



# EDMONTON ESKIMO FOOTBALL CLUB

2018 ANNUAL REPORT

**ANNUAL GENERAL MEETING  
MAY 7, 2019**

**ONE *EF* EMPIRE**



## CHAIR'S REPORT

I am delighted to provide this report to our Edmonton Eskimo Football Club shareholders and to our devoted fans who continue to show unwavering support for our community-owned CFL franchise. This Club benefits greatly from our dedicated volunteer directors who comprise our Board and give their time and talents without restraint. I thank them for their continued investment of energy in the long-term sustainability and success of the Club.

I would also like to thank the Eskimos executive team and staff, including the Grey Cup staff led by Executive Director Duane Vienneau, and the Grey Cup Steering Committee comprised of volunteer leaders from our Edmonton business community for the monumental efforts involved in hosting a tremendously successful 106<sup>th</sup> Grey Cup Festival and game – an event which was named the Canadian Sport Event of the Year by the Canadian Sport Tourism Alliance this past March. Duane has since been named the Chief Grey Cup & Events Officer for the CFL and will now lead all Grey Cup planning and execution in future years across Canada – congratulations to Duane for this achievement.

We have engaged an external recruitment firm to seek out the next President & CEO for the Edmonton Eskimo Football Club and we are greatly encouraged by the progress of this search. We anticipate completing this search in the course of the coming weeks and look forward to announcing the next leader of the Club to you soon.

CFL 2.0, introduced by Commissioner Randy Ambrosie, has brought attention to our league in other countries such as Mexico, Germany and France. The 2019 Mexico draft and 2019 CFL Combine had a record number of media viewership and coverage. We look forward to hosting our international draft picks at training camp this year and to the long-term success of the league's initiative in growing our game.

I would also like to provide an update on the work that has been done over the past year and a half regarding our team name. Since 2017, we have undertaken a multi-level engagement program with a variety of stakeholders. Our initial feedback was gained through surveys and focus groups conducted by an Edmonton based research company with our Edmonton Eskimo season seat holders and ticket purchasers. Through an international consulting firm with extensive expertise in stakeholder engagement and research, we have engaged northern leaders and politicians, elders, influencers and northern Inuit communities. During the course of the outreach to date, representatives have travelled to the Northwest Territories, Nunavut and Ottawa to have face-to-face meetings with leaders and conduct in-depth interviews with the Inuit community. Our consulting firm has also administered a telephone survey across the northern regions of Canada.

The engagements so far have provided important insights, and we expect these valuable learnings to increase with the remaining outreach we have planned. We will continue to listen to insights and opinions of stakeholders directly and via our consultant. Lastly, we will be including the Inuit community locally and in the north in our community engagement program starting later this year in order to strengthen our relationships.

As Chair of the Board, and representative of my fellow board members, the Eskimos team management and staff, I thank you for your continued dedication and support of our football team, our Club and our league. We have much to look forward to in 2019 and beyond, and your continued investment in this Club will ensure that our legacy and reputation of success and strong leadership on and off the field and among our peers will continue well into the future.

Go Esks Go!

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



## **TREASURER'S REPORT**

### **For the Year Ended December 31, 2018**

I am pleased to report the financial status of the Edmonton Eskimo Football Club for 2018.

Operating Revenue for 2018 was \$25.1M, an increase of 2% over 2017. This was mainly due to increased sponsorship revenue. Gate receipt revenues were down in 2018 by 1% or \$89k, mainly due to weather-related issues. The CFL began its "Thursday Night Football" concert series and the Club saw moderate success with other halftime concerts and seeding the 50/50 jackpot prize by \$70k (for the team's 70<sup>th</sup> anniversary) for the regular season home-opener game.

Corporate partnerships had another excellent year in 2018 with sponsorship revenues increasing over 2017 by 9.3%. Concessions & Game Day Revenues declined 1.3%. Merchandise sales declined 8.5%, mainly due to increased Grey Cup merchandise sales throughout the season.

