

2023 → 24
ANNUAL REPORT

Table of Contents

Letter of Transmittal	1
Minister's Message	2
President's Message	3
Year in Review	4
Transition Scorecard	6
Saskatchewan's Newest Crown Corporation	7
Business Lines	12
Giving Back to Communities	18
Responsible Corporation	20
Consolidated Financial Statements	22
Management's Discussion and Analysis	24
Management's Report on Financial Statements	28
Annual Statement of Management Responsibility	29
Independent Auditor's Report	30
Consolidated Statements	33
Notes to the Consolidated Financial Statements	37
Governance	52
LGS Executive Team	55
Appendix	56

Letter of Transmittal

Regina, Saskatchewan
July 2024

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

May it please Your Honour:

I have the honour to submit herewith the Annual Report of Lotteries and Gaming Saskatchewan Corporation for the fiscal year ending March 31, 2024, in accordance with *The Lotteries and Gaming Saskatchewan Corporation Act*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan, as required by *The Financial Administration Act, 1993*, and have been reported on by the auditors.

Respectfully submitted,



Honourable Laura Ross
Minister Responsible for Lotteries and Gaming Saskatchewan

Message from the Minister



I'm proud of the many accomplishments of Lotteries and Gaming Saskatchewan (LGS), in its first year.

LGS was established April 1, 2023, to consolidate management oversight for casinos, VLTs, lotteries and online gaming in the province. On June 1, 2023, LGS assumed full conduct and management oversight for the province's casinos, VLTs, lotteries, and Saskatchewan's only legal online gaming platform, PlayNow.com.

Concurrent with the creation of LGS, regulatory oversight of lottery and gaming activities in Saskatchewan was amalgamated at the Saskatchewan Liquor and Gaming Authority (SLGA), aligning Saskatchewan with the industry best practice of having separate management and regulatory entities for gaming. At the same time, the realignment allowed Saskatchewan to continue to maintain separate, highly competitive business lines in the gaming industry.

Most importantly, all beneficiaries of net gaming and lottery income in Saskatchewan remained unchanged. Giving back to Saskatchewan communities through gaming proceeds continues to be the focus at LGS.

The gaming sector contributed more than \$247 million to Saskatchewan communities in 2023-24. This occurs through the Lottery Trust Fund, the Community Initiatives Fund, the First Nations Trust, the Clarence Campeau Development Fund, Community Development Corporations, and community grants.

The creation of LGS was a crucial step by the provincial government to help ensure the success of the entire gaming industry in Saskatchewan well into the future.

LGS takes an industry-wide approach to gaming by:

- leading gaming policy and strategy;
- evaluating new gaming opportunities and implications for other elements of the sector;
- setting performance targets for gaming activity;
- leading the Gaming Framework Agreement with the FSIN on behalf of the province; and reporting on the sector as a whole.

Congratulations to all the staff of LGS, as well as to the staff of gaming operators—Saskatchewan Indian Gaming Authority (SIGA), Saskatchewan Gaming Corporation (SaskGaming), Western Canada Lottery Corporation (WCLC), and Sask Sport—on a tremendous first year!

A handwritten signature in black ink, appearing to read 'Laura Ross', written in a cursive style.

Laura Ross

Board Chair and Minister Responsible for Lotteries and Gaming Saskatchewan

President's Message



Lotteries and Gaming Saskatchewan (LGS) is pleased to publicly report on the results achieved during the first year of the Corporation's existence.

LGS became fully operational June 1, 2023. Implementation went smoothly as the Corporation consolidated conduct and management responsibilities for gaming in Saskatchewan.

As part of that consolidation, Saskatchewan Gaming Corporation (SaskGaming) continues to operate Casinos Regina and Moose Jaw, but as a wholly owned subsidiary of LGS.

Management oversight for PlayNow.com, Saskatchewan's only legal online gaming platform, was transferred from SaskGaming to LGS, with the Saskatchewan Indian Gaming Authority (SIGA) continuing as the operator.

LGS also assumed management oversight from the Saskatchewan Liquor and Gaming Authority (SLGA) for SIGA's operation of its seven land-based casinos in Saskatchewan.

LGS now manages the province's lottery and Video Lottery Terminal (VLT) programs. Lotteries in Saskatchewan continue to be operated by Sask Sport and by the Western Canada Lottery Corporation (WCLC). WCLC also continues as the operator of the province's VLT program.

All provincial gaming channels—VLTs, lotteries, casinos and online gaming—remained available during the transition so that the public could continue to engage in gaming activities without service limitations.

LGS achieved early success by:

- implementing shared services for human resources, information technology, procurement, legal and audit functions; and
- extending and/or transitioning all key gaming agreements to ensure continuity for LGS's operators.

A smooth human resources and financial transition was also achieved, and the organization had great success recruiting talent for key positions.

Gaming stakeholders have been supportive of the creation of LGS as a means to separate conduct and management from regulation and because it allows for a comprehensive view of the industry.

In 2023-24, LGS undertook the first-ever industry-wide examination of the gaming sector in Saskatchewan, which is the basis of the Corporation's Strategic Plan.

Moving forward, LGS will build on the successes achieved in its first year as the Corporation continues to grow the gaming industry responsibly and transparently on behalf of the people and communities of Saskatchewan.

A handwritten signature in black ink, appearing to read 'Susan Flett', written in a cursive style.

Susan Flett
President and CEO, Lotteries and Gaming Saskatchewan

Year in Review

Standing Up a New Organization

The Government of Saskatchewan established Lotteries and Gaming Saskatchewan (LGS), effective April 1, 2023, to consolidate management oversight for casinos, video lottery terminals (VLTs), lotteries and online gaming in the province. On June 1, 2023, LGS assumed full conduct and management oversight for the province’s casinos and VLTs, lotteries, and Saskatchewan’s only legal online gaming platform, PlayNow.com.

In its first year as Saskatchewan’s newest Crown corporation, LGS established a solid foundation for the conduct and management of gaming in the province. Operating agreements for VLTs, casinos, lotteries and online gaming were all successfully transitioned. Successful shared services agreements with LGS’s wholly owned subsidiary, SaskGaming, for human resources and IT support were also established.

In 2023-24, LGS met its targets for establishing an array of policies covering the areas of finance and administration, human resources, and operations. Throughout the fiscal year, LGS also actively participated in the province’s Crown collaboration initiatives.

LGS will continue to build on its strong momentum in 2024-25 with an emphasis on enterprise risk management and its strategic plan.

2023-24 Financial Results

LGS provides an entertaining and socially responsible gaming sector that benefits Saskatchewan. Its strategic objectives for 2023-24 focus on taking a cohesive, industry-wide perspective to provincial gaming policy, development, management, and responsible growth while retaining the operational focus of operators on customer service, health, and entertainment value.

In its first year of operations, LGS net earnings were \$191.1 million. This is after payments to the General Revenue Fund (GRF) of \$114.0 million to meet its legislative requirements under *The Lotteries and Gaming Saskatchewan Corporation Act* and the Gaming Framework Agreement. These payments are dependent on income from SaskGaming and SIGA casinos as well as online gaming.

Net earnings before payments to the GRF consist of land-based casino and slot machines, VLTs, online gaming, and lotteries. VLT, land-based casino and slot machine earnings continue to grow and can be attributed to strong provincial economic conditions and higher guest spend. Online gaming has improved since its inception in November 2022, but it continues to compete against illegal operators that are well established in the online gaming space. Revenues continue to offset inflationary pressures and costs to meet the service expectations of guests.

Highlights

<p>Net Income \$191.1 million</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Net Income before payments to the GRF \$305.1 million</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Revenue \$585.6 million</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Expenses \$295.0 million</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Payments to the GRF \$114.0 million</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Dividend to CIC \$135.8 million</p>	<p>Commissions to VLT Site Contractors \$37.2 million</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Charitable Gaming Grants \$5.9 million</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Number of Charitable Gaming Grants Paid 2,483</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Number of Slot Machines Replaced/Purchased 373</p> <hr style="width: 20%; margin: 5px auto;"/> <p>Number of VLT Machines Replaced/Purchased 720</p>
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As at March 31, 2024, LGS has consolidated debt of \$99.5 million. During 2023-24, LGS borrowed \$78.1 million to fund the transfer of SLGA Holding Inc. In addition, as part of the transition of operations to LGS, Saskatchewan Liquor and Gaming Authority (SLGA) transferred a long-term payable from the Saskatchewan Indian Gaming Authority (SIGA) to LGS. In exchange for the long-term payable, LGS has a long-term payable to SLGA to repay the amount that was transferred.

LGS continues to focus on capital reinvestment, with the goal of improving the guest experience and increasing revenue. This included the substantial completion of property renovations at Casino Moose Jaw and investment in slot machines at SIGA and SaskGaming as well as VLTs. LGS invested a total of \$40.6 million in 2023-24.

Key Enterprise Risks, Mitigations and Action Plans

In its first year, LGS established a formal Enterprise Risk Management (ERM) framework to identify, assess, manage, and communicate emerging and existing risks that may affect achievement of the organization's strategic goals. This included development of a risk registry that identified 18 key risks. These risks were considered in the development of LGS's 2024-25 Performance Management Plan, including the identification of strategic actions to mitigate.

Seven of the key risks—operator performance, transformation, policy change, cybersecurity, problem gambling, compliance and fraud, and talent management—were deemed top corporate-wide risks based on their residual risk score (after existing mitigations were considered) and their strategic importance to the organization as determined by executive leadership risk tolerance levels. The seven top risks are monitored quarterly by LGS executive management with progress reports provided to the LGS Board of Directors. The remaining risks have been assigned to and are managed by those divisional areas where the risk resides.

All significant assumptions, policy decisions, events and identified risks were considered in preparing LGS's 2024-25 to 2028-29 Performance Management and Capital Allocation Plan. The plan was prepared under the Board's direction in accordance with expectations set out for LGS by its shareholder CIC. The plan is aligned with Government's Crown Sector Strategic Priorities and with LGS's balanced scorecard goals of customer focus, financial sustainability and flexibility, efficiency, employee focus and collaboration.

Economic and Social Support Initiatives

In 2023-24, LGS paid a dividend of \$135.8 million to its shareholder, Crown Investments Corporation of Saskatchewan. Much of this dividend flows through to the province's General Revenue Fund (GRF) to help support government priorities such as infrastructure, health care, and education. In 2023-24, LGS also paid \$114.0 million directly to the GRF. These direct GRF payments support the province's Community Initiatives Fund, the First Nations Trust, the Clarence Campeau Development Fund, and Community Development Corporations.

In 2023-24, LGS also paid \$37.2 million in commissions to VLT site contractors and provided \$5.9 million in Charitable Gaming Grants to nearly 2,500 charitable groups and organizations in more than 300 communities across Saskatchewan. The Charitable Gaming Grants supported everything from youth and amateur sport to community arts and culture to local service clubs, seniors' centres, hospital foundations, school and library programs, volunteer fire departments, animal rescue and wildlife preservation efforts, and more.

In total, the gaming sector contributed more than \$247 million to Saskatchewan communities in 2023-24.

Transition Scorecard

LGS developed a 2023-24 Transition Scorecard to report on key elements of its startup to ensure the Corporation was:

- focused on meeting its core mandate;
- aligning its work with Saskatchewan’s Crown-sector strategic priorities;
- proactively monitoring and managing performance where needed, driving toward high performance; and
- accountable to its shareholder, stakeholders, and Saskatchewan people.

LGS focused its actions and measures of success on four outcomes:

1. Providing a responsible and entertaining gaming experience for the people of Saskatchewan.
2. Ensuring management oversight for casinos, VLTs, lotteries, and online gaming is consolidated and collaborative across the province.
3. Developing LGS as a high-performing and effective conduct and management corporation for the Saskatchewan gaming sector.
4. Making sure provincial gaming sector proceeds benefit Saskatchewan people and communities.

