

SECOND HARVEST

1450 Loderstar Road, Unit 18
 Toronto, ON M3J 3C1
 Executive-Director: Jo-Anne Sobie
 President: Joe Chesham



Sector: Food Banks (Distributor) Operating Charity

Website: www.secondharvest.ca
 Charitable Reg. #: 133686 5477 RR0001

About Second Harvest: Second Harvest (SH) is a food rescue organization that feeds thousands every day with surplus food that would otherwise have gone to waste. Thanks to partnerships with grocery stores and other food industry donors, currently SH operates a distribution network that delivers perishable food to over 215 member agencies operating over 300 different meal programs and food banks across Toronto. Using eight refrigerated trucks and a system that delivers perishables in less than 24 hours, SH makes sure that good food does not go to waste as people go hungry.

SH has also partnered with four local culinary training programs to create Harvest Kitchens for underemployed individuals. SH delivers food to these Harvest Kitchens locations where it is prepared by trainees. The food is then picked up by SH for delivery to agencies that do not have food preparation facilities.

Financial Review: Second Harvest had total revenues of \$20.1m in F2011, including \$17.1m in donated food. Administrative costs are 3% of revenues and fundraising costs are 30% of total donations. In F2011, Second Harvest had funding reserves of \$611k, which cover 44% of annual program costs, excluding the cost of donated food, or 4% of total program costs.

Financial Ratios

Fiscal year ending August 31 st	2011	2010	2009
Administrative costs as % of revenues	2.8%	2.5%	2.9%
Fundraising costs as % of donations	29.7%	26.9%	28.6%
Program cost coverage (%)	44.0%	56.3%	45.5%

Summary Financial Statements

All figures in \$000s	2011	2010	2009
Donations	1,479	1,625	1,405
Goods in kind	17,143	16,075	14,388
Special events	1,451	1,228	1,034
<u>Investment income</u>	<u>6</u>	<u>23</u>	<u>13</u>
Total revenues	20,079	18,951	16,839
Program costs	18,530	17,404	15,570
Administrative costs	565	480	493
<u>Fundraising costs</u>	<u>1,052</u>	<u>898</u>	<u>800</u>
Cash flow from operations	(68)	169	(24)
Funding reserves	611	748	539

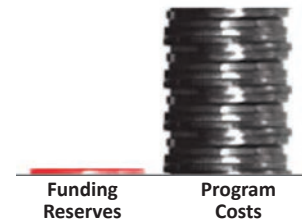
Note: Ci has recognized deferred grants as donations, decreasing revenues by \$211k in F2011, \$149k in F2010, and \$36k in F2009. Ci has also reversed the gain on sale of property and equipment, \$26k in F2011 and \$25k in F2009. Program cost coverage based on program costs excluding cost of donated food.

Financial Transparency

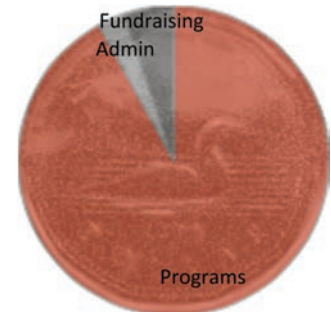


Audited financial statements for current and previous years available on the charity's website

Program Cost Coverage



Spending Breakdown



Full-time Staff # 25

Avg. Compensation \$50,976

Top 10 Staff Salary Range

\$350k +	
\$300k-\$350k	
\$250k-\$300k	
\$200k-\$250k	
\$160k-\$200k	
\$120k-\$160k	1
\$80k-\$120k	1
\$40k-\$80k	8
< \$40k	

Information from most recent CRA Charities Directorate filings for F2011

SECOND HARVEST

 Year ending August 31st

Program Data	2011	2010	2009
Program costs	1,387,070	1,329,138	1,182,448
Total volunteers	1,479	1,195	1,373
Volunteer hours	15,781	13,812	14,173
Value of Food Distributed (\$2.5/lb)	17,142,857	16,075,000	14,387,500
Waste (%)	1%*	5%	5%
Program costs / Value of food dist	8.1%	8.3%	8.2%
Food Purchases	-	-	-
Food Value / \$ Donated	\$5.85	\$5.63	\$5.90

Charity Analysis	2011	2010	2009
Revenues (less interest income)	2,929,802	2,853,586	2,438,189
Value of volunteer time	236,715	207,180	212,595
<u>Donated goods and services</u>	<u>17,142,857</u>	<u>16,075,000</u>	<u>14,387,500</u>
Charity value	20,309,374	19,135,766	17,038,284
Administrative costs (as % of charity value)	3%	3%	3%
Local support (\$)	20,309,374	19,135,766	17,038,284
Community size (population)	2,615,060	2,592,312	2,569,762
Community ownership (local support \$ / pop.)	\$7.77	\$7.38	\$6.63

Note: Waste figure for F2011 is based on SH operations while prior years' figures are based on partner agency waste. F2011 partner agency waste was up to 7%.

Social Results: SH delivered over 6.8 million pounds of food to over 200 social service agencies in F2011, an increase of 7% over F2010. This translated into 18,000 meals being delivered on a daily basis to people in need. The Feeding our Future program supplied over 35,000 meals to summer camps for inner-city kids who are eligible for subsidized lunches during school. SH saves member agencies on average \$67k per year on food costs – savings that can be used to pay for a counsellor or social worker to help their clients get back on track. The approximately 118 Harvest Kitchen students have a 90% completion rate for the program and 70% found employment within three months of completion of their program.

Community Need: In F2011, SH partnered with over 215 agencies in the Toronto and Durham area with 47 additional agencies on its waitlist, up from 40 agencies in F2010. SH was able to remove only 12 agencies from its waitlist over the past year.

Funding Need: SH expects to increase volume of food to 7.5 million by 2014, and is looking to bring in a food traceability system to replace its current manual system. SH requires further funds to support this growth and to fund current operations including its annual truck purchase of approximately \$140,000.

Investment Highlights: For every dollar donated, \$7.77 of food was delivered by SH to its partner agencies in F2011. Efficiency of program costs/value of food distributed is 8.1%, the lowest out of the food distributors analyzed. Effective strategic decisions have also kept food waste low at 1% while partner waste was also low but up to 7%.

Investment Risks: Fundraising costs as a percentage of donations are higher than the sector average.

History: 25 years ago, when food banks were still scarce and meant to be a temporary measure for dealing with hunger, Ina Andre and Joan Clayton noticed something was not right. Literally tonnes of food were going to waste as the poor were going hungry. SH thus began as a collection service of perishable foods that would have been disposed of by restaurants and grocers. Most food is distributed within 24 hours to charitable agencies across Toronto.

Management: The new Executive Director, hired in 2011, has 12 years of experience as ED of two major Canadian charities. With the strength of the new ED, the board has transitioned this year from a management board to a governance board.