



EVERY BREAKFAST COUNTS

ACTIVITY REPORT 08|09



BREAKFAST
CLUBS
OF CANADA®

COUNTING THE BREAKFASTS



Our Board of Directors



SUPPORTED PROGRAMS

■ Number of children in programs ■ Breakfasts served

In 2008-2009 Breakfast Clubs of Canada started 20 full-service breakfast programs across Canada. We established programs in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and New Brunswick. We develop, support and sustain these programs directly with schools.

Our goal is to establish 130 additional full-service programs in the 2009-2010 fiscal year, including programs in 10 aboriginal communities.

EXTENDING OUR REACH

After funding breakfast programs for two years, Breakfast Clubs of Canada recognized a greater need exists. In 2007 we decided to go back to our roots and do what we do best—develop, finance and directly run breakfast programs in schools, while continuing to sustain other programs either directly with schools or with regional organizations.

THE NEED

When children go to school hungry or poorly nourished, their energy levels, memory, problem-solving skills, creativity, concentration and behaviour are all negatively impacted.¹

As a result of being hungry at school, these children may not reach their full developmental potential—an outcome that can have a health impact throughout their entire lives.¹

One in ten Canadian children live in poverty.²

One in four aboriginal children live in poverty.²

¹ Dr. Butler Jones, Chief Public Health Officer's Report on the State of Public Health in Canada 2008.

² 2009 Report Card on Child and Family Poverty in Canada, Campaign 2000.

Jacques Woods - Chairman

President and Chief Executive Officer - Woods Strategies

Daniel Germain

President and Founder—Club des petits déjeuners du Québec; Breakfast Clubs of Canada; Montreal Millennium Summit

Beth Diamond

Managing Partner - National Public Relations

Sylvain Prud'homme

Senior Vice-President of Merchandising - Walmart Canada

Pierre Riel - Treasurer

Senior Vice-President, General Manager - Eastern Canada Costco Wholesale Canada

Charles Benoit

Executive Vice-President - Astral Media Radio (Québec)

Fannie Perron

Senior Advisor - Corporate Donations and Sponsorships Saputo Inc.

Micheline Villeneuve

Manager - Air Canada Kids' Horizons

2008-2009

A TRUE TURNING POINT



Daniel Germain,
President-Founder

In decades to come, when we reread the history of Breakfast Clubs of Canada, the year that just ended will certainly stand out. And the reason is very simple. This is the year that we made the leap from being a supporting foundation to becoming completely involved in the field. After two years of financing breakfast programs that had already been in place across the country--and reaching the goals we set out for ourselves--we shifted our focus to our greatest strength: to develop, finance and directly run breakfast programs in schools. As a result, within Breakfast Clubs of Canada, we put in place the best practices learned in the *Club des petits déjeuners du Québec* (Quebec Breakfast Club). It was our wish from the beginning, and at this point we can say 'mission accomplished' since this year we started 20 full breakfast programs in as many schools in various parts of Canada. And it's just the beginning: for 2009-2010 we plan to start 130 new programs, 10 of which will be in First Nations communities.

Alongside our work on the ground, we have solidified and developed more strategic business partnerships. The recent economic crisis could have significantly affected us but instead it allowed us to realize just how strong our team is, the expertise of our board of directors, and the commitment of our partners--all reasons that, together, not only did we stay on course but we surpassed our expectations. It's no small feat!

What's more, I couldn't be more proud that while the transition was taking place we never lost sight of our essential mission: the children, the volunteers and the schools.

As we close the books for this year, it's with a feeling that we've made a great step forward. There still remains much to be done but we face the future with confidence. I take this opportunity to sincerely thank our partners, colleagues and supporters, volunteers and donors. You've made the choice to foster our children's well-being and by doing this, you're giving them, every day, an equal chance at success in school and in life.

Thanks for everything you do!

A handwritten signature in black ink, appearing to read 'Daniel Germain'.

