

2003 ANNUAL REPORT

20 years
& 20 ways
to fight
hunger.



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Concepts and production courtesy of Ideaworks, Jack's House of Creative and Ellen Laning Design.
Illustrations courtesy of the children at Kid's Cafes.



Dear Friends,



With your support we made significant strides in the year 2003 to alleviate hunger. As the largest private, non-profit food bank in Orange County, we distributed more than 14 million pounds of food during the 2003 fiscal year. Just imagine 389 charities distributing this food to more than 220,00 people each month.

Today we have an opportunity to make an even greater improvement in our community. The Second Harvest Food Bank of Orange County is leading the way. We are proud to be one of the most efficient charities in Orange County. Because of growing support from volunteers (more than 10,400) and food donors, our efficiency rate is an astounding 94.2 cents for every dollar donated. With your help, we raised a record of \$1.7 million in community support to maintain and expand our programs in Orange County.

Your support as a financial donor, food donor, or volunteer made these accomplishments possible. While we are making many strides in the fight against hunger, there are so many people who still need our help. Right now we know that we are only reaching half of those who are at-risk. Our Board of Directors is committed to the vision of reaching every child, family and senior who faces the threat of hunger and malnutrition in our community.

Again, we could not accomplish the important work of feeding those we serve without you. I look forward to your support again to ensure no one goes to bed hungry.

Sincerely,

Robert Whiton
Chairman of the Board



1 Our mission.

We are working to eliminate hunger in Orange County.

Our Strategy:

We solicit and coordinate donations, grants, fundraising, food drives, food rescue, gleaning and volunteers to supply food, education and advocacy for the hungry through non-profit partners and direct feeding programs. We constantly seek innovative and cost-effective ways to reach more people.

2 Who we serve.

Today's high cost of living means many people in Orange County don't always have money for food. Most of the families that need our help are working hard but just can't make their checks stretch until the next payday. Forty-two percent of our clients are children, another eighteen percent are seniors. Nearly half a million people go hungry some time each month, and we can only reach about half of them.



3 How we collect food.

We rely on donations for the largest percentage of our food – from retailers, distributors, and manufacturers.

We count on food drives, government surplus commodities, and fresh produce gleaned from fields. We also grow our own produce, rescue food from restaurants and caterers, and purchase bulk products to assure a steady supply of staples.

4 400 member agencies.

A wide variety of nonprofits, including senior centers, group homes, church pantries, shelters, and after-school programs, select food at our warehouse and distribute it directly to the hungry.



5 Five days a week.

The most efficient way to reach hungry children is through their schools. This year, we are working to increase the number of children who receive healthy breakfasts and lunches in all of our school districts.

6 Nutrition.

Hunger and malnutrition often go hand- in- hand. So we are constantly improving the nutritional value of the food we offer, while we educate our members, our families, and our children about nutrition.



7

Food industry donations.

With better inventory controls, fewer businesses have left-over products to donate. Every year, we reach out to more manufacturers, food processors, and retailers for the donations we need.

8

Food rescue.

Every day, thousands of meals are prepared by restaurants, catering firms and hotels that could go to waste. However, our food rescue program delivers these meals directly to senior centers, group homes, and shelters.



9 94 cents.

Thanks to all the food donations we receive and the thousands of volunteers who donate their time, we can use 94 cents of every dollar we collect to feed the hungry.

10 Food drives.

Every year, more people have a chance to share with us by participating in food drives, including the Letter Carriers, Scouting for Food, the Anaheim Angels Food Drive, South County, and the cities of Orange, Huntington Beach, and Anaheim.



11 Gleaning.

Since crops never ripen at exactly the same time, commercial harvests always leave some fruits and vegetables in the field. Through Orange County Harvest, our volunteers can harvest those crops to give us a supply of fresh produce.

12 The Incredible Edible Park.

Now we can grow crops to order, while we teach children about the joy of nurturing and harvesting fruits and vegetables. This year we added a tractor to our operations and expanded the park.



13 Brown Bag groceries.

Through our Brown Bag programs at senior centers and churches, thousands of seniors receive the groceries they need to maintain their health when their checks don't cover their expenses.

14 Kids' Cafes.

This year we added six more Kids' Cafes, an after-school program that gives kids the nutrition they need every day while they learn how to eat better and stay healthier for life.



15 Mobile Pantry.

With our unique Mobile Pantry, we can take fresh produce directly to the people who can use it. When the sides roll up on our big truck in our member charity's parking lots, families can select the fresh produce and staples they need.

16 Sponsorships.

This year, the Anaheim Angels selected us as their charity of choice, contributing through a wide variety of events that involve players, wives, and fans. Now we're looking for more organizations that can sponsor us as their charity of choice for years to come.