Transition Scorecard—Strategies		
1. Provide a responsible and entertaining gaming experience for the people of Saskatchewan		
Measures	2022-23 Result (12 months)	2023-24 Target (10-month budget)
1.1 Consolidated Net Income (Before Payment to the GRF)	\$327.7M	\$242.7M
• Online Gaming Net Income (Before Payment to the GRF)	\$0.1M	
• VLT Net Income	\$162.8M	
• Casino, Lottery and Other Gaming Net Income (Before Payment to the GRF)	\$164.8M	
2. Management oversight for casinos, VLTs, lotteries and online gaming is consolidated and collaborative in the province of Saskatchewan		
Measures		2023-24 Target
2.1 Transitional and/or extended operating agreements	VLTs	100%
	Casinos	
	Lotteries	
	Online	
2.2 Established successful shared services agreements		
3. Lotteries and Gaming Saskatchewan is a high-performing and effective conduct and management corporation for gaming in Saskatchewan		
Measures		2023-24 Target
3.1 Finance and administrative, human resource, and operating policies developed	Finance and administrative	100%
	Human resource	
	Operating	
	Total	
3.2 Crown collaboration		100%
4. Provincial gaming sector proceeds benefit Saskatchewan people and communities		
Measure	2022-23 Result	2023-24 Target
4.1 Proceeds distributed	\$251M	\$223.9M

Saskatchewan's Newest Crown Corporation

Lotteries and Gaming Saskatchewan (LGS) is a new commercial Crown corporation that was established April 1, 2023, to oversee all lotteries and gaming in the province. LGS provides management oversight for commercial gaming in Saskatchewan, ensuring that lotteries, casinos, VLTs, and online gaming are operated in a socially responsible manner for the benefit of the people of the province.

Corporate Structure



Partners

LGS engages with non-profit and private-sector operators to provide gaming entertainment products across the province.

LGS manages slot machines located in Saskatchewan Indian Gaming Authority (SIGA) and SaskGaming casinos, as well as Video Lottery Terminals (VLTs) located in licensed taverns and lounges throughout the province, with Western Canada Lottery Corporation (WCLC) as the operator.

LGS also oversees Sask Lotteries (operated by Sask Sport and its network of more than 1,000 retailers) and PlayNow.com, Saskatchewan's only legal online gaming platform, which is operated by SIGA.



Vision, Mission and Values

Vision

An entertaining and socially responsible gaming sector that benefits Saskatchewan

Mission

Lead and guide a strong and sustainable gaming sector



Crown Sector Strategic Priorities

Crown Sector Strategic Priorities help LGS balance its commercial mandate with the broader goals of government. In alignment with the Government of Saskatchewan’s Growth Plan, LGS is focused on growing the economy and improving the quality of life for the people of Saskatchewan.

Strategic Alignment with Crown-Sector Government Priorities

A thriving Crown sector makes life better for Saskatchewan people, and aligning with the Government of Saskatchewan’s Crown-sector strategic priorities is one of LGS’s foundations.



Enterprise Risk Management and LGS Risk Registry

LGS has established a formal Enterprise Risk Management (ERM) framework to identify, assess, manage, and communicate emerging and existing risks that may affect achievement of the organization’s strategic goals. In accordance with this framework, a risk registry identifying 18 key risks was developed in January 2024. These risks were considered in the development of LGS’s 2024-25 Performance Management Plan, including the identification of strategic actions to mitigate.

Seven of the 18 risks were deemed top corporate-wide risks based on their residual risk score (after existing mitigations were considered) and their strategic importance to the organization as determined by executive leadership tolerance levels. Executive management monitors these risks quarterly and provides progress reports to the LGS Board of Directors (the remaining risks are assigned and managed by those divisional areas where the risk resides).

Seven Top Corporate-Wide Risks at LGS
1. Operator Performance – Inadequate management and performance by the operators may result in compliance gaps, operational inefficiencies, and potential regulatory non-compliance, posing risks to LGS’s reputation and regulatory obligations.
2. Transformation – Systemic transformation into distinct operator, conduct and manage, and regulator roles may result in disagreement, role confusion, duplication, and disruption.
3. Policy Change – Failure to anticipate, influence, and respond to changing external policy direction may impact LGS’s ability to achieve its business objectives (e.g., Bill S-268, political priorities, legislation, court decisions).
4. Cybersecurity – Loss or theft of revenue, proprietary information, unauthorized knowledge and use of confidential information resulting from inappropriate or unlawful access to data at LGS or related parties may result in negative assessments of LGS’s oversight.
5. Problem Gambling – Insufficient commitment to preventing problem gambling risks public harm and reputational damage.
6. Compliance and Fraud – Non-compliance with regulatory requirements may lead to penalties, fines, legal impacts and/or reputational damages. Inadequate operator fraud prevention measures and controls may expose LGS to an increased risk of fraud, financial losses, and/or regulatory non-compliance.
7. Talent Management – Failure to foster a corporate culture and work environment that aligns with LGS’s vision, mission, values and expected working norms may lead to the inability to attract and retain qualified talent.



LGS staff are based in downtown Regina.

Performance Management and Capital Allocation Plan

All significant assumptions, policy decisions, events and identified risks were considered in preparing LGS's 2024-25 to 2028-29 Performance Management and Capital Allocation Plan. The plan was prepared under the Board's direction in accordance with expectations set out for LGS by its shareholder CIC. The plan is aligned with Government's Crown Sector Strategic Priorities.

Measuring Success: LGS Balanced Scorecard

The goals, actions and measures in the Performance Management and Capital Allocation Plan align to LGS's balanced scorecard goals of customer focus, financial sustainability and flexibility, efficiency, employee focus and collaboration. In addition, LGS's mandate, strategic goals, actions, and targets reflect a thorough assessment of LGS's operating environment, forecast conditions, risk assessment and past performance.

LGS's four strategic goals are:

1. Operator Performance
2. Sustainability
3. Social Responsibility
4. Organizational Excellence

Goals

1. OPERATOR PERFORMANCE: Support gaming operators to provide a positive customer experience

Measures	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
1.1 Customer satisfaction with gaming products and services	TBD	TBD	TBD	TBD	TBD
1.2 SaskGaming greenhouse gas emissions	7,319.0t	7,246.0t	7,174.0t	7,102.0t	7,000.0t
1.3 Indigenous representation at casinos	TBD	TBD	TBD	TBD	TBD
1.4 Online gaming registrants	40,000	50,000	60,000	70,000	80,000

2. SUSTAINABILITY: The gaming sector is well governed to minimize risk and ensure financial sustainability

Measures	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
2.1 Consolidated Net Income (before payment to the GRF)	\$283.4M	\$289.3M	\$293.9M	\$298.8M	\$298.4M
2.1.1 Online Gaming Net Income (before payment to the GRF)	\$4.2M	\$6.3M	\$8.3M	\$10M	\$10M
2.1.2 VLT Net Income	\$150.8M	\$150.3M	\$149.8M	\$149.3M	\$148.9M
2.1.3 Casino, Lottery and Other Gaming Net Income (before payment to the GRF)	\$128.4M	\$132.7M	\$135.8M	\$139.5M	\$139.5M
2.2 Net Margin Percentage	46.5%	46.7%	46.7%	46.6%	46.5%
2.3 Return on Assets	1.05	1.08	1.07	1.03	0.98

3. SOCIAL RESPONSIBILITY: Provincial gaming sector proceeds benefit Saskatchewan people and communities

Measures	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
3.1 Proceeds distributed	\$238.6M	\$243.8M	\$246.8M	\$250.1M	\$247.8M
3.2 Public awareness of responsible gambling supports	TBD	TBD	TBD	TBD	TBD
3.3 Partners who adhere to industry leading responsible gambling practices	TBD	TBD	TBD	TBD	TBD

4. ORGANIZATIONAL EXCELLENCE: Lotteries and Gaming Saskatchewan is trusted, high-performing and effective

Measures	2024-25 Target	2025-26 Target	2026-27 Target	2027-28 Target	2028-29 Target
4.1 LGS employee engagement and wellness	TBD	TBD	TBD	TBD	TBD
4.2 SaskGaming employee engagement and wellness	TBD	TBD	TBD	TBD	TBD
4.3 Representation of diverse employee groups	TBD	TBD	TBD	TBD	TBD
4.3.1 LGS					
4.3.2 SaskGaming					
4.4 Crown collaboration	100%	100%	100%	100%	100%

Business Lines

LGS oversees four business lines—casinos, VLTs, lotteries, and online gaming (PlayNow.com)—that generate all of its revenue.

Casinos

Saskatchewan has two casino operators—the Saskatchewan Indian Gaming Authority (SIGA) and LGS's wholly owned subsidiary, SaskGaming. SIGA achieved record profits in 2023-24 and SaskGaming also had one of its strongest years.

SIGA is a First Nations non-profit corporation that operates First Nations casinos in Saskatchewan on behalf of the Federation of Sovereign Indigenous Nations (FSIN). First Nations involvement in casinos occurs through the Gaming Framework Agreement, and subsequent amendments, between the FSIN and the Province of Saskatchewan.

SaskGaming is a wholly owned business subsidiary of LGS whose revenues, expenses and capital flows through the LGS budgeting process. SaskGaming operates Casinos Regina and Moose Jaw through an operating service agreement with LGS.

Combined, SIGA and SaskGaming operate nine land-based casinos in Saskatchewan.

SaskGaming:

- Casino Moose Jaw—located in downtown Moose Jaw
- Casino Regina—located in Regina's historic Union Station

SIGA:

- Bear Claw Casino & Hotel—located on the White Bear First Nations near Carlyle
- Dakota Dunes Casino—located on the Whitecap Dakota First Nation near Saskatoon
- Gold Eagle Casino—located on the Mosquito First Nation, North Battleford
- Gold Horse Casino—located on the Little Pine First Nation, Lloydminster
- Living Sky Casino—located on Nekaneet First Nation, Swift Current
- Northern Lights Casino—located on Peter Ballantyne Cree Nation, Prince Albert
- Painted Hand Casino—located on Kahkewistahaw First Nation, Yorkton



Chief Bobby Cameron of the FSIN and the Honourable Laura Ross, Minister Responsible for Lotteries and Gaming Saskatchewan, signed the latest amendment to the Gaming Framework Agreement on June 15, 2023.



SIGA's seven land-based casinos in Saskatchewan achieved a combined record net income in 2023-24.

Together, SaskGaming and SIGA directly employ more than 1,900 people and return more than \$150 million in income for reinvestment by government and First Nations in Saskatchewan communities. SIGA has approximately 65 per cent of employees who identify as First Nations, while SaskGaming has about 37 per cent of employees who identify as Indigenous. Both SIGA and SaskGaming also have strong commitments to Indigenous procurement.

LGS Casino Operator 2023-24 Financial Results

- SIGA had another record year in 2023-24, contributing net income of \$114.0 million from its casino operations to LGS (before payments to the GRF). The strong results are attributable to increased revenue across all product lines from favourable economic conditions.
- In 2023-24 SaskGaming had one of its strongest years on record due to favourable economic conditions, contributing net income of \$42.1 million to LGS (before payments to the GRF).

\$5 Million Renovation Completed at Casino Moose Jaw

Nearly \$5 million in renovations were substantially completed at Casino Moose Jaw in 2023-2024 to help ensure an "Always Entertaining" experience for the casino's guests. This was the first extensive renovation at Casino Moose Jaw since that facility opened in 2002.

Upgrades focused on the gaming and food and beverage areas at the casino and included enhancements to the lighting, carpet and floorplan to create a brighter and more welcoming and convenient environment for guests. New customer service and "GameSense" (responsible gambling support and information) areas were also constructed as part of the project.

The casino remained open throughout the renovation process and efforts were made to mitigate any inconvenience for the casino's guests.



The renovations at Casino Moose Jaw will help ensure an "Always Entertaining" experience for guests.

The renovations at Casino Moose Jaw, along with more than \$20 million in renovations completed at Casino Regina from 2020 to 2023, were part of a multi-year modernization plan that reflects the commitment of LGS and SaskGaming to offer an outstanding guest experience at both casinos and stay on the cutting edge of the gaming industry in Saskatchewan.

Regular replacement of slot machines takes place to ensure players' expectations are met. This contributes to financial sustainability and customer satisfaction.

LGS Casino Operator Revenue Sharing

The distribution of SaskGaming income is as follows:

- 25 per cent to the First Nations Trust
- 25 per cent to the Community Initiatives Fund and Clarence Campeau Development Fund
- 50 per cent to LGS less any commission to SaskGaming to fund ongoing capital needs. (LGS income is subject to the Crown Investments Corporation's subsidiary dividend policy.)

Proceeds from SIGA casinos are shared between the Saskatchewan government and First Nations as follows:

- 50 per cent to the First Nations Trust
- 25 per cent to LGS
- 25 per cent proportionally divided between casinos to be paid to the appropriate Community Development Corporation or held in trust where a Community Development Corporation does not exist.

VLT Program

LGS owns and manages the province's network of video lottery terminals (VLTs) which are installed at privately-owned taverns and restaurant lounges (VLT sites) across the province. The program is operated by the WCLC, which has its Saskatchewan VLT program headquarters in Saskatoon. The revenue, expense and capital budget of the VLT program flows through to LGS through its operating agreement with WCLC.

To be eligible for the VLT program, sites must have a liquor license with the Saskatchewan Liquor and Gaming Authority (SLGA). As of March 31, 2024, VLTs were located at 567 sites in nearly 270 Saskatchewan communities.

