

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Financial Statements

August 31, 2024

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

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Year Ended August 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Second Harvest Canada | Deuxième Récolte Canada

Opinion

We have audited the financial statements of Second Harvest Canada | Deuxième Récolte Canada (the "Organization"), which comprise the statement of financial position as at August 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hogg, Shain & Scheck PC

Toronto, Ontario
October 21, 2024

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Statement of Financial Position

As at August 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash (Note 2)	\$ 14,718,741	\$ 13,231,553
Short-term investments (Notes 2, 3 and 7)	4,553,935	3,340,363
Accounts receivable	484,190	293,103
Food donations inventory (Note 9)	1,289,725	1,227,045
Prepaid expenses	253,057	132,776
	<u>21,299,648</u>	<u>18,224,840</u>
CAPITAL ASSETS (Note 4)	<u>14,286,866</u>	<u>15,186,190</u>
	<u>\$ 35,586,514</u>	<u>\$ 33,411,030</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,092,898	\$ 658,855
Deferred contributions (Note 5)	3,931,140	3,014,232
Deferred contributions - food donations (Note 9)	1,289,725	1,227,045
	<u>7,313,763</u>	<u>4,900,132</u>
DEFERRED CAPITAL ASSET CONTRIBUTIONS (Note 6)	<u>13,458,471</u>	<u>14,477,345</u>
	<u>20,772,234</u>	<u>19,377,477</u>
NET ASSETS		
UNRESTRICTED	<u>7,093,401</u>	<u>6,312,674</u>
CONTRIBUTIONS FOR LAND	<u>1,550,879</u>	<u>1,550,879</u>
INTERNALLY RESTRICTED:		
Operating reserve (Note 8)	5,370,000	5,370,000
Building and capital asset reserve (Note 8)	300,000	300,000
Opportunity reserve (Note 8)	500,000	500,000
	<u>14,814,280</u>	<u>14,033,553</u>
	<u>\$ 35,586,514</u>	<u>\$ 33,411,030</u>

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

See the accompanying notes to these financial statements

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Statement of Changes in Net Assets

Year Ended August 31, 2024

	Unrestricted	Contributions for land	Operating reserve (Note 8)	Building and capital asset reserve (Note 8)	Opportunity reserve (Note 8)	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 6,312,674	\$ 1,550,879	\$ 5,370,000	\$ 300,000	\$ 500,000	\$ 14,033,553	\$ 13,093,620
Excess of revenues over expenses	780,727	-	-	-	-	780,727	939,933
NET ASSETS - END OF YEAR	\$ 7,093,401	\$ 1,550,879	\$ 5,370,000	\$ 300,000	\$ 500,000	\$ 14,814,280	\$ 14,033,553

See the accompanying notes to these financial statements

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Statement of Operations

Year Ended August 31, 2024

	2024	2023
REVENUES		
Food donations (Note 9)	\$ 363,367,521	\$ 268,589,912
Fundraising (Notes 10 and 13)	17,015,044	14,253,539
Amortization of capital asset contributions (Note 6)	1,243,874	1,196,514
Interest and other (Note 3)	765,215	592,674
Contributed volunteer services (Note 14)	392,333	260,692
Training and education	244,858	186,109
National food sharing program - federal funding (Note 12)	-	250,273
Administration (Note 12)	-	816,611
Grants	-	58,622
	383,028,845	286,204,946
EXPENSES		
Food recovery and delivery:		
Food donations delivered (Notes 9 and 17)	363,367,521	268,589,912
Food Rescue App (Notes 10, 16 and 17)	8,442,696	6,158,747
Other food delivery related costs (Note 16)	7,141,580	5,175,800
Amortization of capital assets	1,275,670	1,254,857
Administration (Note 15)	671,396	2,032,984
Communications and fundraising (Notes 16 and 17)	567,773	1,072,757
Donated volunteer services (Note 14)	392,333	260,692
Training and education (Note 16)	389,149	410,369
National food sharing program - federal distributions (Note 12)	-	250,273
Food waste reduction research	-	58,622
	382,248,118	285,265,013
EXCESS OF REVENUES OVER EXPENSES	\$ 780,727	\$ 939,933

