



Giving
Hope
Today

Annual Review



2013-2014
CANADA and BERMUDA

Over 1.8 million people were helped by The Salvation Army in Canada and Bermuda last year.

Addictions, Recovery and Shelter

5,724 shelter, addictions, detox and mental health beds provided each night for vulnerable men, women and families.
591 people completed addictions and rehabilitation programs.
2.8 million free meals served.

Community Churches

313 community churches.

Community and Family Services

1, 375,000 persons assisted with food, clothing or practical assistance.
4,380 children went to Salvation Army camps.
16 daycare centres provide a total of 816 available spaces.
104,000 meals served in school breakfast programs.
3,847 people with developmental disabilities supported.
11,256 people were referred for employment.
145,200 people were helped with court work including a pro-bono lawyer program.
188,800 people were helped in night patrol, rescue and suicide prevention.
188,600 vulnerable youth were helped in 45 community youth programs.
126 feeding centres provided 2.8 million free meals and 522,000 subsidized meals served.
154,133 people were visited in hospitals, nursing homes, prisons, day care centres and other facilities.

Emergency Disaster Services

14,168 people helped when disaster struck.

Hospice, Health and Long-Term Care

119 hospital beds provided.
1,002 long-term care and supportive housing beds provided.
40 hospice beds provided.

Work in Developing Countries

172 projects in 38 countries.
27 Salvation Army officers and lay personnel serving outside Canada.

Personnel

766 active Salvation Army officers.
912 retired Salvation Army officers.
8,315 employees.
1.4 million volunteer hours, provided by 165,680 total volunteers.

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Hope happens every day at The Salvation Army. A warm bed for someone out in the cold. A bag of nutritious food for a hungry family. Counselling to help someone break the chains of addiction.

Last year, The Salvation Army in Canada and Bermuda helped more than 1.8 million people rebuild broken homes and lives. **That's one person every 20 seconds!**

As the largest non-governmental direct provider of social services in the country, The Salvation Army assists people with over 50 different programs and services provided from coast to coast.

As you read this year's annual review you will find that the Army is a safe haven for the homeless, encouragement for people battling mental-health and developmental issues, strength for new parents, comfort for the hungry, and more.

Also included in the review are facts and figures that reflect the ongoing demand for Salvation Army services, and our financial reports that affirm our commitment to transparency and accountability.

The needs this year were, and remain, numerous and wide-ranging. The Salvation Army's programs and services meet people right where they are, providing practical and relevant help, empowering them to overcome their specific challenges.

The critical work of The Salvation Army in restoring hope and dignity to men, women and children would not be possible without the help and support of our volunteers and generous donors. Together we can better understand and meet needs, ensuring that all vulnerable people have a chance to make their lives a little better.

When you donate to The Salvation Army you are investing in the lives of marginalized and overlooked people in your community.



Giving Hope Today

Greetings



Dear friends:

No one wants to line up at a food bank or sleep in a shelter. But despite living in a developed and wealthy country, one in 11 Canadians still struggles to access basic human necessities.

At The Salvation Army, we believe it doesn't have to be this way—ending poverty is worth fighting for.

For over 130 years, The Salvation Army has provided support to the most marginalized and vulnerable people in Canada. Last year, we helped over 1.8 million people. That's 5,000 people every day!

As the largest non-governmental direct provider of social services in the country, The Salvation Army provides practical assistance for children and families, shelter for homeless people and rehabilitation for people who have lost control of their lives to an addiction. Whatever the challenge, we're committed to helping people rebuild their lives and discover hope and transformation.

As you read the stories in this report you will meet people who doubted their abilities and felt depressed, hopeless, lonely and forgotten. Today, with help from The Salvation Army, they are confident, hopeful and happy.

We're grateful to our generous donors, enthusiastic volunteers and faithful employees for their continued support that enables us to promote the dignity of all Canadians.

God bless you,

Susan McMillan
Commissioner
Territorial Commander



Dear friends:

Even though we live in one of the most prosperous countries in the world, many families and individuals continue to be in desperate need for help.

The Salvation Army has provided care and assistance to vulnerable Canadians for more than 130 years. As the largest non-governmental direct provider of social services, The Salvation Army in Canada serves 1.8 million people every year.

For individuals and families affected by poverty, homelessness and unemployment, The Salvation Army is there.

For newcomers to Canada, The Salvation Army is there.

For those who have been impacted by natural disasters and addiction, The Salvation Army is there.

The Salvation Army works tirelessly to help people, no matter their situation or background, get back on their feet. Their programs and services remain critical to the healing and empowerment of marginalized and overlooked people in our communities. Giving our most vulnerable citizens hope and dignity makes an enormous difference in transforming lives.

The Salvation Army's National Advisory Board members are a dedicated group of business leaders and philanthropic supporters who provide strategic guidance on the organization's national operations and services. I am grateful for their commitment, energy and help.