The VLT program is demand-driven in terms of where the machines are located. New sites that qualify for the program start with three machines. Sites may qualify for one additional machine per year (to a maximum of 14 per site) based on revenue and utilization. This allows VLT sites to grow based on player demand. Conversely, site locations that fall below certain revenue thresholds established by LGS may have their number of VLT machines reduced.



LGS has a VLT Room at its Regina offices that allows VLT Division staff to review the games and the messaging displayed on the province's VLT network.

VLTs are updated on a continual basis with one-sixth of the machines replaced each year. During 2023-24, VLTs from the annual purchase were installed, and seven new games—including Space Invaders and Cash Eruption—were added to existing terminals.

The number of VLTs in the province is currently capped at a total of 4,200. The commission rate for VLT sites is 18 per cent of revenue.

VLT Marketing Content Refresh

In January 2024, LGS's VLT program began rolling out a new SaskVLT logo, with updated signage to be provided to VLT sites across the province. The signage rollout will be followed by the provision of updated website and social media marketing content for use by VLT site owners. The content refresh was presented in advance to representatives of VLT site owners who expressed their appreciation for the modern new look.

VLT Program 2023-24 Financial Results

In 2023-24, the VLT program contributed \$139.1 million in net income to LGS from revenue of \$203.7 million. Commissions paid to VLT sites totalled \$37.2 million for the fiscal year.

PlayNow

Operated by the Saskatchewan Indian Gaming Authority (SIGA) and managed by LGS, PlayNow.com is Saskatchewan's only legal online gaming platform.

PlayNow 2023-24 Financial Results

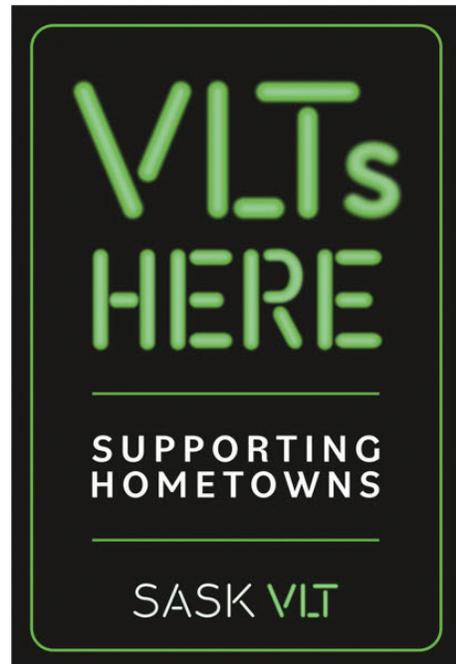
Despite heavy competition from thousands of grey-market online gaming sites, PlayNow continued to gain market share in 2023-24. PlayNow contributed a net income of \$4.7 million to LGS (before payments to the GRF) from revenue of \$15.5 million for the fiscal year.

Launched in November 2022, PlayNow now has more than 30,000 registered users. PlayNow is a safe, secure, regulated online gaming site and includes an array of casino games, including keno, as well as single-event and other sports betting options.

Profits from PlayNow in Saskatchewan are shared 50/50 by LGS and the First Nations Trust.

History of PlayNow in Saskatchewan

The Government of Saskatchewan formalized a five-year exclusive agreement with SIGA and the FSIN for the operation of an online gaming platform in September 2021. Through a competitive request for proposal process, the partnership selected British Columbia Lottery Corporation (BCLC) and its existing PlayNow.com platform to provide the online gaming platform in Saskatchewan. PlayNow is also the exclusive legal online gaming platform in Manitoba and British Columbia.



The rollout of new signage for VLT sites across the province started in January 2024.



Privacy and Security

PlayNow includes robust privacy and security safeguards, including:

- Firewalls to help prevent unauthorized access to systems and databases.
- Log-in protection—including the use of personal verification questions—to ensure the integrity of the system and the security of player information.
- Secure encrypted browsing for all PlayNow sessions and whenever personal information is requested of players;
- Use of encrypted website cookies to further protect account holders; and
- Regular cybersecurity audits and penetration testing.

Canadian Lottery Coalition

In September 2023, LGS joined a coalition of provincial lottery corporations. The coalition’s mandate is to combat misleading advertising and the operation of illegal gambling websites in Canada.

More than 3,000 illegal, unregulated websites offer gambling products to Canadians, including online casino games and sports betting options. These illegal websites operate in direct competition with lawful, regulated provincial gaming operators such as PlayNow in Saskatchewan.

The coalition is focused on:

- raising public awareness about the prevalence of illegal gambling operators;
- advising media platform owners of their duty to comply within existing laws and regulations; and
- encouraging the federal government to enforce current laws and regulations to shut these operators out of markets where provincial lottery corporations operate.

Lotteries

Ticket lotteries are managed in Saskatchewan, Manitoba, Alberta, and the three Canadian territories by the Western Canada Lottery Corporation (WCLC) through an interprovincial agreement.

In Saskatchewan, lottery tickets can be purchased at about 1,000 lottery terminals in more than 260 communities across the province. Lottery proceeds are allocated primarily to Sask Sport for distribution to more than 12,000 sport, culture and recreation groups and associations across the province.

This arrangement is governed by a six-year marketing agreement (running from April 2023 to March 2029) between Sask Sport and LGS. Under this agreement, Sask Sport is designated as the provincial marketing organization, giving it sole authority to sell WCLC lottery products in Saskatchewan. The agreement prescribes reporting, payment, and other requirements for the operation of ticket lotteries, including setting the lottery license fee.



Lottery proceeds helped support Saskatchewan athletes competing in the 2023 North American Indigenous Games held in Halifax, Nova Scotia in July. Pictured are the gold medalists from Saskatchewan in female 19U volleyball.

Lotteries 2023-24 Financial Results

LGS receives 3.75 per cent of lottery sales in Saskatchewan—less \$2.5 million annually for Sask Sports’ Mosaic Stadium lease, which provides the organization with 10,000 square feet of office space, as well as 600 hours per year of field access for Sask Sport and affiliated sport non-profit organizations.

In 2023-24, LGS received \$4.8 million in net income before payments to the GRF from Sask Sport from lottery sales.

For 50 years, Sask Lotteries has been the main fundraiser for more than 12,000 sport, culture and recreation groups in communities across Saskatchewan. Lottery sales in Saskatchewan help support athletes from the grassroots level to the international stage, connect youth to artistic experiences, help residents experience the beauty of Saskatchewan’s parks and much more.

Sask Sport unveiled a new Sask Lotteries website in December 2023, which provides an optimized web experience to lottery players and retailers. In February 2024, Sask Lotteries launched a Saskatchewan-only instant ticket in celebration of its 50-year anniversary.



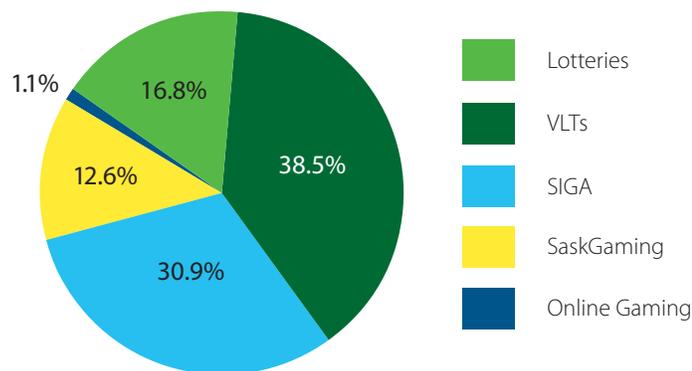
Launched in February 2024, the “Only in Sask” lottery ticket commemorated the 50th anniversary of Sask Lotteries.

Giving Back to Communities

LGS is committed to making a positive impact on Saskatchewan communities. A significant portion of the revenue generated through the gaming activities that LGS manages is channeled back into the province—supporting a wide range of Indigenous and charitable organizations, as well as providing funding (through payments to the province’s GRF) for infrastructure projects and essential public services such as healthcare and education.

LGS also gives back to Saskatchewan people through an annual dividend paid to its shareholder, Crown Investments Corporation of Saskatchewan (CIC), which uses the dividend to help support government priorities.

Where the Money Comes From



Who Benefits?

In 2023-24, the gaming sector contributed more than \$247 million to non-profit groups and organizations in communities across Saskatchewan through gaming grants provided by various funds, trusts and development organizations, including the Community Initiatives Fund, the First Nations Trust, the Saskatchewan Lotteries Trust Fund, the Clarence Campeau Development Fund, and Community Development Corporations.

Proceeds were distributed to Indigenous, urban, and rural communities; arts, culture and sport programs; small businesses and more.

LGS also supports the economy by creating jobs at its operators SIGA, SaskGaming, WCLC, and Sask Sport.

LGS Charitable Gaming Grants Program

In 2023-24, nearly 2,500 groups and organizations across Saskatchewan received a total of \$5.9 million in charitable gaming grants from LGS. Grants were paid to charitable groups and organizations in more than 300 Saskatchewan communities.

Groups and organizations in good standing that conducted licensed charitable gaming activities such as bingos, raffles, breakopen ticket sales, Texas hold ‘em poker tournaments and Monte Carlo events receive these grants. The grants paid are equal to 25 per cent of the net revenue raised by each charitable event, to a maximum of \$100,000 per group or organization annually.

The charities don’t apply to LGS for the grants. Instead, the amount of each grant paid by LGS to each charity is calculated by the Saskatchewan Liquor and Gaming Authority (SLGA) based on financial reports and other information submitted by the group or organizations part of SLGA’s charitable gaming licensing process.

Groups can apply to the SLGA to conduct a licensed charitable gaming activity (and potentially qualify for an LGS charitable gaming grant) by following the process specified on the SLGA's website.

Distribution of Proceeds from Gaming

In 2023-24, proceeds from gaming in Saskatchewan were distributed as follows:

- Payments to the Province of Saskatchewan's General Revenue Fund (GRF) of \$114.0 million consisted of payments of:
 - \$69.9 million to the First Nations Trust (from SIGA, SaskGaming, and PlayNow.com gaming proceeds);
 - \$28.5 million to Community Development Corporations;
 - \$8.2 million to the Community Initiatives Fund;
 - \$2.3 million to the Clarence Campeau Development Fund; and
 - \$5.1 million from the lottery licensing fee from Sask Sport to help fund government priorities such as infrastructure, healthcare and education.
- Dividend paid to CIC—\$135.8 million (much of this dividend also flows through to the GRF from CIC to help fund government priorities).
- Commissions paid to site contractors of LGS's VLT program—\$37.2 million
- LGS Charitable Gaming Grants—\$5.9 million

In addition, Sask Sport, Sask Culture, and the Saskatchewan Parks and Recreation Association received \$72.7 million in funding directly from lotteries proceeds in 2023-24. (These particular gaming proceeds do not flow through LGS but are governed by *The Lotteries and Gaming Saskatchewan Corporation Act*.)



The Regina Pats Hockey Club does a lot of great work in the community. Their Community Foundation is one of 2,483 charitable groups and organizations across Saskatchewan that received a charitable gaming grant from LGS in 2023-24.

Responsible Corporation

LGS is dedicated to promoting responsible gambling practices and ensuring that all lottery and gaming activities in the province are conducted in a fair, transparent, and socially responsible manner. LGS's operators have implemented industry-leading responsible gambling practices to help players maintain a healthy balance between gaming and other aspects of their lives.

Responsible Casinos

LGS's casino operators—SaskGaming and SIGA—both use GameSense, an internationally recognized responsible gambling program. Responsible gambling staff at Saskatchewan's nine land-based casinos assist guests who wish to enroll in the Game Break program (formerly known as the voluntary self-exclusion program) and provide referrals to available health services, where appropriate. SaskGaming implemented GameSense as its front-of-house responsible gambling program in May 2013, and SIGA also uses GameSense at its seven land-based casinos. SaskGaming and SIGA share a list of banned and Game Break patrons and both operators use RG Check for certification of their responsible gambling programming. SaskGaming completed a recertification in 2022. SIGA completed their recertification in 2023.

Responsible Online Gambling

PlayNow.com, Saskatchewan's only legal online gaming site, also features the GameSense responsible gambling program. It includes pop-up reminders of time and money spent, problem gambling referral information, play breaks, limits, and Game Break information. In addition, PlayNow adheres to Saskatchewan's Internet Gaming Advertising and Marketing Standards (iGAMS), which prohibit predatory advertising tactics especially to vulnerable populations such as minors.

