



# EDMONTON ESKIMO FOOTBALL CLUB

**2015 ANNUAL REPORT**  
ANNUAL GENERAL MEETING MAY 3, 2016

**WE CREATE LEGENDARY MEMORIES**



## CHAIRMAN'S REPORT

This is a community owned team and Eskimo board members take considerable pride serving on the Eskimo board and representing the community. We take responsibility to ensure the organization is solid throughout and this past season's overall results in every area are commendable. More importantly our city, our province and Edmonton Eskimo football fans everywhere were able to celebrate and enjoy the success of the team.

The Grey Cup victory in Winnipeg and the success of our business operation, is a direct reflection of the excellent leadership provided by President and CEO Len Rhodes, and General Manager & Vice President of Football Operations Ed Hervey. They are the senior leaders guiding an entire organization of hard working and dedicated employees. It's a pleasure to be able to also acknowledge the work of every member of the organization. Their efforts resulted in the success we witnessed in 2015 both on the field and off. The Edmonton Eskimo organization continues to leave no doubt that they serve and embrace this community.

It is a privilege and an honor to serve in the role as Chairman of the Board. I want to thank my fellow board members for their commitment of knowledge, guidance and time. The experiences we enjoyed as board members in Edmonton this season will be "Legendary Memories" that will remain with us always.

As is the case every year, even when you win, there will be changes and additions. It's the very nature of professional sport. I also know that there is much anticipation and we all look forward to watching the Eskimos in 2016 at Commonwealth Stadium.

**John Moquin**  
**Chairman, Board of Directors**  
**Edmonton Eskimo Football Club**



## **TREASURER'S REPORT**

### **For the Year Ended December 31, 2015**

I am pleased to report the financial status of the Edmonton Eskimo Football Club for 2015.

Operating Revenue was \$24.8 million, an increase of \$545,000 or 2.2% over 2014.

The revenue received from hosting our preseason game in Fort McMurray has been allocated in the respective revenue centres.

Although our season seat revenue increased in 2015, our overall gate receipt revenue declined by \$274,000. Our single game tickets sales were impacted by the 2015 schedule that had two premium games (Calgary and Saskatchewan) versus three in 2014, rain on our July 25 and September 12 games and a schedule impacted by FIFA.

CFL Distribution revenues were down \$140,000 versus 2014, concessions and game day revenues were similar to 2014 and Sponsorship had another record year with an increase of \$127,000 versus 2014. Merchandise sales increased by \$403,000 or 31.4% from 2014, a result of hosting the Western Final and competing in and winning the 2015 Grey Cup.

Hosting the West Final resulted in additional post season revenues of \$1.7 million versus \$1.3 million for the Semi-final in 2014, an increase of \$403,000 or 30.9%.

Total Operating expenses were \$22.8 million, an increase of \$1.87 million or 8.9% over 2014. Football Operations expenses increased by \$223,000 or 2% versus 2014. The Club was under the 2015 CFL salary cap of \$5.05 million.

Administration and other expenses, excluding post season games costs increased by \$11,000 versus 2014. Savings in game day costs of \$228,000 was a result of one less home game due to our pre-season game played in Fort McMurray. Sponsorship costs declined by \$121,000 and Marketing costs were down by \$199,000. Merchandise costs increased by \$333,000 versus 2014 due to increased sales. Ticketing costs increased by \$151,000.

Post season costs were \$2.67 million, a result of hosting the West Final and competing in and winning the Grey Cup.

Significant Non-operating items include:

- Investment income in the Stabilization Fund of \$468,000 bringing the fund balance to \$11,791,000 as at December 31, 2015.
- Amortization of capital asset costs of \$864,000. In 2015, the Club invested \$1.5 million in major capital projects at Commonwealth Stadium to enhance our fans game day experience. These included investments in Wi-Fi, gate digital signage and the new stats board.
- 50/50 Raffle revenues and expenses of \$1.7 million: (because the Club runs the 50/50 directly, accounting rules require that we report both the gross revenues and expenses related to the raffle even though no amounts accrue to the Club).

To conclude, the consolidated Edmonton Eskimo Football Club net profit for the year ended December 31, 2015 was \$1,567,534.

**Brad Sparrow**  
**Treasurer, Board of Directors**  
**Edmonton Eskimo Football Club**





## PRESIDENT & CEO's REPORT

The Edmonton Eskimos 2015 season culminated with a Grey Cup Championship. Following several years of hard work, on and off the field, we brought the Grey Cup trophy home for the 14<sup>th</sup> time in the club's proud history. The euphoria experienced at the celebration rally, with approximately 8,000 fans in Churchill Square was simply magical.

Before the big win, the season began with extraordinary hurdles and barriers.

The team was displaced from Commonwealth Stadium in June due to the FIFA Women's World Cup. Training camp was relocated to Spruce Grove and the home pre-season game was relocated to Fort McMurray. We dubbed the game Northern Kickoff and made history with the most northern game ever played in the CFL. Although disruptive to the operations of the franchise, the displacement provided an opportunity to spread the Eskimos brand throughout other regions across northern Alberta.

We thank Spruce Grove and Fort McMurray for being wonderful hosts.

