5,401
Short-term debt	<u>5,000</u>	<u>-</u>
Total debt	<u><u>\$ 9,976</u></u>	<u><u>\$ 5,401</u></u>
Retained earnings	<u>\$ 59,784</u>	<u>\$ 52,974</u>
Total equity	<u><u>\$ 59,784</u></u>	<u><u>\$ 52,974</u></u>
Debt to equity ratio	16.7%	10.2%

16. Financial Risk Management

SaskGaming has exposure to the following risks from its use of financial instruments: market risk (foreign currency risk), credit risk and liquidity risk.

a) Risk management

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

SaskGaming's risk management policies are established to identify and analyze the risks faced by SaskGaming, 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 SaskGaming's activities.

SaskGaming's Board of Directors oversees how management monitors compliance with SaskGaming's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by SaskGaming. 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 of Directors.

b) Fair value

Fair values approximate amounts at which financial instruments could be exchanged in an orderly transaction between market participants based on current markets for instruments with similar characteristics such as risk and remaining maturities. Fair value measurements are subjective in nature, and represent point-in-time estimates which may not reflect fair value in the future.

The methods and assumptions used to develop fair value measurements have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs other than quoted prices included in level one that are observable for the asset or liability. Level three includes inputs that are not based on observable market data.

The fair value of the short-term debt is considered to approximate its carrying value due to its short-term nature.

The following table presents the carrying amount and fair value of SaskGaming's financial instruments. The table also identifies the financial instrument category and fair value hierarchy.

(Thousands of Dollars)			2020		2019	
Financial Instruments	Classification ¹	Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	FVTPL	Level One	\$ 20,069	\$ 20,069	\$ 18,195	\$ 18,195
Accounts receivable	AC	Level Two	188	188	140	140
Trade and other payables	OL	Level Two	11,875	11,875	10,592	10,592
Short-term debt	OL	Level Two	5,000	5,000	-	-
Payable to the GRF	OL	Level Two	2,498	2,498	5,120	5,120
Dividend payable	OL	Level Two	-	-	4,576	4,576

Classification¹:

FVTPL - Fair value through profit and loss

AC - Amortized cost

OL - Other liabilities

c) Foreign exchange risk

SaskGaming 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. There has been no change in the risk exposure from March 31, 2019.

d) Credit risk

SaskGaming does not extend credit to its gaming customers. Credit risk is limited to its accounts receivable balance which consists primarily of credit extended to business entities for business functions held at the Show Lounge. Credit risk is not considered significant. There has been no change in the risk exposure from March 31, 2019.

e) Liquidity risk

Liquidity risk is the risk that SaskGaming is unable to meet its financial commitments as they become due or can only do so at excessive cost. SaskGaming manages its cash resources based on financial forecasts and anticipated cash flows.

The following summarizes the contractual maturities of SaskGaming's financial liabilities.

At March 31, 2020

(Thousands of Dollars)

Financial Liabilities	Contractual Cash Flows						
	Carrying Amount	Total	0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	More than 5 years
Trade and other payables	\$ 11,875	\$ 11,875	\$ 11,875	\$ -	\$ -	\$ -	\$ -
Short-term debt	5,000	5,000	5,000	-	-	-	-
Payable to the GRF	2,498	2,498	2,498	-	-	-	-
Lease liabilities	4,976	7,083	478	478	955	2,865	2,307
	<u>\$ 24,349</u>	<u>\$ 26,456</u>	<u>\$ 19,851</u>	<u>\$ 478</u>	<u>\$ 955</u>	<u>\$ 2,865</u>	<u>\$ 2,307</u>

At March 31, 2019

(Thousands of Dollars)

Financial Liabilities	Contractual Cash Flows						
	Carrying Amount	Total	0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	More than 5 years
Trade and other payables	\$ 10,592	\$ 10,592	\$ 10,592	\$ -	\$ -	\$ -	\$ -
Payable to the GRF	5,120	5,120	5,120	-	-	-	-
Dividend payable	4,576	4,576	4,576	-	-	-	-
Lease liabilities	5,401	8,038	478	478	955	2,865	3,262
	<u>\$ 25,689</u>	<u>\$ 28,326</u>	<u>\$ 20,766</u>	<u>\$ 478</u>	<u>\$ 955</u>	<u>\$ 2,865</u>	<u>\$ 3,262</u>

Management believes its ability to generate funds will be adequate to support these financial liabilities. There has been no change in the risk exposure from March 31, 2019.

17. Related Party Transactions

SaskGaming is controlled by the Government of Saskatchewan through its ownership of SaskGaming's parent, CIC. Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to SaskGaming by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "government-related entities"). SaskGaming has elected to take a partial exemption under IAS 24, *Related Party Disclosures* which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

Routine operating transactions with related parties are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. For the year ending March 31, 2020, the aggregate amount of SaskGaming's transactions with other government-related entities is approximately 5.1 per cent of direct operating expenses (March 31, 2019 - 5.4 per cent).

In addition, SaskGaming pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. SaskGaming also collects liquor consumption tax from customers and remits to the Saskatchewan Ministry of Finance.

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

Key management personnel compensation

In addition to salaries, SaskGaming provides non-cash benefits to key management personnel, defined as the President, Vice Presidents and Board members of SaskGaming. Key management personnel compensation is comprised of:

(Thousands of Dollars)	<u>2020</u>	<u>2019</u>
Short term employee benefits	\$ 1,565	\$ 1,497
Post-employment benefits (defined contribution pension plan)	<u>109</u>	<u>68</u>
	<u><u>\$ 1,674</u></u>	<u><u>\$ 1,565</u></u>

GOVERNANCE

Mandate and Authority

The Saskatchewan Gaming Corporation (SaskGaming) was established as a Treasury Board Crown corporation under *The Saskatchewan Gaming Corporation Act* with the mandate to establish and operate casinos in Saskatchewan. Effective April 1, 2008, SaskGaming became a Crown corporation under the direction of Crown Investments Corporation (CIC), the holding company for Saskatchewan's statutory Crown corporations.

SaskGaming is accountable to the Government of Saskatchewan through a Board of Directors appointed by the Lieutenant Governor in Council. Through the Chair, the Board is accountable to the Minister Responsible for SaskGaming.

SaskGaming operates Casinos Regina and Moose Jaw under the regulatory authority of the Saskatchewan Liquor and Gaming Authority (SLGA). Day-to-day operating practices at the casinos are governed by provincial regulations. SaskGaming also operates in accordance with statutory provisions under the Criminal Code of Canada and *The Alcohol and Gaming Regulation Act, 1997*.

Profit Sharing

SaskGaming pays 50.0 per cent of its net income to the General Revenue Fund (GRF) to fulfill the government's legislated commitment to the First Nations Trust and the Community Initiatives Fund (CIF) as outlined in *The Saskatchewan Gaming Corporation Act*. Half of SaskGaming's commitment flows to the First Nations Trust and the other half flows to the CIF.

- The First Nations Trust distributes funding to all First Nations in the province and requires these funds to be spent on economic development, social development, justice, educational development, recreational facilities development and operation, senior and youth programs, cultural development, community infrastructure, health initiatives and other charitable purposes.
- The CIF is overseen by the Ministry of Parks, Culture and Sport and provides grants to initiatives that enhance human development and community vitality.
 - By agreement, a portion of the funds established for the CIF are allocated to the Métis Development Fund, also known as the Clarence Campeau Development Fund (CCDF). Its mission is to improve the economic circumstances of Saskatchewan's Métis people by providing funding for business development, community economic development, development of management skills and assistance to new and existing Métis-owned businesses.
 - This agreement specifies an 80/20 split (CIF/CCDF) on the first \$10.0 million and an equal share (50/50) of any remaining revenues.

The remaining 50.0 per cent of SaskGaming's net income is available for dividend distribution through CIC for other priorities of government. The unused portion remaining is retained by SaskGaming for future needs.

