



Annual Report

2020/2021

The **BRICK** 



EDMONTON ELKS FOOTBALL CLUB
2020/2021 ANNUAL REPORT
ANNUAL GENERAL MEETING



As a community-owned team, we strive to make a positive and meaningful impact in the community and are committed to the development of amateur football across Northern Alberta.





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Born and raised in Edmonton, Alberta, Victor Cui is the President and CEO of the Edmonton Elks Football Club – one of the flagship franchises in the Canadian Football League and 14-time Grey Cup champions. Cui was announced as the Club's president on January 25, 2022 and brings a wealth of global sports experience to the hometown team he grew up cheering for.



ELKS PRESIDENT & CEO VICTOR CUI

Prior to his homecoming with the Elks, Cui rose to prominence on the global sports scene with mixed martial arts promotion ONE Championship. Cui served in a variety of roles with ONE, beginning as a co-founder and the company's first CEO in 2010. Cui went on to become ONE's CEO International and led multiple areas of the company's global business. He also served as CEO of ONE Elite Agency, managing some of the world's biggest MMA athletes and celebrities.

Over his decade-plus run with ONE, Cui played a central role in growing the company to become Asia's largest sports media property, with broadcasts in more than 150 countries. Thanks in part to Cui's leadership and vision, the company held a total valuation of more than \$1 billion (USD) as of January 2022. Before co-founding ONE, Cui worked with Asia's top sports broadcaster ESPN STAR Sports in Singapore.

Cui's other sports experience is extensive, as he previously worked on the Commonwealth Games, the Sydney Olympics, the PGA Tour Bell Canadian Open Championship, the LPGA Tour BMO Women's Open, the X Games Asia, the World Series of Pool, World Futsal, and the creation of ESPN's Martial Combat. Personally, Cui is a graduate of the University of Alberta where he served as Students' Union Vice President Internal while studying political science. He is a dedicated husband and father, and lives with his wife, two children, and parents in Edmonton.

Cui is a proud member of the Canadian Filipino community, with his parents moving to Edmonton from the Philippines in the 1960's. Cui and his brother's first introduction to sport came in the form of boxing – their father's favourite sport. Cui went on to become fascinated with martial arts, specifically taekwondo. Both he and his wife are black belts in the sport, a passion they have passed down to their son and daughter.

In addition to his professional and family commitments, Cui is an active member of the Edmonton community. He serves as a mentor for the University of Alberta's ThresholdImpact Mentoring Service (VMS), helping develop Alberta's next generation of entrepreneurs through guidance and support. Cui also serves as a board member for the Parkinson's Association of Alberta – a cause which is close to his heart after his father was diagnosed with the disease.

The **EDMONTON ELKS**

The Edmonton Elks are the most successful franchise of the Canadian Football League's modern era. Founded in 1949, the team, known for their green and gold colours, are 14-time Grey Cup champions, including the historic five-in-a-row streak from 1978 to 1982. Through our unwavering commitment to integrity, accessibility and passion, the Elks deliver a sports and entertainment experience worthy of champions. As a community-owned team, we strive to make a positive and meaningful impact in the community and are committed to the development of amateur football across Northern Alberta.





VISION

To deliver an overall sports and entertainment experience worthy of champions.

MISSION

Challenge and lead through performance, innovation and creativity.

THE CHAIR'S REPORT

I'm pleased to report that after a very challenging 2021, it's my firm belief that the Club has started to turn the corner. Thanks to the arrival of our new management team, including President & CEO Victor Cui, and General Manager and Head Coach Chris Jones, we have renewed momentum in the marketplace and in the community.