The team finished the regular season with an eight game win streak and a 14-4 record, the best in the CFL. The West Final returned to Commonwealth Stadium for the first time since 2003 when the Edmonton Eskimos beat the provincial rival Calgary Stampeders to earn a trip to the 103<sup>rd</sup> Grey Cup in Winnipeg. Receiver Derel Walker was named CFL's Most Outstanding Rookie and quarterback Mike Reilly earned the distinction of Grey Cup MVP.

With an average attendance of 31,517, the Edmonton Eskimos had the best attendance figures across the league for a second consecutive year, despite a 5.9% decline versus the previous year. Key factors that came into play were the fact that both Calgary and Saskatchewan, historically big crowd draws, visited only one time each and there were some inclement weather dates. Nevertheless, we need to grow our fan base, particularly among children and young adults.

The Edmonton Eskimos had record revenue, fueled by the best year ever for season seat revenue, corporate sponsorships and merchandise sales.

We continued to invest in major upgrades to the stadium, including partnering with TELUS for a \$2.1-million Wi-Fi network, with the team contributing \$1.2 million of the funds. The Wi-Fi project was critical in engaging with a younger demographic.

We also worked with the City of Edmonton to install new electronic food and beverage menu boards throughout the concourse.

The Club made two additional investments independently into a new south end electronic stats board and exterior LED ticket signs at gates 2 and 13.

continued. . .



The Edmonton Eskimos are a leader in professional sports when it comes to community engagement.

Our unwavering commitment to amateur football is reflected through the \$610,000 donation to the Edmonton Huskies, the Edmonton Wildcats, the University of Alberta Golden Bears, Football Alberta and the Eskimos Alumni Association's amateur football initiatives.

The team also supports a successful novice flag football program and Eskimos Vice President of Football Operations and General Manager Ed Hervey chairs an Annual Northern Alberta Football Summit.

The team remains dedicated to the overall community. There were 850 community appearances by players, coaches, staff and cheer team members last year. We were in schools, hospitals, food banks, women's shelters, football fields and numerous charity events.

There was certainly a lot to be proud of in 2015. We continued to place strategic emphasis and resources behind three key areas:

1. on-field performance
2. the game day experience
3. community impact

This combination has proven to be an important approach in engaging our fans and in turning the fate of this football club around during the past few years.

I want to thank the entire community for the support and devotion you provide to the Edmonton Eskimo Football Club.

A special thank you goes out to our Board of Directors who are prime examples of people who care about this team and this community.

Above all, I thank Esks fans for their continued passion, pride and support. Without you, we are nothing.

I am excited about the outlook for 2016.

While we are in challenging economic times, the Edmonton Eskimos game day experience offers action, excitement and a thrilling sports and entertainment experience in one of the best social settings around -- at a very fair price.

We look forward to hosting you this upcoming season and encourage you to bring your family and your friends. In return, we will continue to invest in football operations, the stadium experience and our fabulous community.

Go Esks Go!

**Len Rhodes**  
**President & CEO**  
**Edmonton Eskimo Football Club**



## Community Impact Report

Throughout the year, Eskimos players, coaches, staff, cheer team and mascots made a positive and meaningful impact in our community and helped advance the development of amateur football in Northern Alberta through the TELUS Champions in the Community program.

2015 highlights include:



### Support for Amateur Football

The Eskimos donated \$610,000 to the Edmonton Huskies, Edmonton Wildcats, University of Alberta Golden Bears, Football Alberta and the Eskimo Alumni Association's amateur football initiatives through the game day 50/50 program to support the growth and development of amateur football in Northern Alberta.

In addition to financial contributions, the Edmonton Eskimos lend support by hosting an annual amateur football summit, led by Eskimos Vice President of Football Operations and General Manager Ed Hervey, and an annual amateur spring football camp.



### Eskimos Novice Flag Football League

Enrollment increased to 440 children aged 6-11 -- up from 280 in 2014 -- in the fourth season of the Eskimos Novice Flag Football League, ran in conjunction with Football Alberta. From mid-September to early November, Eskimos players coached alongside players from the University of Alberta Golden Bears to teach kids an entry-level version of the game and help develop future all-stars. Extra turf space on main field at Commonwealth Stadium was used to accommodate the large enrollment numbers.



### 850 Community Appearances

Eskimos players, coaches, staff, cheer team and mascots made 850 appearances (1,785 hours) in the community in 2015, visiting amateur football teams, schools, the Stollery Children's Hospital, Ronald McDonald House and community groups. This includes the entire roster and coaching staff participating in Monday Morning Magic.



### Eskimos Visit 16 Schools for Read-In Week

Players, President and CEO Len Rhodes, front office staff and members of the cheer team visited classrooms across Edmonton to spread awareness of the importance of literacy during Read-In Week.



### **New Tackle Hunger Record Set**

The Edmonton Eskimos extended family and fans raised a record 130,000 lbs of food for the Edmonton Food Bank, surpassing the previous record of 114,000 lbs. The donation was raised during the Purolator Tackle Hunger game on July 31 vs the Saskatchewan Roughriders to help feed the less fortunate.