Responsible VLT Sites

LGS's VLT site operators receive regular mandatory training on the responsible operation of VLTs. In addition, VLT players have access to various responsible gambling tools, features and information that support responsible gambling and informed decision-making—including a bill insertion limit of \$100, a forced cash-out once a player's balance reaches \$1,750, a permanent on-screen clock (to help increase gamblers' awareness of time spent gambling), the requirement to select a gambling time limit, and an on-screen display of responsible gambling messaging that supports responsible gambling and informed decision-making and helps educate gamblers on randomness, the cost of play, and the importance of setting time and money limits. In addition, the amount of money won or lost on each VLT is displayed in dollars rather than credits. VLT players can also register for a Player Services Account, which is a responsible gaming tool that allows users to set time and spend limits, review their time and spend history, and learn how VLTs work. Registration is voluntary and anonymous.

Responsible Lotteries

Sask Lotteries participates with other Canadian and U.S. lotteries in an annual joint campaign to promote responsible gambling during the holiday season. Led by the National Council on Problem Gambling and McGill University's International Centre for Youth Gambling Problems and High-Risk Behaviors, the campaign encourages the responsible gifting of lottery tickets to adults only. Sask Lotteries encourages responsible play with a "Learn the Facts" brochure.

RG Check

The RG Check accreditation program is operated by the Responsible Gambling Council, an independent non-profit organization dedicated to problem gambling prevention. The RG Check program provides gambling operators with an independent review of internal responsible gambling policies and procedures. To achieve RG Check accreditation, casinos are subject to documentation review, staff and patron surveys, mock self-exclusion exercises, on-site interviews and physical reviews of each casino's gaming floor and back-of-house areas.

Gambling Addictions Funding

In the most recent amendment of the Gaming Framework Agreement between the Government of Saskatchewan and the Federation of Sovereign Indigenous Nations, signed on June 15, 2023, annual funding for the First Nation Addiction Rehabilitation Foundation was increased to \$2.5 million (from \$2.25 million). LGS also provides annual funding to Mobile Crisis Services Inc. in support of the Problem Gambling Help Line.



**Consolidated Financial Statements
For the year ended March 31, 2024**

Corporate Overview

Lotteries and Gaming Saskatchewan Corporation (LGS or the Corporation) was established April 1, 2023, as a Crown Corporation to conduct and manage gaming for the province of Saskatchewan. LGS became fully operational June 1, 2023. LGS conducts and manages video lottery terminals (VLTs) within Saskatchewan and lottery and gaming-related activities through the Western Canada Lottery Corporation (WCLC), slot machines at all Saskatchewan Indian Gaming Authority (SIGA) casinos and all Saskatchewan Gaming Corporation (SaskGaming) casinos. LGS owns 100 per cent of the shares to SaskGaming who operates Casino Regina and Casino Moose Jaw. LGS owns 100 per cent of the shares at LGS Holdings Inc. which owns the VLTs within Saskatchewan and slot machines used at SIGA casinos.

Outlook

Throughout this report, and particularly in the following discussion, forward-looking statements are made. These statements can be recognized by terms such as “outlook,” “expect,” “anticipate,” “project,” “continue,” or other expressions that relate to estimations or future events. By their nature, forward-looking statements require assumptions based on current information, management experience and historical performance. Forward-looking information is subject to uncertainties, and as a result, forward-looking statements are not a guarantee for the future performance of LGS.

Readers should not place undue reliance on forward-looking statements, as several factors could cause actual results to differ materially from estimates, predictions, and assumptions. Factors that can influence performance include, but are not limited to: global pandemics, weather conditions, general economic and geo-political conditions, interest and exchange rates, competition and the regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

New Standards, Amendments to Standards and Interpretations not yet Adopted

Certain 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 years beginning after April 1, 2024, or later years. The Corporation does not expect these pronouncements to have significant impact on its results and financial position (see Note 3(m) and Note 3(n) of the consolidated financial statements).

Management’s Discussion and Analysis

The Management’s Discussion and Analysis highlights the primary factors that impacted the financial results and financial health of LGS for the year ended March 31, 2024.

Financial Results

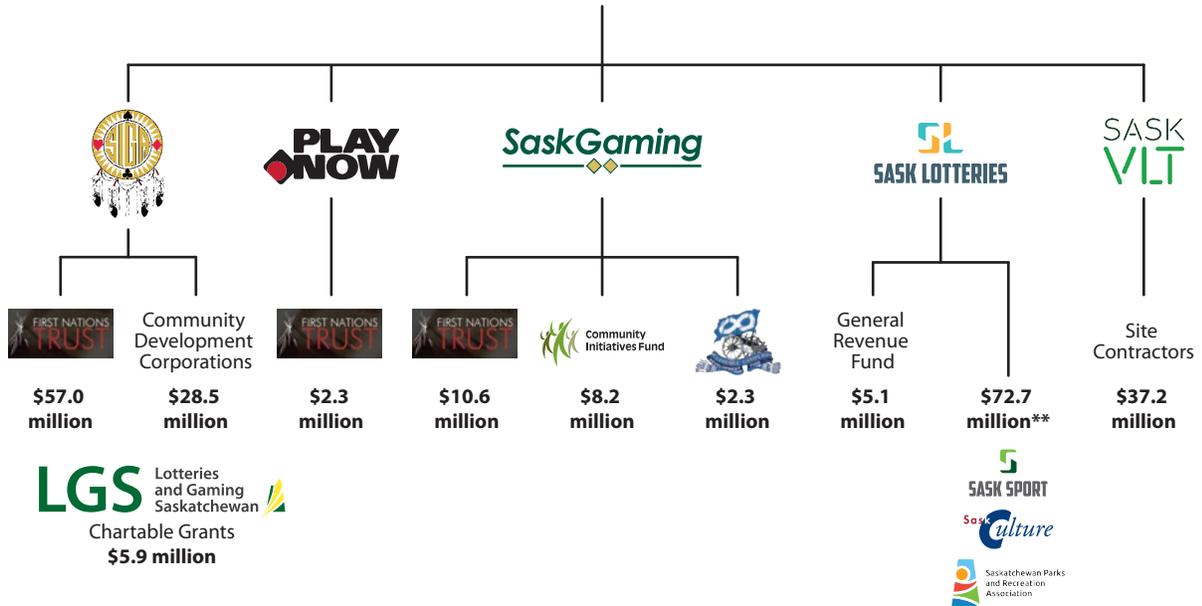
Net income in 2023-24 (12 months ended March 31, 2024) was \$191.1 million. Net income before payments to the General Revenue Fund of \$114.0 million was \$305.1 million. Net income remained strong as earnings from land-based operators continue to improve from when the public health orders were in place. The following diagram depicts earnings by category as well as the payment to the General Revenue Fund.



* Includes \$14.1 million for LGS Costs (operating, salaries, wages, and short-term employee benefits, employee future benefits, depreciation, interest, charitable grants) more than offset by \$14.5 million or LGS’s share in equity accounted investees (WCLC)

LGS provided \$114.0 million in payments to the General Revenue Fund in 2023-24 for its legislative requirements as per the *Lotteries and Gaming Saskatchewan Corporation Act* and Gaming Framework Agreement to fund the First Nations Trust, Community Initiatives Fund, Community Development Corporation and the Métis Development Fund as well as the lottery licensing fee LGS receives from SaskSport. These payments are dependent on income from SaskGaming and SIGA casinos. For breakdown of how income is split, see <https://lgsask.com/about-us/faqs>.

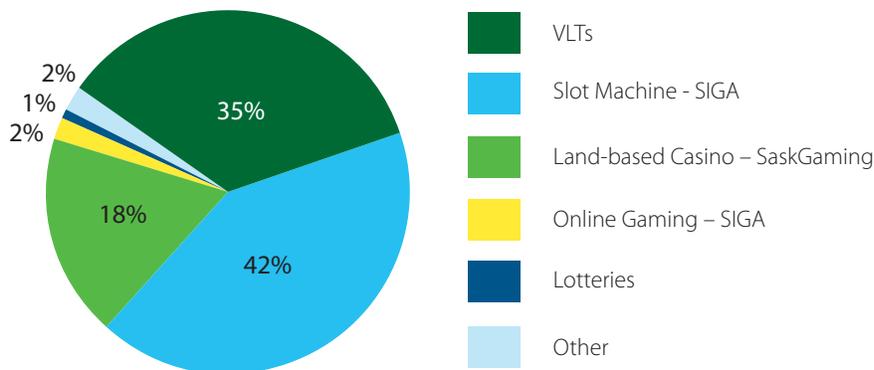
Included in expenses are \$37.2 million in commissions to site contractors for VLTs. Funding of \$72.7 million from lotteries do not flow through LGS, but LGS has conduct and management responsibilities for lotteries. The following diagram depicts where the funding is generated from and where it is distributed.



Payments to the GRF are related to funding the First Nations Trust, Community Development Corporations, Community Initiatives Fund and Clarence Campeau Development Corporation
****Money does not flow through LGS.**

Revenue

Revenue for LGS consists of revenue from land-based casino and slot machines (60 per cent), VLT (35 per cent), online gaming (2 per cent), lotteries (1 per cent) and other (2 per cent).



Revenue in 2023-24 was \$585.6 million. Revenue from land-based casinos grew from previous years, while VLT revenue remains consistent. Online gaming has contributed to revenue since its inception in November 2022. Ensuring a positive gaming experience and economic conditions has primarily contributed to higher revenues.

Revenue from VLTs in 2023-24 was \$203.7 million and continues to be strong primarily from economic conditions. Revenue from land-based casinos consists of revenue of \$105.3 million in 2023-24 from SaskGaming and revenue of \$245.8 million in 2023-24 from SIGA as an operator. Land-based casino revenue has continued to grow and can be attributed to strong provincial economic conditions and higher guest spend. Revenue from online gaming consists

of \$15.5 million in 2023-24 from SIGA as an operator. Online gaming has improved since its inception in November 2022, but it faces ongoing competition from well-established illegal operators in the online gaming space. LGS receives a lottery licensing fee from SaskSport which equated to \$4.8 million in 2023-24. Other revenues (\$10.5 million in 2023-24) are made up of lease amounts charged to SIGA for the use of slot machines.

Expenses

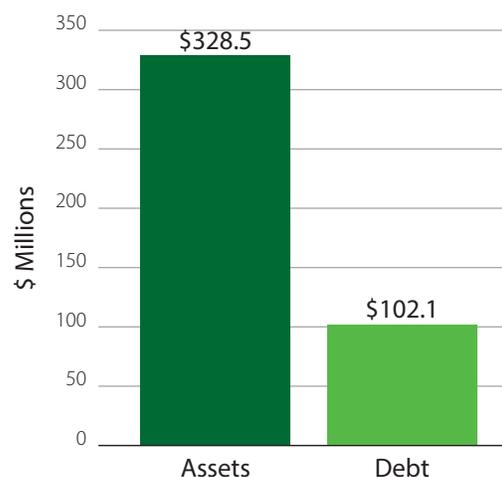
Expenses include operating expenses, salaries, wages and short-term employee benefits, employee future benefits, depreciation, commissions, taxes, charitable grants, contractual obligations and net finance expense. As disclosed in Note 13, all of these expenses are detailed by operating results and categorized by land-based casino - SaskGaming, slot machine - SIGA, online gaming - SIGA, VLT, lotteries and other. For 2023-24, expenses were \$295.0 million and were in line with expectations for the 2023-24 year with no major fluctuations to note. Expenses of \$295.0 million in 2023-24 mostly include expenses from SIGA operations of \$131.8 million and SaskGaming of \$63.2 million to operate land-based casinos, platform expenses to SIGA of \$10.9 million to operate online gaming and expenses of \$64.5 million to operate VLTs.

Operating expenses and salaries and benefits are impacted by inflation and meeting the services expectations of guests. Depreciation of \$29.8 million in 2023-24 mainly consists of slot machines, VLTs and casino buildings. 18 per cent site commissions (\$37.2 million in 2023-24) were paid on VLT revenue to support local businesses where VLTs reside. Taxes of \$12.4 million in 2023-24 mostly relate to property taxes and GST expenses. Charitable grants of \$5.9 million are grant payments to charities or religious organizations licensed by SLGA to conduct charitable gaming events within Saskatchewan. Contractual obligations of \$7.2 million are for payments to the Regina Exhibition Association Ltd., Moose Jaw Exhibition Association Ltd., Indigenous Gaming Regulators Inc. and Saskatoon Prairieland Park Corporation. These contracts were put in place when casinos in Regina and Moose Jaw opened. Net finance expense of \$6.5 million mostly represents financing costs for capital reinvestment.

