



Summary Financial Statements

**Canadian Restaurant and Foodservices Association  
(dba Restaurants Canada)**

December 31, 2014



Grant Thornton

## Independent Auditor's Report

Grant Thornton LLP  
Royal Bank Plaza  
19th Floor, South Tower  
200 Bay Street, Box 55  
Toronto, ON  
M5J 2P9  
T + 1 416 366 0100  
F + 1 416 360 4949  
www.GrantThornton.ca

To the Members of  
**Canadian Restaurant and Foodservices Association**

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2014, and summary statements of revenue and expenses, changes in net assets and cash flows and related notes for the year then ended are derived from the audited financial statements of **Canadian Restaurant and Foodservices Association** for the year ended December 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated May 26, 2015. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Canadian Restaurant and Foodservices Association.

### **Management's responsibility for the summary financial statements**

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the basis described in Note 1.

### **Auditor's responsibility**

Our responsibility is to express an opinion of the summary 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 summary financial statements derived from the audited financial statements of **Canadian Restaurant and Foodservices Association** for the year ended December 31, 2014 are a fair summary of those financial statements, in accordance with the basis described in Note 1.

*Grant Thornton LLP*

Toronto, Ontario  
May 26, 2015

Chartered Accountants  
Licensed Public Accountants

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## Canadian Restaurant and Foodservices Association Summary Statement of Revenue and Expenses

| Year ended December 31                                   | 2014                | 2013                  |
|--|---------------------|-----------------------|
| <b>Revenue</b>   |                     |                       |
| Expositions and conventions                              | \$ 3,305,031        | \$ 3,731,288          |
| Memberships  | 2,840,787           | 2,701,183             |
| Other  | 1,064,574           | 1,027,634             |
| Investment income  | <u>213,458</u>      | <u>172,586</u>        |
|  | <u>7,423,850</u>    | <u>7,632,691</u>      |
| <b>Expenses</b>  |                     |                       |
| Expositions and conventions                              | 1,790,353           | 2,189,072             |
| Salaries and benefits                                    | 3,475,386           | 3,524,326             |
| Membership   | 684,303             | 686,806               |
| Other  | <u>2,144,875</u>    | <u>1,637,425</u>      |
|  | <u>8,094,916</u>    | <u>8,037,629</u>      |
| Deficiency of revenue over expenses before the following | (671,066)           | (404,938)             |
| BC Show impairment (Note 2)                              | <u>-</u>            | <u>(717,488)</u>      |
| Deficiency of revenue over expenses                      | <u>\$ (671,066)</u> | <u>\$ (1,122,426)</u> |

## Canadian Restaurant and Foodservices Association Summary Statement of Changes in Net Assets

Year ended December 31

|   | Invested in<br>property,<br>equipment<br>and website | Internally<br>restricted | Unrestricted        | <b>2014<br/>Total</b>       | 2013<br>Total        |
|---|--|--------------------------|---------------------|-----------------------------|----------------------|
| Balance, beginning of year  | \$ 4,796,675   | \$ 7,388,333             | \$ (700,474)        | <b>\$ 11,484,534</b>        | \$ 12,606,960        |
| Deficiency of revenue over expenses   | (262,953)  | -                        | (408,113)           | <b>(671,066)</b>            | (1,122,426)          |
| Investment in property,<br>equipment and website  | 1,799,449  | (1,622,289)              | (177,160)           | -                           | -                    |
| Transfer of investment income on<br>investments in pooled funds<br>to operating reserve | -  | 191,388                  | (191,388)           | -                           | -                    |
| Transfer from operating reserve to<br>support operations                                | -  | (400,000)                | 400,000             | -                           | -                    |
| Transfer from strategic initiatives net<br>assets to support operations                 | -  | (257,538)                | 257,538             | -                           | -                    |
| Balance, end of year  | <u>\$ 6,333,171</u>                                  | <u>\$ 5,299,894</u>      | <u>\$ (819,597)</u> | <u><b>\$ 10,813,468</b></u> | <u>\$ 11,484,534</u> |