Sincerely,

Andrew B. Lennox
Chair
National Advisory Board

About The Salvation Army

The Salvation Army (“the Army”) exists to share the love of Jesus Christ, meet human needs and be a transforming influence in the communities of our world.

As an international organization, the Army is at work in 126 countries. In Canada, the Army began its work in 1882 and has grown to become the largest non-governmental direct provider of social services in the country. In Bermuda, the Army has been at work since 1896.

The Army gives hope and support to vulnerable people every day in 400 communities across Canada and Bermuda. Salvation Army staff and volunteers offer practical assistance for children and families, often tending to the basic necessities of life, provide shelter for homeless people and rehabilitation for people who have lost control of their lives to an addiction. When you give to the Army, you are investing in the future of marginalized and overlooked people in your community.

The Salvation Army is also a branch of the Christian church, with over 300 corps or congregations in Canada and Bermuda. The Army is diligent in stewardship of donations so that funds solicited in its public appeals are used to fund community and social services programs and activities, rather than corps and congregational ministries unless the donor designates otherwise.

Legal and Corporate Structure

The Salvation Army has its international headquarters located in London, England. Leading the international Salvation Army is the General, who is elected by a High Council comprised of senior Salvation Army leaders from around the world.

The Governing Council of The Salvation Army in Canada (“Governing Council”) was incorporated by an Act of Parliament in 1909. Unlike conventional not-for-profit corporations that have both members and directors, the Governing Council has only members, who are appointed by the General. All members of the corporation are commissioned Salvation Army officers or employees of The Salvation Army who hold senior leadership roles.

Most of the Army’s operations in Canada are established as unincorporated entities of the Governing Council. Other corporations controlled by the Governing Council include The Salvation Army Corporation of Bermuda, The Salvation Army William and Catherine Booth University College, The Salvation Army Golden West Centennial Lodge and The Salvation Army Grace Communities Corporation.

Supplementing the oversight of Army operations provided by the corporate bodies are various other boards and committees, comprised of officers and employees, as well as volunteers who provide an independent voice to assist the Army. These boards and committees exist at the national, regional and local community levels across Canada and in Bermuda.

In particular, members of the National Advisory Board in Canada and the Bermuda Advisory Board play a key role in ensuring that the Army is responsive to community needs and exercises appropriate accountability to its stakeholders, including members of the public who generously support its work with their contributions.

Charitable Status

The Salvation Army is a religious, charitable and not-for-profit organization, registered by the Canada Revenue Agency for tax-deductible contributions. The Army’s territorial headquarters in Toronto, Ontario is the main charity and all other Salvation Army entities are registered as associated charities of territorial headquarters. In Bermuda, the Army is also recognized as a charitable organization.

About the Financial Statements

These financial statements present the assets, liabilities, fund balances, revenues and expenses of the Governing Council and all of the entities it controls. All separate incorporated entities are consolidated into these financial statements because they meet the definition of controlled entities for financial reporting purposes under Canadian accounting standards.

In addition to these consolidated statements, many of the controlled entities produce separate financial statements for presentation to local stakeholders, including government agencies, donors, members, and others.

Financial Highlights for the Year Ended March 31, 2014

Overall, operations were stable in the current year, and the results achieved are similar to those of the prior year, with the exception of the change in investment income. During the year, the Army realized an excess of revenue over expenses of \$115 million, compared with \$59 million in the prior year. Charitable donations increased slightly from \$183.7 million last year to \$185.3 million. The increase is attributed to generous donations received from the public to support Alberta flood relief efforts.

During the year, a change in accounting standards for employee future benefits was implemented which significantly impacted the liabilities and operating fund balances from previously issued financial statements. Under the new standard, actuarial gains and losses and past service costs are not deferred and amortized over future periods. The full actuarial liability net of assets is now recorded in the balance sheet, the annual benefit cost is recorded in the consolidated statement of operations and the change in unamortized gains and losses is recognized in the statement of changes in fund balances. The impact of the change from the prior year issued statements included the elimination of the accrued pension asset of \$20.3 million, an increase in the employee future benefits from \$45.3 million to \$142.7 million, operating fund balance decline from a surplus of \$113.6 million to a deficit of \$4.0 million and a decrease of \$5.2 million in other expenses reported in the statement of operations.

The operating fund, which represents the general operations of all Salvation Army units in Canada and Bermuda, reflects a surplus of \$60.4 million, compared with a surplus of \$13.9 million in the prior year. This increase is directly related to the improved investment income this year. Total operating expenses increased by only 2.2%, in line with general inflationary pressures.