SHARE OUR VISION

My theme in this year's message to our donors and supporters is ambassadorship. I feel rewarded working with Breakfast Clubs of Canada for the cause of our children's future and I am honoured to have a place among our many committed corporate friends and individuals in this enormous and essential undertaking.

I believe we can have an even greater impact if we each invite one friend to join us in our cause of feeding children a nourishing breakfast at school. It could be a corporate friend or an individual. The more people that understand the true need and the tangible results of our work, the more chance we have of making a difference to the lives of kids and our great country.

I believe a society can be judged by how it treats its kids. And I'm very proud of the partners and friends of Breakfast Clubs of Canada. They are leaders in helping youth to lead more productive and happier lives. We are doing the right thing by using our collective wisdom and resources to help a new generation of Canadians fulfil their dreams. We share the vision of a better future for all of Canada's children. And we work towards our goal by the simple act of feeding them a healthy breakfast--at an average of about \$2.00 per breakfast.

That Breakfast Clubs of Canada can keep its cost of delivering breakfast to kids at school so low is testament to the fiscal responsibility of the organization. We have the incredible wealth of our partners' trust and we value that trust. Operational efficiency, transparent reporting and sound financial management form the foundation of our organization. We continuously strive to reduce our costs so our partners' generous donations are used effectively and efficiently to optimize the help we give kids.

When we go out into our communities to share our story with our friends, family and colleagues and to recruit them to our cause, our calling card is our noble vision of helping children and our ability to do that effectively. Share our vision to build a better society one breakfast at a time. The more people we have working with us, the bigger the difference we can make to the future of all of our kids.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jacques Woods'.



Jacques Woods,
chairman of the
Board of Directors



OUR PARTNERS MAKE EVERY BREAKFAST COUNT

Breakfast Clubs of Canada's mission is to make sure that children start each school day with a nutrition breakfast by providing services and funding for school breakfast programs. We do this with the help of individual and corporate partners, all committed to the cause of feeding our children's future.

Through their generous support and dedication, in 2008-2009 our partners and donors raised close to \$5.5 million through various corporate contributions, campaigns, fundraisers and promotions and were instrumental in raising awareness about our mission and extending our breakfast programs to reach children from coast to coast.

At Breakfast Clubs of Canada, we value our donors and partners. We recognize their contributions with respect, appreciation and honesty.

Corporate Partners

Walmart Canada, Costco Wholesale Canada, Saputo Inc, Cora Foundation, National Bank Financial Group, Kraft, The Rona Foundation, Pfizer Corporation.

Products and Services Partners

Air Canada Kids' Horizons, Saputo, Minute Maid, Danone.

Media Partners

Astral Media, Zoom Media.

Supplier Promotions

Through our partners' considerable networks suppliers receive exposure for their products and they can let their customers know how they support the community. Promotions held in Walmart and Costco stores in 2008-2009 include: Hannah Montana Disney, Newman's Own Grape Juice, Saputo, Danone, AHF, Kraft, Canada Bread, Vileda, Kellogg's, Minute Maid, Newell-Rubbermaid, Star Frit, Kimberley Clark, Proctor and Gamble.



ORIGINAL WAYS TO GIVE

Breakfast Clubs of Canada's partner campaigns and promotions involve their associates and community members, and help to build Breakfast Clubs of Canada's cross-Canada network of friends.

The stories on the following pages describe the efforts of our partners and the impact they make on our ability to provide nutritious breakfasts to kids at school.

Walmart's *Taste for Learning* campaign

For the second consecutive year, Walmart Canada's *Taste for Learning* campaign brought suppliers, managers, staff and thousands of clients together on behalf of Breakfast Clubs of Canada. The campaign raised a record \$2.78 million through the sale of icons and through donations on specific brand items. For the first time in Canada, every Walmart store reached its fundraising goal of \$2,000. As a result, Walmart Corp matched that amount and raised an additional \$624,000.