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## Canadian Restaurant and Foodservices Association Summary Statement of Financial Position

| December 31                                 | 2014                 | 2013                 |
|---|----------------------|----------------------|
| <b>Assets</b>                               |                      |                      |
| Current                                     |                      |                      |
| Cash and cash equivalents                   | \$ 129,180           | \$ 5,917,756         |
| Accounts receivable                         | 2,512,318            | 2,233,481            |
| Inventory                                   | 15,882               | 22,192               |
| Prepaid expenses and deposits               | <u>542,105</u>       | <u>506,494</u>       |
|   | <u>3,199,485</u>     | <u>8,679,923</u>     |
| Note receivable                             | 14,000               | 28,194               |
| Property, equipment and website             | 6,333,171            | 4,796,675            |
| Investments                                 | <u>6,830,631</u>     | <u>2,249,062</u>     |
|   | <u>\$ 16,377,287</u> | <u>\$ 15,753,854</u> |
| <hr/>                                       |                      |                      |
| <b>Liabilities</b>                          |                      |                      |
| Current                                     |                      |                      |
| Bank indebtedness                           | \$ 1,110,000         | \$ -                 |
| Accounts payable and accrued liabilities    | 1,387,080            | 770,617              |
| Deferred revenue                            |                      |                      |
| Expositions                                 | 2,057,403            | 2,356,883            |
| Membership fees                             | 649,644              | 718,151              |
| Sponsorship                                 | 353,573              | 419,250              |
| Miscellaneous                               | <u>6,119</u>         | <u>4,419</u>         |
|   | <u>5,563,819</u>     | <u>4,269,320</u>     |
| <b>Net assets</b>                           |                      |                      |
| Invested in property, equipment and website | 6,333,171            | 4,796,675            |
| Internally restricted                       | 5,299,894            | 7,388,333            |
| Unrestricted                                | <u>(819,597)</u>     | <u>(700,474)</u>     |
|   | <u>10,813,468</u>    | <u>11,484,534</u>    |
|   | <u>\$ 16,377,287</u> | <u>\$ 15,753,854</u> |

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## Canadian Restaurant and Foodservices Association

### Summary Statement of Cash Flows

Year ended December 31

2014

2013

Increase (decrease) in cash and cash equivalents

|   |                          |                            |
|---|--------------------------|----------------------------|
| <b>Operating</b>                                |                          |                            |
| Deficiency of revenue over expenses             | \$ (671,066)             | \$ (1,122,426)             |
| Items not involving cash                        |                          |                            |
| Unrealized gain on investments in pooled funds  | (147,975)                | -                          |
| Net share of equity investments' net income     | (12,771)                 | (64,627)                   |
| Depreciation of property, equipment and website | 262,953                  | 110,109                    |
| BC Show impairment                              | -                        | 717,488                    |
| Change in non-cash operating working capital    | <u>(123,836)</u>         | <u>(1,113,648)</u>         |
|   | <b>(692,695)</b>         | <b>(1,473,104)</b>         |
| <b>Investing</b>                                | <b>(6,205,881)</b>       | <b>(4,799,263)</b>         |
| <b>Financing</b>                                | <b><u>1,110,000</u></b>  | <b><u>-</u></b>            |
| Decrease in cash and cash equivalents           | <b>(5,788,576)</b>       | <b>(6,272,367)</b>         |
| Cash and cash equivalents                       |                          |                            |
| Beginning of year                               | <u>5,917,756</u>         | <u>12,190,123</u>          |
| End of year                                     | <b><u>\$ 129,180</u></b> | <b><u>\$ 5,917,756</u></b> |

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# Canadian Restaurant and Foodservices Association

## Notes to Summary Financial Statements

December 31, 2014

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### 1. Criteria for presentation of summary financial statements

The information selected by management for presentation in the summary financial statements has been identified as being the most pertinent and useful financial data for circulation to the members of Canadian Restaurant and Foodservices Association (the "Association").

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### 2. BC Show impairment

On February 1, 2013, 0961511 B.C. Ltd. (CONNECT) was incorporated as a for-profit organization. CONNECT is jointly owned by the Association and H.T.E. Hospitality Trade Expositions Inc. (HTE). HTE is jointly owned by British Columbia Hotel Association and Alliance of Beverage Licensees. The Association's 50% investment in CONNECT is accounted for using the equity method.

The last BC Show was held in January 2013. As a result, the goodwill portion of the BC Show was written off in fiscal 2013.