Shareholder Direction and Communications

As the shareholder of SaskGaming, CIC establishes the general strategic direction (as it does for all subsidiary Crowns) and, in turn, SaskGaming supports that strategic direction.

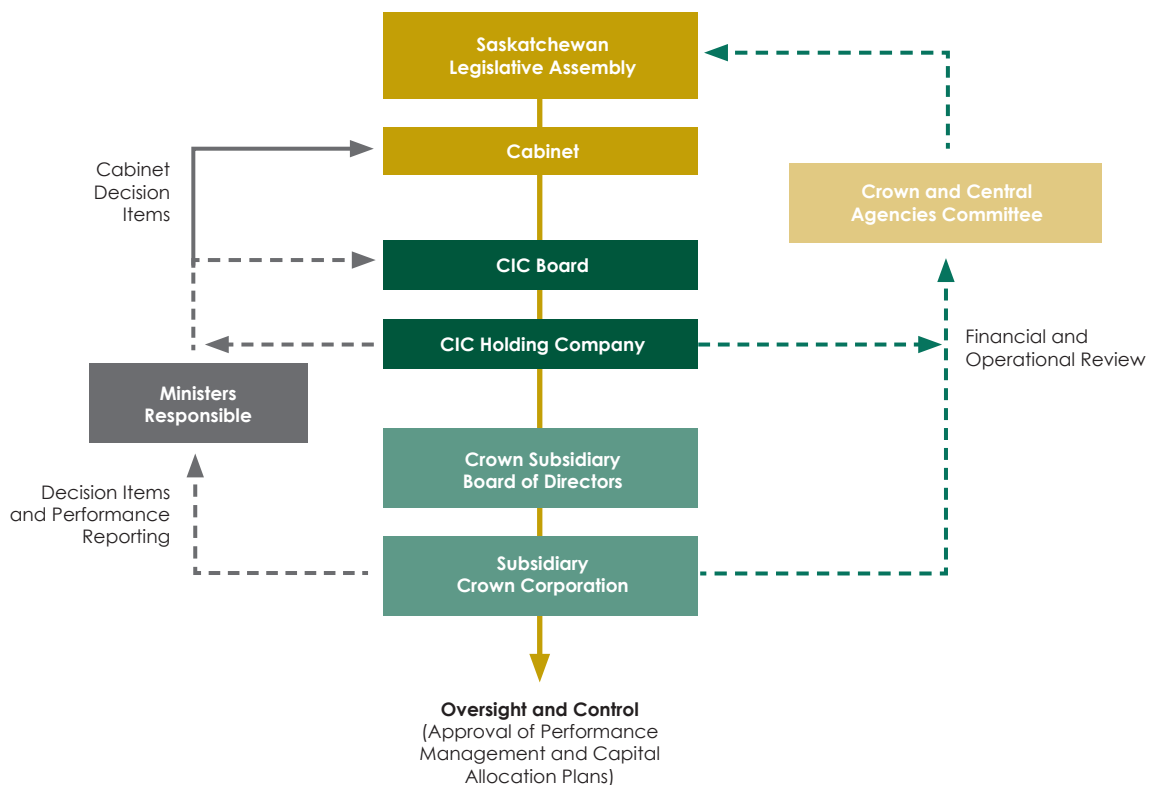
CIC communicates with SaskGaming through written policies or directives issued by CIC management or the CIC Board of Directors, and verbally through discussions with SaskGaming senior leaders. SaskGaming reports to CIC on a regular basis on matters such as balanced scorecard results, financial statements and budget forecasts, capital expenditures and other requested information on an ad hoc basis. Where required by legislation or directive, SaskGaming submits information and/or decision items for review and approval by CIC and the provincial Cabinet.

The President and CEO of SaskGaming reports to a Board of Directors appointed by the Lieutenant Governor in Council. The Board is comprised of seven members, three of whom are nominated by the Federation of Sovereign Indigenous Nations (FSIN).

Through the Chair, SaskGaming's Board of Directors is accountable to the Minister Responsible for SaskGaming. The Minister functions as a link between SaskGaming and the provincial Cabinet, as well as the Legislative Assembly of Saskatchewan.

The Legislative Assembly appoints members to the Standing Committee on Crown and Central Agencies at the beginning of each legislative session. This committee holds public hearings and is empowered to review the annual report, financial statements and operations of Crown corporations and related agencies. The Minister Responsible for SaskGaming and SaskGaming senior management are called before the committee to answer questions about the year(s) under review.

The following chart illustrates the accountability structure for Crown corporations:



Regulatory Compliance

The Saskatchewan Gaming Corporation Casino Regulations, 2002 govern the day-to-day operating practices at Casinos Regina and Moose Jaw. SaskGaming is also subject to other acts and associated regulations including but not limited to *The Financial Administration Act*, *The Tabling of Documents Act*, *The Crown Corporations Act*, *The Freedom of Information and Protection of Privacy Act*, *The Heritage Property Act* and *The Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

SaskGaming has detailed policies and procedures in place to ensure compliance with all regulatory standards, and a Risk and Compliance department tasked with ensuring we meet our obligations. SaskGaming representatives from Risk and Compliance and the Corporate Auditor meet quarterly with SLGA compliance investigators to discuss operational matters and to review new or existing policies and procedures. SaskGaming senior leaders are also in regular contact with SLGA through written and verbal interactions.

Role of the Board of Directors

The Board of Directors functions as a steward of the corporation and has a statutory authority and an obligation to manage the affairs and the business of the corporation. In satisfaction of this obligation, the Board provides oversight, while delegating to management the responsibility for day-to-day operations. The fundamental objective of the Board is to act in the best interests of SaskGaming, taking into account the public policy and business objectives of the corporation, with a view to enhancing shareholder value.

Visit casinoregina.com for the Board's terms of reference.

Board Composition

The composition of the Board of Directors is set out in SaskGaming's governing legislation. The Board consists of not more than seven members, all of who are appointed by the Lieutenant Governor in Council. Three members of the SaskGaming Board are nominated by the FSIN. Cabinet may fill any vacancy that occurs on the Board.

Board Appointment and Renewal

While the appointment of directors is ultimately made by the Lieutenant Governor in Council, it follows recommendations provided by CIC and the SaskGaming Board of Directors.

The Governance and Human Resources Committee leads the process for assessing the skills and competencies of Board and committee members to support the strategic direction and the operational needs of the corporation. The committee, in compliance with the CIC Board of Directors Appointment Policy, reviews potential candidates and recommends approval of qualified candidates to the SaskGaming Board for consideration by the CIC Board of Directors. Recommendations may also include appropriate mix of skills, qualifications and expertise required for new directors.

Compensation Practices

Compensation rates for directors are set by the CIC Board of Directors. Directors receive quarterly retainers when they are engaged in work for the corporation, including performance of any duties on behalf of the corporation or as a member of a Committee of the Board.

The CIC Board sets compensation rates according to the level of responsibility of the Board. In 2019-20, the quarterly retainer for members of the SaskGaming Board of Directors was \$5,000 for the chair and \$3,500 per director.

Committee chairs also receive a quarterly retainer and members of committees receive a per diem for attendance at meetings. The Chair of the Audit and Finance Committee receives a \$650 quarterly retainer and the Chair of the Governance and Human Resources Committee receives a \$500 retainer. The maximum per diem for members of committees is \$650 for a full-day and \$350 for a half-day meeting.

Board expenses for the fiscal period ending March 31, 2020 were \$143,016.

Code of Conduct

Members of the SaskGaming Board of Directors are governed by SaskGaming's Code of Business Conduct and Ethics policy and the CIC Code of Conduct for Directors of Subsidiary Crown Corporations. The CIC code assists the Boards of subsidiary Crowns to more effectively fulfill their statutory and fiduciary obligations, and maintain a reputation for the highest standards of public trust and confidence in serving the interests of all stakeholders. The Governance and Human Resources Committee serves as ethics advisor to the Board, administers and enforces the CIC code and reports annually to the Board on compliance with the CIC code.