As of March 31, 2014, the Army's total assets were \$1.64 billion, compared to \$1.52 billion in the prior year. The current ratio (current assets / current liabilities) of 0.78 should not be interpreted as meaning the Army will have difficulty meeting its short-term obligations, as short-term investments maturing in less than 1 year and totaling \$29.9 million have been classified with securities. When included with current assets, the current ratio becomes 1.12.

Operating fund balances at year end totaled \$17.7 million (negative \$4.0 million last year), representing operating fund balances of \$115.0 million from operating units offset by a negative fund balance of \$97.3 million for re-measurement and other items related to employee future benefits. The Army has set a policy of expecting each unit to maintain an operating reserve sufficient to fund at least three months' expenses. As of March 31, 2014, 60% of units have achieved the target reserve level compared to 57% in the prior year. Efforts are underway to build reserves in the remaining units within the next three years.

Financial Figures

FISCAL YEAR ENDING MARCH 31	2014	2013
Charity Analysis		
Administrative costs as % of revenues	5.4%	5.8%
Fundraising costs as % of donations	11.9%	11.9%
Program cost coverage ¹	143.6%	117.7%
Summary from Audited Financial Statements (in Thousands of Dollars)		
Donations	185,277	183,703
Government funding	221,990	213,596
Fees for service	76,578	79,324
Investment income	118,428	65,075
Thrift Stores – Net Profit ²	14,074	13,768
Other	15,967	15,678
Funding Sources ³	632,314	571,144
Charitable programs and services	432,441	427,908
Headquarters' Administrative costs	34,025	33,402
Fundraising costs	22,049	21,916
Other	13,483	12,241
Operating Expenses ⁴	501,998	495,467
Funding Reserves ⁵	621,058	503,508

¹ Funding reserves coverage of charitable programs and services costs.

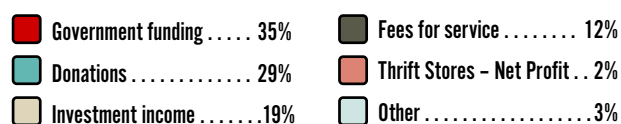
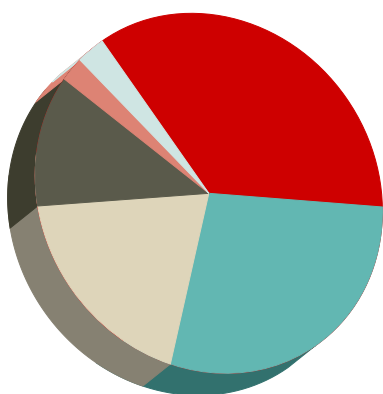
² This is the net operating profits from Thrift Stores, as the profit generated is used to fund programs.

³ Excludes gain on disposal of capital assets as this is not a funding source for charitable programs or operations.

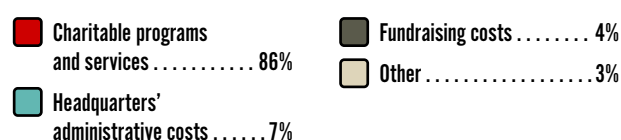
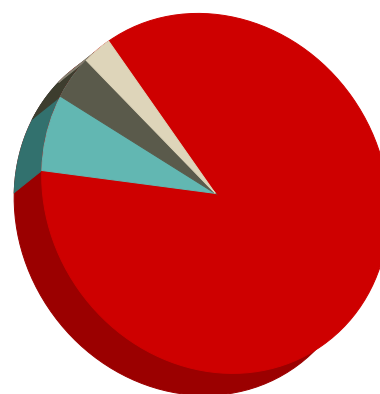
⁴ Excludes amortization, as this is not an operating cost.

⁵ Balance is comprised of the operating and other restricted fund balances. The Endowment and Invested in Capital fund balances are excluded as they are not available for allocation to programs or operations.

SOURCES OF FUNDING



HOW EACH DOLLAR RECEIVED IS ALLOCATED



Staff Compensation

The compensation package for all commissioned officers of The Salvation Army includes housing accommodation, with furnishings and utilities provided by the Army, a leased vehicle or vehicle allowance, and a cash allowance based on years of service. The cost of compensation provided to senior officers is comparatively lower than that paid to executives in other similar organizations. The employment income for tax purposes reported in 2013 for the five most senior commissioned officers of The Salvation Army in Canada, ranged from \$32,552 to \$40,102, with an average of \$36,883.

The size and scope of the Army's operations creates a level of complexity that requires the hiring of highly skilled professional and technical staff to supplement the skill sets found in its commissioned officer ranks. While these salaries are typically less than comparable positions in the for-profit sector, there is increased competition for professional staff, and as a result, compensation for executives in the sector has increased in recent years.