See the accompanying notes to these financial statements

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Statement of Cash Flows Year Ended August 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 780,727	\$ 939,933
Items not affecting cash:		
Food donations	(363,367,521)	(268,589,912)
Food donations delivered	363,367,521	268,589,912
Food donations inventory	1,289,725	1,227,045
Deferred contributions - food donations	(1,289,725)	(1,227,045)
Amortization of capital asset contributions	(1,243,874)	(1,196,514)
Amortization of capital assets	1,275,670	1,254,857
Contributed volunteer services	(392,333)	(260,692)
Donated volunteer services	392,333	260,692
	<u>812,523</u>	<u>998,276</u>
Changes in non-cash working capital:		
Accounts receivable	(191,087)	189,097
Prepaid expenses	(120,281)	(55,671)
Accounts payable and accrued liabilities	1,434,043	(196,510)
Deferred contributions	916,908	(237,766)
	<u>2,039,583</u>	<u>(300,850)</u>
Cash flows from operating activities	<u>2,852,106</u>	<u>697,426</u>
INVESTING ACTIVITIES		
Increase in short-term investments	(1,213,572)	(90,879)
Purchase of capital assets, net	(376,346)	(383,676)
Cash flows used by investing activities	<u>(1,589,918)</u>	<u>(474,555)</u>
FINANCING ACTIVITY		
Contributions received for capital asset purchases and cash flow from financing activities	<u>225,000</u>	<u>228,200</u>
INCREASE IN CASH	<u>1,487,188</u>	<u>451,071</u>
CASH - BEGINNING OF YEAR	<u>13,231,553</u>	<u>12,780,482</u>
CASH - END OF YEAR	<u>\$ 14,718,741</u>	<u>\$ 13,231,553</u>

See the accompanying notes to these financial statements

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Notes to Financial Statements

Year Ended August 31, 2024

Second Harvest Canada | Deuxième Récolte Canada (the "Organization") was incorporated without share capital as a not-for-profit organization under the laws of the Province of Ontario on April 18, 1985. On July 14, 2020, the Organization completed registration in all Provinces and Territories in Canada as an extraprovincial and extraterritorial non-share corporation under each Province's and Territory's society or corporation act. On December 8, 2020, the Organization filed a Certificate of Continuation to continue under the Canada Not-For-Profit Corporations Act.

The primary purpose of the Organization is to redistribute to other not-for-profit service groups perishable food collected from donors, while at the same time keeping useable food out of landfills and protecting the atmosphere from GHG emissions that are contributing to climate change.

The Organization is a registered charity under the Income Tax Act (Canada) and, as such, it is exempt from income taxes and may issue receipts for charitable donations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

Revenue recognition

The Organization follows the deferral method of accounting for contributions, including fundraising, training and education revenues. Restricted contributions are recognized as revenues in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenues when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions explicitly and implicitly restricted by the donor are deferred when received and recognized as revenues when the related activity takes place and expenses are incurred.

Contributions received for the purchase of capital assets are initially deferred and then amortized as revenues on the same basis as the related capital assets are amortized.

Interest revenues are recognized on an accrual basis in the year earned, as reported by financial institutions interacted with.

Food donations are recognized as revenues and expenses when delivered to supported agencies by the Organization. Food donations are valued at an average price per pound based on specific estimates of the types of donated food received. The price per pound is based on Nielsen MarketTrack data for each specific type of food.

Contributed volunteers hours are valued at the minimum hourly wage per Ontario Living Wage Network and are recognized as services are provided.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value and subsequently at amortized cost.

The financial assets and liabilities subsequently measured at amortized cost include cash, accounts receivable and accounts payable.

Short-term investments are measured at cost plus accrued interest.

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SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Notes to Financial Statements

Year Ended August 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial instruments

Financial assets measured at cost or amortized cost are tested for impairment, if there are indications of possible impairment. The impairment loss is measured as the difference between the carrying value and estimated recoverable amount. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal, had the impairment loss not been recognized previously. The amount of any write down or reversal is recognized in excess of revenues over expenses.

Food donation inventory

Food donation inventory represents rescued food items that have not yet been redistributed as of year end. These amounts are valued at the average price per pound for each category of donated food on hand, based on the Nielsen MarketTrack data.