CEO Assessment and Executive Compensation

The Board monitors and evaluates the performance of the President and CEO on an ongoing basis. The Board Chair with input from Board members annually reviews and recommends to the Board the performance objectives, work plans and development plans for the President and CEO for the upcoming year. The committee, with the Board Chair, conducts an annual performance review of the President and CEO, based on agreed-upon objectives and developmental initiatives, which are approved by the Board and updated each year. The committee shares the results of the annual performance review with the Board.

The executive compensation plan for Saskatchewan Crown corporations is defined by CIC. CIC has designed and administers executive compensation consistent with the CIC Board and Cabinet's Crown Sector Executive Compensation Framework, and is committed to a "total compensation" (e.g. base salary, pay at risk, benefits and pension) perspective. Crown sector compensation maintains a meaningful degree of competitiveness with the relevant external labour markets, targeting to achieve +/- 10 per cent of the 50th percentile of market comparators (i.e. the middle of the market).

As a result, executive compensation at SaskGaming complies with the Crown Sector Executive Compensation Framework, as revised May 31, 2018, and set out in the CIC Subsidiary Crown Policy Manual. Each of SaskGaming's executive received a comprehensive group benefit package and a salary that consists of two main components: base salary and pay at risk.

Consistent with CIC Board and Cabinet-approved ranges, the SaskGaming executive base salary ranges for 2019-20 were:

Position	Base Salary Range
President and CEO	\$187,476 - \$234,345
Executive 1	\$151,753 - \$189,691
Executive 2	\$128,992 - \$161,239

Executive pay at risk is a portion of pay that is withheld, or placed at risk, subject to performance. It is based on both corporate and individual objectives and is determined by demonstrated results against these objectives. The targets established for payment of pay at risk are directly linked to stretch goals that are objective, quantifiable and within the span of control and/or influence of management. For the corporate component, the measures and targets are established equivalent to the annual balanced scorecard measures and targets.

In 2019-20, the weighting ranges for each component are:

Position	Corporate Weighting	Individual Weighting
President and CEO	85%	15%
Executive 1	75%	25%
Executive 2	75%	25%

The Governance and Human Resources Committee monitors and annually reviews the compensation and benefit programs, policies and incentive compensation plans for executive and recommends to the Board, where appropriate, any changes to the compensation levels for the President and CEO or executive.

Direct reports of the President and CEO, including all executive members, are required by legislation to file and report the details of their compensation and benefits, and any changes to their compensation and benefits, to Clerk of the Saskatchewan Legislature within 14 days of the change. In addition, the Standing Committee on Crown and Central Agencies of the Legislative Assembly requires all Crown corporations, including SaskGaming, to file an annual Crown Payee Disclosure Report which includes the total compensation of executive members. The report is available to the public on the CIC website. The Governance and Human Resources Committee and the Board annually review the details of the report.

Succession Management and Planning

SaskGaming has in place a Succession Management and Planning Framework and associated succession plan. The plan is reviewed on a semi-annual basis by the Governance and Human Resource Committee of the Board of Directors. The plan is in place to ensure the corporation has the right people, with the necessary competencies and skills needed to successfully compete for vacancies as they arise.

In support of SaskGaming's commitment to the training and development of employees, the Governance and Human Resources Committee approves and/or recommends the corporation's human resource policies (that relate to the terms and conditions of employment and compensation), guidelines, procedures and systems, and reports changes in policies to the Board. The committee annually reviews and makes recommendations to the Board regarding the corporation's Succession Management and Planning Framework, which was most recently reviewed in 2017 to help SaskGaming meet its current and long-term needs and ensures it can meet its business plan goals. The committee annually reviews updates regarding identified critical positions and associated mitigation plans.

The committee is also responsible for the succession plan for the President and CEO, and annually updates the position description to outline primary duties, responsibilities and accountabilities of the position and makes recommendations regarding the succession plan to the Board.

Board Committees

The Board has the authority to appoint any committees that it considers necessary for conducting the business of the corporation. The Board has developed terms of reference prescribing the scope, duties and responsibilities of the committees it has appointed to assist it in fulfilling its obligations.

Audit and Finance Committee

The mandate of the Audit and Finance Committee is to assist the Board in meeting its responsibilities by ensuring the adequacy and effectiveness of the corporation's financial reporting, internal controls, management information systems and risk management. The committee is directly responsible for the corporate audit function, approving the corporate audit charter, plan and resources, and reviewing audit results. The committee has responsibility to:

- Oversee the work of the Corporate Auditor and External Auditor;
- Approve the Corporate Auditor's annual audit plan, including any significant mid-year changes to the plan;
- Resolve any disagreements regarding accounting, internal controls or auditing matters;
- Retain independent counsel, accountants or others to advise the committee as required, or to assist in conducting an investigation; and
- Seek any information it requires from external parties or employees to conduct an investigation.

The committee has the authority to authorize investigations into any matter referred to it by the Board, or any other matter within the committee's scope of responsibilities. The committee meets in-camera with the corporation's Corporate Auditor, as necessary, to better understand the information presented by Corporate Audit or any other relevant issues. The committee also meets regularly with the appointed External Auditor.

Key work of the committee in 2019-20 included the review and recommendation for Board approval as follows:

- The corporation's external and internal Audit plans;
- The 2018-19 Consolidated Financial Statements;
- The 2018-19 Annual Report;
- The SaskGaming Payee Disclosure Reports;
- The quarterly Public Financial Reports;
- Quarterly PMP reports;
- Reviews reports from the internal auditor;
- Reviews the appointment of the external auditor;
- The quarterly Enterprise Risk and Opportunities Management status reports;
- The 2020-21 PMP; and
- The 2020-21 budget.

In 2019-20, the committee held a total of four meetings.

Members: Blair Ross (Chair April 1 - August 21), Paul Pastor (Chair August 21 - March 31), Patricia Thomson, Ernest Standingready.

Governance and Human Resources Committee

The Governance and Human Resources Committee serves as an advisory body to the Board, providing leadership to the Board in relation to governance processes, policies and principles of the corporation and assisting the Board in nominating potential candidates for positions on the Board. The committee oversees SaskGaming's overall employment environment and is responsible for the corporation's policies for human resource management, compensation and succession planning.

The committee also provides input annually to the Board on the performance objectives, work plans and development plans for the President and CEO. The committee also provides input to the Board Chair's annual performance review of the President and CEO.

The committee develops and reviews the effectiveness of the corporation's governance practices and biennially reviews the terms of reference of the Board and its committees. The committee annually reviews the corporation's diversity initiatives and monitors the corporation's Code of Business Conduct and Ethics Policy and other workplace policies. It serves as ethics advisor to the Board, administering and enforcing CIC's Code of Conduct and reporting annually to the Board on compliance with CIC's code.

Key work of the committee in 2019-20 included the review and recommendation for Board approval as follows:

- Review and approve the memorandum of settlements for the International Alliance of Theatrical Stage Employees and the Public Service Alliance of Canada;
- Review and recommend the annual succession and retention plan;
- Review the summary of litigation pertaining to human resource matters;
- Review the compensation and benefits programs and in particular those that apply to the executive group;

- Approve changes to the Executive Compensation Framework;
- Review performance targets for executive;
- To assist the Chair of the Board in the completion of the annual performance review of the President and CEO; and
- Engage in collective bargaining preparation and approve strategies for the respective bargaining units.

In 2019-20, the committee held a total of four meetings.

Members: Patricia Thomson (Chair), Blair Ross (Ex Officio), Eileen Libby, Cadmus Delorme, Donna Strudwick.

Governance Practices

SaskGaming's approach to corporate governance is substantially consistent with the guidelines set out in the Canadian Securities Administrators (CSA) National Policy 58-201 – Corporate Governance Guidelines and National Instrument 58-101 – Disclosure of Corporate Governance Practices.