In 2013, there were 56 non-officer employees whose total employment income for tax purposes was above \$100,000, as follows:

Compensation range	Number of employees
\$100,000 – \$119,999	33
\$120,000 – \$159,999	14
\$160,000 – \$199,999	7
\$200,000 – \$249,999	1
\$250,000 – \$299,999	1

There is a tension between paying competitive salaries to attract the right people on the one hand, and ensuring that executive compensation does not reach unreasonable levels on the other. This tension is particularly acute in the not-for-profit sector where organizations and donors are both concerned about keeping administrative costs low so as to maximize funds available for direct service delivery. We believe that the Army is managing this tension well.



The Smiles of Success

For most of his life, Guy couldn't look into people's eyes, was socially withdrawn and resisted being held, hugged or touched. Today, he is employed, shakes hands with coworkers and can hold a conversation.

Guy has Autism, a complex disorder of brain development. His behaviour can be perplexing and difficult, which has had a tremendous negative impact on his journey towards productive, independent adulthood.

Today, with help, resources and support from The Salvation Army Guy is able to be a part of his community and live as independently as he can.

"With the right treatment program and a lot of love and support, individuals with developmental disabilities can learn, grow and thrive," says Program Director, Alyson McAlister. "Every day I witness individuals with neurological and physical disorders overcome, compensate for and otherwise manage challenges formerly considered impossible."



Something's Cooking in the Classroom

For 10 years Bonnie was afraid to use a kitchen utensil and her stove. Panic attacks had impacted her ability to eat and prepare nutritious foods. Then she found a new way of managing her worries.

"I had so many fears around the kitchen," says Bonnie. "With education and a large dose of patience I've gained the confidence to chop vegetables, debone meat and serve up chicken dinners."

Bonnie is a graduate of The Salvation Army's Dinner Bell program in Campbell River, B.C., which delivers training and nutrition to support the health and well-being of people battling mental-health issues.

Students and graduates report many positive changes including improved health, skill development and increased confidence and self-esteem. They are reaching personal goals such as cooking for family and friends, pursuing further education and successfully obtaining market employment in the community.

Volunteers

In addition to paid staff, The Salvation Army's operations are aided by some 165,000 volunteers who give dedicated and exemplary service to their communities by helping deliver programs and services through Salvation Army facilities.

Whether serving as board members, specialist advisors, food hamper packers, greeters, chaplains, or in a host of other roles, these volunteers are the army behind the Army. The contributions of these volunteers are invaluable to the success of The Salvation Army's program and service delivery.



An Acre of Hope

"There's nothing that compares to growing your own food and donating what you can't use to hungry people in your community," says Michelle, who participates in The Salvation Army's Community Garden project in Kitchener, Ont.

The benefits of community gardening are invaluable. Friendships are developed, seniors share their knowledge with first-time gardeners who need the advice of someone with a green thumb, new Canadians find a sense of belonging when they plant seeds from their own country and share the produce with other gardeners.

But not all benefits are apparent at first glance. "I suffer with Bipolar disorder," says Harriet. "Growing plants, being active outdoors, spending time with others in a safe, supportive environment has reduced stress and broken down stigma and barriers. It has given me new life and hope."



Risk

A Risk Committee is in place with responsibility to monitor the direction and trend of all major types of risks relative to mission strategy and market conditions. It also reviews emerging risks to the Army and monitors activities to appropriately mitigate those risks.

Internal Controls

The Salvation Army has a strong internal control environment to protect the Army's assets and ensure accuracy in financial reporting.

The Territorial Finance Council has overall responsibility for internal controls, with assistance provided by the Internal Audit Advisory Committee as it relates to the oversight of the internal audit function and plan.

Both a code of conduct and a whistleblower policy are in place. The former sets out expectations for behaviour by all staff and volunteers, while the latter provides a mechanism for making anonymous complaints when violations of the code and other key policies are observed.

Public Accountability

The Salvation Army recognizes its accountability for the financial resources placed at its disposal by its contributors for the furtherance of its mission to serve the most vulnerable in our society. Donations solicited from the public at large, which includes funds from individuals, foundations, corporations and all levels of government, are used for our community and social service programs. Corps and congregations are financed by donations from Salvationists and other funds.

Ethical Fundraising and Financial Accountability Code

The Army places accountability at the core of its relationships with its donors and members of the public. The Army has formally subscribed to Imagine Canada's Ethical Fundraising and Financial Accountability Code. In doing so, the Army undertakes to adhere to the standards set out in the Code in its treatment of donors and the public, its fundraising practices and its financial transparency, and to be accountable for doing so.

To review the Code, please visit our website at www.SalvationArmy.ca/fundraisingethics



How One Mom Found Hope and Confidence

When Pei Pei discovered she was pregnant with twins, she was elated. She told her boyfriend, but was heartbroken to hear that he didn't want the responsibilities of fatherhood. He demanded that she abort the babies. When she refused, he walked away and acted like she didn't exist.