Total operating expenses were \$23.6M, a reduction of \$460k from 2017. The Club was under the 2018 CFL salary cap of \$5.2M.

Net Operating Income for the year ended December 31, 2018 was \$1.5M, up from \$592k in 2017.

Significant Non-operating items include:

- The 106<sup>th</sup> Grey Cup Festival & Game held in Edmonton was the first year of the new partnership model between the Host Club and the CFL, which provides for long term sustainability and profit-sharing among all CFL teams. The Grey Cup event earned \$7.1M and Edmonton earnings are just under \$3M in 2018. Edmonton will continue receiving distributions from future Grey Cups that will amount to an estimated \$3-\$4 million over the next five years.
- The investment fund generated a net investment loss of \$503k in 2018.
- Amortization of capital asset for 2018 totaled \$977k. Capital projects in 2018 were minor and focused on maintenance needs.
- 50/50 Raffle revenues and expenses were \$3.1M (having no impact on net income to the Club). Donations to support and promote Amateur Football in the Edmonton area were a record \$845k in 2018, bringing cumulative donations to \$4.5M (since 2012).

To conclude, the consolidated Edmonton Eskimo Football Club net profit for the year ended December 31, 2018 was \$2.8M.

**Janice Agrios**  
**Treasurer, Board of Directors**  
**Edmonton Eskimo Football Club**



## 106<sup>th</sup> Grey Cup, Edmonton 2018

The 106<sup>th</sup> Grey Cup, presented by Shaw, hosted in Edmonton last November had a total economic impact of more than \$81 million, a new study shows.

Overall attendance at Grey Cup events throughout the week reached 430,967, including 55,819 who attended the Grey Cup championship game itself, and 30,841 visitors from out of town who spent \$29 million during their stay in the city.

More than 93 per cent of the attendees reported having a positive experience at the Grey Cup Festival and two-thirds felt it was better than most of its predecessors, according to the Global Sports Impact Study conducted by Sportcal, a leading provider of sports market intelligence based in London, England.

“These impressive numbers are a testament to the support we received from the people of Edmonton and Alberta, the contributions made by our partners, the hard work of our staff and an army of volunteers, and the power of the Grey Cup itself to attract Canadians from every corner of the country,” said Brad Sparrow, Chair of the Edmonton Eskimo Board of Directors and Co-Chair of the 2018 Grey Cup Festival Committee.

Randy Ambrosie, Commissioner of the Canadian Football League, said the study underlines the enormous effect the Grey Cup game and the festival have on a city and province.

“As proud as we are as Canadians, we can sometimes take our greatest treasures for granted,” Ambrosie said.

“This study, like the ones that have preceded it, show that the Grey Cup is more than a source of fun, pride and unity. It’s a giant-sized economic funnel that pours dollars and people into a host city and province at a time of year that can otherwise be slow for tourism.”

The study says the Grey Cup was also a source of civic pride: 93 per cent of local citizens surveyed agreed that the Grey Cup had a positive impact on the city and 94 per cent said the city of Edmonton should host the Grey Cup again.

The report also cites the event’s social impact. It engaged an estimated 1,000 volunteers, featured flag football and football skills sessions for youth, and included visits from 4,000 school children from 40 schools who were granted special access, a Diversity is Strength party that celebrated inclusion and campaigns designed to counteract violence against women.



Among the other findings:

- The total economic impact of \$81,146,423 is estimated to be a 6.6 per cent increase from the Grey Cup in 2017.
- A total of 381 accredited media attended during the week, an increase of 20 per cent compared to the previous year.
- More than 9,100 stories were published about Grey Cup week, a 62 per cent increase over 2017, complementing a strong social media presence throughout the week.
- More than 40 festival partners, and 32 league partners, activated during the week, adding to the fun and excitement of the Grey Cup experience for attendees.
- The Grey Cup game garnered a television audience of 3.3 million with a reach of 8.4 million.
- The average number of days attended by fans was 2.9 days; 11 per cent attended all five days of the event.
- Thirty per cent of all fans – and 58 per cent of those aged 19 to 34 – attended a Grey Cup event for the first time.
- Women and those aged 19 to 24 were most likely to score events highly.