17 The Harvesters.

Through their gala fashion show and auction, the Harvesters provide hundreds of thousands of dollars of community support for additional Kids' Cafe sites, operations, food distribution, and a tractor for the Incredible Edible Park.

18 Food, Wine and Micro-Brew Fest.

Twice a year, we raise funds and boost awareness with our Food, Wine, and Micro-Brew Fest at South Coast Plaza. This year, we had record attendance as thousands enjoyed sampling from local restaurants, vineyards, and breweries.

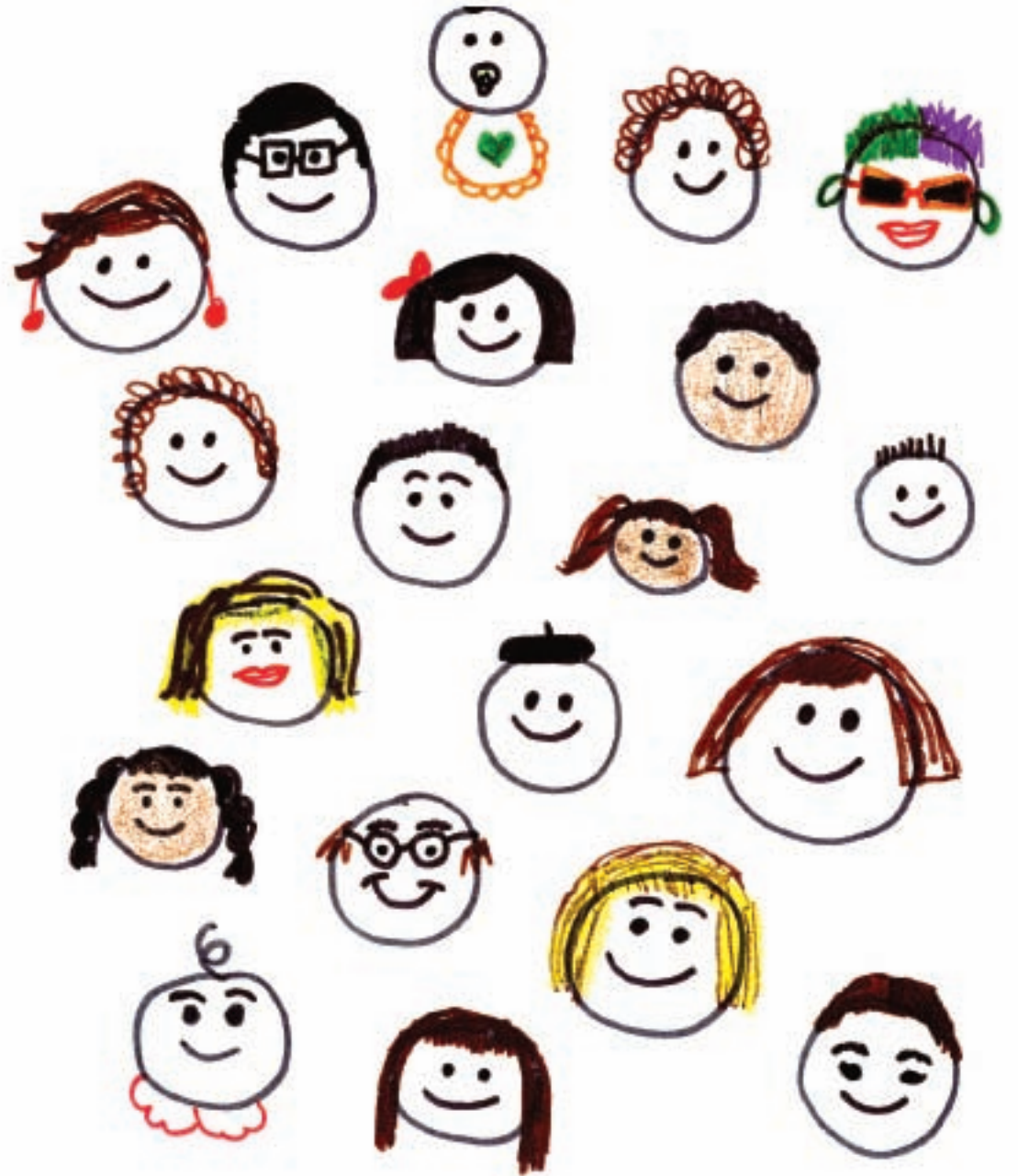


19 Events.

This year, we added a No-Event Event to our annual list of fundraisers, including our Humanitarians Against Hunger dinner, Take a Swing at Hunger golf tournament, No-Lunch lunch, and Turkey Trot race.

20 Twenty years.

This year is our 20th anniversary, and in September we hit a major milestone – distributing 200 million pounds of food. Thanks to all our donors and volunteers, we are feeding more than 220,000 people every month. Even with those staggering numbers, we are only reaching half the people who need us and we will continue our work until no child goes to bed hungry.