During a prenatal visit at the hospital, a social worker told Pei Pei of The Salvation Army's Bethany Hope Centre in Ottawa, a multi-service centre for young parents and their families.

"Bethany Hope Centre helped me cope with pregnancy, taught me how to cook healthy meals and how to be a parent," says Pei Pei. "Their Parent Enterprise Program (PEP) gave me knowledge and options for employment that brought comfort and was life-changing."

PEP, with its full coaching, has taught Pei Pei how to create water colour cards and jewellery that she sells to help care for her twins.



Innovative Solution Brings Dental Care to Women Experiencing Hardship

Through a partnership between The Salvation Army and the City of Toronto, a dental office on wheels provides free dental care for women experiencing homelessness.

“It’s going to the dentist, but in an RV,” says Carol, who uses the service. “The bus made it easy and accessible for me to get the care I needed. I had a filling replaced. The staff treated me with respect and made it a pleasant experience.”

Transportation, affordability and mobility issues make it difficult for some people to seek treatment in traditional settings. The bus bridges that gap.

Jo-Anne, who also uses the service, says going to the dentist is financially out of reach for her.

“When you can’t afford to put a roof over your head, some things are neglected — like having your teeth fixed.”

Fundraising Methods and Outcomes

For more than 130 years, faithful donors have helped The Salvation Army carry on its tradition of caring for vulnerable men, women and children in Canada, Bermuda and around the world. The Salvation Army is deeply grateful for their generosity and for the trust they have shown to use their investment wisely.

During the fiscal year ended March 31, 2014, supporters made donations to The Army totalling \$185.3 million, compared to \$183.7 million the previous year. Fundraising costs for the same period were \$22.0 million, compared to \$21.9 million last year.

Overall, 86 cents of all funding revenue received by The Salvation Army (i.e. including government funding, public donations, fees for service, investment income, and net profits from Thrift Store operations) is used directly in charitable activities. This substantially exceeds the Canada Revenue Agency guideline of 65 percent efficiency.

The Army is committed to protecting the privacy of its donors, customers, clients, volunteers, employees, and members, and is always concerned with treating personal information carefully and with appropriate confidentiality. Personal information is not used or disclosed for purposes other than those for which it was collected, except with consent or as required by law. This information is retained only as long as necessary and The Army does not trade, rent or sell any personal information to third parties.

The Army will accept unrestricted gifts, as well as gifts restricted for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Gifts may be restricted to specific Salvation Army programs/purposes or communities throughout Canada and around the world where the Army has established operations. After a gift has been accepted, if circumstances should at any time make it, in the view of The Army acting reasonably, impractical to apply the gift to the designated purpose, it may re-designate the purpose of the gift using its best efforts to adhere as closely as possible to the original intent of the gift. Where possible, The Army will seek input from the donor before the re-designation is made.

Except as directed by the donor, the Army uses funds raised in public appeals for its community and social services programs and activities, rather than for its corps and congregational ministries.

The Salvation Army is managing its fundraising costs in a reasonable manner, in order to provide the best programs and services that deliver transformative outcomes for the people we serve. For details of how the funds are used, please visit www.SalvationArmy.ca

How Efficient is our Fundraising and Administration?

Much attention is focused today on fundraising and administrative costs that charities incur, with the message carried in the media being that the lower these costs are, the better the charity is at delivering its programs and services.

The Army agrees the more efficient an organization is; the lower will be its overall costs of fundraising and administration, and as a result more funds will be available for charitable programs.

These financial statements reveal that in the year ended March 31, 2014, the Army's total administration costs incurred at its territorial and divisional headquarters amount to \$34.0 million, compared to \$33.4 million in the prior year, an increase of 1.8%. As a proportion of total funding sources (see page 2), headquarters operations represented 5.4% this year and 5.8% in the prior year.

Public Relations and Development costs increased 0.6% from the prior year. As a proportion of charitable donations, these costs represented 11.9%, which is identical to the prior year. This compares favourably with the upper limit of 35% set by the Canada Revenue Agency.

The Salvation Army believes this is the best measure to use at the present time to evaluate the efficiency of fundraising, recognizing that it does have some limitations. First, no donations of materials or services are included in these financial statements, even though costs are incurred in obtaining these donations. Second, as the name implies, some of the activity these costs represent relates to general marketing and communications functions, rather than fundraising activities. Given our holistic approach, it is not possible at present to provide any further breakdown.

Combined, fundraising and administration costs equal \$56.1 million, compared to \$55.3 million in the prior year. As a proportion of total funding sources (see page 2), these costs amount to 8.9% in the current year and 9.7% in the prior year.

Two Mothers Overcome Barriers to Employment Success

"Finding employment can be challenging for anyone," says Catherine French, coordinator for The Salvation Army's employment training in St. John's, N.L. "But for people with barriers such as depression and lack of child care, taking that positive action is even more difficult."