“We look forward to the 107<sup>th</sup> Grey Cup, presented by Shaw, this November in Calgary, home to our football rivals but also our fellow Albertans, and the Grey Cups that will follow in Regina in 2020 and Hamilton in 2021,” Sparrow said.

“We have worked to set a high bar. We know our friends and colleagues across the CFL will work just as hard to meet it or even exceed it and Canadians will continue to rally around the Grey Cup.”





## 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.

2018 highlights include:



### Another Record-Setting Season for Support of Amateur Football

The Eskimos donated a record \$845,000 to the Edmonton Huskies, Edmonton Wildcats, University of Alberta Golden Bears Football, Football Alberta and the Eskimo Alumni Association's amateur football initiatives through the belairdirect 50/50 game day program to support the growth and development of amateur football in Northern Alberta.



In addition to financial contributions, the Edmonton Eskimos supported the growth by hosting an annual amateur football summit, annual amateur football camp and collaborating on an annual atom and peewee football league and flag leagues.



### Growing Flag Football

Participation in the Eskimos Jr. High Flag Football Spring League has nearly doubled since it began in 2016 with a total of 59 teams in 2018. Schools combined for a total of 36 boys teams and 23 girls teams.



Interest in flag football at the novice and atom level continues to grow. A combined 241 youth participated in the Eskimos flag football league.



### **1,000 Community Appearances**

Eskimos players, coaches, staff, cheer team and mascots made 1,000 community appearances at 223 events, for 1,998 hours of service in 2018. Community appearances included guest coaching at amateur football practices, visiting schools, spending time at the Stollery Children's Hospital, serving meals to our inner-city residents and more.



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

Enrollment in the club increased to over 1,550 registered children in 2018. The Eskimos Kids Club, presented by The Brick, allows its members aged 12 and under access to the field after each home game to run for a touchdown and meet Eskimos players. Engagement activities are sustained year round with birthday cards, exclusive events and contests.



### **Purolator Tackle Hunger**

The Purolator Tackle Hunger game to help feed the less fortunate occurred on August 2 vs the Saskatchewan Roughriders. The Edmonton Eskimos extended family and fans raised the equivalent of 108,270 pounds of food for the Edmonton Food Bank.



### **Eskimos Women's Dinner Raises Over \$100K to Support Cancer Research**

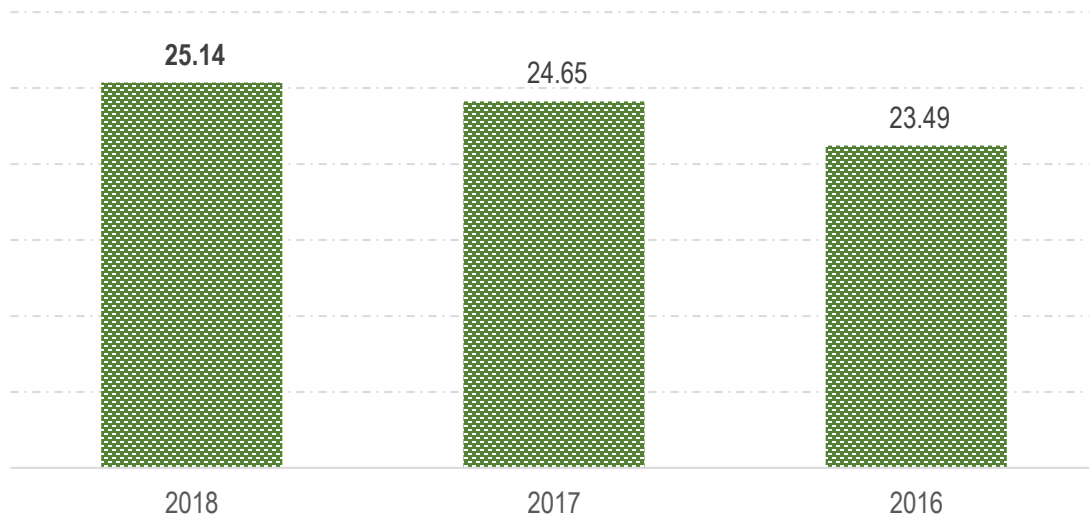
The Eskimos Women's Dinner, presented by Orange Theory Fitness, raised \$100,529 last year alone to continue to provide long-term sustainable funding for researchers at the Lois Hole Hospital for Women to help find a cure for ovarian cancer. Since the event began in 2007, total donations have exceeded \$600,000.