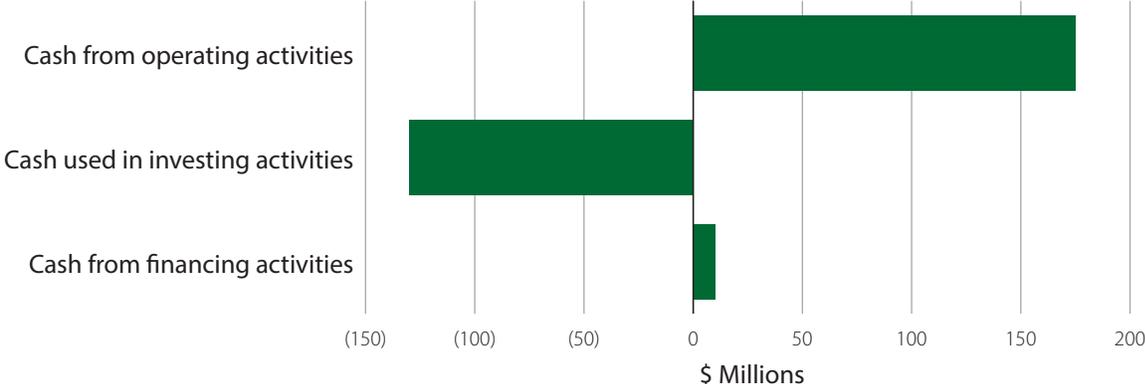
Debt and Capital Expenditures

As at March 31, 2024, LGS has consolidated debt of \$102.1 million to support assets of \$328.5 million. During 2023-24, LGS borrowed \$78.1 million to fund the purchase of SLGA Holding Inc. In addition, SLGA transferred a long-term payable from SIGA to LGS. In exchange for the long-term payable, LGS has a long-term payable to SLGA to repay the amount that was transferred.

LGS's capital expenditures of \$40.6 million in 2023-24 focus mostly on slot machines for SIGA and SaskGaming casinos, VLTs and property modernization. Slot machine and VLT capital focus on regular replacement. Property modernization was mostly related to renovations to modernize the Casino Moose Jaw property, which was substantially completed as of March 31, 2024. Regular replacement of slot machines and VLTs are important to sustain revenue. This level of capital expenditures is consistent with the previous year before the creation of LGS.



Cash Flows



Cash provided from operating activities was \$175.9 million in 2023-24. This is from net income of \$191.1 million partially offset by a \$15.2 million net decrease resulting from operations. The operating agreement with SIGA is structured to receive half of net income immediately and the other half in 180 days. This means that at any given time, SIGA will have, at minimum, an amount owing to LGS for 50 per cent of operations related to the previous 180 days. Any net income due after 180 days prior to June 1, 2023, was owed and sent to SLGA. In addition, payments to the General Revenue Fund related to SIGA net income are equal to 75 per cent as per the *Lotteries and Gaming Saskatchewan Corporation Act*. Since, for a portion of the year, LGS was only receiving 50 per cent of net revenue from SIGA and paying 75 per cent to the General Revenue Fund, LGS was using its other cash from operating activities to fund those payments. Going forward, LGS will be receiving more cash from SIGA than what is required to be paid to the General Revenue Fund because LGS has conducted and managed SIGA for more than 180 days.

Cash used in investing activities was \$131.5 million in 2023-24. The primary drivers of the use of cash are capital expenditures (decrease of \$40.6 million), the transfer of the long term SIGA loan from SLGA to LGS (decrease of \$29.0 million), and the acquisition of LGS Holdings Inc. (decrease of \$85.0 million). Slightly offsetting this use of cash was the transfer of SaskGaming to LGS effective June 1, 2023 (increase of \$20.1 million).

Cash from financing activities was \$8.4 million in 2023-24. LGS borrowed \$78.1 million from the General Revenue Fund to purchase SLGA Holding Inc. (renamed LGS Holdings Inc.) from SLGA. SLGA had debt related to these assets and used the payment from LGS to reduce its debt resulting in no net increase in government debt. LGS Holdings Inc. holds all the SIGA and VLT gaming assets. In addition, a previous loan that SLGA made to SIGA was purchased by LGS, which was funded by a \$24.0 million long-term payable to SLGA. This increase in cash was partially offset as LGS paid an equity advance to Crown Investments Corporation of \$3.7 million and dividends of \$89.4 million during the year ended March 31, 2024.

Management's Report on Financial Statements

The accompanying consolidated financial statements have been prepared by management of Lotteries and Gaming Saskatchewan Corporation. They have been prepared in accordance with International Financial Reporting Standards, consistently applied, using management's best estimates and judgements where appropriate. Management is responsible for the reliability and integrity of the consolidated financial statements and other information contained in this annual report.

Lotteries and Gaming Saskatchewan Corporation's Board of Directors is responsible for overseeing the business affairs of the corporation and also has the responsibility for the reliability and integrity of the consolidated financial statements with eventual approval of the consolidated financial statements. The Board of Directors is responsible for reviewing the annual consolidated financial statements and meeting with management, the corporation's external auditors Deloitte, and the Provincial Auditor of Saskatchewan on matters relating to the financial process.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the consolidated financial statements. Management's attestation on the adequacy of financial controls appears on the opposite page. The Provincial Auditor of Saskatchewan has reported to the legislative assembly that financial controls are adequately functioning.

Deloitte has audited the consolidated financial statements. Their report to the members of the legislative assembly, stating the scope of their examination and opinion on the consolidated financial statements, appears on the following page.



Susan Flett
President & CEO

May 28, 2024



Travis Massier, CPA, CMA
Vice President & CFO

Annual Statement of Management Responsibility

I, Susan Flett, President and Chief Executive Officer of Lotteries and Gaming Saskatchewan Corporation, and I, Travis Massier, Vice President and Chief Financial Officer of Lotteries and Gaming Saskatchewan Corporation, certify the following:

That we have reviewed the consolidated financial statements included in the Annual Report of Lotteries and Gaming Saskatchewan Corporation. Based on our knowledge, having exercised reasonable diligence, the consolidated 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, 2024.

That based on our knowledge, having exercised reasonable diligence, the consolidated financial statements included in the Annual Report of Lotteries and Gaming Saskatchewan Corporation 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 in which it was made.

That Lotteries and Gaming Saskatchewan Corporation is responsible for establishing and maintaining effective internal controls over financial reporting, which include safeguarding of assets and compliance with applicable legislative authorities; and Lotteries and Gaming Saskatchewan Corporation has designed internal controls over financial reporting that are appropriate to the circumstances of Lotteries and Gaming Saskatchewan Corporation.

That Lotteries and Gaming Saskatchewan Corporation conducted its assessment of the effectiveness of the corporation's internal controls over financial reporting and, based on the results of this assessment, Lotteries and Gaming Saskatchewan Corporation can provide reasonable assurance that internal controls over financial reporting as of March 31, 2024 were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

On behalf of management:



Susan Flett
President & CEO



Travis Massier, CPA, CMA
Vice President & CFO

May 28, 2024

Independent Auditor's Report

To the Members of the
Legislative Assembly of Saskatchewan

Opinion

We have audited the consolidated financial statements of Lotteries and Gaming Saskatchewan Corporation (the "Company"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the management discussion and analysis.

Our opinion on the financial statements does not cover the other information and we do 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, or otherwise appears to be materially misstated.

We obtained the management discussion and analysis prior to the date of this auditor's 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 this auditor's 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 IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
Regina, Saskatchewan

May 28, 2024

Lotteries and Gaming Saskatchewan Corporation

Consolidated Statement of Financial Position

As at

(Thousands of Dollars)	Note	March 31, 2024
ASSETS		
Current assets:		
Cash		\$ 52,767
Accounts receivable	4	65,068
Inventory and prepaid expenses		1,192
Current portion of long-term receivable	10	3,060
		<u>122,087</u>
Long-term receivable	10	25,926
Property and equipment	6	165,989
Investment in associate	18	14,522
		<u>\$ 328,524</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Trade and other payables		\$ 16,865
Payable to the General Revenue Fund	7	35,662
Dividend payable		53,530
Promissory note	8	78,079
Current portion of long-term payable	10	3,060
Current portion of lease liabilities	9	814
		<u>188,010</u>
Long-term payable	10	20,926
Lease liabilities	9	3,185
		<u>212,121</u>
Equity advance	11	-
Retained earnings		116,403
		<u>116,403</u>
		<u>\$ 328,524</u>
Description of business	1	
Commitments and contingencies	12	

(See accompanying notes)

On behalf of the Board:

Director: 

Director: 

Lotteries and Gaming Saskatchewan Corporation

Consolidated Statement of Comprehensive Income

For Year Ended March 31

(Thousands of Dollars)	Note	2024
Revenue	13	\$ 585,611
Operating expenses	13	88,189
Salaries, wages and short-term employee benefits	13	102,164
Employee future benefits	13	5,633
Depreciation	6,13	29,794
Commissions	13	37,226
Taxes	13,14	12,420
Charitable grants	13	5,912
Contractual obligations	12 b,12c,13	7,154
Net finance expense	13,15	6,534
		<u>295,026</u>
Share of comprehensive income of associate	13,18	14,522
Income before payment to the General Revenue Fund		<u>305,107</u>
Payment to the General Revenue Fund	7,13	113,959
Comprehensive income		<u><u>\$ 191,148</u></u>

(See accompanying notes)

Lotteries and Gaming Saskatchewan Corporation

Consolidated Statement of Changes in Equity

For Year Ended March 31

(Thousands of Dollars)

	2024				
	Note	Contributed Surplus	Retained Earnings	Equity Advance	Total
Equity, beginning of year		\$ -	\$ -	\$ -	\$ -
Comprehensive income		-	191,148	-	191,148
Dividends		-	(135,835)	-	(135,835)
Common control transaction	3b	61,090	-	3,700	64,790
Transfer of contributed surplus		(61,090)	61,090	-	-
Repayment of equity advance		-	-	(3,700)	(3,700)
Equity, end of year		\$ -	\$ 116,403	\$ -	\$ 116,403

(See accompanying notes)

Lotteries and Gaming Saskatchewan Corporation

Consolidated Statement of Cash Flows

For Year Ended March 31

(Thousands of Dollars)	Note	2024
Operating activities:	3b	
Comprehensive income		\$ 191,148
Adjustments for:		
Net finance expense	15	6,534
Depreciation	6	29,794
Share of comprehensive income of associate	18	(14,522)
Changes in non-cash working capital balances:		
Accounts receivable		(64,927)
Inventory and prepaid expenses		409
Trade and other payables		5,133
Payable to the General Revenue Fund		31,447
Interest paid	15	(9,091)
		<u>175,925</u>
Investing activities:		
Interest received	15	2,557
Proceeds from sale of property and equipment	6	406
Increase in long-term receivable	10	(28,986)
Cash assumed from common control transaction	3b	20,052
Property and equipment purchases from common control transaction	3b	(84,955)
Purchases of property and equipment	6	(40,590)
		<u>(131,516)</u>
Financing activities:		
Equity advance repaid		(3,700)
Dividends paid		(89,418)
Increase in promissory note	8	78,079
Increase in long-term payable	10	23,986
Repayment of lease liabilities		(589)
		<u>8,358</u>
Net change in cash		52,767
Cash, beginning of year		-
Cash, end of year		<u>\$ 52,767</u>

(See accompanying notes)

Lotteries and Gaming Saskatchewan Corporation

Notes to the Consolidated Financial Statements

For Year Ended March 31

1. Description of Business

Lotteries and Gaming Saskatchewan Corporation (LGS or the Corporation) along with its subsidiaries LGS Holdings Inc. and Saskatchewan Gaming Corporation (SaskGaming), is a corporation domiciled in Canada. The address of LGS's registered office and principal place of business is 2055 Albert Street, Regina, SK, S4P 2T8. The Corporation is a Saskatchewan Provincial Crown corporation operating under the authority of *The Lotteries and Gaming Corporation Act* and, as such, the Corporation and its wholly owned subsidiaries are not subject to Federal or Provincial income taxes in Canada. LGS 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 LGS's operations is controlled by the separately constituted Saskatchewan Liquor and Gaming Authority (SLGA).

LGS consolidates the management oversight (conduct and management) for casinos, video lottery terminals (VLTs), lotteries, and online gaming. LGS owns the slot machines at the Saskatchewan Indian Gaming Authority (SIGA) casinos. Revenue and expenses at SIGA's casinos are included in these consolidated financial statements.

2. Basis of Preparation

a) Statement of compliance

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

The consolidated financial statements were authorized for issue by the Board of Directors on May 28, 2024.

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 5).