The National Policy and National Instrument address the key areas of responsibility for effective corporate governance, including responsibility for stewardship of the corporation, the Board's role in working with management and the functioning of the Board. Although SaskGaming is not legally obligated to comply with CSA governance guidelines, the corporation has benchmarked its corporate governance practices against the CSA National Policy and National Instrument Guidelines in the following corporate governance scorecard.

CSA National Policy 58-201 and National Instrument 58-101 Disclosure of Corporate Governance Practices	SaskGaming's Corporate Governance Practices	Consistent with CSA Guidelines?
1. Board of Directors Composition The Board should have a majority of independent directors.	There are seven members on the SaskGaming Board appointed by the Lieutenant Governor in Council. The Federation of Sovereign Indigenous Nations (FSIN) nominates three members and the provincial Cabinet appoints four members. All directors are independent.	Yes
Disclosure of significant shareholders (ability to exercise the majority of votes to elect directors).	Saskatchewan Gaming Corporation, as a subsidiary Crown corporation, does not have any issued share capital. Although CSA is reviewing governance of controlled companies, this feature is not applicable to SaskGaming.	Not Applicable

(a) Disclose the identity of directors; and

Blair Ross, Board Chair: Independent, President and COO, Co-founder of SRG Security Resource Group.

Yes

(b) Describe who is independent and the basis for the determination of independence.

Patricia Thomson, Board Vice-Chair: Independent, FSIN appointee, Senior Indigenous Advisor, Government of Saskatchewan.

Cadmus Delorme: Independent, FSIN appointee, Chief of the Cowessess First Nation.

Eileen Libby: Independent, Partner at MacPherson Leslie & Tyerman LLP.

Ernest Standingready: Independent, FSIN appointee, elected Councillor and Treaty 4 Headman for Ocean Man Nakota First Nation.

Donna Strudwick: Independent, Senior Office Inspector for the Rural Board of Examiners.

Paul Pastor: Independent, Partner at Buckberger Baerg & Partners LLP.

None of the directors or their "associates" work with or for the corporation, or have material contracts or relationships with the corporation, or have received remuneration from the corporation in excess of the fees and compensation as directors or committee members or as directors of subsidiaries of the corporation.

(c) Indicate whether directors are directors of any other issuer that is a reporting issuer.

SaskGaming does not have share capital, and therefore is not an issuer.

Not
Applicable

(d) Do directors hold regularly scheduled in-camera meetings to facilitate open and candid discussion? If so, how many meetings were held in the previous 12 months?

At each regular meeting, the Board sets aside time on the agenda for an in-camera session where management is excused from the meeting. The Board held five meetings in 2019-20.

Yes

(e) The Chair should be independent to provide leadership for the directors.

The Board structure of SaskGaming is such that the Chair of the Board is independent.

Yes

(f) Disclose the attendance record of each director for Board meetings held in the most recently completed financial year.

The following are the attendance statistics for Board meetings:

Provided

Director	Board	Audit & Finance	Governance & HR	Total
Delorme	4/5	-	3/4	7/9
Libby	4/5	-	3/4	7/9
Pastor	5/5	4/4	-	9/9
Ross	5/5	4/4	4/4	13/13
Standingready	5/5	4/4	-	9/9
Strudwick	5/5	-	4/4	9/9
Thomson	4/5	3/4	4/4	11/13

For the purposes of this report, members who attended meetings in part were considered to be present.

2. Board Mandate

The Board should adopt a written mandate which explicitly acknowledges responsibility for the stewardship of the corporation and which delineates its roles and responsibilities, including responsibility for:

The Board has written terms of reference that set out its responsibility to function as stewards of the corporation, and the obligation to manage the affairs and business of the corporation. While the fundamental objective of the Board is to act in the best interests of the corporation, the Board has a responsibility to ensure congruence among shareholder expectations, corporate plans and management performance. The Board Terms of Reference are available to the public on the corporate website.

Yes

The Board adopts an Annual Work Plan to ensure the duties and responsibilities identified in the Terms of Reference are scheduled to be achieved.

(a) Satisfaction regarding the integrity of the Chief Executive Officer (CEO) and executive and the creation of a culture of integrity;

The CEO and executive act in accordance with the governing legislation, the corporation's Code of Business Conduct and Ethics Policy and Board Terms of Reference which are available to the public on the corporate website.

Yes

The Board has approved the Whistleblower Policy, which provides a mechanism for anonymous internal reporting of actual or potential business misconduct.

Each of the committees established by the Board has its own Terms of Reference, which are available on the corporate website. Board members are also governed by the CIC's Code of Conduct for directors of subsidiary Crown corporations.

(b) The adoption of a strategic planning process and approval of a strategic plan that takes into account, among other things, the opportunities and risks of the business;

SaskGaming has an integrated strategic planning process using the balanced scorecard methodology to build clarity about the strategic direction, ensure alignment with shareholder priorities and to translate that direction into a results-focused, actionable performance plan.

Yes

At the beginning of the process the Board of Directors engaged in a strategic planning event to review the environmental scan, determine the risks and impact on the corporation and the shareholder and determine a set of priorities for action over the next three to five years.

(c) The identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;

SaskGaming management and the Board developed an Enterprise Risk and Opportunities Management Framework in 2009 that integrated the corporation's Risk Management Program into its annual planning process.

Yes

Risk is an important responsibility of the Board. It receives and discusses reports on corporate-wide risks and mitigation strategies quarterly, it receives a quarterly report on compliance with gaming regulations and instituted a quarterly compliance certificate process for the CEO and CFO in 2012.

(d) Succession planning, including appointing, training and monitoring senior management;

SaskGaming has a Workforce Plan to ensure the corporation has the right people, competencies and skills needed to be successful. The Workforce Plan links to the Corporate Learning and Development Plan, through which SaskGaming manages the development of desired competencies.

Yes

In support of SaskGaming's commitment to the training and development of employees, the Governance and Human Resources Committee approves and/or recommends the corporation's human resource policies, guidelines, procedures and systems, and reports changes in policies to the Board. The committee annually reviews and makes recommendations to the Board regarding the corporation's Succession Planning Framework, which was developed in 2011 to help SaskGaming meet its current and long-term needs and ensures it can meet its business plan goals. The committee semi-annually reviews updates regarding identified critical positions and associated mitigation plans.

The committee is also responsible for the succession plan for the President and CEO, annually updating the position description outlining primary duties, responsibilities and accountabilities and making recommendations regarding the succession plan to the Board.

(e) A communications policy for the corporation;

SaskGaming is committed to the principles of transparency, openness and timeliness in communications with its owner, employees, stakeholders and the public. The corporation complies with communication requirements set by the shareholder. The Board approved a communications policy in 2009. In 2018, the Government of Saskatchewan issued an overarching communications policy for all government ministries, Crowns and agencies, which SaskGaming adheres to.

Yes

(f) The integrity of the corporation's internal control and information management systems;

The Board has appointed an Audit and Finance Committee to assist the Board in fulfilling its responsibilities with respect to the adequacy and integrity of the corporation's financial reporting, internal control systems, risk management and relationship with external auditors. These areas are also audited by the Internal Auditor as part of their annual work plan.

Yes

(g) Development of approach to corporate governance, principles and guidelines;

The Governance and Human Resources Committee is mandated through its Terms of Reference to be responsible to the Board for the development, review and effectiveness of SaskGaming's corporate governance practices. The Committee also serves as the ethics advisor to the Board.

Yes

(h) General mandate re: stakeholder relations, and expectations and responsibilities of directors.

The duties of directors are set out in legislation. A Code of Conduct applicable to the directors of all subsidiary Crown corporations also guides members of the Board.

Yes

The primary responsibility of the Board of Directors is to foster the long-term success of the corporation consistent with the Board's responsibility to its shareholder.

The Chair of the Board participates in a CIC Chairs Forum conducted by the shareholder, where feedback and communication is provided to all Crown corporation Board Chairs on the expectations of the holding company as representatives of the shareholder.