Prior to the launch of the campaign on February 10, the *Taste for Learning* truck-trailer began its cross-country tour. When the truck rolled in to Montreal, Ottawa, Toronto, Regina, Calgary and Vancouver, Astral Media's morning shows broadcast the event live and promotional staff gave commuters 10,000 breakfast bags filled with our partner's products.

Walmart supplier promotion

The *Taste for Learning* campaign received another \$115,000 from the sale of select food products at Walmart stores, donated by Breakfast Clubs of Canada partners Saputo, Danone, Minute Maid and Kellogg's.

Air Canada Kids' Horizons adds travel to promotion

As part of the *Taste for Learning* campaign, Air Canada Kids' Horizons and Air Canada Vacations gave one lucky contest entrant a one-week all-inclusive vacation for a family of four at the four-star Occidental Grand Punta Cana resort in the Dominican Republic.

Walmart Canada is Breakfast Clubs of Canada's largest corporate donor. Its customers, associates and suppliers have donated more than \$10 million to school nutrition programs since 2005.



PARTNERS SHOW KINDNESS THROUGH GIFTS IN KIND

OTHER ORIGINAL WAYS TO GIVE

Walt Disney Company

In 2008 Walt Disney Company and Walmart Canada joined forces to raise money for Breakfast Clubs of Canada. On July 26 the 3D *Hannah Montana* movie was broadcast exclusively on Family Channel. One million pairs of 3D glasses were on sale for \$.50 at Walmart stores for the event. The campaign raised \$277,067 for Breakfast Clubs of Canada.

Costco Wholesale Canada

In 2008 during the last week of August, Costco Wholesale Canada's second annual *Give Kids a Good Start* campaign raised a record \$440,000 to support Breakfast Clubs of Canada. Costco members in 77 warehouses across Canada bought \$2.00 paper icons, especially designed for the campaign. Also during the year, proceeds from a percentage of Kirkland's Newman's Own Grape Juice sales raised \$160,000. To date, Costco, it's members and suppliers have contributed almost \$1 million to Breakfast Clubs of Canada.

Kellogg's

In 2008 we welcomed Kellogg's as our new partner. Kellogg's raised \$100,000 for Breakfast Clubs of Canada by donating \$1.00 for every box of Rice Krispies cereal and Rice Krispies Square Bars sold. The Breakfast Clubs of Canada logo appeared on 1.2 million Rice Krispies cereal boxes, raising awareness about our cause.

The Cora Foundation

Cora Restaurant contributed \$55,000 to Breakfast Clubs of Canada through the Cora Foundation fundraising dinner and by encouraging customers to add \$1.00 to their bills to purchase a Cora sun icon in restaurants across Canada.

National Bank Financial Group

During the Christmas season National Bank Financial Group offered customers the chance to brighten up their homes with a \$5.00 Christmas ornament duo especially designed for Breakfast Clubs of Canada. Our partner raised more than \$40,000.

As Breakfast Clubs of Canada extends its reach to make sure as many children as possible start each school day with a nutritious breakfast, our partners have stepped up to the plate. We recognize our partners' unique gifts in the following stories.

Astral Radio

In addition to Astral Radio's national support of *Every Breakfast Counts* awareness campaign and the *Taste for Learning* Tour, our partner broadcast the Kellogg's *Share a Square* campaign event to its listeners in Toronto. Astral Media has contributed more than \$500,000 through its gifts in kind partnership.

Air Canada Kids' Horizons

In 2008 Air Canada Kids' Horizons donated airline tickets to help us fly across the country, visiting schools and developing partnerships. This contribution of gifts including tickets and Aeroplan miles totalled over \$225,000.

Putting food on the table

We couldn't deliver our very valuable school breakfast programs without the help of our food sponsors.

Saputo

Donated \$375,000 to our cause in 2008-2009 and provided 1,000 kilograms of cheese and 4,340 litres of milk to many of our school breakfast programs.