### **Eskimos Kids Club, presented by The Brick**

Enrollment grew from 892 members in 2014 to 1,171 in 2015. The Eskimos Kids Club, presented by the Brick, allows members, aged 12 and under, to enter the field after each game, run for a touchdown and meet Eskimos players. Engagement activities are maintained all year long with birthday cards, exclusive events and electronic communication.



### **Eskimos Donate Shoes to WIN House**

In partnership with Reebok, the Eskimos donated 300 pairs of shoes to the Edmonton Women's Shelter, commonly known as WIN House. This marks the fourth consecutive donation. Nearly 1,300 pairs of shoes have been donated to date for women and children fleeing domestic violence.



### **Kids Up Front**

The Edmonton Eskimos and the Eskimos Gridiron Gang continued to partner with Kids Up Front to send children, who may not otherwise get to attend an Eskimos game, to see the Green and Gold play on home turf. Nearly 2,000 tickets were purchased by businesses and many more through the generosity of Eskimos Season Seat Holders.



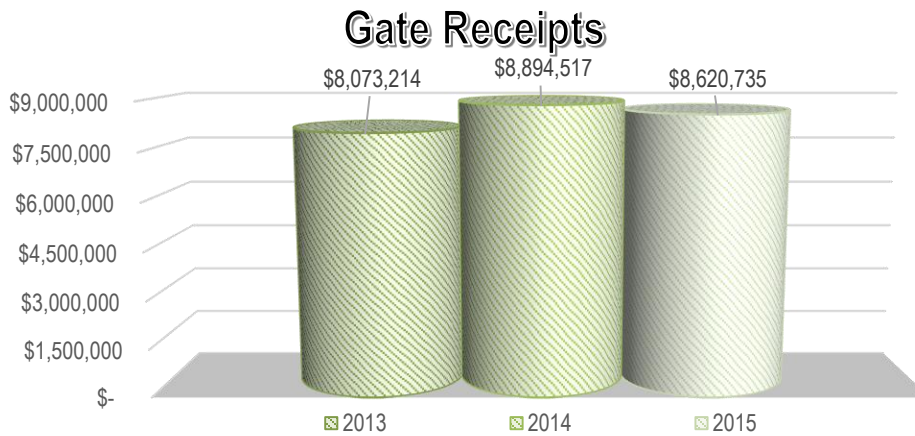




## OPERATING REVENUE

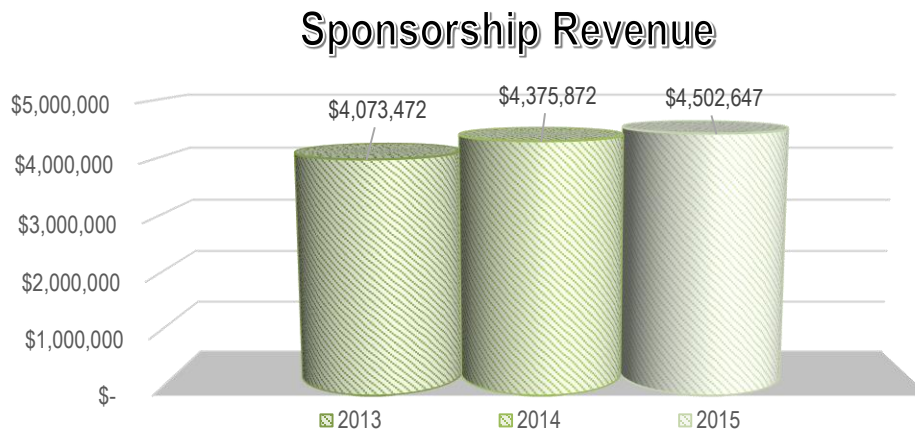
### GATE RECEIPTS (TICKET SALES)

Gate receipt revenue was lower by \$273,782 in 2015. Season seat revenue increased over 2015 however single game sales were down due to the 2015 schedule having only 2 Premium Games, impacted by FIFA and poor weather on the July 25 and September 12 home games.



### SPONSORSHIP

Sponsorship revenue increased by \$126,775 in 2015. We had another record year in Corporate Partnerships in 2015.