Building on the base of directors' duties outlined in legislation, the Terms of Reference for the Board and its committees are reviewed biennially.

3. Position Descriptions

(a) The Board should develop position descriptions for the Board Chair and Chair of each Board committee;

The Board has developed position descriptions for the Board Chair, the committee Chairs and individual directors which set out the duties and responsibilities of each.

Yes

(b) Together with the CEO, develop a position description for the CEO delineating management's responsibilities and approving corporate goals and objectives that the CEO is responsible to meet.

The Board has developed the Board's Terms of Reference which outline the responsibilities of the Board and management.

Yes

The Board has approved a position description that sets out the primary duties, responsibilities and accountabilities of the President and CEO.

The Board has also approved policies for expenditure authorities for the President and CEO and executive officers. These policies clearly outline the limits of their authorities and the levels for which matters must receive Board approval.

The Board reviews and approves the annual Performance Management Plan, balanced scorecard targets and budget. The President and CEO is expected to deliver these outcomes.

4. Orientation and Continuing Education

The Board should ensure new directors receive comprehensive orientation and fully understand the role and the contribution they are expected to make; and, the Board should provide continuing education opportunities for all directors.

The Governance and Human Resources Committee has responsibility to provide an appropriate orientation program for new directors and a continuing education program for all directors.

Yes

Directors receive an orientation to the corporation and the industry from management. CIC delivers a comprehensive training program for directors focusing on best governance practices and the Board's role and responsibilities. Some directors also undertook governance training offered through CIC.

5. Code of Business Conduct and Ethics

(a) The Board should adopt a written Code of Business Conduct and ethics applicable to directors, officers and employees of the corporation which is designed to promote integrity and deter wrongdoing. The Code should address conflicts of interest, protection, proper use of corporate assets and opportunities, confidentiality, fair dealing, compliance with laws, rules and regulations and provide a mechanism to report illegal or unethical behaviour.

Directors of the corporation are required to abide by CIC's Code of Conduct for directors of subsidiary Crown corporations. The Governance and Human Resources Committee, as the ethics advisor to the Board, is required to administer, monitor and enforce the Code of Conduct, which includes reporting annually to the Board concerning compliance. Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination of their independence.

Yes

The Governance and Human Resources Committee annually reviews the enforcement of and compliance with corporate policies related to employee conduct, harassment and violence in the workplace.

(b) The Board should monitor compliance with the Code and grant any waivers required for directors and executive officers. Any waivers for a material departure from the Code for any directors or officers should be granted by the Board.

The Governance and Human Resources Committee monitors and reports annually to the Board concerning compliance with the CIC's Code of Conduct for directors of subsidiary Crown corporations. The committee also advises directors on conflicts of interest, including actions for avoiding a conflict or potential conflict of interest.

Yes

6. Nomination of Directors

(a) The Board should appoint a nominating committee composed of entirely independent directors, with a written charter establishing the committee's purpose, responsibilities, member qualifications, appointment, removal, structure and operations

SaskGaming does not have a separate nominating committee; however, SaskGaming's Governance and Human Resources Committee performs the function of a nominating committee.

Yes

As stated in the Board of Directors' Terms of Reference, the Committee will, in compliance with the CIC Board of Directors Appointment Policy, review potential candidates and recommend approval of qualified candidates to the Board for consideration by the CIC Board of Directors. The committee also reviews and recommends a candidate for appointment of Board Chair, reviews and makes recommendations regarding the composition of the Board and the committees, and reviews and recommends appropriate committee structure.

All of the Governance and Human Resources Committee members are independent.

(b) The Board should adopt a nomination process which first considers the competencies and skills of the Board as a whole; assesses the competencies and skills possessed by each existing director; and, identifies competencies and skills each new nominee would bring to the Board, including the ability to devote sufficient time and resources to the job.

The Governance and Human Resources Committee is responsible for assessing the skills and competencies of Board and committee members to support the strategic direction and the operational needs of the corporation. The Board may make recommendations to the CIC Board respecting the appropriate mix of skills, qualifications and expertise required for new directors.

Yes

The Board has developed position descriptions for the Board Chair, the committee Chairs and individual directors which set out the duties, responsibilities and expectations of each position.

(For reference: *The Saskatchewan Gaming Corporation Act* requires appointment of directors through Order in Council, and limits the Board to recommend candidates only.)

7. Compensation

(a) The Board should appoint a compensation committee composed entirely of independent directors, with a written charter to establish the committee's purpose, responsibilities, member qualifications, appointment, removal, structure, operations and manner of reporting to the Board.

The Board has appointed a Governance and Human Resources Committee, which has the responsibility to make recommendations to the Board on human resource and compensation-related matters. A written Terms of Reference prescribes the scope, duties and responsibilities of the committee. The committee has been given the authority to retain any outside advisor it deems necessary.

Yes

The Board monitors and evaluates the performance of the President and CEO on an ongoing basis. The Governance and Human Resources Committee conducts an annual performance review of the President and CEO.

The Governance and Human Resources Committee is comprised of independent directors.

b) The compensation committee should be responsible for reviewing and approving corporate goals and objectives relative to the CEO's compensation, the CEO's performance in light of those corporate goals and objectives and determining the CEO's compensation level based on the evaluation; as well as reviewing executive compensation prior to public disclosure.

The Governance and Human Resources Committee annually reviews and recommends to the Board the performance objectives, work plans and development plans for the President and CEO for the upcoming year.

Yes

The committee, with the Board Chair, conducts an annual performance review of the President and CEO, based on agreed-upon objectives and developmental initiatives, which are approved by the Board and updated each year. The committee shares the results of the annual performance review with the Board.

The committee reviews the President and CEO position profile as required, or at least every three years, and recommends any amendments to the Board for approval.

The executive compensation plan for Crown corporations is defined by CIC. As a result, executive compensation at SaskGaming aligns with the guidelines established by CIC. Within the guidelines set by CIC, the Governance and Human Resources Committee monitors and annually reviews the compensation and benefit programs, policies and incentive compensation plans for executive and recommends to the Board, where appropriate, any changes to the compensation levels for the President and CEO or executive. Incentive compensation is tied to the achievement of corporate targets and the extent to which the targets are achieved determines executive eligibility for performance compensation.

Direct reports of the CEO, including all executive members, are required by legislation to file and report the details of their compensation and benefits and any changes to the Clerk of the Saskatchewan Legislature within 14 days of the change. In addition, the Standing Committee on Crown and Central Agencies of the Legislative Assembly requires all Crown corporations, including SaskGaming, to file an annual Crown Payee Disclosure Report which includes the total compensation of executive members. The report is available on the CIC public website. The Governance and Human Resources Committee and the Board annually review the details of the report.

(c) The compensation committee should be responsible to make recommendations to the Board with respect to director compensation

Compensation levels for directors, the Board Chair and committee Chairs are set by the CIC Board of Directors.

Yes

8. Other Board Committees

Identify standing committees other than audit, compensation and nominating, and describe their function.

The Board has the authority to appoint any committee it considers necessary for the efficient conduct of the affairs and business of the corporation.

Yes

9. Board Assessments

The Board, its committees and each individual director should be regularly assessed with respect to their effectiveness and contribution in terms of the board or committee's terms of reference, or an individual director's position description and competencies and skills.

The Board follows a process to evaluate the performance of the Board, Board Chair, committees, committee Chairs and individual directors. Evaluations are conducted biennially. The Board and Board Chair are evaluated one year, and the committees, committee Chairs and directors evaluated in the alternate year.

Yes

10. Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its Board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

The SaskGaming Board of Directors is appointed by the Lieutenant Governor in Council. Three members of the SaskGaming Board are nominated by the FSIN. Cabinet may fill any vacancy that occurs on the Board.

Yes

11. Policies Regarding the Representation of Women on the Board

(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

The corporation does not appoint or hire the directors of the Board, so no policy relating to the identification and nomination of women directors exists. The SaskGaming Board of Directors is appointed by the Lieutenant Governor in Council. The FSIN nominates three members and the provincial Cabinet appoints four members. Currently, three out of seven directors of the Board are women.