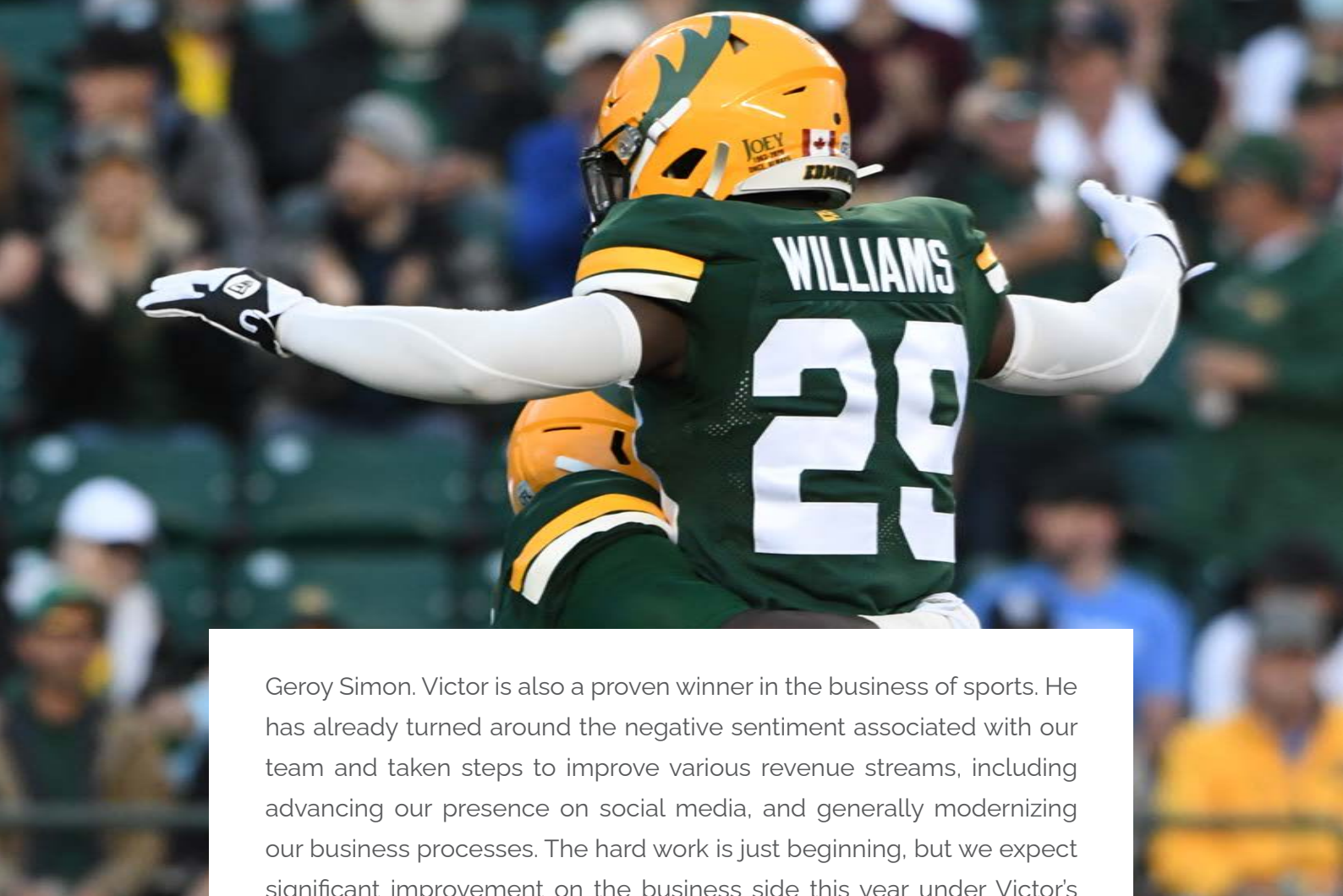
The past two years have been very difficult for a variety of reasons, most notably the challenges associated with our name change and the far-reaching issues presented by COVID-19. We also saw weak on-field performance and difficulties on the business side, which created an unhappy fan base. Our financial results were adversely impacted by the issues mentioned above, as well as the fact that we only played a 14-game season last year.

Before I discuss these matters further, I want to thank Chris Presson, Brock Sunderland and Jamie Elizondo, who worked diligently and were very committed to their jobs. Their dedication was, and remains, appreciated. In particular, Chris Presson deserves credit for doing a great job with the rollout of the Elks brand in June of 2021.

Last year, the Board of Directors made the difficult and unprecedented decision to make three senior management changes at the same time. We felt these changes were necessary in order to facilitate a turnaround of our fortunes on the field, in the community, and with our commercial operations. I want to thank my fellow Board members for their dedication and for keeping their eye on the ball as we made these difficult decisions.

