



SECOND HARVEST

Sector: Homeless – Food Banks

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

Website: www.secondharvest.ca

Charitable registration number: 13386 5477 RR0001

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About Second Harvest:

Second Harvest (SH) feeds thousands every day with surplus food that would have been previously 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 250 different meal programs and food banks across Toronto. Using 7 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 4 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.

Social Results:

- SH delivered 6 million pounds of food in F2008, an increase of 9% over F2007. This translated into enough food for 15,000 meals being delivered on a daily basis to people in need.
- The Feed our Future program supplies 30,000 meals to summer camps for inner-city kids who are eligible for subsidized lunches during school.

Financial Overview:

- Administrative costs have remained low at 2-3% of charity value since 2006.
- Program costs have increased by 10% since F06 but the amount of food delivered to clients has increased by 27% over the same period, reflecting increased efficiencies.
- Program costs per client ranks the lowest amongst food banks studied at \$3.00
- Funding reserves account for only 61% of current year program costs indicating the need for additional fundraising. This is low considering the analysts did not include 3-month food costs as SH rarely stores food for more than 24 hours.

Investment Highlights:

- For every dollar donated, \$9.13 of fresh food can be delivered by SH to its partner agencies. This was the highest leverage factor in food banks evaluated.
- Effective strategic decisions have reduced waste during the delivery process to only 6%, down from 15% in 2004 – a very vital indicator of the effectiveness of the SH operations.
- SH saves member agencies on average \$60,000 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.

SECOND HARVEST

 Year ending August 31st

Program Data	2008	2007	2006
Program costs	1,133,959	1,011,210	966,645
Total volunteers	1,230	1,400	1,300
Total volunteer hours	14,823	18,394	18,500
Clients served (Ci est)	450,000	412,000	354,000
Food value /client (Ci est)	\$26.53	\$26.62	\$26.56
Food industry donors ¹	230	267	285
Value food/\$ donated	\$9.13	\$9.51	\$8.62
Food Waste (% total)	6%	6%	7%

Charity Analysis

Revenues (less interest income)	2,364,261	2,120,838	2,022,315
Value of volunteer time	222,345	275,910	277,500
<u>Donated goods & services²</u>	<u>13,139,799</u>	<u>11,829,000</u>	<u>9,850,000</u>
Charity value	15,726,405	14,225,748	12,149,815
Community size (pop.)	2,511,800	2,507,500	2,503,300
Community ownership (local support \$ / pop.)	\$6.34	\$5.73	\$4.89
Scope of service (clients' % of pop.)	18%	17%	14%
Administrative costs (% of charity value)	3.0%	2.4%	2.2%
Fundraising costs (% of donations)	30.7%	30.6%	32.6%
Program cost coverage	61%	91%	71%

Audited Financial Statements

(All figures in \$)

Donations	1,307,232	1,148,761	1,089,910
Fees for services	—	—	—
Government funding	—	—	—
Interest income	23,514	20,115	26,740
<u>Special events and other</u>	<u>1,057,029</u>	<u>972,077</u>	<u>932,405</u>
Total revenues	2,387,775	2,140,953	2,049,055
Program costs	1,133,959	1,011,210	966,645
Administrative costs	469,085	335,550	270,039
<u>Fundraising costs</u>	<u>725,880</u>	<u>648,278</u>	<u>658,661</u>
Operating cash flow	58,851	183,415	153,710
Funding Reserves	689,219	921,420	693,964

Financial Notes:
¹ only includes donors of a minimum of 1,000 lbs of food per year

² donated goods and services include food donations and in-kind donations (\$1,199,799 in F08, \$900,000 in F07 and \$450,000 in F06)

History: Almost 25 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 was put in place last year to work with the existing professional management team on their 3-year strategic plan. The goal is to make an even greater impact on hunger relief in Toronto by increasing awareness of Second Harvest's work as a means to securing more food, funds and volunteers.

Community Need: SH partners with 200 agencies in the Greater Toronto Area, some have indicated a 10% to 30% increase in demand for their services in the past year. They believe that much of the increase has come from first time users of drop-in programs and meal programs.

Investment Risks: Although the 2008 figure of 230 industry food donors remains significant, the number has decreased by 19% since 2006.