Capital assets

Capital assets are stated at cost. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Building improvements	5 years - 20 years	straight-line method
Building - 120 The East Mall	25 years	straight-line method
Delivery trucks	5 years	straight-line method
Furniture and equipment	3 years	straight-line method

The Organization regularly reviews its capital assets to eliminate obsolete items.

Impairment of long-lived assets

Long-lived assets, including capital assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value. Fair value is determined by the replacement value of the asset.

Allocation of salaries and benefits and occupancy expenses

The Organization allocates salaries and benefits and occupancy costs by financial statement expense category based on the percentage of time spent and space used in a given year (*Note 16*).

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates are reviewed periodically and adjustments are reported in excess of revenues and expenses in the year they become known. Such estimates include determining the useful lives of capital assets, year-end accrued liabilities, and the specific quantities and value of donated food by type when valuing food donations revenues and expenses.

Management utilizes estimates in determining the quantity of food received from certain donors, due to the similarity in the regular assortment of food donations received. These estimates are reviewed against management's tracking of actual items received over a period of time, to ensure reasonability. Similarly, management estimates the amounts of donated food provided to individual donees with the aim of reaching as many recipients as possible each year. Finally, estimates are used in assessing the dollar value of both food donations received and delivered, using a third party valuation report.

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Notes to Financial Statements

Year Ended August 31, 2024

2. CASH AND SHORT-TERM INVESTMENTS

A portion of cash and short-term investments are externally restricted by donors as follows:

	2024	2023
Unrestricted cash and short-term investments (<i>Note 8</i>)	\$ 14,534,373	\$ 12,616,060
Restricted funds:		
Food delivery programs (<i>Note 5</i>)	3,878,011	2,812,235
Unspent capital contributions (<i>Note 6</i>)	807,163	941,624
Food Rescue App (<i>Note 5</i>)	53,129	201,997
Total cash and short-term investments	<u>\$ 19,272,676</u>	<u>\$ 16,571,916</u>

Unspent capital contributions are funds designated for the purchase of delivery trucks and vans.

Contributions for food delivery programs that are restricted for specific purposes by the contributor and unspent at the end of the fiscal year, are recorded in deferred contributions.

Contributions for the Food Rescue App require funds to be used for the online distribution platform that facilitates the exchange of food between registered businesses and non-profit or charitable organizations.

3. SHORT-TERM INVESTMENTS

Short-term investments are comprised of fixed rate guaranteed investment certificates ("GICs") held with a Canadian Chartered Bank. These are insured by the Canada Deposit Insurance Corporation up to \$100,000 per GIC. The GICs have an interest rate of 5.10% - 5.53% (4.05% - 4.85% - 2023) and mature between September 2024 to February 2025 (2023 - September 2023 to February 2024).

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Building improvements	\$ 8,473,840	\$ 1,612,101	\$ 6,861,739	\$ 7,508,807
Building - 120 The East Mall	6,025,973	1,104,762	4,921,211	5,162,250
Land	1,550,879	-	1,550,879	1,550,879
Delivery trucks	3,270,157	2,348,410	921,747	918,052
Furniture and equipment	332,351	301,061	31,290	46,202
	<u>\$ 19,653,200</u>	<u>\$ 5,366,334</u>	<u>\$ 14,286,866</u>	<u>\$ 15,186,190</u>

Delivery trucks, building improvements, furniture and equipment and part of the building cost at 120 The East Mall in Toronto were funded by the capital contributions outlined in Note 6.

Included in delivery trucks at August 31, 2024 is an vehicle purchased for \$67,000 that was not in use at year end.

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Notes to Financial Statements

Year Ended August 31, 2024

5. DEFERRED CONTRIBUTIONS

	Food Rescue App (Note 10)	Food Delivery (Note 9)	2024	2023
Deferred contributions, beginning of year	\$ 201,997	\$ 2,812,235	\$ 3,014,232	\$ 3,251,998
Contributions received in the year	53,129	5,379,284	5,432,413	3,074,962
Contributions recognized as revenues	(201,997)	(4,313,508)	(4,515,505)	(3,312,728)
Deferred contributions, end of year (Note 2)	\$ 53,129	\$ 3,878,011	\$ 3,931,140	\$ 3,014,232

