



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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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 would previously 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 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 to agencies that do not have the food preparation facilities.

Social Results:

SH delivered 5.8 million pounds of food to 208 social service agencies in F2009, a decrease of 3.5% over F2008. This translated into 15,000 meals being delivered on a daily basis to people in need. The Feeding our Future program supplies 30,000 meals to summer camps for inner-city kids. SH saves member agencies on average \$55,000 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.

Financial Overview:

Administrative costs have remained low at 2-4% of charity value since 2006. Fundraising costs are high at 32% of donations. Program costs/value of food distributed remains consistently in 9-10% range and program cost coverage dropped to 49%. SH receives no government funding.

Investment Highlights:

For every dollar donated, \$8.00 of fresh food was delivered by SH to its 208 partner agencies. Although down 11% from F2008, this still represents one of the highest leverage factors in food banks studied. Effective strategic decisions have also kept food waste low at 5.4%, impressive given the perishable nature of the product.

SECOND HARVEST

Year ending August 31st

Program Data	2009	2008	2007
Program costs	1,182,448	1,133,959	1,011,210
Total volunteers	1,373	1,230	1,400
Total volunteer hours	14,173	14,823	18,394
Value of Food Distributed (\$2/lb)	11,510,000	11,940,000	10,929,000
Waste (%)	5.4%	5.0%	5.0%
Program costs / Value of food dist	10%	9%	9%
Food value / Client	\$0	\$0	\$0

Charity Analysis	2009	2008	2007
Revenues (less interest income)	2,499,229	2,364,261	2,158,368
Value of donated time	212,595	222,345	275,910
<u>Donated goods & services</u>	<u>11,510,000</u>	<u>11,940,000</u>	<u>10,929,000</u>
Charity value	14,221,824	14,526,606	13,363,278
Community support (\$)	14,221,824	14,526,606	13,363,278
Community size (population)	2,516,445	2,512,049	2,507,661
Community ownership (local support \$ / pop.)	\$5.65	\$5.78	\$5.33
Administrative costs (as % of charity value)	3.5%	3.2%	2.5%
Fundraising costs (as % of donations ¹)	32.3%	30.7%	30.0%
Program cost coverage (%)	49.3%	63.9%	97.8%
Food distributed / \$ Donated	\$8.00	\$9.13	\$9.21

Audited Financial Statements	2009	2008	2007
(All figures in \$)			
Donations	1,440,701	1,307,232	1,186,291
Fees for services	-	-	-
Government funding	-	-	-
Interest income	13,217	23,514	20,115
<u>Special events and other</u>	<u>1,033,528</u>	<u>1,057,029</u>	<u>972,077</u>
Total revenues	2,487,446	2,387,775	2,178,483
Program costs	1,182,448	1,133,959	1,011,210
Administrative costs	493,126	469,085	335,550
Fundraising costs	800,176	725,880	648,278
<u>Interest costs</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating cash flow	11,696	58,851	183,445
Capital expenditures	-	-	-
Funding reserves	582,890	724,104	989,202

¹Note: Fundraising ratio does not include the significant value of donated goods.

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 people 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 team completed the final year of their 3-year strategic plan. The goals were to expand services, develop best practices and develop and strengthen partnerships with hunger relief agencies in Toronto. Their new 5-year “stretch goal” aims to increase the number of meals delivered to 20,000/day.

Community Need: SH partners with 208 agencies in Toronto, who have indicated a 20% to 30% increase in demand for their services in the past year.

Funding Need: SH is considering adding a hybrid truck to its fleet – same lifespan as a regular truck but more attractive to donors and larger capacity for food. Cost is \$50,000 more. In addition, program cost coverage indicates a need for funding to maintain current distribution levels.

Investment Risks: Is the hybrid truck a good use of resources? Food distributed stayed relatively flat from F2008, though agency demand is said to have increased by 20% to 30%.