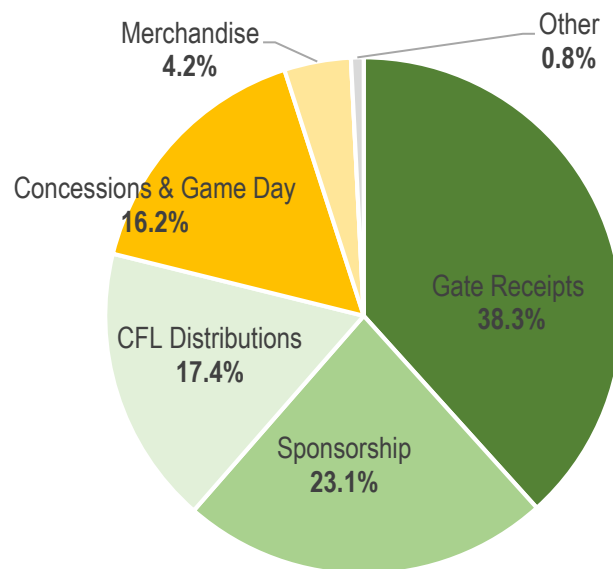
For the Year Ended December 31, 2018, charts in \$ millions

## OPERATING REVENUE

Total operating revenue for 2018 was \$25,144,477, an increase of 2% as compared to 2017, mainly due to an increase in sponsorship revenue.



Gate receipts accounted for 38% of revenues, compared to 39% in 2017. Sponsorship contribution increased to 23%.