I also want to thank some key folks who assisted us during our transition period, including Wally Buono, who aided with the General Manager and Head Coach search, Allan Watt, who acted tirelessly as our interim Chief Operating Officer, and Vanessa Potter who worked so hard through last year and the management transition period. As well, I want to specifically thank Craig Corbett who is stepping away from our Board. Craig was a key contributor during this transition process, and throughout his time on the Board.

Looking ahead, there's clear reason for optimism and enthusiasm. Coach Jones is a proven winner and brings vast knowledge and immense intensity to our office and locker room, which will surely result in a much better season on the field. As well, Coach Jones has pulled together a strong football operations team, including Assistant General Manager



Geroy Simon. Victor is also a proven winner in the business of sports. He has already turned around the negative sentiment associated with our team and taken steps to improve various revenue streams, including advancing our presence on social media, and generally modernizing our business processes. The hard work is just beginning, but we expect significant improvement on the business side this year under Victor's leadership. Under Victor and Coach Jones, I can assure you that our Club will be very engaged in the community, with several key initiatives already underway with the goal of connecting with fans in Edmonton and the rest of Central and Northern Alberta.

I do need to stress that this turnaround is not a one-year initiative. The re-invigoration of our brand and improved on-field fortunes will take a few years. Progress will be evident this year, but let's fully understand that this is a multi-year initiative with the explicit goal of returning our Club to being the best – both in business and football – in the CFL.

We appreciate the ongoing support of our fan base and look forward to a memorable 2022 season.

Ian Murray
Chair, Edmonton Elks Football Team

THE **TREASURER'S REPORT**

FOR YEAR ENDED DECEMBER 31, 2021

I'm pleased to report the financial status of the Edmonton Football Team for 2021.

FINANCIAL RESULTS

With a reduction to seven home games in 2021 due to the COVID-19 pandemic, all aspects of the Club's financial operations were negatively impacted, particularly ticket sales. 2021 resulted in the Club having a net operating loss of \$1.1MM (2020 – \$7.1MM).

With provincial health restrictions, including emergency procedures, and closures throughout the year, the Club had to manoeuvre to ensure the safety of our fans, players, volunteers, and staff. A later start to the regular season (August 7, 2021) brought additional complications including weather, which heavily affected revenues.