Danone

Donated \$50,000 to our cause; and directly delivered 30,000 Danone yogurt products to 20 school breakfast programs, using its own transport network and organizing delivery schedules.

Minute Maid

Donated 6,336 litres of 100-per cent pure juices to our school breakfast programs.

Canada Bread

Provided 1,569 bread loaves and bagels for a pilot project at the end of last school year.



Working together for kids

In Moncton, New Brunswick, staff volunteers appreciate the delivery of yogurt, cheese and other products every two weeks from Danone and Breakfast Clubs of Canada suppliers.

"It's encouraging for us. We volunteer our time and direct delivery makes a big difference. Otherwise, we would have to purchase the food on our own time."

-Julie Alain, teacher and volunteer

REACHING OUT

During 2008-2009 Breakfast Clubs of Canada hired three new staff to help extend programs to western and eastern Canada. We established 20 full-service breakfast programs.

The case for the full-service program model

We are able to maintain the high standards of nutrition and quality of service in school breakfast programs.

We ensure our programs are located in underprivileged areas so we can serve kids who may not have breakfast alternatives.

Commitment to aboriginal communities

Assembly of First Nations Statement of Cooperation with Breakfast Clubs of Canada

“The Assembly of First Nations in collaboration with the Breakfast Clubs of Canada can assist our cause to highlight poverty, education and health needs among First Nation children and their families. Through their breakfast program in particular, the Breakfast Clubs of Canada can make a direct difference in the lives of many First Nations children. When our children have proper nutritional supports, our children are healthier and their self-esteem and their ability to learn and succeed is enhanced.”

–Office of the National Chief, Assembly of First Nations, February 27, 2009

Breakfast Clubs of Canada’s formal agreement with the Assembly of First Nations formalizes our commitment to collaborate with band councils to develop school breakfast programs based on the growing needs in First Nations communities.

Our goal

To set up breakfast programs in 10 aboriginal communities in 2009-2010:

5 in First Nations communities in Manitoba;
3 in First Nations communities in Ontario; and
2 in Métis communities in Alberta.



BREAKFAST TIME – OUR PROGRAMS

Nourishing success

Studies show that children who are hungry do not concentrate as well as their peers, have lower self-esteem and higher levels of absenteeism from school. Through its school breakfast programs, Breakfast Clubs of Canada helps to level the playing field for children, giving all of them an equal chance to grow and flourish throughout life.

School breakfast clubs aren’t intended as a replacement for family time. They are an option when, for a number of reasons, breakfast in an alternate environment is a healthy choice.

Our work

Breakfast Clubs of Canada provides resources, including expertise, tools, services and financial support for community-based school breakfast programs; and we raise awareness about the importance of a healthy breakfast for children.

Our standards

We recommend that to effectively operate a school breakfast program, each program employ volunteers and one part-time supervisor.

We promote children’s self-esteem through a nurturing

We support schools that are located in underprivileged communities and that offer breakfast programs that are opened to all children in the school.

Working with our school partners - our process

Breakfast Clubs of Canada signs a contract with each of our school programs to provide significant resources to sustain the program for up to three years. Our application process is detailed to ensure we fully understand the needs, existing resources and infrastructure of applicant schools. We are thorough in our planning and efficient in our implementation. Our program coordinators offer hands-on assistance to our school partners.

Benefits of breakfast

“Students arriving at school hungry were disruptive in class. How can they care that $2+2 = 4$ when they don’t eat breakfast or lunch? As a result of running the daily breakfast program, teachers are seeing first-hand the positive effects of a daily nutritious breakfast. Kids pay attention in class and attendance has improved.”