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is LGS's functional currency and have been rounded to the nearest thousand unless stated otherwise.

d) Use of estimates and judgements

The preparation of the consolidated financial statements in accordance 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. These estimates and assumptions are based on several factors, including historical experience, current events, and actions that LGS may undertake in the future, and other assumptions that LGS believes are reasonable under the circumstances. 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 year in which the estimates are revised and in any future years affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include: classification of financial instruments (Note 3(h) and Note 5), useful lives and depreciation rates of property and equipment (Note 3(c) and Note 6), impairment (Note 3(i)), leases (Note 3(e) and Note 9) and revenue recognition (Note 3(j)).

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by LGS and its subsidiaries.

a) Basis of consolidation

The consolidated financial statements include the accounts of LGS and its wholly owned subsidiaries, SaskGaming and LGS Holdings Inc. which are incorporated under *The Saskatchewan Gaming Corporation Act* and *The Business Corporations Act* (Saskatchewan), respectively. All intercompany transactions and accounts have been eliminated on consolidation.

b) Common control transactions

A business combination involving entities under common control is outside of the scope of IFRS 3 - Business Combinations. A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party, both before and after the business combination and control is not transitory.

On June 1, 2023, Crown Investment Corporation of Saskatchewan Inc. (CIC), the parent company, transferred SaskGaming to LGS. Prior to the transfer, SaskGaming was a wholly owned subsidiary of CIC, consequently, both LGS and SaskGaming were under common control at the time of acquisition. The acquisition has been accounted for using the predecessor values from the date of transaction method, whereby the acquired assets and liabilities are transferred to LGS based on the historical carrying value. The following table summarizes the carrying value of the assets, liabilities and equity transferred as of June 1, 2023:

(Thousands of Dollars)

Cash	\$	20,052
Accounts receivable		141
Inventory and prepaid expenses		1,601
Property and equipment		69,358
	\$	91,152
Trade and other payables	\$	11,732
Payable to the General Revenue Fund		4,215
Dividends payable		7,113
Lease liabilities		3,302
	\$	26,362
Equity advance	\$	3,700
Retained earnings		61,090
	\$	91,152

On June 1, 2023, SLGA sold its shareholdings in SLGA Holding Inc. to LGS. Prior to the share sale, SLGA Holding Inc. was a wholly owned subsidiary of SLGA. Both LGS and SLGA Holding Inc. were under common control at the time of acquisition. The acquisition has been accounted for using the predecessor values from the date of transaction method, whereby the acquired assets and liabilities are transferred to LGS based on the historical carrying value. Net assets were exclusively property and equipment of \$85.0 million.

On June 1, 2023, SLGA transferred the long-term receivable due from SIGA to LGS (Note 10). In exchange for the long-term receivable, due from SIGA, LGS issued a long-term payable (Note 10) to repay SLGA for the outstanding long-term receivable due from SIGA. As SLGA and LGS were under common control at the time of transfer, the transfer has been accounted for using the predecessor values from the date of transaction method, whereby the acquired long-term receivable due from SIGA was transferred to LGS based on the historical carrying value. The long-term receivable due from SIGA was \$30.9 million at the time of transfer.

As of June 1, 2023, LGS was assigned responsibility to oversee conduct and management of lottery schemes within Saskatchewan as agent of the Government of Saskatchewan. As such, the Restated Western Canada Lottery Agreement effective as of October 1st, 2022, was transferred from the Ministry of Parks, Culture and Sport to LGS, which details LGS is associated with Western Canada Lottery Corporation (WCLC). LGS has recorded an investment in associate of \$14.5 million.

c) Property and equipment

Property 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 and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. LGS 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	5 - 40 years
Furniture and equipment	3 - 20 years

The estimated useful lives and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

d) Investment in associate

Associates are those entities in which LGS has significant influence, but not control over strategic financial and operating decisions. Significant influence is presumed to exist when LGS holds between 20.0 and 50.0 per cent of the voting power of another entity.

Associates are accounted for using the equity method and are recognized initially at cost and adjusted thereafter to recognize LGS's share of the comprehensive income or loss of the associate. When LGS's share of losses exceeds its interest in its associate, the carrying amount of that investment in associate is reduced to Nil and the recognition of further losses is discontinued except to the extent that LGS has an obligation or has made payments on behalf of the associate.

e) Leases

The lessee recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date subject to recognition exemptions for certain short-term and low value leases, resulting in lease payments being recognized in operating expense on a straight-line basis over the term of the lease. Short-term leases are leases with a lease term of 12 months or less that do not contain a purchase option. 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 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, LGS'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

LGS leases certain gaming equipment which primarily includes slot machines. LGS 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. LGS has elected to apply the recognition exemption for short-term leases.

Low value assets are generally office furniture, office equipment and information technology equipment. For the year ended March 31, 2024, LGS expensed \$24.0 million in short-term leases.

LGS leases its office building as well as the property where Casino Moose Jaw is located. The right-of-use asset is included in property and equipment and the lease liability is disclosed separately as "Lease liabilities".

f) Employee benefits

(i) Defined contribution plan

LGS 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 operating 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.

g) Foreign currency

Transactions in foreign currencies are translated to the functional currency of LGS 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 earnings in the current year.

h) Financial instruments

(i) Non-derivative financial assets and liabilities

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

Cash is measured mandatorily at fair value through profit or loss and is recorded at fair value. Receivables 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.

LGS has the following non-derivative financial liabilities which are classified as amortized cost: trade and other payables, payable to the General Revenue Fund, dividend payable, long-term payable and promissory note. 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.

LGS 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 LGS is recognized as a separate asset or liability. LGS 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 consolidated statement of financial position when LGS 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.

i) Impairment

(i) Financial assets

LGS recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. LGS 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, LGS performs a quantitative and qualitative analysis based on LGS's historical experience and forward-looking information. LGS assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due. LGS considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to LGS in full, without recourse by LGS 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 LGS's non-financial assets 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 years 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.

j) Revenue

(i) Slot machines

Revenue includes the net win from gaming activities in land-based casinos, which is the difference between the amounts wagered and payouts by the casino.

LGS used significant judgement in determining revenue recognition on a gross basis for SIGA as it is the principal for the slot revenue earned under the Amended and Restated Casino Operating Agreement dated July 3, 2018 with a term end date of June 10, 2037. To determine that LGS is the principal, it considered whether it obtains control of the services before these are transferred to the players. In making this evaluation, several factors are considered, most notably whether LGS has primary responsibility for fulfilment to the players based on the terms of the Amended and Restated Casino Operating Agreement.

(ii) Video Lottery Terminals (VLT)

VLT revenue is the recorded net win from gaming activities, which is the difference between the amounts wagered and payouts. In years where the payouts on the Multi-vendor Mystery Jackpot (“MMJ”) progressive jackpot have exceeded the corresponding revenues, a loss on the MMJ program will be recognized in the financial statements.

(iii) Online gaming

Online gaming revenue generated from online games is recorded in the same year the games are played. Online gaming revenue is measured at the fair value of the consideration received or receivable. LGS’s gaming revenue includes the gross amounts, or wagers collected by Gaming Operators from players less winnings paid to players and less eligible deductions.

LGS used significant judgement in determining revenue recognition on a gross basis from SIGA as it is the principal for online gaming revenue earned under the Online Gaming Operating Agreement dated November 5, 2021 with a term end date of June 10, 2037. To determine that LGS is the principal, it considered whether it obtains control of the services before these are transferred to the players. In making this evaluation, several factors are considered, most notably whether LGS has primary responsibility for fulfilment to the players based on the terms of the Online Gaming Operating Agreement.

Transactions where gaming operators are only administering games without taking any position are accounted for in accordance with IFRS 15.

(iv) Lotteries

As per the Agreement for the Marketing of Lottery Products in Saskatchewan, Sask Sport Inc. shall pay an annual fee to LGS for deposit in the General Revenue Fund equal to 3.75 per cent of annual Net Lottery Ticket revenue less \$2.5 million per year. The amount received from Sask Sport Inc. is recorded as revenue. Net Lottery Ticket revenue is recorded as of the date of the draw, with the exception of instant lottery tickets which is when the ticket is sold.

(v) Ancillary

Ancillary revenue is food, beverage and show lounge revenue. Food and beverage revenue is recognized when the goods and services are provided. Show lounge revenue is recognized when the event occurs. These revenues are included in the Land-based casino – SaskGaming revenues (Note 13).

(vi) Other Revenue

Other revenue excludes 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 operating expenses.

(k) Charitable Grants

Charitable grants are recognized when approved and eligibility criteria, if any, are met.

l) Finance income and finance expense

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

Finance expense 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 income using the effective interest method.

m) Adoption of IAS 1 amendments

The Corporation has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

n) New standards and interpretations not yet adopted

LGS is assessing the impact of new standards, interpretations and amendments to existing standards that were issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for annual accounting years beginning after April 1, 2024. LGS does not expect any material impacts to the financial statements.

4. Accounts Receivable

(Thousands of Dollars)		2024
Accounts receivable - SIGA	\$	59,750
Accounts receivable - WCLC		4,913
Accounts receivable - Other		405
	\$	65,068

Effective June 11, 2007 the Province and the Federation of Sovereign Indigenous Nations (FSIN) agreed to amend the 2002 Framework Agreement for the purpose of increasing economic and employment opportunities for Aboriginal peoples through casino development within the parameters of The Criminal Code of Canada. This amendment also permitted SIGA to retain \$5.0 million annually from slot machine operations as a capital reserve for the sole purpose of acquiring capital assets. This \$5.0 million is included in long-term receivable (Note 10).

5. Financial Risk Management

LGS has exposure to the following risks from its use of financial instruments: market risk, interest rate 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 LGS's risk management framework and is responsible for developing and monitoring LGS's risk management policies.

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

LGS's Board of Directors oversees how management monitors compliance with LGS's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by LGS. 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 following table presents the carrying amount and fair value of LGS's financial instruments. The table also identifies the financial instrument category and fair value hierarchy.

(Thousands of Dollars)		2024		
		Fair Value Hierarchy	Carrying	Fair Value
Financial Instruments	Classification ¹		Amount	
Cash	FVTPL	Level One	\$ 52,767	\$ 52,767
Accounts receivable	AC	N/A	65,068	65,068
Long-term receivable	AC	N/A	28,986	28,986
Trade and other payables	AC	N/A	16,865	16,865
Payable to the General Revenue Fund	AC	N/A	35,662	35,662
Dividend payable	AC	N/A	53,530	53,530
Promissory note	AC	N/A	78,079	78,079
Long-term payable	AC	N/A	23,986	23,986

Classification¹

FVTPL - Fair value through profit or loss

AC - Amortized Cost

c) Interest rate risk

LGS is exposed to interest rate risk on its promissory note and may be exposed to interest rate risk on future short-term and long-term borrowings. At March 31, 2024, LGS had \$78.1 million of promissory notes (Note 8). Due to LGS's use of promissory notes, the interest rate risk LGS is exposed to is minimal because interest rates are re-negotiated to a current rate every 6 months.

LGS authorizes SIGA to enter into long-term debt arrangements. It also authorized SIGA to enter into interest rate swaps in order for SIGA to manage the interest rate exposure on its long-term debt. LGS is exposed to SIGA's credit and interest rate risks. SIGA's financial risks arise mainly from its bank financing and its interest rate swap arrangements which are partially offset by changes in interest rates on its variable borrowings. The impact of fluctuations in interest rates on LGS's financial instruments is not considered significant to the Corporation. Therefore, a sensitivity analysis of the impact on profit or loss has not been provided.

d) Foreign exchange risk

LGS faces exposure to the U.S./Canadian dollar exchange rate through the purchase of goods and services payable in U.S. dollars. LGS may utilize financial instruments to manage this risk. As at March 31, 2024, LGS had no outstanding foreign exchange derivative contracts. The impact of fluctuations in foreign exchange rates on LGS's financial instruments is not considered significant to the Corporation. Therefore, a sensitivity analysis of the impact on profit or loss has not been provided.

e) Credit risk

LGS does not extend credit to its gaming customers. Credit risk is limited to LGS's accounts receivable balance which consists of short-term and a long-term receivable from SIGA, short-term receivable from the WCLC and credit is extended to business entities for business functions held at the Casino Regina show lounge. LGS receives short-term amounts owing in accordance with the Amended and Restated Casino Operating Agreement described in Note 13. The accounts receivable - WCLC (Note 4) is collected shortly after March 31 in accordance with the Operating Agreement for services between LGS and WCLC. At March 31, 2024, there was no impairment required on any of the financial assets of LGS.