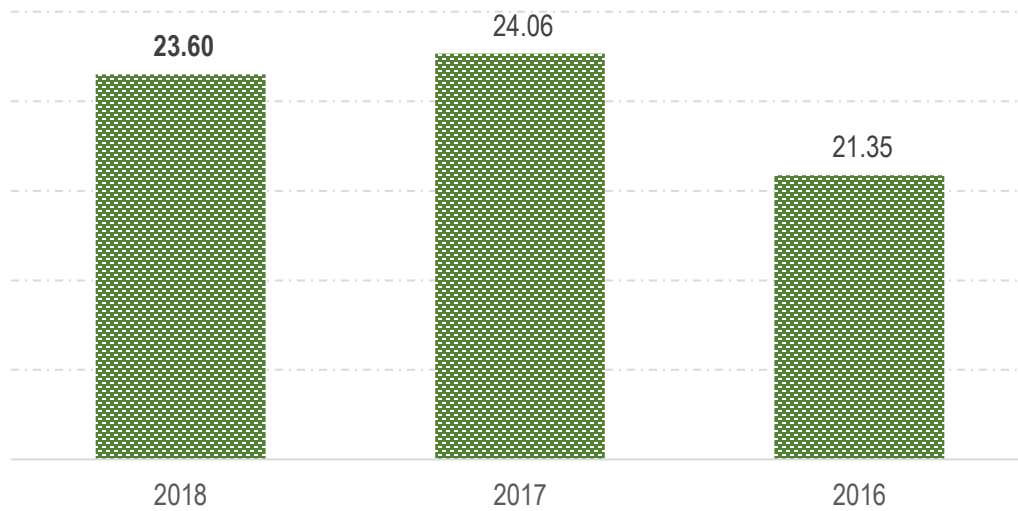




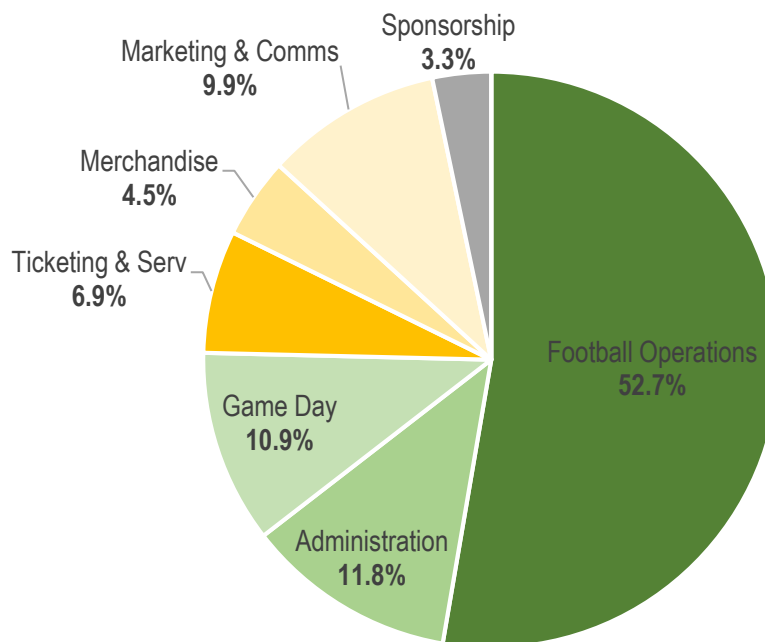
For the Year Ended December 31, 2018, charts in \$ millions

## OPERATING EXPENSES

Total operating expenses for 2018 were \$23,601,333. This was a reduction of 2% as compared to 2017.



Football Operations accounted for 53% of the operating spend for the Club in 2018 (52% in 2017), while Business Operations expense was 47% of operating spend (48% in 2017).





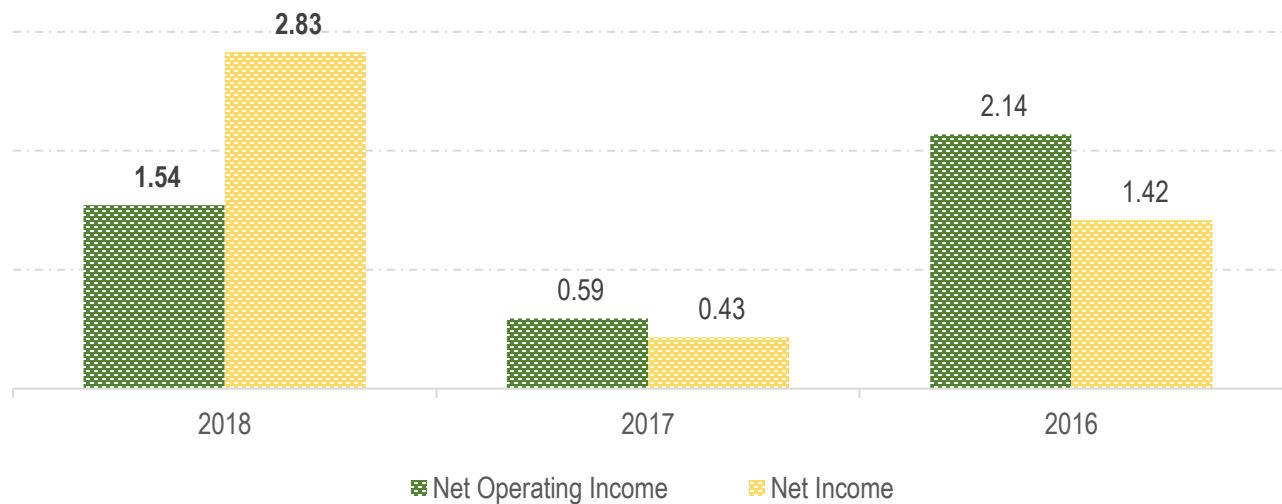
For the Year Ended December 31, 2018, charts in \$ millions

## NON-OPERATING REVENUE & EXPENSES

Non-Operating Activities in 2018 resulted in a profit of \$1,286,783 compared to a loss of \$160,066 in 2017. Loss from investments was \$503,151, amortization of capital assets was \$977,237, total Grey Cup income was \$2,978,558 of which \$2,838,764 is included in non-operating revenue, and other expenses totaled \$71,593.