The Retail Skills Training Program not only provides individuals with abilities essential for retail sales and customer service, its personal development component renews self-esteem, improves health, develops strengths, and more.

"I learned how to use a cash register, debit/credit machines and set up store displays," says Laura.

"Hands-on experience played a huge part in restoring my self-confidence," says Margo. "Through the course I realized I could be a manager or supervisor. I feel I have purpose in life."





Unique Summer Camp Helps Families Grow Together

The idea of a summer vacation—a week spent away from the hustle and bustle of it all—can be a distant fantasy for families in need, even more so if they are mothers of young children.

“I look forward to camp because it’s a time to get away and enjoy ourselves,” says Heidi, who attends with her three-year-old daughter. “It’s uplifting and inspiring to hear the experiences of how other mothers deal with their children on a day-to-day basis, and how they cope with issues.”

Among the various camps offered by The Salvation Army, Moms & Tots Camp is unique. The combined camping experience for mothers and their children (ages one to six) offers a relaxing getaway and family bonding.

Management Responsibility for Financial Reporting

These financial statements are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations as established by the Accounting Standards Board of the Canadian Institute of Chartered Accountants.

The preparation of financial information is an integral part of the ongoing management of the Army. Management has established internal control systems to ensure that all financial details are objective and reliable, and that the organization’s assets are safeguarded.

The Governing Council has overall responsibility for the financial statements, assisted by the Territorial Finance Council, which meets regularly with management as well as internal and external auditors to ensure the adequacy of internal controls, and to review the financial statements and auditors’ report. The Governing Council appoints the auditors and approves the financial statements, based on a recommendation from the Territorial Finance Council.

The financial statements have been audited by external auditors KPMG LLP, Chartered Accountants. Their report outlines the scope of KPMG’s examination as well as their opinion on the financial statements.

Lee Graves, *Lieut.-Colonel*
Territorial Secretary for Business Administration
and Treasurer of The Governing Council

R. Paul Goodyear, MBA, FCPA, FCMA
Territorial Financial Secretary
and Secretary of The Governing Council

Investments

Investments are centralized in the General Investment Fund (“the Fund”), which holds in trust the surplus operating funds, endowments, and long-term donor restricted funds of all units. Interest is paid to units based on prevailing market rates for similar financial instruments. Net profits from the Fund are used to offset costs of administration, as well as to make allocations to programs and services.

Allocations from investment income are based on a spending policy tied to long-term average rates of return, which helps mitigate volatility in the capital markets. In the year ended March 31, 2014, the Fund earned \$118.4 million, incurred expenses of \$3.6 million and paid interest on constituent accounts of \$7.8 million, for a net income of \$107.0 million. In accordance with the spending policy, \$12.9 million was allocated to the operations of territorial and divisional headquarters, meaning funds have been transferred to the reserve to be used to fund future operations.

The Fund is managed by external investment managers in accordance with statements of investment beliefs and policy, which establish quality constraints, as well as prohibiting investment in companies whose primary business is the manufacture, distribution or promotion of alcohol, tobacco, pornography, gaming, gaming facilities, or armaments, as well as companies who are known to disregard environmental concerns. An investment advisory committee assists the Army by regularly reviewing both the investment policy, as well as individual manager’s performance compared to market benchmarks. Copies of the statements of investment policy and beliefs are available on the Army’s website, www.SalvationArmy.ca

Investments performed very well in the current year experiencing a one year return of 15.8%, which was 2.6% above the benchmark.

The target, operating ranges and actual asset mix of the Fund as at March 31, 2014 was as follows:

Asset Class	Target	Range	Actual
Cash	0	0-10%	3%
Fixed Income	20%	10-15%	36%
Canadian Equities	30%	25-35%	30%
Foreign Equities	30%	25-35%	30%
Real Estate	10%	0-10%	1%
Infrastructure	10%	0-10%	0%
	100%	100%	100%

As of March 31, 2014 all asset classes were within the targeted range, with the exception of the fixed income category, which is over the target by 11%. In August 2013, approval was received to further diversify the investment portfolio by investing in the real estate and infrastructure markets. The transition to these markets will be phased in over the next couple of years, which is the reason funds have remained invested in the fixed income markets.

Banking services are provided by Bank of Nova Scotia, Canadian Imperial Bank of Commerce and Royal Bank of Canada. Custodial and trust services are provided by CIBC Mellon. Investment management services are provided by BlackRock Asset Management Canada Limited, Fiera Capital Corporation, Sprucegrove Investment Management Limited, CIBC Asset Management, Baillie Gifford Overseas Limited, Phillips, Hager and North Investment Management Ltd., QV Investors, and Bentall Kennedy.