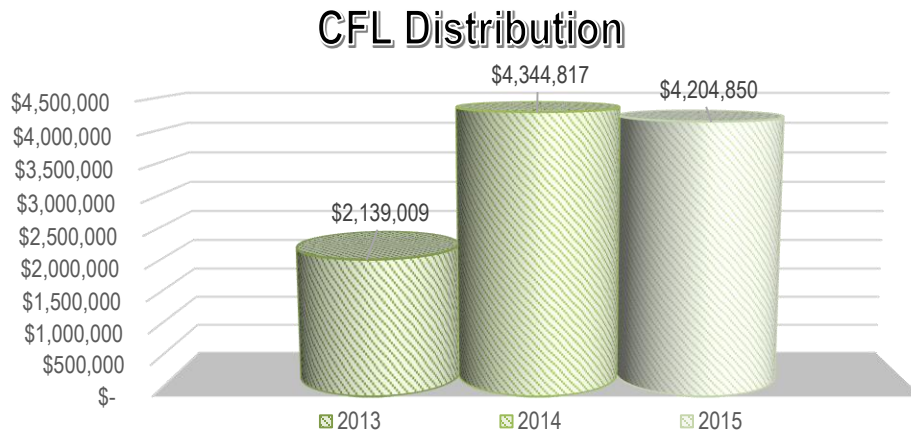






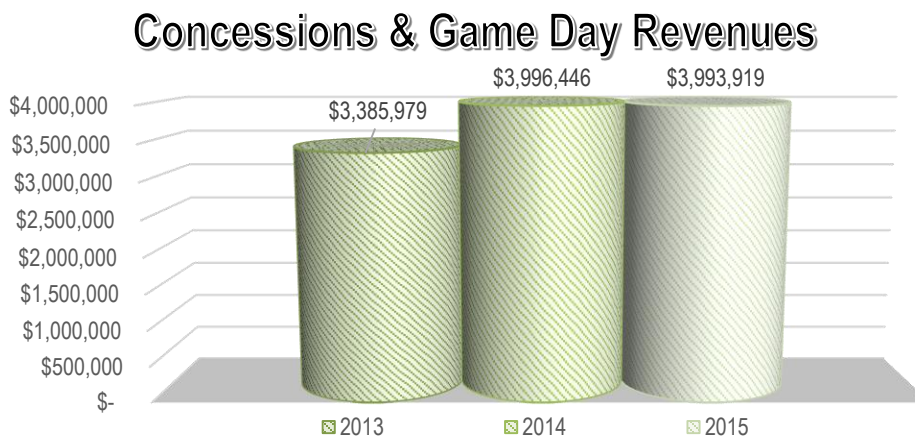
## CFL DISTRIBUTION

CFL Distribution revenues were \$4,204,850 in 2015.



## CONCESSIONS & GAME DAY

2015 Food and Beverage Concessions and Game Day revenues maintained the same levels as the prior year.

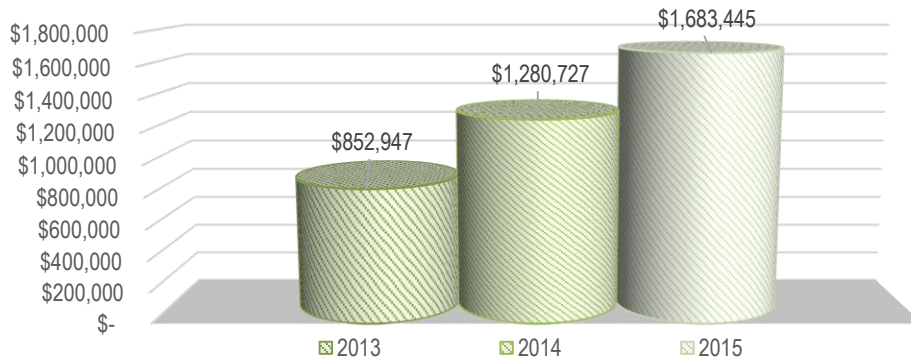




## MERCHANDISE REVENUE

The increase is a result of team performance, hosting the Western Final and Grey Cup merchandise sales.

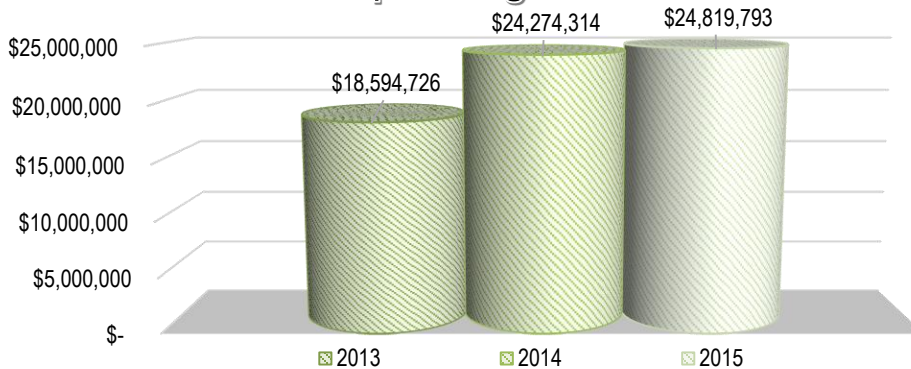
### Gross Merchandise Revenue



## TOTAL OPERATING REVENUE

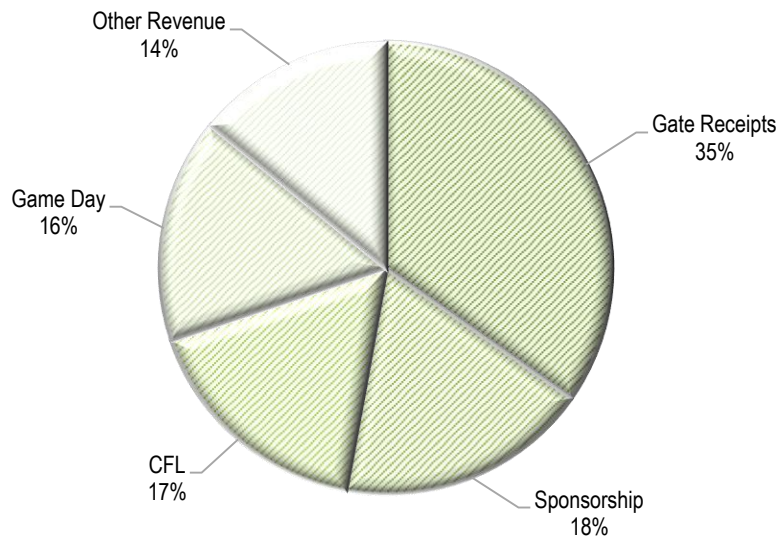
Total revenue from Operations in 2015 was \$24,819,793, an increase of \$545,479 from 2014.