Yes

CSA National Policy 58-201 and National Instrument 58-101 Disclosure of Corporate Governance Practices	SaskGaming's Corporate Governance Practices	Consistent with CSA Guidelines?
<p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy. 	Not applicable.	Not applicable.
<p>12. Consideration of the Representation of Women in the Director Identification and Selection Process</p> <p>Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer's reasons for not doing so.</p>	The corporation does not appoint or hire the directors of the Board, so no policy relating to the identification and nomination of women directors exists.	Yes
<p>13. Consideration Given to the Representation of Women in Executive Officer Appointments</p> <p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	The level of representation of women is considered when hiring at the executive officer level. Preference is given to qualified women during the hiring process.	Yes

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

(a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's Board or in executive officer positions of the issuer by a specific date.

SaskGaming has no target regarding the representation of women on the Board and no target regarding the representation of women in executive officer positions.

Not applicable

(b) Disclose whether the issuer has adopted a target regarding women on the issuer's Board. If the issuer has not adopted a target, disclose why it has not done so.

SaskGaming has not adopted a target as the Board is appointed by the Lieutenant Governor in Council.

Yes

(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

SaskGaming has not adopted a target as the representation of women in executive level positions is already considered during the hiring process.

Yes

(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:

Not applicable.

Not applicable

(i) the target, and

(ii) the annual and cumulative progress of the issuer in achieving the target.

15. Number of Women on the Board and in Executive Officer Positions

(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.

Forty-three per cent, or three out of seven directors on the board, are women.

Provided

(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

Thirty-three per cent, or two out of six executive officers are women, (including the President and CEO).

Provided

Board of Directors

Blair Ross, Board Chair (Chair, Audit and Finance Committee), of Pilot Butte, Saskatchewan is co-founder of SRG Security Resource Group Inc. a Saskatchewan-based security firm providing Security Guard and Patrol, 24 CCTV real-time monitoring and Cyber Security services across Canada. Mr. Ross has over 30 years of experience in business with the majority of his experience gained in the private security industry. In those years, he has built and managed security operations from the ground up. He has managed the security personnel at large scale events (e.g. the Pan American Games in Winnipeg) across Western Canada. Mr. Ross is a recipient of the Diamond Jubilee Medal for his community business and volunteerism. He is a recipient of an Honourary Lifetime Big Brother award. Mr. Ross has co-chaired the CTV Sandra Schmirler Charity Golf Classic. Currently, Mr. Ross serves as past chair of the Hospitals of Regina Foundation.

Patricia Thomson, Board Vice-Chair (Chair, Governance and Human Resource Committee), M. Admin. Leadership, CFHM is a grandmother, mother and the Senior Indigenous Advisor to the Government of Saskatchewan, Ministry of Social Services. She holds a Masters in Administration and Leadership from the University of Regina and is a certified First Nations Health Manager and President of the Association in her third term. She is the first Indigenous woman to be appointed as Vice Chair of a provincial Crown Board. Her leadership has been recognized by invitations to participate in the 2012 Governor General Leadership conference and to be one of five Indigenous women panelists chosen to speak at the 62nd United Nations Commission on the Status of Women. Patricia has gathered a wealth of knowledge throughout her career. The diversity of her background is founded in her traditional and cultural upbringing. This combination gives her the ability to provide advice, guidance and expertise that is built on knowledge gained from working within the community, organizations, and provincial and federal departments.

Chief Cadmus Delorme, a Cree and Saulteaux, is a citizen and currently Chief of the Cowessess First Nation. Mr. Delorme is finalizing his Institute of Corporate Director designation, received a Master of Public Administration from the Johnson-Shoyama Graduate School of Public Policy and a Bachelor of Business Administration along with a Certificate in Hospitality, Tourism and Gaming Entertainment Management from the First Nations University of Canada (FNUniv). While a student, Mr. Delorme served in several capacities within the student association, including vice-president and president, and also served as a student ambassador. In 2012, he was awarded the Queen Elizabeth II Diamond Jubilee Medal for his student leadership and the hospitality he showed to Prince Charles and his wife Camilla, Duchess of Cornwall, when they visited FNUniv in 2012. Mr. Delorme has also been named one of CBC Saskatchewan's Future 40, which celebrates the province's new generation of leaders, builders and change-makers under the age of 40. He lives with his wife Kimberly, brother-in-law, daughter and son on Cowessess First Nation.

Eileen Libby, Q.C., of Regina, Saskatchewan, is a partner at MLT Aikins LLP. She acts as counsel to unionized and non-unionized employers in the full range of labour relations and employment law matters, including collective bargaining negotiations, arbitrations, restructurings, labour relations board matters, human rights proceedings, and occupational health and safety matters. Eileen also practices extensively in the areas of professional regulation and health law. She has appeared before all levels of courts in Saskatchewan, the Canada Industrial Relations Board, the Saskatchewan Labour Relations Board, boards of arbitration, human rights tribunals and professional regulatory bodies. She has received numerous awards and distinctions, including Administrative and Public Lawyer of the Year (2016, 2018 and 2020) and Labour and Employment Lawyer of the Year (2012) by Best Lawyers and is also recognized as a leading practitioner in the Canadian Legal Expert Directory in the areas of Labour (Management), Employment (Employer) and Workplace Human Rights (Employer).

Paul Pastor, CPA, CA, CBV, graduated from the University of Saskatchewan in 2006, received his Chartered Professional Accountant designation in 2008, and his Chartered Business Valuator designation in 2014. Mr. Pastor is a founding partner at Buckberger Baerg & Partners LLP, a Saskatoon-based professional accounting firm. Mr. Pastor brings a diverse and unique skill set through his extensive experience in assurance services, business valuations, litigation support, transaction support and business consulting. His experience serving a wide variety of clients in a number of different industries gives Mr. Pastor a clear vision of western Canada's business landscape and a clear understanding of his clients' needs.

Ernest Standingready is a citizen of the Ocean Man Nakota First Nation and brings a wealth of knowledge in the areas of general management, administration, operations and strategic development. He is a 20 year veteran of the Saskatchewan gaming industry, having worked many roles from the front line to executive management with the Saskatchewan Indian Gaming Authority. Mr. Standingready has a Bachelor of Business Administration from the University of Regina, a Certificate in Project Management from the University of Regina and a Certificate in Hospitality, Tourism and Gaming Entertainment Management from the First Nations University of Canada. He is a past elected Councillor and Treaty 4 Headman for the Ocean Man Nakota First Nation, and sits on many other boards and committees. Ernest is currently the Director of Operations for the Peepeekisis Cree Nation located in the Treaty Four territory. Mr. Standingready is committed to enhancing the lives of Indigenous and non-Indigenous peoples in the Treaty relationship. He believes in positive, cooperative partnerships and understands the strength they can deliver for everyone.

Donna Strudwick has extensive experience in municipal administration. She has served on the Board of Directors for the Rural Municipal Administrators' Association of Saskatchewan, and is currently the Senior Office Inspector for the Rural Board of Examiners. In 2013, Ms. Strudwick was the recipient of the Lou Jacobs Award, acknowledging her service in the field of local government administration in the Province of Saskatchewan. She has held several board and committee positions, and is a past Show Chairman of the Western Canada Farm Progress Show. Ms. Strudwick resides in Balgonie, Saskatchewan and remains actively involved in the community and the family's grain farming operation.

Executive Team

Susan Flett **President and CEO**

Susan joined SaskGaming in 2000 as Director of Player Relations and went on to become Director of Marketing in 2004. In 2010, Susan was appointed Vice President of Marketing and became the Chief Marketing Officer in 2013. In 2015, Susan was appointed President and CEO of the corporation.

Before joining the corporation, Susan held positions at Crown Life Canada, Crown Investments Corporation and Saskatchewan Transportation Company.