The carrying amount of financial assets represents the maximum credit exposure as follows:

(Thousands of Dollars)	2024
Cash	\$ 52,767
Accounts receivable	65,068
Long-term receivable	28,986
	<u>\$ 146,821</u>

f) Liquidity risk

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

The following summarizes the contractual maturities of LGS's financial liabilities at March 31, 2024:

(Thousands of Dollars)	Carrying Amount	Total	0-6 Months	7-12 Months	1-2 Years	3-5 Years	More than 5
Trade and other payables	\$ 16,865	\$ 16,865	\$ 16,865	\$ -	\$ -	\$ -	-
Payable to the General Revenue Fund	35,662	35,662	35,662	-	-	-	-
Dividend payable	53,530	53,530	53,530	-	-	-	-
Promissory note	78,079	78,079	78,079	-	-	-	-
Long term payable	23,986	23,986	1,530	1,530	3,060	9,180	8,686
	\$208,122	\$208,122	\$185,666	\$ 1,530	\$ 3,060	\$ 9,180	\$ 8,686

6. Property and Equipment

LGS leases building and land under a finance lease agreement. At March 31, 2024, the net carrying amount of leased building was \$10.7 million and the leased land was \$1.2 million.

(Thousands of Dollars)

	Land	Building & renovations	Furniture & equipment	Right-of- use assets	Total
Cost					
Balance at April 1, 2023	\$ -	\$ -	\$ -	\$ -	-
June 1, 2023 acquisition of LGS Holdings Inc.	-	-	211,207	-	211,207
June 1, 2023 acquisition of SaskGaming	15,154	66,455	47,677	9,017	138,303
Additions	-	6,447	34,143	1,286	41,876
Disposals	-	(234)	(19,732)	(1,614)	(21,580)
Balance at March 31, 2024	\$ 15,154	\$ 72,668	\$ 273,295	\$ 8,689	\$ 369,806

(Thousands of Dollars)

	Land	Building & renovations	Furniture & equipment	Right-of-use assets	Total
Accumulated Depreciation					
Balance at April 1, 2023	\$ -	\$ -	\$ -	\$ -	\$ -
June 1, 2023 acquisition of LGS Holdings Inc.	-	-	126,252	-	126,252
June 1, 2023 acquisition of SaskGaming	-	30,313	34,229	4,403	68,945
Depreciation expense	-	3,757	25,840	240	29,837
Disposals	-	(177)	(19,426)	(1,614)	(21,217)
Balance at March 31, 2024	\$ -	\$ 33,893	\$ 166,895	\$ 3,029	\$ 203,817
Carrying Amounts					
At March 31, 2024	\$ 15,154	\$ 38,775	\$ 106,400	\$ 5,660	\$ 165,989

7. Payment to the General Revenue Fund

LGS provides payments to the General Revenue Fund to the extent required to meet the Government's obligations under *The Lotteries and Gaming Saskatchewan Corporation Act*, and the 2002 Gaming Framework Agreement to the First Nations Trust, Community Development Corporations, the Community Initiatives Fund and the Métis Development Fund. The 2002 Gaming Framework Agreement expires in 2037. In addition, payments are made as per the obligations in the Agreement for the Marketing of Lottery Products in Saskatchewan. At March 31, 2024, LGS has a payable to the General Revenue Fund of \$35.7 million.

8. Promissory Note

Promissory note of \$78.1 million is due to the General Revenue Fund. LGS has two notes of \$42.5 million and \$35.6 million that are due on demand and have an effective interest rate ranging from 5.05 per cent to 5.06 per cent.

9. Lease Liabilities

(Thousands of Dollars)	2024
Total future minimum lease payments	\$ 4,768
Less: future finance charges on lease	(769)
Present value of lease liabilities	3,999
Less: current portion of lease liabilities	(814)
Lease liabilities	\$ 3,185

Beginning in September 2002, LGS subsidiary, SaskGaming, leased the Casino Moose Jaw property for 25 years at an annual cost of \$0.9 million for the first 10 years, and \$1.0 million annually thereafter. At the end of the lease, it will acquire the property for the sum of one dollar.

In 2023, LGS leased its office space for 10 years at an annual cost of \$0.2 million.

As of March 31, 2024, LGS recognized \$0.3 million of interest costs in net earnings related to these lease liabilities.

As at March 31, 2024, 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	\$ 1,109	\$ 2,939	\$ 720
Present value of finance lease liabilities	814	2,525	660

10. Long-term Receivable and Payable

Due to the prolonged closure of casinos in response to the COVID-19 pandemic, SIGA's ability to make all required Amended and Restated Casino Operating Agreement revenue and reimbursement of equipment costs to SLGA had been reduced and therefore both parties agreed in June 7, 2021, to a Forbearance and Debt Repayment Agreement to provide SIGA with additional time to repay their indebtedness.

On June 1, 2023, SLGA transferred over the accounts receivable from SIGA to LGS (Note 3b) which is non-interest bearing with \$0.3 million repayable monthly until June 2032. In exchange, LGS issued a promissory note to repay SLGA for the carrying value of the receivable with the same terms. As at March 31, 2024, the outstanding balance payable to SLGA is \$24.0 million and outstanding receivable from SIGA is \$29.0 million (includes \$5.0 million for a capital reserve).

11. Equity Advance

LGS does not have share capital. However, LGS can receive equity advances from CIC to form its equity capitalization. At March 31, 2024, there were no equity advances from CIC. LGS's subsidiary, SaskGaming, had outstanding equity advances of \$3.7 million from CIC prior to the creation of LGS. In 2023-24, LGS repaid \$3.7 million to CIC.

12. Commitments and Contingencies

a) SIGA

The Amended and Restated Casino Operating Agreement requires SIGA to transfer funds to Indigenous Gaming Regulators Inc. (IGR) to support IGR's annual operating budget. As well, under an agreement with Saskatoon Prairieland Park Corporation (SPPC) effective August 10, 2007, SIGA began paying SPPC \$2.6 million annually, subject to certain conditions, for 30 years payable in monthly installments.

Under the Amended and Restated Casino Operating Agreement, SIGA recovers its costs for approved casino operating expenses, contractual obligations and commitments from LGS's slot machine revenues. SIGA has lease commitments and obligations that would be included in the above noted cost recovery.

b) 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 \$0.2 million for the first year following termination of the agreement and, subject to certain conditions, monthly payments of \$0.2 million until 2027.

c) 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 \$0.03 million monthly, subject to certain conditions, starting in 2003 and continuing until 2028.

d) Indemnification of WCLC for VLT operations

LGS agrees to fully and completely indemnify and hold harmless WCLC, its members, directors, officers and employees from any obligations, expenses, liabilities or damages incurred or arising directly or indirectly from activities noted in the operating agreement.

e) Litigation and claims

LGS 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 statement of comprehensive income of LGS.

13. Detailed Operating Results

(Thousands of Dollars)

	2024						
	Slot machines SIGA	Land-based casino SaskGaming	VLT	SIGA - Online gaming	Lotteries	Other	Total
Revenue	\$ 245,795	\$ 105,265	\$ 203,656	\$ 15,554	\$ 4,782	\$ 10,559	\$ 585,611
Expenses (1)	126,766	63,160	64,480	10,873	-	24,711	289,990
Other losses from SIGA gaming	(5,036)	-	-	-	-	-	(5,036)
Profit from operations	113,993	42,105	139,176	4,681	4,782	(14,152)	290,585
Share of associate	-	-	-	-	14,522	-	14,522
Payment to the General Revenue Fund	(85,494)	(21,052)	-	(2,341)	(5,072)	-	(113,959)
Comprehensive Income	\$ 28,499	\$ 21,053	\$ 139,176	\$ 2,340	\$ 14,232	\$ (14,152)	\$ 191,148

To implement the 2002 Framework Agreement, SLGA and SIGA made agreements for casino operations and slot machine management. The Amended and Restated Casino Operating Agreement required SIGA to pay the net profits from slot machines to SLGA. This agreement also ensured SLGA recovered the cost of slot machines, the related computer system and interest over the useful life. As of June 1, 2023, the requirements noted above regarding SLGA are now applicable to LGS, and the recovered cost and interest is recorded in Other for a total of \$10.6 million.

Effective for the year ended March 31, 2008 and subsequent years, the Amended and Restated Casino Operating Agreement between SIGA and LGS has been amended to exclude unrealized gains and losses on the interest rate swaps initiated on December 12, 2007, from the calculation of net Casino profits payable to LGS.

The VLT Division of WCLC operates the VLTs and central computer system on behalf of LGS. WCLC provides accounting, purchasing, cash disbursements, human resources and technical services for the VLT program. As of March 31, 2024, WCLC charged LGS \$12.7 million to operate the VLT program for the year.

Under the Amended and Restated Casino Operating Agreement between SIGA and LGS, SIGA is permitted to charge its losses from table games and ancillary operations as an expense of slot machine operations. During the year, SIGA's losses from table game and ancillary operations of \$5.0 million as well as SIGA's payments to IGR of \$2.5 million and SPPC of \$2.2 million are recorded as an expense.

14. Taxes

LGS 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, LGS calculates and remits GST according to a formula prescribed by the Canada Revenue Agency (CRA). The formula requires LGS to pay two times GST on the purchase of goods and services related to gaming activities.

In addition, LGS 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.

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.

15. Net Finance Expense

(Thousands of Dollars)	2024
Interest income	\$ 2,557
Interest expense on financial liabilities at amortized cost	(9,091)
	<u>\$ 6,534</u>

16. Pension Plan

Substantially all of LGS'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*. LGS's financial obligation is limited to making the employer's required contributions for current service. During the year ended March 31, 2024, LGS expensed \$1.7 million for the employer's required contributions.

17. Capital Management

LGS's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of LGS, and to ensure adequate returns to CIC. During the year, LGS declared a dividend to CIC of \$135.8 million.

LGS funds its capital requirements through internal operating activities and if required, debt. LGS's maximum debt level is determined by the Government of Saskatchewan through Order-in-Council. Through this process, LGS may borrow up to \$130.0 million as per Order in Council 249/2023.

LGS has established a \$3.0 million line of credit with a financial institution. Interest is charged on the line of credit at the financial institution's prime rate less 0.5 per cent. At March 31, 2024, no amount is owing on the line of credit.

18. Investment in associate

As of June 1, 2023, LGS was assigned responsibility to oversee conduct and management of lottery schemes within Saskatchewan as agent of the Government of Saskatchewan. The Restated Western Canada Lottery Agreement effective as of October 1st, 2022, details that LGS is associated with WCLC, and LGS has recorded its share of equity in WCLC of \$14.5 million. LGS has equal ownership with Alberta and Manitoba in WCLC and includes all equity held in the WCLC Saskatchewan Video Lottery Division. LGS does not record any share of WCLC operating profits as the Government of Saskatchewan has directed the Ministry of Parks, Culture and Sport as the designated beneficiary of its share in WCLC operating profits.

19. Related Party Transactions

LGS is controlled by the Government of Saskatchewan through its ownership of LGS’s parent, CIC. Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to LGS 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”). LGS 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.

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, LGS provides non-cash benefits to key management personnel, defined as the President, Vice Presidents and certain Board members of LGS’s subsidiary, SaskGaming. Key management personnel compensation consists of:

(Thousands of Dollars)	2024	
Short term employment benefits	\$	1,051
Post-employment benefits (defined contribution pension plan)		87
	\$	1,138

Board of Directors

The LGS Board of Directors consists of elected government officials appointed by the Lieutenant Governor in Council pursuant to *The Lotteries and Gaming Saskatchewan Corporation Act*. The Chair of the Board is the Minister responsible for LGS.



Honourable Laura Ross, Chair of the LGS Board of Directors Minister responsible for LGS

Laura Ross was born and raised on the family farm near Yorkton and attended the University of Regina where she obtained a B.A. in geography and sociology. For more than 20 years, Laura was a licensed realtor in Regina specializing in residential properties. Prior to her success as a realtor, she operated her own catering company and farmed with her husband Terry. Laura was first elected in the 2007 provincial election as MLA for Regina Qu'Appelle Valley, now named Regina Rochdale. She was re-elected in 2011, 2016 and 2020.



Honourable Dustin Duncan, Vice-Chair of the LGS Board of Directors

Dustin Duncan was first elected as MLA for the constituency of Weyburn-Big Muddy in a by-election in June 2006 at the age of 26. He was re-elected in the 2007, 2011, 2016, and 2020 provincial elections. He currently serves as the Minister of Crown Investments Corporation as well as the Minister Responsible for all major Crown corporations, including SaskPower, SaskEnergy, SaskTel, SGI and SaskWater. He is also the Minister Responsible for the Public Service Commission and the Minister Responsible for Saskatchewan Liquor and Gaming Authority.