### Total Operating Revenue

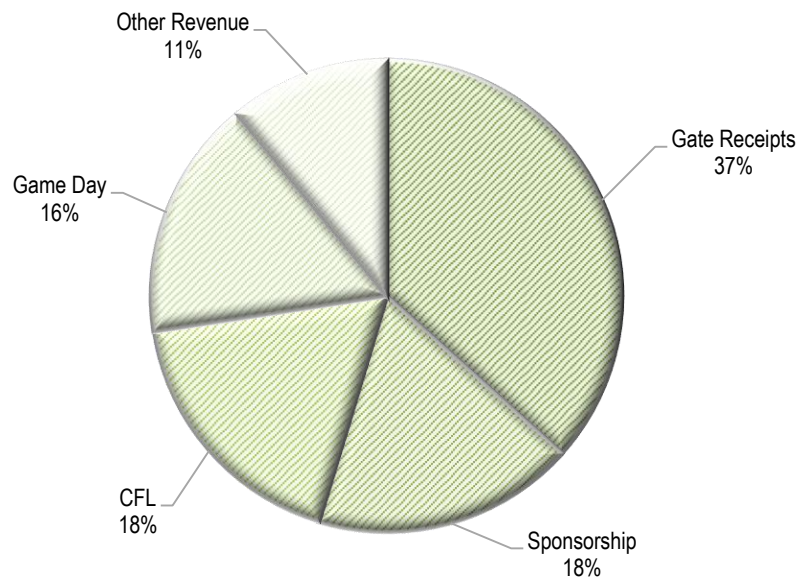




## 2015 Revenue



## 2014 Revenue





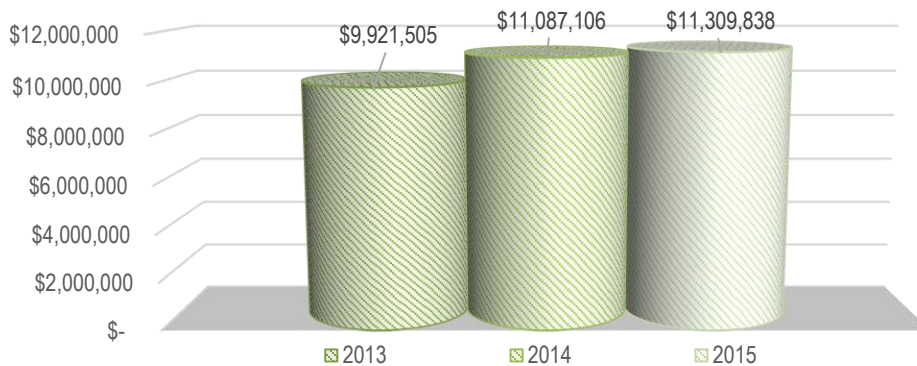


## OPERATING EXPENSES

### FOOTBALL OPERATIONS

Football Operations expenses increased by \$222,732 in 2015. The Club was under the \$5.05 million salary cap. The increase over 2014 relates to increased scouting costs due to US exchange and the increased costs of relocating training camp to Spruce Grove due to FIFA. These were somewhat offset by the savings in travel costs for our Toronto game being relocated in Fort McMurray.

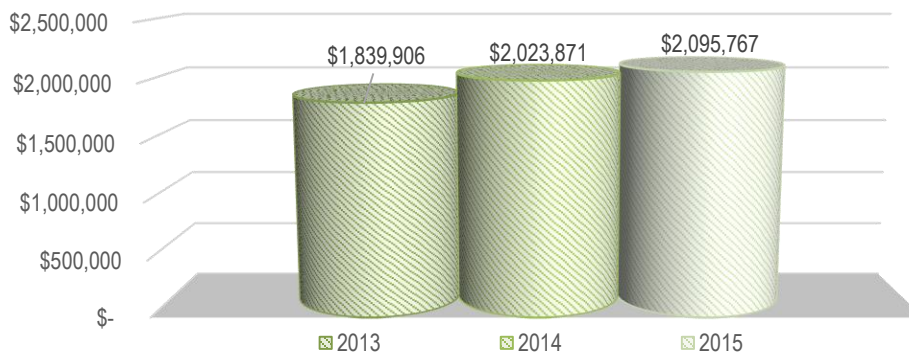
### Football Operations Expenses



### ADMINISTRATION

Administration expenses increased by \$71,896 in 2015.