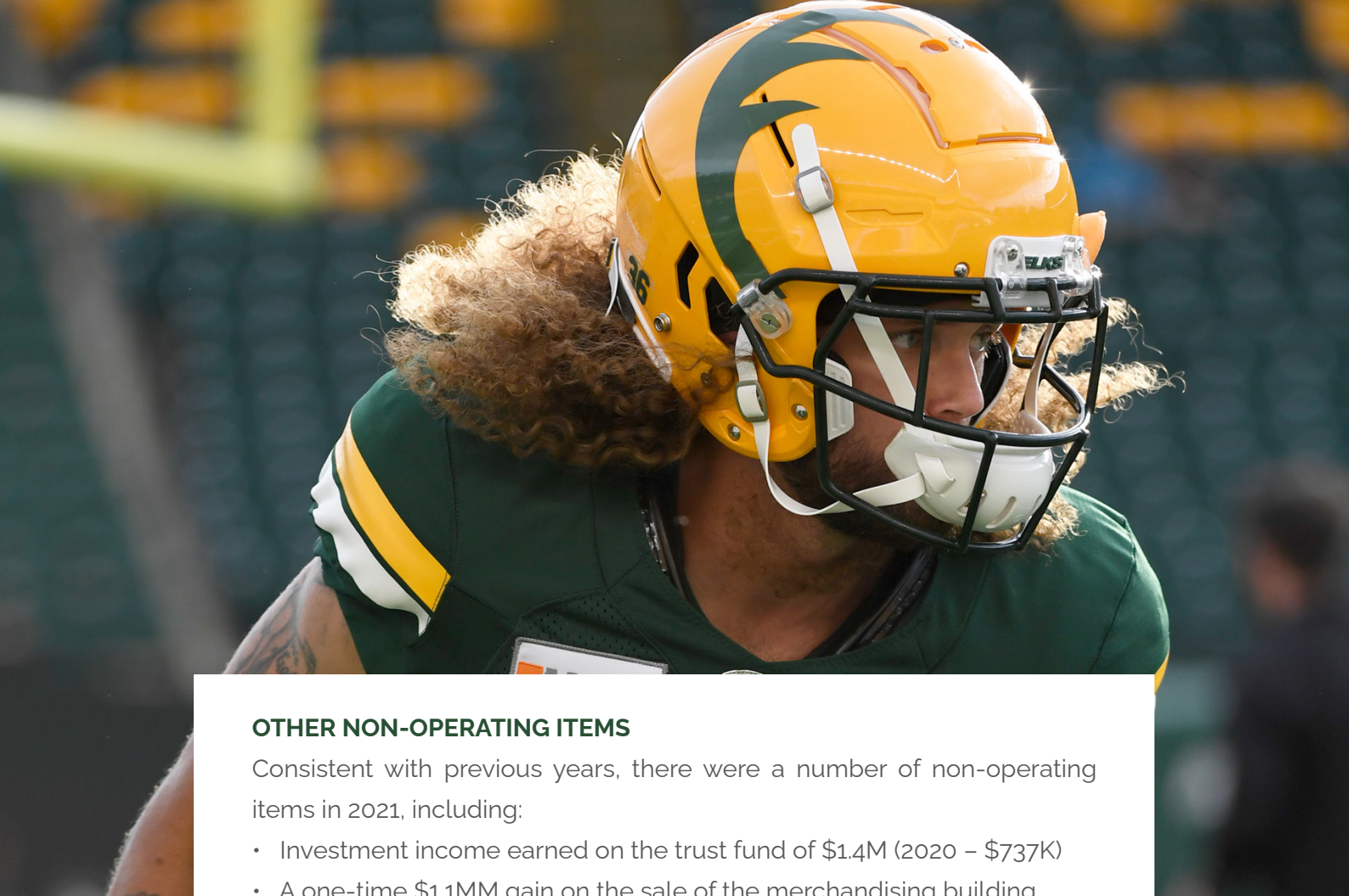
REVENUE

Overall, the Club's revenue reached \$20.8MM in 2021 (2020 – \$3.8MM). This marks a decrease of 11 per cent compared to 2019, which featured a full regular season schedule. The Club was able to mitigate reduced revenue in part through government assistance programs, including the Canadian Emergency Wage Subsidy, rent subsidy, and stabilization grant in the amount of \$2.6MM during the year.

EXPENSES

Total operating expenses in 2021 were \$21.8MM, 9 per cent below our last full season in 2019 (2020 - \$10.9MM & 2019 – \$24.1MM). Expenses were mitigated in part thanks to aggressive efforts to reduce costs at the end of the year. The Club accrued severance costs of approximately \$2.1MM in 2021, with almost all of these costs set to be incurred in 2022 and 2023. We anticipate the net severance cost will be much lower than the \$2.1 MM listed above, as we expect that certain parties that were let go will secure other jobs prior to the end of 2023. Additional savings will also be realized in football operations, in part thanks to combining the head coach and general manager roles.

The Club was within the CFL's mandated cap for both players and non-players for 2021.



OTHER NON-OPERATING ITEMS

Consistent with previous years, there were a number of non-operating items in 2021, including:

- Investment income earned on the trust fund of \$1.4M (2020 – \$737K)
- A one-time \$1.1MM gain on the sale of the merchandising building
- Community and 50/50 donations of \$1.7M (2020 – \$1.4M) to support and promote amateur football in Edmonton, along with a donation to the Winnifred Stewart Association in support of Joey Moss Memorial Fund
- The 50/50 revenue was offset by 50/50 expenses of \$1.7MM (2020 – \$1.4MM)

CASH AND WORKING CAPITAL

In spite of the extraordinary circumstances that yielded losses in 2021, the Club has sufficient cash and working capital at this time to meet all of its current and anticipated obligations.

Tom Richards

Treasurer, Edmonton Elks Football Club

THE **PRESIDENT'S REPORT**

The Elks 2021 season was in many ways a reflection of the challenges our community faced during the second year of the COVID-19 pandemic. The pandemic led to significant hardship for our friends, family and neighbours, most importantly those who lost loved ones.

While our struggles as a Club pale in comparison to the losses suffered by those in our community, 2021 was nonetheless difficult. The Club inched through a frustrating season on and off the field, as the pandemic continued to impact business operations amidst the backdrop of our first winless home season in franchise history.