Honourable Lori Carr, Member of the LGS Board of Directors

Lori Carr was elected MLA for Estevan in the 2016 provincial election. Living in Estevan with her partner Bart, Lori spent 20 years working as a licensed assistant in a financial planning office. She is very active in the community as a board member for the Air Cadet League, Sun Country Health Region and Ducks Unlimited. Lori also spent 10 years serving on Estevan city council. She has served as Minister of Government Relations, Minister of Social Services, Minister responsible for First Nations, Métis and Northern Affairs, Minister responsible for the Provincial Capital Commission, Minister of SaskBuilds and Procurement and Minister responsible for the Public Service Commission, the Saskatchewan Liquor and Gaming Authority, and the Global Transportation Hub. She currently serves as Minister of Highways.



Mr. Dana Skoropad, Member of the LGS Board of Directors

Dana Skoropad was elected as the MLA for Arm River in the 2020 provincial election. He previously served as the Minister of Environment. He was also a member of the cabinet Committee on the Economy, the Saskatchewan Public Safety Agency Board, and Treasury Board. Dana has a background in agriculture after being involved with his family farm. He also has a business and education background, with experience in the real estate and insurance industries as a licensed general insurance agent. Dana spent 20 years in the education sector as teacher, career development consultant, and administrator.

The LGS Board of Directors function as stewards of the Corporation and have statutory authority and an obligation to manage the affairs and business of the Corporation. The Board provides oversight while delegating to management the responsibility for the day-to-day operations of the Corporation. The fundamental objective of the Board is to act in the best interests of the Corporation, taking into account the public policy and business objectives of the Corporation, with a view to enhancing shareholder value.

The LGS Board does not have committees. Typical committee functions have been delegated to management with Board oversight.

The appointment and removal of members of the LGS Board, as well as the designation of the Chair and Vice Chair, are the prerogative of the Lieutenant Governor in Council.

The LGS President and CEO reports to the Board of Directors.

Regulatory Compliance

The *Lotteries and Gaming Saskatchewan Corporation Act* and related regulations govern LGS. In addition, LGS is subject to a number of acts, including *The Alcohol and Gaming Regulation Act*, *The Crown Corporations Act*, *The Crown Corporations Public Ownership Act*, *The Executive Government Administration Act*, and *The Freedom of Information and Protection of Privacy Act*. LGS has detailed policies in place to ensure compliance.

LGS Executive Team



The LGS Executive Team (left to right): Steve Tunison, Vice President, Gaming; Susan Flett, President and CEO; Travis Massier, Vice President, Finance; and Cammy Colpitts, Vice President, Strategy and Partnerships.

Appendix

Pursuant to section 34 of *The Crown Corporations Act, 1993*, and section 38(2) of *The Saskatchewan Gaming Corporation Casino Regulations, 2002*, Lotteries and Gaming Saskatchewan (LGS) shall include as part of its annual report information relating to the policies and procedures of the Saskatchewan Gaming Corporation (SaskGaming) with respect to problem gambling.

SaskGaming’s Policies and Procedures for Problem Gambling

LGS’s wholly owned subsidiary, SaskGaming, is committed to providing gambling in a socially responsible manner. Responsible gambling is an integral part of SaskGaming’s business and is one of the guiding principles in SaskGaming’s Corporate Social Responsibility Framework. SaskGaming’s responsible gambling program integrates people and culture, guest relations, community support, policy and technology to deliver a well-supported program that is integrated into the corporation’s business goals.

SaskGaming supports individuals who decide not to gamble. From time to time, a guest may request additional help. In those instances, SaskGaming staff provide that person with a referral to an external healthcare organization. SaskGaming also supports individuals who decide to voluntarily self-exclude and the corporation takes measures to prevent those persons from entering its properties.

Corporate Culture

To ensure a healthy and sustainable player base, responsible gambling has been embedded into the culture at SaskGaming and its two casinos. Responsible gambling committees have been established at Casino Regina and Casino Moose Jaw to collectively work to evolve, promote and incorporate responsible gambling practices throughout SaskGaming. Responsible gambling compliance checklists are completed by the units responsible for marketing and for new gaming products. In addition, responsible gambling responsibilities have been added to all job descriptions throughout the corporation.

Informed Decision-Making

SaskGaming provides its guests with information so they can make informed decisions about their gambling choices. GameSense is an internationally recognized program that combines responsible play education with information on the risks associated with gambling. It also provides access to support if gambling stops being a source of entertainment. At SaskGaming, the program includes:

- A GameSense information centre on the gaming floor at both Casino Regina and Casino Moose Jaw. These centres are a place where staff and guests can get information on issues related to gambling and safer play. The information provided at the centres includes the cost of play, the various games offered at SaskGaming’s casinos, explanations of randomness and house advantage, tips on budgeting time and money, a slot tutorial, a self-assessment quiz, voluntary self-exclusion, and problem gambling and credit counselling services that are available in the community.



The GameSense information centre at Casino Regina.

- SaskGaming has two full-time positions dedicated to responsible gambling. SaskGaming’s Manager of Responsible Gambling is responsible for the development, implementation and advancement of responsible policies, procedures and programming. The manager provides training oversight and support to staff involved in the delivery of SaskGaming’s responsible gambling program and ensures consistency across the two casinos. The manager is responsible for implementing best practices in responsible gambling at SaskGaming’s casinos. SaskGaming’s Responsible Gambling Advisor works on the gaming floor at both casinos, supporting responsible gambling initiatives, accepting referrals from staff, and working directly with guests to help them make informed decisions about their gambling.
- Player Interactions—In addition, all SaskGaming staff are trained to recognize behaviours indicative of a problem with gambling and refer guests to their manager or to SaskGaming’s responsible gambling unit. The Manager of Responsible Gambling, the Responsible Gambling Advisor, floor security shift managers and operational shift managers are all trained to interact with guests one-on-one to deliver education and awareness in a positive way. Information provided in these interactions may include explanations of randomness and house advantage, tips on budgeting time and money, the cost of playing the various games offered in the casino and SaskGaming’s voluntary self-exclusion program. Where appropriate SaskGaming staff will also provide guests with information on treatment programs available from health specialists. These staff are not problem gambling counsellors and cannot diagnose problem gambling, but they provide guests with information and resources to make responsible choices about their play, as well as referrals to health services where appropriate.
- Individual player activity statements allow SaskGaming’s guests to review their carded slot play, which is a good first step in identifying a problem gambling concern and developing strategies for reducing harm caused by excessive gambling. These statements provide guests the opportunity to make more informed decisions about their gambling expenditures.
- GameSense player events are held throughout the year at SaskGaming’s casinos. Each event focuses on one of four pillars of the GameSense messaging: knowledge, budget, breaks and balance. These events are also held to familiarize guests with SaskGaming’s GameSense program and build awareness of responsible gambling.

Voluntary Self-Exclusion

SaskGaming’s guests, upon request, can voluntarily exclude themselves from Casinos Regina and Moose Jaw for terms ranging from six months to five years. All persons who voluntarily self-exclude receive information on outside problem gambling resources that are available to them. These resources include the Saskatchewan Health Authority (SHA), which provides counselling services to people and their families experiencing problems related to gambling, Gamblers Anonymous, the Credit Counselling Society of Canada and the Saskatchewan Problem Gambling Helpline. SaskGaming’s Manager of Responsible Gambling and the Responsible Gambling Advisor can facilitate offsite voluntary self-exclusion enrolments for individuals who wish to enrol without entering a casino. Offsite self-exclusion enrolments can be facilitated upon request at the SHA’s Problem Gambling Counselling Services’ office, the Canadian Mental Health Association or through Mobile Crisis. Guests who have completed their term of voluntary self-exclusion and who want to return to the casino are invited to participate in a voluntary reinstatement program offered by the SHA’s Problem Gambling Counsellors. The program reviews the stages of gambling, risk factors, and signs of a gambling problem and is designed to help the individuals make an informed decision about returning to the casino.

Creating barriers for voluntary self-exclusion re-entries is crucial to an effective responsible gambling program. SaskGaming has implemented several barriers based on recommendations from the Responsible Gambling Council and other responsible gambling partners. These barriers include:

- **Enforcement**—SaskGaming supports an individual’s decision to voluntarily self-exclude and takes measures to prevent them from entering its casinos. The Manager of Responsible Gambling works in conjunction with SaskGaming’s security and surveillance teams to help support individuals who have enrolled in voluntary self-exclusion. SaskGaming also does not allow guests who have taken out a voluntary self-exclusion on or after February 25, 2020, to revoke it. If an individual enters a casino in Saskatchewan while self-excluded and is identified, security will ask them to leave. A voluntary self-exclusion re-entry package is offered to the guest that includes information regarding outside supports and a reminder of their commitment to refrain from attending casinos within the province. Voluntary self-exclusion information is shared between SaskGaming and the Saskatchewan Indian Gaming Authority.
- **Disentitlement of winnings**—Voluntarily self-excluded guests are not eligible to receive any winnings or rewards from gambling activities. If a voluntarily self-excluded guest re-enters the casino and engages in any gambling activity, SaskGaming has the right to withhold any such winnings. All forfeited winnings are used by SaskGaming for community giving.

Staff Training

All casino staff participate in responsible gambling training which includes how to identify signs of difficulty so that SaskGaming can provide its guests with relevant information about the game, the casino environment and assistance options. All staff are required to complete training to be able to understand the importance of responsible gambling, explain the basics of how casino games work and identify “red flag” behaviours for problem gambling. This training covers why responsible gambling is important to SaskGaming, how gambling works, how slot machines work, how to dispel myths, identification of red flag gambling behaviors, how to make a good referral and player resources. Floor security shift managers and operational shift managers receive additional training that explores additional “red flag” behaviours, how to approach a player, how to provide player assistance and deal with a concerned family member. Floor security shift managers and operational shift managers also complete applied suicide intervention skills training.

Gambling Environment and Marketing

Responsible gambling is part of the overall guest experience, from the information that’s available to them on the gaming floor and how they are marketed to. SaskGaming has a policy and guidelines in place regarding the responsible marketing of its products and services. This includes ensuring that marketing practices comply with relevant legislation (such as not depicting or addressing minors). SaskGaming’s marketing strives to mitigate the personal harm that guests may experience due to problems with gambling. Guests under a voluntary or involuntary exclusion, and those who have opted out of direct mail, will not receive addressed or electronic mail from SaskGaming. A responsible gambling compliance checklist must be completed for any gaming-related products, promotions and advertising to evaluate potential problem gambling risks and foster program and product development that does not put vulnerable players at undue risk.

Partnership and Collaboration

SaskGaming collaborates with several provincial and national organizations that are working together to research and implement best practices in responsible gambling. These include:

- Saskatchewan Ministry of Health—SaskGaming’s responsible gambling program was developed in close consultation with the Ministry of Health, which works with the SHA, other government ministries, community groups and the gaming industry to provide services related to problem gambling.
- The Partnership (previously known as the Canadian Partnership for Responsible Gambling)—SaskGaming is a member of and an active participant in The Partnership, which is a network of diverse public interest organizations. Its members collaborate to build and share knowledge to advance responsible gambling, support sustainable growth and encourage safer play. This collaboration includes a biannual symposium for its members and outside organizations.
- The Responsible Gambling Council (RGC) is an independent non-profit organization dedicated to problem gambling prevention. RGC is continuously seeking ways to turn research into action as it strives to identify prevention strategies and ensure safe and sustainable gambling environments. RGC’s responsible gambling accreditation program, RG Check, is based on the Responsible Gambling Index and offers gaming companies the opportunity for an independent endorsement of the quality of their responsible gambling safety net. The RG Check program is administered by the Responsible Gambling Council, with all accreditations reviewed by an independent panel. Independent accreditation of SaskGaming’s responsible gambling programs at Casino Regina and Casino Moose Jaw provides evidence-based confidence that SaskGaming is providing a strong responsible gambling safety net for its guests and members of the public. Casino Regina and Casino Moose Jaw received initial accreditation from RG Check in 2013 and were re-accredited in 2016, 2019 and 2022. SaskGaming properties are due for re-accreditation once again in 2025.
- The Regina Problem Gambling Committee is a local information sharing network facilitated by the Canadian Mental Health Association’s Gambling Awareness Program. Members include SaskGaming, the Ministry of Health, the SHA, Gamblers Anonymous and the Saskatchewan Problem Gambling Helpline.
- SaskGaming’s shareholder, Lotteries and Gaming Saskatchewan, provides management oversight for commercial gaming in Saskatchewan, ensuring casinos are operated in a socially responsible manner. LGS is a member of the Canadian Responsible Gambling Association (CRGA). The CRGA has representation from all “conduct and manage” organizations that focuses on advancing responsible gambling programs, initiatives, and research. The CRGA is committed to embedding responsible gambling as an integrated core operating standard for organizations involved with gambling. The CRGA provides industry expertise in responsible gambling, particularly in program implementation within gaming operations.