### Administration Expenses

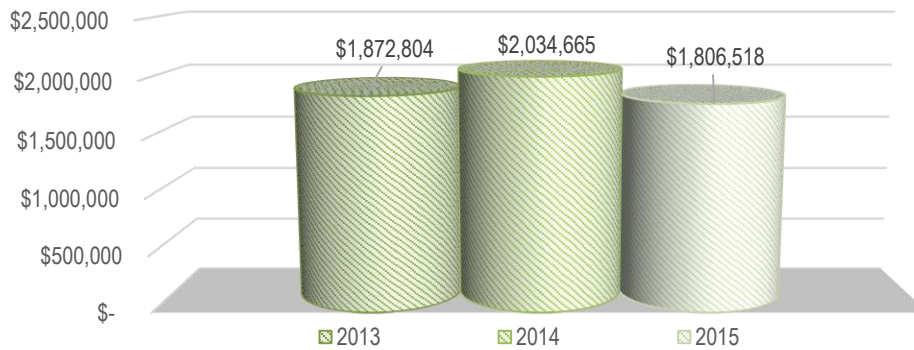




## GAME DAY

Game Day costs decreased by \$228,147 in 2015. This savings related to playing our preseason game in Fort McMurray.

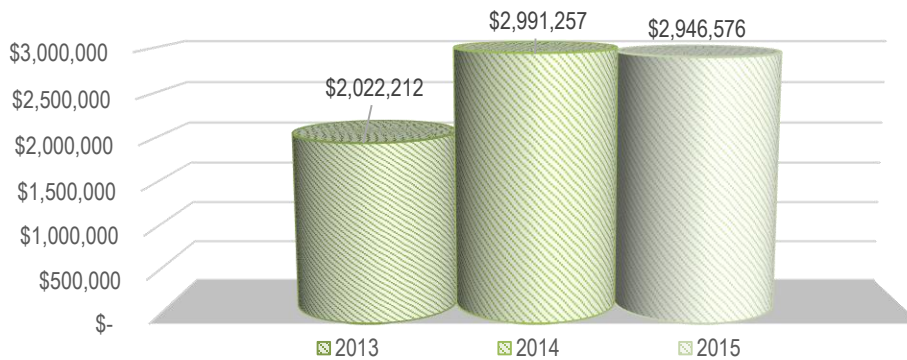
### Game Day Expenses



## TICKETING, MARKETING AND COMMUNICATIONS

Ticketing, Marketing and Communication costs decreased in 2015 by \$44,681.

### Ticketing, Marketing & Communications

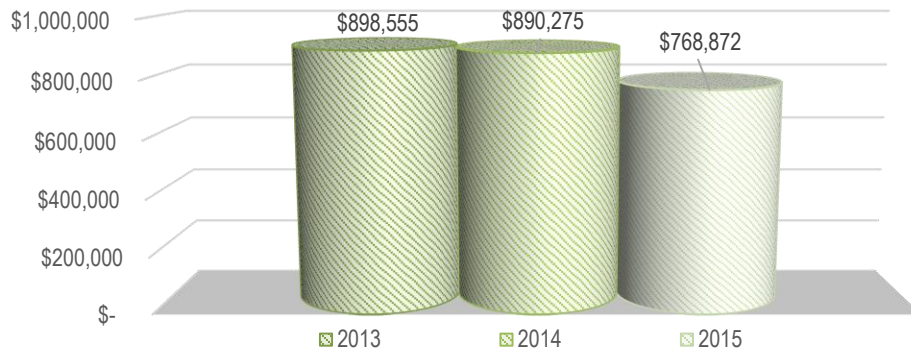




## SPONSORSHIP

Sponsorship expenses were \$121,403 lower than 2014.

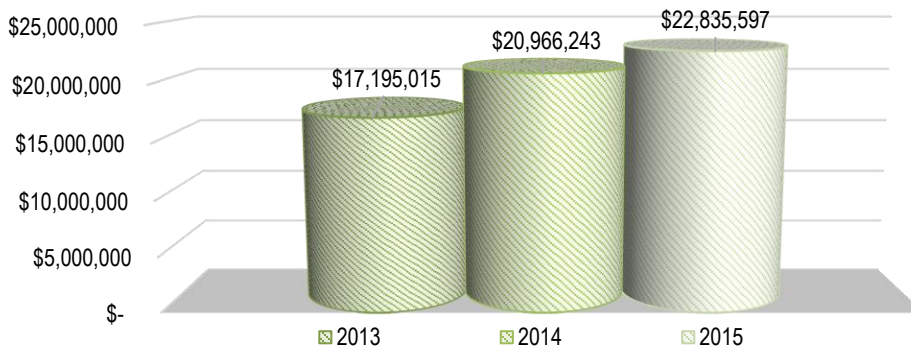
### Sponsorship Expenses



## TOTAL OPERATING EXPENSES

Total expenses from Operations in 2015 were \$22,835,597, an increase of \$1,869,354 from 2014. Post season game costs including Grey Cup costs accounted for \$1,661,028 of this increase.