–Christina Kennedy, member, Quesnel Partnership in Student Nutrition Society (QPSNS)

AUDITORS' REPORT ON SUMMARIZED FINANCIAL STATEMENTS

To the Directors of
Breakfast Clubs of Canada

The accompanying summarized statement of operations is derived from the complete financial statements of Breakfast Clubs of Canada as at June 30, 2009 and for the year then ended. In our auditors' report on the complete financial statements dated October 27, 2009, we expressed a qualified opinion because we were unable to satisfy ourselves concerning the completeness of donation revenue. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized statement of operations.

In our opinion, the accompanying statement of operations fairly summarizes, in all material respects, the related complete statement of operations in accordance with the criteria described in the Guideline referred to above.

This summarized statement of operations does not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that this statement may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

Bauye's Manselais, CA, LLP.

Montreal, Canada
October 27, 2009

1 CA auditor permit No. 11451

STATEMENT OF OPERATIONS

For the year ended June 30, 2009

	2009	2008
INCOME		
Donations	\$ 4,635,674	\$ 5,194,622
Donation - goods and services (Note 1)	710,686	529,298
Promotions	37,140	26,844
Interest income	17,965	-
Profit on disposal of capital assets	16,335	-
Rent-related organization	8,748	-
	5,426,548	5,759,432
EXPENSES		
Programs	\$ 1,416,820	\$ 3,769,614
Fundraising and development	897,530	636,896
Programs coming from gifts	35,052	-
Fundraising and development coming from gifts	675,634	529,298
Administration	272,617	220,856
Amortization	35,261	17,059
Project - Sommet du Millénaire - (Note 2)	17,671	-
	3,350,585	5,173,723
EXCESS OF REVENUE OVER EXPENSES - (Note 3)	\$ 2,075,963	\$ 585,709

Note 1: The donations in goods and services represent non-monetary donations and are valued at the fair market value corresponding to the potential resale value at the date of the donations in accordance with the accounting policies of the organization.

Note 2: In virtue of and agreement with the "Sommet du Millénaire de Montréal", the Organization assumed an additional amount concerning the net results of the November 2006 conference.

Note 3: During the year, the organization modified its original mission and proceeded to the deployment of breakfast programs in schools across Canada. During this transitional year, the organization reduced its contributions to other non-lucrative organizations in order to support the growth of its own projects and activities.



ACCOUNTING FOR BREAKFAST

Breakfast Clubs of Canada's 20 full-service programs collaborate with school boards and schools to get local sponsorship for some products and services. This collaborative program model ensures our breakfast costs are as low as possible, averaging \$2.00 per day per child.

How do we determine that cost?

We provide our programs with an estimated \$15,000 worth of food each year through gift-in-kind donations from our suppliers.

The average operating budget per school, based on 100 children attending the program, is an additional \$15,000 per year, including money to purchase food as needed (fresh fruit, eggs).

The average set-up cost for equipment for each program is approximately \$9,000. In total, the cost for a school program is \$30,000 per year.

On average, 100 children attend the program for 165 days per year (33 weeks).

The cost works out to \$2.00 per day per child.

Why what we do is important

"Breakfast Clubs of Canada's support is a godsend. We have the financial assistance, equipment and food donations to be able to serve the kids a variety of breakfast foods."

-Tina Gratto, breakfast supervisor, Alberta

MAKE EVERY BREAKFAST COUNT

Every dollar donated to Breakfast Clubs of Canada has the power to contribute to improving the lives of children in your community—and in communities across Canada.

By donating to Breakfast Clubs of Canada you're supporting existing school breakfast programs and paving the way for new programs to reach more children. Your generosity shows that you truly care about the future of our children and that you want to help improve their chances at success. It also demonstrates that you believe we can make a difference—together.

Find out more about Breakfast Clubs of Canada and make a donation to our cause.

Call us. 1-866-794-4900.

Send us an email. info@BreakfastClubsCanada.org

Visit our website. www.BreakfastClubsCanada.org



BREAKFAST
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Charitable Donation Number
866073133RR0001 (Registered Canadian Charity)

Auditor

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