Leadership

Members of The Governing Council of The Salvation Army in Canada

Commissioner Susan McMillan, *Chair*
Colonel Mark W. Tillsley, *Vice-Chair*
Lieut.-Colonel Lee Graves, *Treasurer*
Mr. R. Paul Goodyear, *Secretary*
Lieut.-Colonel Jamie Braund

Territorial Finance Council

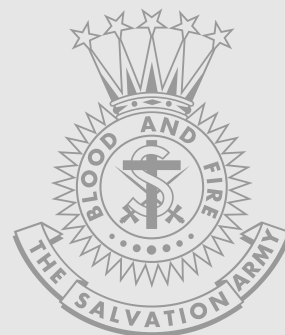
Commissioner Susan McMillan, *Chair*
Colonel Mark W. Tillsley, *Vice-Chair*
Mr. R. Paul Goodyear, *Secretary*
Lieut.-Colonel Jamie Braund
Lieut.-Colonel James Champ
Lieut.-Colonel Lee Graves
Lieut.-Colonel Junior Hynes
Major Fred Waters
Mr. David Dunstan
Ms. Mary Ellen Eberlin
Mr. Graham Moore

Investment Advisory Committee

Mr. William Chinery, *Chair*
Mr. William J. Stafford, *Secretary*
Lieut.-Colonel Lee Graves
Mr. Kevin Fahey
Mr. Michael Gallimore
Mr. R. Paul Goodyear
Mr. Yannick Menard

National Advisory Board

Mr. Andrew B. Lennox, *Chair*
Ms. Janice M. Barton
Mr. Daniel Burns
Mr. Calvin H. Buss
Ms. Gail Cook-Bennett
Ms. Susan Doniz
Mr. Andrew Grenville
Mr. Robert McFarlane
Ms. Sylvie Rodrigue
Mr. Ron Sapsford
Ms. Pina Sciarra
Ms. Marnie A. Spears



Healthy Eating Kitchen Serves up Skills for a Brighter Future

"We came to Vancouver from China for many reasons," says Angela, "including a clean environment, educational opportunities and moderate weather. But moving wasn't an easy process."

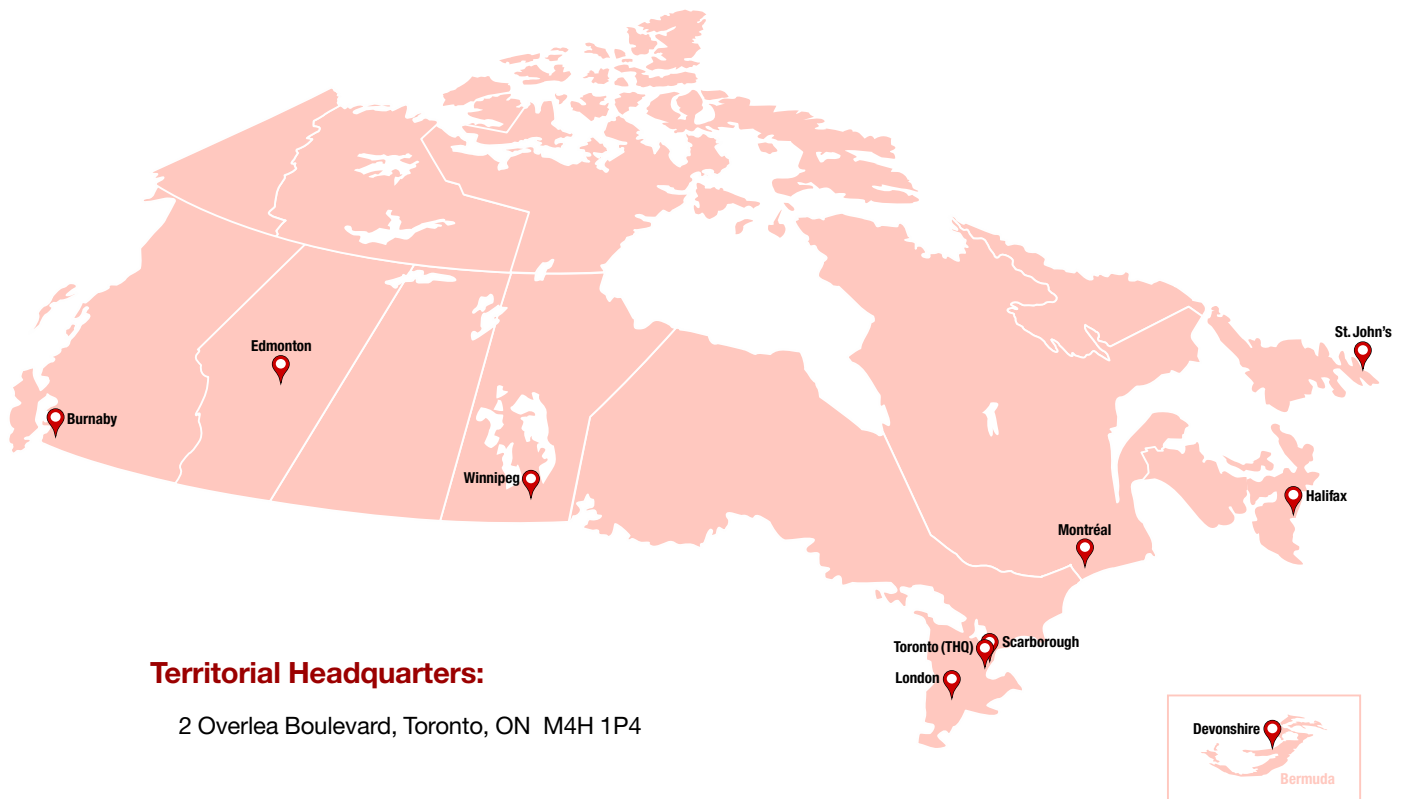
Adjusting to a new community and culture was challenging for Angela. Speaking little English made it difficult for her to make friends, resulting in social isolation. Financial pressures forced her to seek help from The Salvation Army's food bank and separation anxiety from leaving family and a country she loved was, at times, overwhelming.

