



SECOND HARVEST

Sector: Food Banks (Distributor)

Location: 1450 Lodestar Road, Unit 18
Toronto, ON M3J 3C1

Website: www.secondharvest.ca

Charitable registration number: 13386 5477 RR0001

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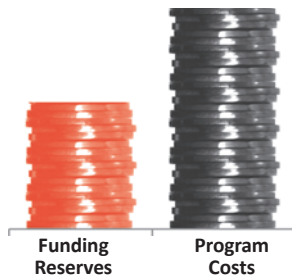
August 11, 2011

Financial Transparency



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

Program Cost Coverage



Spending Breakdown



Mission Statement: "Our mission is to help feed hungry people by picking up and preparing excess fresh food and delivering it daily to social service agencies in Toronto."

About Second Harvest: Second Harvest (SH) feeds thousands every day with surplus food that previously would have been wasted. Thanks to partnerships with grocery stores and other food industry donors, SH operates a distribution network that delivers perishable food to over 200 member agencies operating over 300 different meal programs and food banks across Toronto. Using seven refrigerated trucks and a system that delivers perishables in less than 24 hours, SH makes sure 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 where it is prepared by trainees. It is then picked up by SH for delivery to agencies that do not have food preparation facilities.

Social Results: SH delivered 6.4 million pounds of food to 211 social service agencies in F2010, an increase of 11% over F2009. This translated into 16,000 meals being delivered on a daily basis to people in need. The Feeding our Future program supplies 35,000 meals to summer camps for inner-city kids who are eligible for subsidized lunches during school. SH saves member agencies on average \$63k 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 100 Harvest Kitchen participants have a 95% completion rate for the program and 83% found employment within three months of completing their program.

Full-time Staff # 23

Avg. Compensation \$45,697

Top 10 Staff Salary Range

\$350k +	
\$300k-\$350k	
\$250k-\$300k	
\$200k-\$250k	
\$160k-\$200k	
\$120k-\$160k	
\$80k-\$120k	2
\$40k-\$80k	8
< \$40k	

Information from most recent CRA Charities Directorate filings for F2010.

Financial Overview: Administrative costs have remained low at around 3% of charity value for the past three years and fundraising costs are 28% of donations. Program costs/value of food distributed remains at 10%, indicating efficient spending, and funding reserves cover 56% of annual program costs, excluding the cost of food donated. SH receives no government funding.

Investment Highlights: For every dollar donated, \$4.51 of food was delivered by SH to its partner agencies in F2010. Efficiency of program costs/value of food distributed is tied for second best out of the food distributors analyzed. Effective strategic decisions have also kept food waste low at 5% – impressive, given the perishable nature of the product.

SECOND HARVEST

 Year ending August 31st

Program Data	2010	2009	2008
Program costs	1,329,138	1,182,448	1,133,959
Total volunteers	1,195	1,373	1,230
Total volunteer hours	13,812	14,173	14,823
Value of Food Distributed (\$2/lb)	12,860,000	11,510,000	11,940,000
Waste (%)	5	5	5
Program costs / Value of food dist	10.3%	10.3%	9.5%
Food purchases (\$)	-	-	-

Charity Analysis	2010	2009	2008
Revenues (less interest income)	2,853,586	2,438,189	2,452,385
Value of donated time	207,180	212,595	222,345
<u>Donated goods & services</u>	<u>12,860,000</u>	<u>11,510,000</u>	<u>11,940,000</u>
Charity value	15,920,766	14,160,784	14,614,730
Community support (\$)	15,920,766	14,160,784	14,614,730
Community size (population)	2,520,848	2,516,445	2,512,049
Community ownership (local support \$ / pop.)	\$6.32	\$5.63	\$5.82
Administrative costs (as % of charity value)	3.0%	3.5%	3.2%
Fundraising costs (as % of donations ¹)	27.7%	29.4%	27.0%
Program cost coverage (%)	56.3%	45.5%	60.8%
Food distributed / \$ Donated	\$4.51	\$4.72	\$4.87

Audited Financial Statements	2010	2009	2008
(All figures in \$)			
Donations	1,625,206	1,404,661	1,395,356
Value of donated food	12,860,000	11,510,000	11,940,000
Interest income	22,699	13,217	23,514
<u>Special events and other</u>	<u>1,228,380</u>	<u>1,033,528</u>	<u>1,057,029</u>
Total revenues	15,736,285	13,961,406	14,415,899
Program costs	1,329,138	1,182,448	1,133,959
Cost of donated food	12,860,000	11,510,000	11,940,000
Administrative costs	480,057	493,126	469,085
<u>Fundraising costs</u>	<u>897,983</u>	<u>800,176</u>	<u>725,880</u>
Operating cash flow	169,107	(24,344)	146,975
Capital expenditures	-	113,852	410,388
Funding reserves	747,958	538,551	689,219

¹ Fundraising costs taken as a percentage of monetary donations, special events revenue, and non-corporate food donations.

History: 26 years ago, when food banks were still a recent phenomenon and meant to be a temporary measure of 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: A new executive director, hired in 2011, has 11 years of experience as ED of two major Canadian charities. SH is tracking ahead of its targets on its 5-year “stretch goal” to increase the number of meals to 20,000/day.

Community Need: SH partners with 211 agencies in the Toronto area, who continue to indicate a 20% to 30% increase in demand for their services over the previous year.

Funding Need: SH continues to expand to meet growing demand, requiring funds to support this growth. Funds are also continuously required to maintain SH's fleet of trucks.

Investment Risks: Executive director turnover must be noted. Transition appears smooth, although it is too soon to judge. Fundraising costs as a percentage of donations are also higher than the sector average.