Despite the challenges of 2021, the Club and the CFL persevered, returning from the lost season of 2020 to play a complete schedule. Everyone involved with the Club last year overcame tremendous hurdles to simply bring Canadian football back to our fans, giving everyone who loves the Double E a glimpse of what is possible when we work hard and overcome adversity.

While 2021 will not go down as the most successful season in franchise history, I believe it will serve as the backdrop for what will be a renaissance for our Club – on and off the field. Despite the Club's 2021 struggles and the myriad of changes that followed, I know we're on the right path with a dedicated and talented staff that has overcome a great deal of adversity over the last two years.

Since taking over my new role, I have witnessed the tremendous commitment our staff has to achieving excellence every day and I'm confident we're assembling the best front office in Canadian pro sports.

2022 is poised to be a season to remember for the Club, as we have already made strides towards returning the Green and Gold to the top of the CFL. The energy and enthusiasm we collectively have for the new season will be the fuel that allows us to execute on a long list of improvements that will once again make The Brick Field at Commonwealth Stadium a destination for all Edmontonians.



- Improved football results under the guidance of Chris Jones
- Re-engagement with the EE Alumni Association
- Embracing our tradition of excellence, while looking to the future
- Improved focus on customer service
- New perks for season seat holders
- Revamped game day experience
- Restart of our community presence
- Improved relations with key amateur football stakeholders
- Building new strategic community partnerships
- Revised radio rights agreement aimed at enhancing reach and community awareness
- Enhanced digital content and storytelling
- Launch of CFL Ventures and the power of Genius Sports
- Re-engaging meaningful initiatives in the North as follow up to previous visits, particularly in the Inuvialuit region
- Indigenous programming at home games throughout the season and also a dedicated home game

THE EDMONTON ELKS COMMUNITY RELATIONS

As a result of the COVID-19 pandemic and the restrictions around player availability due to 2021 CFL protocols, community appearances were once again limited last year. Despite the limitations, players were able to interact with the community virtually, while entertainment team members remained active in the community, representing the Club proudly when called upon.

Community Appearances

Last year the Club made a total of 159 community appearances, with most appearances being made by entertainment team members, who weren't subject to the same restrictions as players and coaches.

Player appearances that were facilitated virtually included the TELUS Wise anti-bullying campaign, and appearances in Northern Alberta schools through a partnership with Syncrude.

2021 APPEARANCES (159 TOTAL)

116 ENTERTAINMENT TEAM

89 CHEER TEAM

25 DRUMLINE

2 MASCOT

30 PLAYER

13 ALUMNI

TOTAL EVENTS (49 TOTAL)

34 ENTERTAINMENT TEAM

9 PLAYERS

6 ALUMNI





SCMFA SPRING CAMP

50/50 Support

For a second consecutive year the Club supported Winnifred Stewart Association by hosting the Joey Moss 50/50 (sponsored by James H. Brown Injury Lawyers) on Grey Cup Sunday.

The 2021 edition of the 50/50 raised **\$13,759.22** for the Joey Moss Memorial Fund.

With a return to games, the Club was also able to support amateur football through 50/50 proceeds. The Edmonton Huskies, Edmonton Wildcats, University of Alberta Golden Bears, and EE Alumni Association benefited from a combined \$317,000 donation from 50/50 proceeds. Our support for amateur football remains a major financial driver for all recipients, who continually share their thanks for our Club's ongoing support of their respective programs.

2022 Early Returns

Early in 2022 the Club has already made significant strides to re-engage with the community as we emerge from the COVID-19 pandemic. Our early successes owe in large part to the re-addition of a dedicated community staff member and their hard work to connect with key stakeholders.

Through the first three months of the year, we have attended 14 events, for a total of 34 appearances, including 16 by players. We are targeting a total of 400 appearances this season, significantly increasing our visibility with key communities across the Edmonton region following the lifting of restrictions.

As we approach the season and the number of community events and player availability increase, we will see our presence at events grow quickly. We are also excited to be providing regularly scheduled opportunities for staff to impact our community, through initiatives like our first Elks staff blood donation held on April 8. Staff community events will be held once a month, providing everyone the opportunity to give back as an extension of the Club.

December 31, 2021

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS





Report of the Independent Auditors on the Summary Consolidated Financial Statements

To the Shareholders of Edmonton Eskimo Football Club

Our opinion

In our opinion, the accompanying summary consolidated financial statements of Edmonton Eskimo Football Club and its subsidiaries (the Club) are a fair summary of the audited consolidated financial statements, on the basis described in note 1 to the summary consolidated financial statements.