Then Angela learned of Sally Ann's Kitchen, a program that helps vulnerable people overcome obstacles such as poor nutrition, budgeting and meal planning.

From learning how to cook from scratch in a cost-effective manner to knowing how to read labels and shop for healthy ingredients, Angela says the program has helped her outweigh the struggles of starting over.



The Salvation Army in Canada and Bermuda



Territorial Headquarters:

2 Overlea Boulevard, Toronto, ON M4H 1P4

Divisional Headquarters:

Alberta and Northern Territories

(including: Yukon, NWT, and Nunavut)

9618 101A Avenue NW, Edmonton, AB T5H 0C7

Bermuda

76 Roberts Avenue, Devonshire HM 15, Bermuda

British Columbia

103 – 3833 Henning Drive, Burnaby, BC V5C 6N5

Maritime

(New Brunswick, Nova Scotia and Prince Edward Island)

330 Herring Cove Road, Halifax, NS B3R 1V4

Newfoundland and Labrador

21 Adams Avenue, St. John's, NL A1C 4Z1

Ontario Central-East

1645 Warden Avenue, Scarborough, ON M1R 5B3

Ontario Great Lakes

371 King Street, London, ON N6B 1S4

Prairie

(Manitoba, Saskatchewan and Northwest Ontario)

204 – 290 Vaughan Street, Winnipeg, MB R3B 2N8

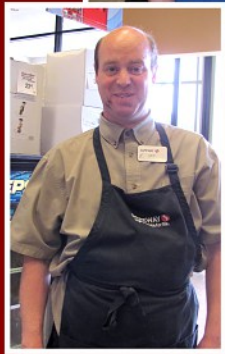
Québec

1700 – 625 Avenue du Président-Kennedy

Montréal, QC H3A 1K2

Reasons Why You Should Support The Salvation Army

1. The Salvation Army has a proven track record that goes back 130 years in Canada. It is now one of the world's largest providers of social services.
2. The Salvation Army helps one person at a time, believing that each person is infinitely valuable and equally worthy.
3. The Salvation Army is present in 400 communities across Canada and more than 125 countries around the world, offering services in 175 different languages. When disaster strikes, the Army is often already there living in the community and is able to provide immediate aid and relief in the most culturally relevant way. It also means the Army will still be there long after the immediate needs have been met.
4. As an international Christian church that welcomes everyone, The Salvation Army's faith motivates its social programs. Donations from the public at large, which includes money from individuals, foundations, corporations and all levels of government, are used for community and social service programs.
5. The Salvation Army works through a large quasi-military organizational model, that includes volunteers, committed members of The Salvation Army, its officers and staff. There is no organization that can more readily mobilize itself where and when the need is greatest.
6. The Salvation Army has adopted Imagine Canada's Ethical Fundraising and Financial Accountability Code. In doing so, the Army undertakes to adhere to the standards set out in the Code in its treatment of donors and the public, its fundraising practices and financial transparency, and to be accountable for doing so.
7. The Salvation Army is managing its administrative and fundraising costs in a reasonable manner given the size and scope of the organization, in order to provide the best programs and services that deliver transformative outcomes for the people we serve.
8. All funds donated to The Salvation Army are used by The Salvation Army, or agencies of which it is a member.
9. Social and community service programs focus on nurturing the capacities, skills and strengths of individuals rather than just giving them a hand out
10. All social and community services are equally available without discrimination.



The Salvation Army gives **hope** and **dignity**
to **vulnerable people** today and everyday in
over **400 communities** across Canada and
more than **125 countries** around the world!



Giving
Hope
Today

The Salvation Army
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