Statement of Functional Expenses

(Including Corresponding Revenues)

UNRESTRICTED SUPPORT AND REVENUE:	2003	2002
<i>Community support:</i>		
Grants and awards	\$534,392	\$663,128
Contributions	648,501	597,195
Donated food products	22,535,973	22,769,571
Contributed services	176,389	65,525
Total community support	23,895,255	24,095,419
Special events revenue	645,534	1,162,987
Costs of direct benefits to donors	(117,450)	(311,463)
Net special events revenue	528,084	851,524
<i>Revenue:</i>		
Participation fees	896,354	755,869
Purchased item fees	544,197	490,544
Other income	11,039	3,320
Total revenue	1,451,590	1,249,733
Net assets released from restriction	11,226	26,835
Total unrestricted support and revenue	\$25,886,155	\$26,223,511
EXPENSES:		
<i>Program services:</i>		
Cost of sales	\$717,106	\$618,636
Distribution of donated food	22,486,228	22,728,976
Free distribution of commodities	52,624	120,584
Program expenses	144,977	107,821
Personnel	888,184	865,249
Contributed services	176,389	66,112
Total program services	24,465,508	24,507,378
<i>Support services:</i>		
Fund-raising	83,438	80,048
Personnel	524,476	492,190
Occupancy	468,459	454,545
Transportation	13,910	12,059
Depreciation and amortization	92,544	96,541
Advertising and promotion	50,534	52,936
Supplies and printing	44,092	55,073
Other	49,543	47,954
Total support services	1,326,996	1,291,346
Total expenses	\$25,792,504	\$25,798,724
Unrestricted Assets Reclassified as Restricted	\$0	\$100,000
Change in unrestricted net assets	\$93,651	\$324,787
<i>Temporarily restricted support:</i>		
Contributions - Capital Campaign	\$95,824	\$278,055
Campaign Expenses	(9,752)	(26,835)
Other Additions	0	114,520
Change in temporarily restricted net assets	86,072	365,740
Change in net assets	\$179,723	\$690,527

Board of Directors (as of September 2, 2004)

Chairman

Robert R. Whiton
Net Solutions, Inc.

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David Blankenhorn
Sun Country Bank

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A.R. Bud Grandsaert Jr.
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Bridgford, Knotterus & Gleason

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Sundried Tomato

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David Jahr, APR

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Peggy Jo Jones
Albertson's

Dianne Kawamura
Orange County Produce

SueAnne Kuiper
St. Bonaventure Church

Lynda Lawrence
Ideaworks

Susan Magrann
Orange County Department of Education

Tom Markel
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Bill Milligan
Koll Bren Schreiber

James D. Owens
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Teddie Ray
The Harvesters

Jack Richmond
Parker Hannifin

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Retired, Parker Hannifin

Anton Segerstrom
South Coast Plaza

Jana Turner
C.B. Richard Ellis

Mark Wetterau
Golden State Foods Corp.

Dan Young
The Irvine Company

Denis Zaun
Council of Orange, Society of St. Vincent de Paul

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Richard F. Crawford
Thomas A. Fuentes, K.M.
Greg Haskin
Mary Bonino Jones

Director

Joseph C. Shoeningh

Second Harvest Food Bank is a 510(c)(3) nonprofit organization. Our Board of Directors, Advisory Board and Event Committee members volunteer their time to serve the needs of Second Harvest and the hungry in Orange County without pay.

You can make a difference.

As the costs of housing and health care rise, more and more people are going hungry – estimates are that 456,000 are at risk every month in Orange County. At the Food Bank, we feed 220,000 people every month, yet that's less than half the people who could use our help. When you consider the real costs of hunger, you can see how easy it is for one person to make a difference.

20 ways you can help:

1. Start a food drive where you work.
2. Participate in a food drive in your city.
3. Bring your family to pick fresh produce at a gleaning.
4. Help your children with a Pennies & Peanut Butter drive at their school.
5. Set out food for the Letter Carriers Food Drive in May.
6. Get a group together to harvest at the Incredible Edible Park.
7. Become an underwriter of the Harvester's fashion show luncheon.
8. Sample everything at the Food, Wine and Microbrew Fest.
9. Take a Swing at Hunger.
10. Write a check.
11. Volunteer to sort food.
12. Lend us your professional skills.
13. Adopt a Kids' Cafe.
14. Remember us in your will.
15. Donate something on our wish list.
16. Break bread at our No-lunch Lunch.
17. Stay home from our No-event Event.
18. Sponsor or run in the Turkey Trot.
19. Make us your company's charity of choice.
20. Learn more at www.feedoc.org.



Please call **714.771.1343** to learn more about how you can make sure no one ever has to go to bed hungry.