### Total Operating Expenses

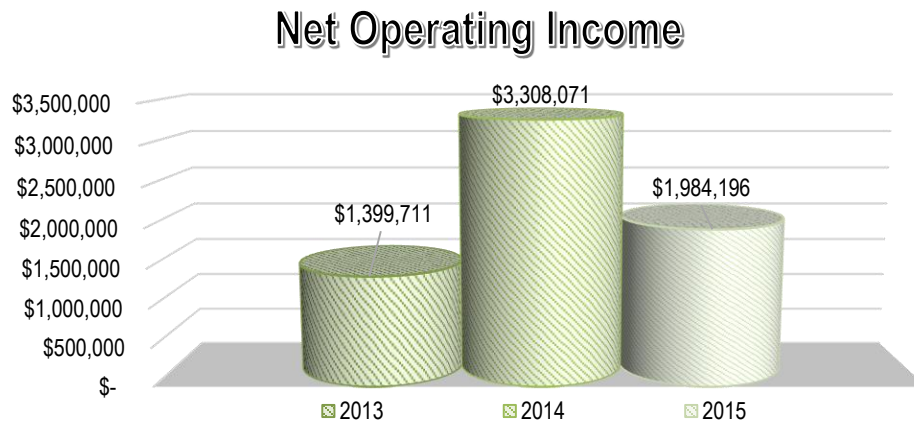






## NET OPERATING INCOME

2015 Operating Income was \$1,984,196 compared to \$3,308,071 in 2014.



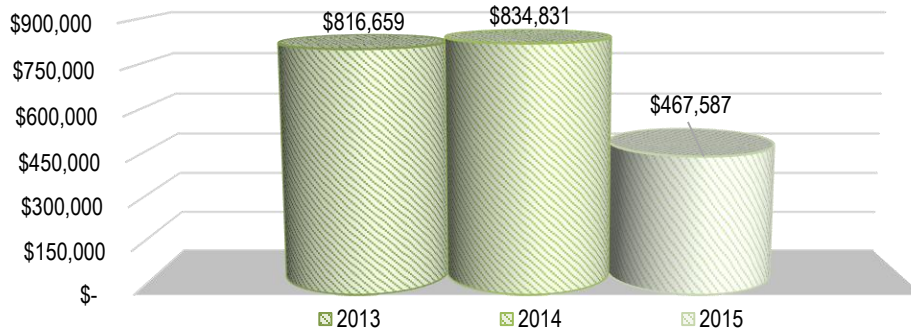


## NON-OPERATING

### NET INCOME FROM NON-OPERATING ACTIVITIES

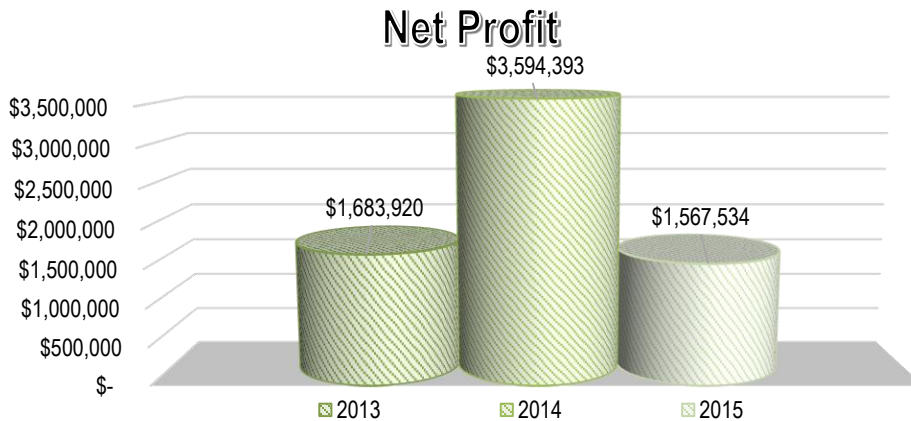
Net Income from Non-Operating Activities was a loss of \$416,662. This includes a profit of \$467,587 from investment income on our Stabilization Fund, offset by amortization of capital purchases and other non-operating expenses.

### Stabilization Fund Investment Income



### NET PROFIT

Consolidated excess of revenue over expenses for the year ended December 31, 2015 was \$1,567,534 compared to \$3,594,393 in 2014.



# **Edmonton Eskimo Football Club**

Condensed Consolidated Financial Statements  
**December 31, 2015**





April 19, 2016

## **Independent Auditor's Report**

### **To the Directors of Edmonton Eskimo Football Club**

The accompanying condensed consolidated statement of financial position and condensed consolidated statements of revenue and expenses and cash flows are derived from the complete consolidated financial statements of Edmonton Eskimo Football Club as at December 31, 2015 and for the year then ended on which we have expressed an opinion without reservation in our report dated April 11, 2016.

The condensed consolidated financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summarized condensed consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Edmonton Eskimo Football Club.

#### **Management's responsibility for the condensed consolidated financial statements**

Management is responsible for the preparation and fair presentation of these condensed consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these condensed consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, Engagements to Report on Summary Financial Statements.