In 1999, Susan was honoured with the Lieutenant Governor's Medal for Outstanding Public Service in Saskatchewan, as a part of the Crown Investments Corporation of Saskatchewan Strategic Management Team and Corporate Secretariat.

In January 2019, Susan was appointed to sit on the Regina Downtown Business Improvement District Board of Directors. Her previous community service included serving as a director on the Board of the Moose Jaw Multiplex and the Regina Symphony Orchestra.

Susan completed her Bachelor of Administration at the University of Regina. She also holds a Queen's University Certificate in Human Resource Management and completed the Executive Program at Queen's University.

John Amundson, FCPA, FCA **Senior Vice President of Finance and Information Technology**

John joined SaskGaming in January 2016 following more than 22 years in financial management positions with Crown Investments Corporation. Prior to joining Saskatchewan's public service, John worked with Ernst & Young and KPMG.

John graduated from the University of Saskatchewan with a Bachelor of Commerce in 1988. He subsequently went on to earn the Chartered Accountant, Fellow Chartered Accountant and Fellow Chartered Professional Accountant designations.

During his career, John was highly involved in the Institute of Chartered Accountants of Saskatchewan, serving the association and its membership in various leadership roles including Chair of the Professional Conduct Committee, Chair of the Registration Committee, member of the Practice Appraisal Committee and member of council for both CPA Saskatchewan and the Institute of Chartered Accountants. He was also involved in the merger of Saskatchewan's accounting community into one organization, CPA Saskatchewan. Currently, John is a member of the disciplinary committee for CPA Saskatchewan.

Dallas Ferguson
Senior Vice President of Operations

Dallas originally joined SaskGaming in 1996, serving in several operational roles and also as Vice President of Human Resources and Aboriginal Affairs until 2007. After working in senior roles with the St. Eugene Golf Resort and Casino, Wal-Mart Canada and The Salvation Army, he returned to SaskGaming in January 2016 as Senior Vice President of Operations.

Dallas has completed a number of undergraduate programs in the hospitality and human resource management fields through Queen's University, the University of Guelph and the University of Nevada, Reno.

In his spare time Dallas is an avid golfer, hunter and fisherman. He is also a member of the Métis Nation - Saskatchewan, Local 13.

Blaine Pilatzke
Vice President of Corporate Services

Blaine attended the University of Saskatchewan and graduated from the University of Regina.

Blaine spent 17 years working in the labour relations field before coming to SaskGaming in 2004 as Director of Labour Relations. He was appointed the Vice President of Human Resources in 2007 and became the Vice President of Corporate Services in 2015.

Prior to his labour relations career, Blaine worked as a Primary Products Inspector for the Food Production and Inspection branch of Agriculture Canada. There he became active in his union local, and in 1987 he became a Regional Representative with the Public Service Alliance of Canada.

Blaine currently serves as a Foundation Board member for Ignite Adult Learning Centre.

In 2018, Blaine completed his Masters of Human Resource Management at the Kenneth Levene Graduate School of Business.

Tara Kucher
Vice President of Risk and Compliance

Tara joined SaskGaming in 2002 as the Director of Internal Audit before becoming the Director of Risk and Compliance in 2015. In 2017, Tara was promoted to the role of Executive Director of Risk and Compliance, and in 2018 was named Vice President of Risk and Compliance.

Prior to her tenure at SaskGaming, Tara worked in the auditing field at Canada Life and at the Office of the Provincial Auditor of Saskatchewan.

In addition to over 20 years of experience in her field, Tara holds a Bachelor of Commerce degree from the University of Saskatchewan and is a Chartered Professional Accountant, Certified Internal Auditor, Certified Fraud Examiner and maintains Certification in Risk Management Assurance.

Steve Tunison
Vice President of Marketing and Strategic Planning

Steve brings 20 years of marketing and business experience from the private and public sector. He originally joined SaskGaming in 2010 as the Director of Marketing, and held that role until 2014 when he went to SaskTel as the Director of Corporate Sales.

Steve rejoined SaskGaming in April 2019 as the Vice President of Marketing, and in January 2020, added the role of Strategic Planning. He has a Bachelor of Physical Activity Studies from the University of Regina, an Advanced Graduate Diploma and MBA from Athabasca University and is a Certified Management Consultant.

Appendix

Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology	2020-21 Target
Guest Experience				
Guest Count Measured: Daily Lead: Marketing and Strategic Planning	Guest Count measures the number of guests visiting Casino Regina and Casino Moose Jaw annually.	Guest count measures are used to evaluate the success of attracting guests to the casino properties.	Guest count is measured by sensors in the entrance areas that count the number of times guests enter or exit the casinos. One guest visiting three times counts as three guests.	This measure was removed from the 2020-21 balanced scorecard. Sensor data collection errors caused a wide variance in results.
Mystery Shopper Measured: At least once per year Lead: Marketing and Strategic Planning	The Mystery Shopper rates casino employees' ability to provide customer service related to the following four aspects of the GameOn 2.0 customer service strategy, weighted as follows: <ul style="list-style-type: none"> • Greeting guests (20 per cent); • Anticipating guest needs (20 per cent); • Meeting guest needs (20 per cent); and • Engaging, entertaining and enjoying guests (40 per cent). 	Objectively measures service quality provided by casino employees in the opinion of service quality experts.	Measured at least once per year, an external consultant conducts a series of transactions with employees to quantitatively and qualitatively measure their service experience against the four service dimensions of the GameOn 2.0 customer service strategy using a five-point scale. The consultant uses a pre-planned checklist of service actions and behaviors to rate each dimension. The Mystery Shopper survey assesses specific staff positions at the two casinos. The scores from CR and CMJ are weighted on an 80/20 basis to generate an overall score for SaskGaming. This rule of thumb reflects the relative scale of operation of each location.	N/A*

Appendix

Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology	2020-21 Target
Guest Experience				
<p>Guest Satisfaction Survey</p> <p>Measured: At least once per year</p> <p>Lead: Marketing and Strategic Planning</p>	<p>SaskGaming measures the overall satisfaction of guests during their visit to CR and CMJ.</p>	<p>Objectively measures guests' overall satisfaction with their casino experience.</p>	<p>Exit surveys are conducted at least once per year as guests are leaving the properties.</p> <p>Guests are asked to rate their satisfaction, on a scale of one to 10, on a series of questions on employee service, product delivery and property attributes.</p> <p>The Guest Satisfaction score is based on guest's response to the question:</p> <p><i>"Overall, how satisfied are you with your casino visit today?"</i></p> <p>The scores from CR and CMJ are weighted on an 80/20 basis to generate an overall score for SaskGaming. This rule of thumb reflects the relative scale of operation of each location.</p>	N/A*
<p>Satisfaction of Emerging Guests</p> <p>Measured: At least once per year</p> <p>Lead: Marketing and Strategic Planning</p>	<p>SaskGaming measures the overall satisfaction of our guests during their visit to CR and CMJ. This measure is a subset of the Guest Satisfaction survey, and it only uses responses from the guests aged 35 to 49.</p>	<p>Objectively measures the overall satisfaction of guests aged 35 to 49 on their casino experience.</p>	<p>Exit surveys are conducted at least once a year by an external consultant as guests are leaving the properties.</p> <p>Guests are asked to rate their satisfaction, on a scale of one to 10, on a series of questions on employee service, product delivery and property attributes.</p> <p>This measure looks at the overall satisfaction of the 35 to 49 age group that visited Casino Regina and Moose Jaw, based on their response to the question:</p> <p><i>"Overall, how satisfied are you with your casino visit today?"</i></p> <p>The score is based on the percentage of respondents that rated each casino between seven and 10.</p>	N/A*