## EXCESS OF REVENUE OVER EXPENSES (NET INCOME)

Net Operating Income for 2018 was \$1,543,144 (vs. \$591,704 in 2017). Excess of revenues over expenses (Net Income) for the Edmonton Eskimo Football Club in 2018 was \$2,829,927 in 2018.



# **Edmonton Eskimo Football Club**

Summary Consolidated Financial Statements  
**December 31, 2018**



## *Report of the Independent Auditor on the Summary Consolidated Financial Statements*

To the Shareholders of  
Edmonton Eskimo Football Club

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### *Our opinion*

In our opinion, the accompanying summary consolidated financial statements of Edmonton Eskimo Football Club (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.

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### *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, 2018 comprise:

- the summary consolidated statement of financial position as at December 31, 2018;
- the summary consolidated statement of revenue and expenses for the year then ended;
- the summary consolidated statement of changes in fund balances for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related note to the summary consolidated financial statements.

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, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

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### *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 23, 2019.

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### *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.

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



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*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 23, 2019

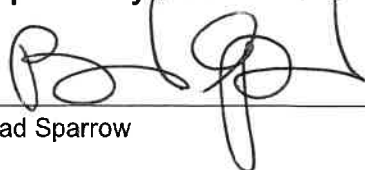
# Edmonton Eskimo Football Club

## Summary Consolidated Statement of Financial Position

As at December 31, 2018

				2018	2017
	Operating Fund \$	Stabilization Fund \$	Capital Asset Fund \$	Total \$	Total \$
<b>Assets</b>					
<b>Current assets</b>					
Cash	15,482,499	-	-	15,482,499	9,507,467
Investments	-	12,919,111	-	12,919,111	13,422,262
Accounts receivable	5,491,537	-	-	5,491,537	793,978
Prepaid expenses	111,914	-	-	111,914	29,757
Inventory	724,760	-	-	724,760	655,770
	21,810,710	12,919,111	-	34,729,821	24,409,234
<b>Capital assets</b>					
	-	-	2,766,356	2,766,356	3,476,326
	21,810,710	12,919,111	2,766,356	37,496,177	27,885,560
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	11,652,639	-	-	11,652,639	1,893,866
Deferred revenue	3,182,504	-	-	3,182,504	6,012,587
	14,835,143	-	-	14,835,143	7,906,453
<b>Non-current accrued liabilities</b>					
	6,400	-	-	6,400	154,400
	14,841,543	-	-	14,841,543	8,060,853
<b>Net Assets</b>					
<b>Unrestricted</b>					
	6,969,167	-	-	6,969,167	2,926,119
<b>Investment in capital assets</b>					
	-	-	2,766,356	2,766,356	3,476,326
<b>Internally restricted</b>					
	-	12,919,111	-	12,919,111	13,422,262
	6,969,167	12,919,111	2,766,356	22,654,634	19,824,707
	21,810,710	12,919,111	2,766,356	37,496,177	27,885,560