6. DEFERRED CAPITAL ASSET CONTRIBUTIONS

Deferred capital asset contributions include restricted funds received for the purchase of delivery trucks, warehouse equipment, building improvements and part of the original building cost, broken down as follows:

	2024	2023
Invested in capital assets described above (Note 4)	\$ 12,651,308	\$ 13,535,721
Unspent contributions restricted for future capital purchases (Note 2): Equipment, delivery trucks and vans	807,163	941,624
	<u>\$ 13,458,471</u>	<u>\$ 14,477,345</u>

The continuity of deferred capital asset contributions for the year is as follows:

Deferred capital asset contributions - beginning of year	\$ 14,477,345	\$ 15,445,659
Capital asset contributions received	225,000	228,200
Capital asset contributions amortized to revenues	(1,243,874)	(1,196,514)
Deferred capital assets contributions - end of year	<u>\$ 13,458,471</u>	<u>\$ 14,477,345</u>

7. CREDIT FACILITY

The Organization has a revolving operating line of credit of \$700,000, which bears interest at the bank prime rate plus 1%. It is secured by a general assignment of assets. At August 31, 2024, the balance of the operating line of credit is \$Nil (2023 - \$Nil).

In addition, the Organization has a credit facility for standby letters of credit to a maximum of \$78,878 of which \$Nil was utilized at August 31, 2024 (2023 - \$Nil). The facility is collateralized by a cash balance of \$33,000, which is held as a GIC and it is included in the short-term investments. The credit amount bears interest at 1% per annum.

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Notes to Financial Statements

Year Ended August 31, 2024

8. INTERNALLY RESTRICTED RESERVES

The Organization's Board of Directors (the "Board") has established and maintains internally restricted reserves funds, as follows:

Operating reserve

This reserve provides an internal source of funds for situations such as unforeseen increases in expenses, one-time unbudgeted costs, unexpected loss of funding, or uninsured losses. At August 31, 2024, the balance of this fund is \$5,370,000.

Building and capital asset reserve

This reserve provides a ready source of funds for major repairs, expansion, or acquisition of new buildings, leaseholds, furniture, fixtures, trucks, and equipment necessary for the effective operation of the Organization and its programs. At August 31, 2024, the balance of this fund is \$300,000.

Opportunity reserve

This reserve provides funds to meet unique targets of opportunity or need that furthers the mission of the Organization. The opportunity reserve is also intended to provide a source of internal funds for organizational capacity building such as staff development, research and development, or investment in infrastructure that will build long-term capability. At August 31, 2024, the balance of this fund is \$500,000.

The above reserves are supported by cash and short-term investments (Note 2).

9. FOOD DONATIONS

In fiscal 2024, approximately 87,120,000 pounds of food were recovered and delivered to agencies (2023 - 74,475,000 pounds). The average price per pound for each category of donated food ranges from \$0.82 to \$9.11 (2023 - \$0.75 to \$8.41). The value of food donations received and the related deliveries are recorded in the Statement of Financial Position and the Statement of Operations.

Included in the food donation amount above is 67,295,000 pounds (2023 - 56,286,000 pounds) of food rescued through the Organization's online channel, "Food Rescue App" (Note 10). This represents a value of \$281,000,000 (2023 - \$203,000,000).

The Organization utilizes a third-party supported software in combination with various internal processes to oversee the tracking of food donations.

10. FOOD RESCUE APP

The primary purpose of the Food Rescue App (formerly Foodrescue.ca) is to enhance and maintain the use of the online distribution platform developed by the Organization to facilitate the exchange of food between registered businesses and non-profit or charitable organizations.

Fundraising revenues from foundations and corporations were utilized to fund these expenses.

11. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. It is management's opinion that the Organization is not exposed to significant credit, liquidity, market and other price risks or any significant concentrations of risk arising from its financial instruments.

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA**Notes to Financial Statements****Year Ended August 31, 2024****12. NATIONAL FOOD SHARING PROGRAM - FEDERAL FUNDING**

The Organization received funding from the Ministry of Agriculture and Agri-Food of Canada (the "Ministry") for the following programs:

	2024	2023
Emergency Food Security Fund	\$ -	\$ 250,273

The Emergency Food Security Fund program was created as a result of the funding received, as part of the Organization's response to the global COVID-19 pandemic. The intention of this program is to ensure that all people across Canada are able to access a sufficient amount of safe, nutritious, and culturally diverse food during this challenging time. The Organization allocated this fund in the form of grants to third party organizations operating independently. In addition, these funds were used to purchase and distribute produce to organizations in need. This program concluded during fiscal 2023. All amounts previously listed as deferred contributions in Note 5 have been utilized.