Appendix

Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology	2020-21 Target
Employee Experience				
Employee Satisfaction Industry Percentile Measured: Biennially Lead: Marketing and Strategic Planning	This measures SaskGaming employees' level of satisfaction with their work environment.	The purpose of the survey is to confirm or discover what motivates employees, what drives loyalty and what genuinely keeps employees happy in order to increase staff retention/ reduce turnover.	SaskGaming implements the survey biennially. The results are reviewed by an internal committee to determine the responses and actions that are required to address opportunities to improve. The Employee Satisfaction Survey is based on the National Business Research Institute's employee survey. The score is an industry percentile. For example, 50 per cent would mean an average level of employee satisfaction among similar North American casinos.	N/A*
Core Training Measured: Quarterly Lead: Corporate Services	This measure indicates an average percentage of core training completion for all employees based on the core training modules within SaskGaming's Core Learning Program: <ul style="list-style-type: none"> • New Employee Orientation; • Workplace Health & Safety; • Diversity and Inclusion; • Respectful Workplace Program; • Responsible Gambling - GameSense Level I; • Code of Business and Ethics Policy; • Cybersecurity Awareness; and • Protection of Personal Information. 	Objectively measure the percentage of core training completion across all of SaskGaming's workforce.	Core Training is calculated as an average across all employees per quarter. $\text{Core Training \%} = \frac{\text{total modules completed}}{\text{\# of employees}} \div \frac{\text{\# of core modules}}{100}$ Employees who are on leaves of absence, and casual lighting and sound employees are not counted as part of this measure.	N/A*

Appendix

Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology	2020-21 Target
Employee Experience Excellence				
Employee Absenteeism Measured: Quarterly Lead: Corporate Services	<p>This measure indicates the share of employees who are absent from work due to illness, injury, leave with pay and pressing necessity that are less than 30 days.</p> <p>This measure excludes the impact of long-term absenteeism such as leave hours covered by the Workers' Compensation Board, leave without pay, sick leave without pay and sick leave extended above 30 days.</p>	<p>Excessive absenteeism leads to higher labour costs from increased overtime and/or staffing levels.</p> <p>This measure will be used to track the corporation's progress in reducing absenteeism levels.</p>	<p>Employee Absenteeism is a weighted average of absenteeism rates by unionized and non-unionized staff.</p> <p>Employee Absenteeism Rate = $\frac{[(\text{Absence Hours} / \text{Total Actual Work Hours})] \times 100}{}$</p>	N/A*
Indigenous Representation Measured: Quarterly Lead: Corporate Services	<p>This measure focuses SaskGaming's employee attraction and retention efforts to achieve 50 per cent Indigenous representation as per the Gaming Framework Agreement with the Federation of Sovereign Indigenous Nations.</p>	<p>A measure of Indigenous representation of SaskGaming's workforce.</p>	<p>The percentage is calculated using the number of self-declared Indigenous employees, relative to the total number of employees.</p> <p>Note: This calculation does not include casual employees who have not worked in the past three months.</p>	N/A*

Appendix

Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology	2020-21 Target
Responsible Corporation				
Guest Awareness of Responsible Gambling Measured: Annually Lead: Marketing and Strategic Planning; Risk and Compliance	<p>A measure of casino visitors' awareness of the responsible gambling information and support programs offered by SaskGaming.</p>	<p>SaskGaming is committed to offering casino entertainment in a socially responsible manner. This includes providing all guests with information and education about the casino environment so they can make informed, responsible choices about their play.</p>	<p>An external consultant prompts guests to recall specific elements of the GameSense program as they are leaving the properties.</p> <p>The score is based on the percentage of respondents that could recall at least one of the components of the GameSense program.</p> <p>The scores from CR and CMJ are weighted on an 80/20 basis. This rule of thumb reflects the relative scale of operation of each location.</p>	N/A*
Public Opinion of Community Support Measured: Annually Lead: Marketing and Strategic Planning	<p>A measure of public opinion in Regina and Moose Jaw area of CR and CMJ's performance in supporting and giving back to the community.</p>	<p>SaskGaming, through CR and CMJ, is committed to enhancing the quality of life for Saskatchewan people. This includes reaching out to communities with support, volunteerism and sponsorship of worthwhile events and organizations. Community support is a pillar of SaskGaming's Corporate Social Responsibility Framework.</p> <p>SaskGaming is committed to contributing 1.0 per cent of its Net Income before Payment to the GRF to community support along with planned community support initiatives.</p>	<p>As part of an online, web-based omnibus provincial poll, focusing only on residents of Regina and Moose Jaw, respondents are asked: "How well are CR/CMJ doing at giving back to the community through charitable or community donation and sponsorships?"</p> <p>(Using CR and CMJ will help promote the individual brands).</p> <p>Respondents answer using a five-point Likert Scale answer format (i.e. respondents choose an answer from 'very well', 'well', 'somewhat well', 'not well' and 'unsure'). The measure sums all the respondents who indicated that the casinos do somewhat well, well, or very well.</p>	N/A*

Appendix

Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology	2020-21 Target
Responsible Corporation				
Indigenous Sponsorship Measured: Annually Lead: Marketing and Strategic Planning	The percentage of SaskGaming's sponsorship expenditures that are directed to Indigenous individuals, organizations or programs.	SaskGaming is targeting a specific percentage of its annual sponsorship expenditures toward Indigenous people. The corporation's Community Giving Strategy states that it will place a priority on supporting initiatives that positively influence the lives of Indigenous people, and/or support improved education and pre-employment training for Indigenous people who reside near its core communities.	Percentage of SaskGaming's total sponsorship through its Community Giving program that are directed to Indigenous individuals, organizations or programs. Organizations or programs applying for sponsorships will be asked to identify whether their project/ event targets or benefits Indigenous people.	This measure was removed from the 2020-21 balanced scorecard because it was determined to be completely under management's control. The previous target of 25 per cent will be implemented as a policy.

Appendix

Balanced Scorecard Reference Table

Measure	Description	Purpose	Methodology	2020-21 Target
Financial Sustainability				
Net Average Guest Spend Measured: Quarterly Lead: Marketing and Strategic Planning	This is a measure of how much each guest, on average, spends per visit at Casinos Regina and Moose Jaw. This measures \$/visit.	The Net Average Guest Spend measure is used to evaluate the success of marketing activities to increase guest spend per visit.	Net Average Guest Spend = Net Revenues/Total Guest Visits.	This measure was removed from the 2020-21 balanced scorecard due to the above noted issues with guest count accuracy.
Income Before Payment to the GRF Measured: Quarterly Lead: Finance and Information Technology	A measure of profitability over a period of time.	This measure shows Income Before Payment to the GRF since the GRF payment is a distribution of income, similar to dividends being paid by a private corporation, and does not reflect SaskGaming's operations.	Revenue – (operating expenses + interest expense + depreciation + taxes).	N/A*
EBITDA Margin Measured: Quarterly Lead: Finance and Information Technology	SaskGaming has chosen to use Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) as an operational efficiency measure.	EBITDA margin is used by investors and lenders as a determination of the firm's profitability.	(Revenue – Direct operating expenses)/ Revenue * 100 per cent	N/A*
Debt/Equity Ratio Measured: Annually Lead: Finance and Information Technology	SaskGaming has chosen Debt/Equity ratio as a measure of financial flexibility of the capital structure of the corporation.	Debt/Equity Ratio is used by investors and lenders as a determination of the firm's financial leverage.	(Debt/Equity) * 100	N/A*
Payroll Percentage Measured: Quarterly Lead: Finance and Information Technology	Measures the ratio of payroll to revenue.	Payroll is a significant operating cost for SaskGaming. Payroll margin indicates if the use of payroll is efficient and effective, ensuring the financial success of the corporation.	Payroll Margin = Total Payroll (Salaries, Wages and Benefits)/ Revenue * 100	N/A*

*Due to the temporary closure of Casinos Regina and Moose Jaw as a result of the COVID-19 pandemic, 2020-21 targets were not available and will be approved in 2020 by the SaskGaming and CIC Boards once the 2020-21 business plan has been updated.

This page left intentionally blank

SaskGaming