The summary consolidated financial statements

The Club's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2021 comprise:

- the summary consolidated statement of financial position as at December 31, 2021;
- the summary consolidated statement of changes in fund balances for the year then ended;
- the summary consolidated statement of revenue and expenses for the year ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the notes to the summary consolidated financial statements, which include significant accounting policies and other explanatory information.

The summary consolidated financial statements do not contain all the disclosures required by Canadian accounting Standards for not-for-profit organizations. Reading the summary consolidated financial statements and the auditor's report thereon, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated April 19, 2022.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 1.

PricewaterhouseCoopers LLP
Stantec Tower, 10220 103 Avenue NW, Suite 2200, Edmonton, Alberta, Canada T5J 0K4
T: +1 780 441 6700, F: +1 780 441 6776

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Edmonton, Alberta
April 19, 2022

Edmonton Eskimo Football Club

Summary Consolidated Statement of Financial Position

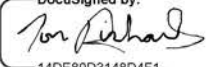
As at December 31, 2021

				2021	2020
	Operating Fund \$	Stabilization Fund \$	Capital Asset Fund \$	Total \$	Total \$
Assets					
Current assets					
Cash	4,440,001	-	-	4,440,001	4,980,524
Investment	-	15,706,987	-	15,706,987	15,359,808
Accounts receivable	1,308,799	-	-	1,308,799	1,138,463
Prepaid expenses and deposits	166,670	-	-	166,670	87,419
Inventory	910,504	-	-	910,504	391,792
	6,825,974	15,706,987	-	22,532,961	21,958,006
Capital assets					
	-	-	763,187	763,187	1,554,423
	6,825,974	15,706,987	763,187	23,296,148	23,512,429
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	4,818,647	-	-	4,818,647	1,463,023
Deferred revenue	3,599,361	-	-	3,599,361	8,044,722
	8,418,008	-	-	8,418,008	9,507,745
Non-current accrued liabilities					
	455,775	-	-	455,775	-
	8,873,783	-	-	8,873,783	9,507,745
Net Assets					
Unrestricted					
	(2,047,809)	-	-	(2,047,809)	(2,909,547)
Investment in capital assets					
	-	-	763,187	763,187	1,554,423
Internally restricted					
	-	15,706,987	-	15,706,987	15,359,808
	(2,047,809)	15,706,987	763,187	14,422,365	14,004,684
	6,825,974	15,706,987	763,187	23,296,148	23,512,429
Contingencies and commitments					

Approved by the Board of Directors

DocuSigned by:

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 _____ Director
 Ian Murray

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 _____ Director
 Tom Richards

The accompanying note is an integral part of these summary consolidated financial statements.

Edmonton Eskimo Football Club

Summary Consolidated Statement of Changes in Fund Balances

For the year ended December 31, 2021

				2021	2020
	Operating Fund \$	Stabilization Fund \$	Capital Asset Fund \$	Total \$	Total \$
Fund balances – Beginning of year	(2,909,547)	15,359,808	1,554,423	14,004,684	21,539,744
Excess (deficiency) of revenue over expenses for the year	66,007	1,347,179	(995,505)	417,681	(7,535,060)
Transfer between funds	1,100,000	(1,000,000)	(100,000)	-	-
Purchase of capital assets with operating funds	(304,269)	-	304,269	-	-
Fund balances – End of year	(2,047,809)	15,706,987	763,187	14,422,365	14,004,684

The accompanying note is an integral part of these summary consolidated financial statements.