Administration revenues include \$nil (2023 - \$816,611) received to coordinate this program, in accordance with contractual program terms.

The funding agreements require the Organization to contribute a total of \$1,435,000 in support of eligible costs of these programs. This contribution was achieved in the prior year through food donations described in Note 9.

The Organization utilizes a series of processes to conduct the review of program funding applications, provide approvals, and to maintain control over the disbursement of program funds. In addition, recipients of the program funds are required to report to the Organization on the use of funding and demonstrate the achievement of their objectives as outlined in their approved program funding applications.

13. FUNDRAISING

Fundraising revenues recognized in the year were from the following sources:

	2024	2023
Donations from:		
Foundations	\$ 6,816,994	\$ 6,775,574
Corporations	5,634,531	3,283,703
Individuals	3,629,195	2,701,783
Campaigns	655,567	610,067
Special events	144,835	188,603
Third-party fundraising events	133,922	85,230
Rescue Party (formerly Toronto Taste) event proceeds	-	608,579
	<u>\$ 17,015,044</u>	<u>\$ 14,253,539</u>

Campaign donations are collected during the Hero Day drives. Third-party events are events run by local organizations where the designated recipient of the funds raised is the Organization.

14. CONTRIBUTED VOLUNTEER SERVICES

Approximately 15,662 hours were donated to the Organization during fiscal 2024 (2023 - 11,261 hours). The minimum hourly wage per Ontario Living Wage Network used for 2024 was \$25.05 (2023 - \$23.15). The value of these donated services is recorded on the Statement of Operations.

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA**Notes to Financial Statements****Year Ended August 31, 2024****15. PENSION**

The Organization enrolled in the OPSEU pension plan program, OPTrust Select commencing in 2022. OPTrust Select was created in 2018 to provide a defined benefit pension plan program to employers in Ontario's Broader Public Sector, charitable and non profit organizations that operate in Ontario. At the last reported year end of the fund at December 31, 2023, the fund had a surplus of \$182 million.

The Plan was established in 1994 to provide pension benefits for employees of the Province of Ontario in bargaining units represented by the Ontario Public Service Employees Union ("OPSEU") and certain other bargaining units and employers.

As this is a multi-employer plan, this pension plan is accounted for using the standards for defined contribution plans.

Included in administration costs during the year is a pension expense of \$250,182 (2023 - \$157,240) relating to a defined benefit pension plan with the Ontario Public Service Employees' Union Pension Plan ("the Plan").

16. COST ALLOCATION

Certain staff and occupancy-related costs pertain to more than one function, and they have been allocated to communications and fundraising, food recovery and delivery, Food Rescue App and training and education in the Statement of Operations. Staff time is allocated based on the time devoted to each of these functions. Occupancy-related costs are allocated based on the proportionate use of space or the activities in the department. These expenses have been allocated as follows:

	<u>2024</u>	<u>2023</u>
Salaries and benefits		
Other food delivery related costs	\$ 4,819,437	\$ 4,204,257
Food Rescue App	4,682,732	4,390,696
Communications and fundraising	82,244	225,006
Training and education	78,500	51,387
	<u>\$ 9,662,913</u>	<u>\$ 8,871,346</u>
Warehouse and delivery		
Training and education	<u>\$ 200,299</u>	<u>\$ 218,855</u>
General Expenses		
Food Rescue App	\$ 1,529,681	\$ -
Other food delivery related costs	655,577	56,171
Training and education	-	6,340
	<u>\$ 2,185,258</u>	<u>\$ 62,511</u>
Communications and fundraising		
Food Rescue App	\$ 476,298	\$ 177,129
Other food delivery related costs	204,128	75,912
	<u>\$ 680,426</u>	<u>\$ 253,041</u>

The comparative figures above have been reclassified to conform to the current year's presentation.

SECOND HARVEST CANADA | DEUXIÈME RÉCOLTE CANADA

Notes to Financial Statements

Year Ended August 31, 2024

17. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