#### **Opinion**

In our opinion, the condensed consolidated financial statements derived from the audited consolidated financial statements of Edmonton Eskimo Football Club for the year ended December 31, 2015 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

---

*PricewaterhouseCoopers LLP*  
TD Tower, 10088 102 Avenue NW, Suite 1501, Edmonton, Alberta, Canada T5J 3N5  
T: +1 780 441 6700, F: +1 780 441 6776

# Edmonton Eskimo Football Club

## Condensed Consolidated Statement of Financial Position

As at December 31, 2015

				2015	2014
	Operating Fund	Stabilization Fund	Capital Asset Fund	Total	Total
	\$	\$	\$	\$	\$
<b>Assets</b>					
<b>Current assets</b>					
Cash	6,994,456	-	-	6,994,456	6,441,827
Investments	-	11,791,251	-	11,791,251	11,323,664
Accounts receivable	1,633,535	-	-	1,633,535	496,675
Prepaid expenses	28,643	-	-	28,643	37,452
Inventory	684,360	-	-	684,360	728,283
	9,340,994	11,791,251	-	21,132,245	19,027,901
<b>Capital assets</b>					
	-	-	2,449,820	2,449,820	1,460,368
	9,340,994	11,791,251	2,449,820	23,582,065	20,488,269
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	2,902,199	-	-	2,902,199	1,428,018
Deferred revenue	2,704,592	-	-	2,704,592	2,501,084
Due to City of Edmonton	-	-	-	-	151,427
	5,606,791	-	-	5,606,791	4,080,529
<b>Net Assets</b>					
<b>Unrestricted</b>	3,734,203	-	-	3,734,203	3,623,708
<b>Investment in capital assets</b>	-	-	2,449,820	2,449,820	1,460,368
<b>Internally restricted</b>	-	11,791,251	-	11,791,251	11,323,664
	3,734,203	11,791,251	2,449,820	17,975,274	16,407,740
	9,340,994	11,791,251	2,449,820	23,582,065	20,488,269

Approved by the Board of Directors

  
 \_\_\_\_\_ Director  
 John Moquin

  
 \_\_\_\_\_ Director  
 Brad Sparrow

# Edmonton Eskimo Football Club

## Condensed Consolidated Statement of Revenue and Expenses

For the year ended December 31, 2015

	2015 \$	2014 \$
<b>Revenue</b>		
Gate receipts	8,620,735	8,894,517
Sponsorship	4,502,647	4,375,872
Canadian Football League distributions	4,204,850	4,344,817
Concessions and game day	3,993,919	3,996,446
Merchandise	1,683,445	1,280,727
Interest and other	108,296	79,045
Post season games	1,705,901	1,302,890
	<u>24,819,793</u>	<u>24,274,314</u>
<b>Football operations expenses</b>		
Players and coaches	7,815,323	7,827,839
Scouting and football administration	1,090,777	976,297
Medical, video and other team costs	719,251	661,035
Away game travel	713,161	836,014
Training camp	580,442	392,558
Equipment and training supplies	390,884	393,363
	<u>11,309,838</u>	<u>11,087,106</u>
<b>Administration and other expenses</b>		
Administration	2,095,767	2,023,871
Game day	1,806,518	2,034,665
Ticketing and customer service	1,254,231	1,103,701
Merchandise	1,231,097	898,000
Marketing and community relations	1,204,938	1,404,363
Sponsorship	768,872	890,275
Communications and broadcasting	487,407	483,193
Post season games	2,676,929	1,041,069
	<u>11,525,759</u>	<u>9,879,137</u>
<b>Total operating expenses</b>	<u>22,835,597</u>	<u>20,966,243</u>
<b>Excess of revenue over expenses from operations</b>	<u>1,984,196</u>	<u>3,308,071</u>
<b>Other revenue (expenses)</b>		
Investment income – Stabilization Fund	467,587	834,831
Rental and miscellaneous income	86,248	92,286
Community donations	(106,323)	(107,364)
Amortization of capital assets	(864,174)	(533,431)
50/50 raffle revenue	1,705,585	2,325,266
50/50 raffle expenses	(1,705,585)	(2,325,266)
	<u>(416,662)</u>	<u>286,322</u>
<b>Excess of revenue over expenses for the year</b>	<u>1,567,534</u>	<u>3,594,393</u>

# Edmonton Eskimo Football Club

## Condensed Consolidated Statement of Cash Flows

For the year ended December 31, 2015

---

	2015 \$	2014 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	1,567,534	3,594,393
Items not affecting cash		
Amortization	898,473	676,798
Inventory provision	75,000	-
Change in fair value of investments	(3,996)	(239,108)
	<hr/>	<hr/>
	2,537,011	4,032,083
Net change in non-cash working capital items		
Accounts receivable	(1,136,860)	(3,589)
Inventory	(31,077)	(139,049)
Prepaid expenses and deposits	8,809	42,129
Accounts payable and accrued liabilities	1,474,181	(445,139)
Deferred revenue	203,508	(496,062)
	<hr/>	<hr/>
	3,055,572	2,990,373
<b>Investing activities</b>		
Purchase of capital assets	(1,887,925)	(613,616)
Purchase of investments	(463,591)	(595,723)
	<hr/>	<hr/>
	(2,351,516)	(1,209,339)
<b>Financing activities</b>		
Repayments to City of Edmonton	(151,427)	(151,427)
	<hr/>	<hr/>
<b>Increase in cash during the year</b>	552,629	1,629,607
<b>Cash – Beginning of year</b>	<hr/>	<hr/>
	6,441,827	4,812,220
<b>Cash – End of year</b>	<hr/>	<hr/>
	6,994,456	6,441,827