Edmonton Eskimo Football Club

Summary Consolidated Statement of Revenue and Expenses

For the year ended December 31, 2021

	2021 \$	2020 \$
Revenue		
Gate receipts	5,344,567	-
Sponsorship	4,718,003	476,664
Canadian Football League distributions	3,978,000	47,509
Government assistance	2,574,747	2,531,061
Concessions and game day	2,322,674	-
Merchandise	1,319,247	672,498
Canadian Football League distributions – Grey Cup	500,000	-
Interest and other	20,446	75,187
	<u>20,777,684</u>	<u>3,802,919</u>
Football operations expenses		
Players and coaches	8,046,775	3,919,995
Scouting and football administration	1,922,304	831,667
Medical, video and other team costs	1,359,882	343,006
Away game travel	679,259	-
Training camp	533,937	-
Equipment and training supplies	293,563	136,744
	<u>12,835,720</u>	<u>5,231,412</u>
Administration and other expenses		
Administration	3,268,387	2,178,572
Game day	1,774,491	-
Merchandise	1,238,329	1,285,277
Ticketing and customer service	996,699	862,633
Marketing and community relations	879,619	716,187
Sponsorship	642,694	472,614
Communications and broadcasting	245,641	158,820
	<u>9,045,860</u>	<u>5,674,103</u>
Total operating expenses	<u>21,881,580</u>	<u>10,905,515</u>
Deficiency of revenue over expenses from operations	<u>(1,103,896)</u>	<u>(7,102,596)</u>
Other revenue (expenses)		
50/50 raffle revenue	1,762,225	1,407,700
Investment income – Stabilization Fund	1,347,179	737,113
Gain on sale of building	1,152,818	-
Rental and miscellaneous	29,522	(11,342)
Community donations	(12,437)	(7,316)
Amortization of capital assets – Capital Asset Fund	(995,505)	(1,012,154)
50/50 raffle expenses	(1,762,225)	(1,407,700)
League expenses	-	(138,765)
	<u>1,521,577</u>	<u>(432,464)</u>
Excess (deficiency) of revenue over expenses for the year	<u>417,681</u>	<u>(7,535,060)</u>

The accompanying note is an integral part of these summary consolidated financial statements.

Edmonton Eskimo Football Club
Summary Consolidated Statement of Cash Flows
For the year ended December 31, 2021

	2021	2020
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	417,681	(7,535,060)
Items not affecting cash		
Amortization of capital assets	995,505	1,012,154
Impairment of inventory (note 11)	47,515	490,560
Net unrealized gain on fair value of investments (note 3)	(891,439)	(403,529)
Gain on sale of building (note 10)	(1,152,818)	-
Net realized (gain) loss on sale of investments	(14,497)	63,996
	<u>(598,053)</u>	<u>(6,371,879)</u>
Net change in non-cash working capital items		
Accounts receivable	(170,336)	521,217
Inventory	(566,227)	61,051
Prepaid expenses and deposits	(79,251)	(80,062)
Accounts payable and accrued liabilities	3,811,399	(1,485,963)
Deferred revenue	(4,445,361)	4,173,170
	<u>(2,047,829)</u>	<u>(3,182,466)</u>
Investing activities		
Purchase of capital assets	(304,269)	(222,472)
Proceeds on sale of capital assets – net of selling costs	1,252,818	-
Sale of investments	1,000,000	-
Interest and dividends reinvested	(441,243)	(397,580)
	<u>1,507,306</u>	<u>(620,052)</u>
Decrease in cash during the year	(540,523)	(3,802,518)
Cash – Beginning of year	4,980,524	8,783,042
Cash – End of year	4,440,001	4,980,524

The accompanying note is an integral part of these summary consolidated financial statements.

Basis of presentation

The summary consolidated financial statements are derived from the audited consolidated financial statements of Edmonton Eskimo Football Club trading as Edmonton Elks Football Club (the Club) prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at December 31, 2021 and for the year then ended.

The preparation of these summary consolidated financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited consolidated financial statements.

Management prepared these summaries consolidated financial statements using the following criteria:

- the summary consolidated financial statements include a statement for each consolidated statement included in the audited consolidated financial statements;
- information in the summary consolidated financial statements agrees with the related information in the audited consolidated financial statements;
- major subtotals, totals and comparative information from the audited consolidated financial statements are included; and
- the summary consolidated financial statements contain the information from the audited consolidated financial statements dealing with matters having a pervasive or otherwise significant effect on the summarized consolidated financial statements.

The audited consolidated financial statements of the Club are available upon request by contacting the Club.



EDMONTON ELKS FOOTBALL CLUB

The Brick Field at Commonwealth Stadium
11000 Stadium Road
Edmonton, AB
T5H 4E2

T: 780-448-3557 (ELKS)
F: 780-448-2531

Text line: 587-206-4030

Ticket Office /Team Store: (780) 448-3557 (ELKS)