Approved by the Board of Directors

  
Brad Sparrow

Director

  
Janice Agrios

Director

# Edmonton Eskimo Football Club

## Summary Consolidated Statement of Revenue and Expenses

For the year ended December 31, 2018

	2018 \$	2017 \$
<b>Revenue</b>		
Gate receipts	9,636,586	9,725,390
Sponsorship	5,807,943	5,312,619
Canadian Football League distributions	4,385,377	4,199,221
Concessions and game day	4,065,920	4,121,671
Merchandise	1,049,025	1,147,187
Interest and other	199,626	117,735
Post-season games	-	30,000
	<u>25,144,477</u>	<u>24,653,823</u>
<b>Football operations expenses</b>		
Players and coaches	8,555,313	8,845,348
Scouting and football administration	1,349,433	1,205,464
Medical, video and other team costs	875,935	768,550
Away game travel	875,465	806,826
Training camp	420,948	413,267
Equipment and training supplies	360,835	403,517
	<u>12,437,929</u>	<u>12,442,972</u>
<b>Administration and other expenses</b>		
Administration	2,791,630	3,275,494
Game day	2,561,465	2,485,190
Ticketing and customer service	1,627,646	1,376,547
Merchandise	1,066,298	910,480
Marketing and community relations	1,935,255	2,039,238
Sponsorship	778,195	812,631
Communications and broadcasting	402,915	482,470
Post-season games	-	237,097
	<u>11,163,404</u>	<u>11,619,147</u>
<b>Total operating expenses</b>	<u>23,601,333</u>	<u>24,062,119</u>
<b>Excess of revenue over expenses from operations</b>	<u>1,543,144</u>	<u>591,704</u>
<b>Other revenue (expenses)</b>		
Investment (loss) income – Stabilization Fund	(503,151)	958,263
Grey Cup revenue	19,717,498	198,292
Rental and miscellaneous income	18,699	120,798
Community donations	(90,292)	(102,128)
Grey Cup expenses	(16,878,734)	(198,292)
Amortization of capital assets	(977,237)	(1,136,999)
50/50 raffle revenue	3,130,475	2,320,903
50/50 raffle expenses	(3,130,475)	(2,320,903)
	<u>1,286,783</u>	<u>(160,066)</u>
<b>Excess of revenue over expenses for the year</b>	<u>2,829,927</u>	<u>431,638</u>

# Edmonton Eskimo Football Club

## Summary Consolidated Statement of Changes in Fund Balances

For the year ended December 31, 2018

				2018	2017
	Operating Fund \$	Stabilization Fund \$	Capital Asset Fund \$	Total \$	Total \$
<b>Fund balances – Beginning of year</b>	2,926,119	13,422,262	3,476,326	19,824,707	19,393,069
Excess (deficiency) of revenue over expenses for the year	4,368,143	(503,151)	(1,035,065)	2,829,927	431,638
Purchase of capital assets with operating funds	(325,095)	-	325,095	-	-
<b>Fund balances – End of year</b>	<b>6,969,167</b>	<b>12,919,111</b>	<b>2,766,356</b>	<b>22,654,634</b>	<b>19,824,707</b>



# Edmonton Eskimo Football Club

## Summary Consolidated Statement of Cash Flows

For the year ended December 31, 2018

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	2018 \$	2017 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	2,829,927	431,638
Items not affecting cash		
Amortization	1,035,065	1,194,827
Net unrealized loss (gain) due to changes in fair value of investments	1,841,779	(702,853)
Net realized (loss) gain on sales of investments	(694,635)	6,826
Non-current accrued liabilities	(148,000)	(5,000)
	<hr/>	<hr/>
	4,864,136	925,438
Net change in non-cash working capital items		
Accounts receivable	(4,697,559)	508,658
Inventory	(68,990)	16,544
Prepaid expenses and deposits	(82,157)	4,396
Accounts payable and accrued liabilities	9,758,773	26,551
Deferred revenue	(2,830,083)	2,274,776
	<hr/>	<hr/>
	6,944,120	3,756,363
<b>Investing activities</b>		
Purchase of capital assets	(325,095)	(370,867)
Net purchase of investments	(643,993)	(249,236)
	<hr/>	<hr/>
	(969,088)	(620,103)
<b>Increase in cash during the year</b>	5,975,032	3,136,260
<b>Cash – Beginning of year</b>	9,507,467	6,384,207
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<b>Cash – End of year</b>	15,482,499	9,507,467
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# Edmonton Eskimo Football Club

## Note to Summary Consolidated Financial Statements

December 31, 2018

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### 1 Basis of presentation

The summary consolidated financial statements are derived from the audited consolidated financial statements of Edmonton Eskimo Football Club (the Club) prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at December 31, 2018 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 summary 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.