ANNUAL REPORT
2015-2016
CANADA and BERMUDA

THE SALVATION ARMY

Giving Hope Today

"You cannot warm the hearts of people with God's love if they have an empty stomach and cold feet."

— William Booth, who founded The Salvation Army in 1865

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Design: Public Relations and Development 10/16
Financial data: Territorial Finance Department

Photos
Cover, Page 5 (volunteer), Page 21 (ad): Scott Streble, Grizzard Communications
Inside cover: Larry Wong, Postmedia Network
Page 4: (cook) Kim Stallknecht; (client) Sylvin Pineau; (child) Joel Andrew Johnson
Page 5: (kettle) Carson Samson; (camp) Art Nickel | Page 7: Captain Pam Goodyear
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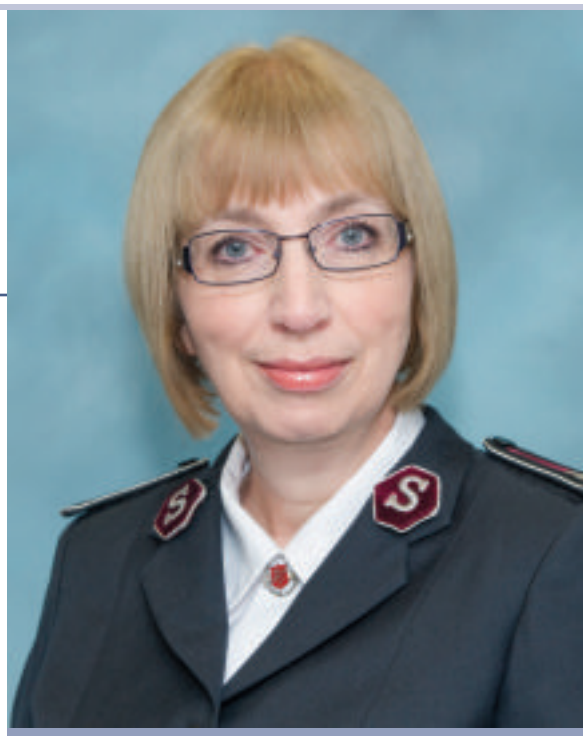
MESSAGE FROM THE TERRITORIAL COMMANDER



> "It's not always easy to tell who's living in poverty."

It's not always easy to tell who's living in poverty. That's why The Salvation Army launched a public awareness campaign this year focusing on the negative impact that poverty has on so many vulnerable and marginalized people in Canada.

One component of the campaign was a spring "Open House" exhibit that we hosted in Toronto. Although visitors expected a typical open house experience, they were instead greeted with a home that outlined some of the challenges faced by low-income families in Canada, such as "One in five Canadians skip meals to make ends meet," "Children growing up in poverty have greater illiteracy rates" and "600,000 seniors in Canada live in poverty." You can view a video of the exhibit at **SalvationArmy.ca/openhouse**.

Although poverty is often hidden in Canada, its influence is demoralizing and debilitating. It affects the young and old, individuals and families, and those with jobs and places to live. In over 400 communities across Canada, The Salvation Army is meeting people's most basic and pressing needs, such as by providing food, clothing and shelter.

As we strive to fulfill our mandate of Giving Hope Today, we are focused on possibilities not problems.

As such, our programs and services are designed to help people experience true freedom and independence, such as:

- **learning how to live within their budgets while providing healthy, nutritious meals for their families;**
- **breaking free from the chains of addiction through our treatment programs;**
- **finding a home to call their own through our homelessness and housing programs.**

On behalf of The Salvation Army and the 1.9 million people we helped last year, I express my deep appreciation to all levels of government, other social agencies, key community stakeholders, volunteers and our generous donors. With your ongoing support and partnership, we can build strong and compassionate communities in which every child, adult and family can thrive and live out their full potential.

Thank you for supporting the mission of The Salvation Army.

May God bless you,

Susan McMillan
Commissioner
Territorial Commander

MESSAGE FROM THE NATIONAL ADVISORY BOARD CHAIR

Although Canada is one of the most developed countries in the world, roughly three million people live in poverty. That's one in 10 Canadians. This is a staggering statistic, particularly when we explore the many ways that poverty negatively impacts the lives of people in our communities:

- **One in eight households struggle to put food on the table;**
- **90,000 people will use a food bank for the first time this month;**
- **One in seven children go to school hungry;**
- **230,000 people experience homelessness each year.**

Every day, however, thousands of Salvation Army officers, employees and volunteers strive to make life better for those struggling to make ends meet. Working in 400 communities across Canada, The Salvation Army is one of the largest and most complex social service organizations in the country. Despite this significant scope of work, the Army's diverse programs focus on the individual needs and strengths of the 1.9 million people they help each year. They are making a huge impact by changing lives and building communities.

As the Chair of The Salvation Army's National Advisory Board, I have the privilege of leading a dedicated group of business leaders and philanthropic supporters who provide strategic guidance on the organization's national operations and services. Over the past year, we have given insight into many aspects of the Army's work, such as homelessness and housing supports, National Recycling Operations (Thrift Stores), human resources development, and fundraising. Each member of the National Advisory Board is committed to furthering the Army's essential and transformational work across the country.

On behalf of the National Advisory Board, I thank you, the public, for your ongoing support and compassion for the most vulnerable in our society.

Sincerely,

Andrew Lennox
Chair
National Advisory Board

"Each member is committed to furthering the Army's work."

WHO WE ARE

The Salvation Army is an international Christian church. Its *message* is based on the Bible; its *ministry* is motivated by love for God and the needs of humanity.

MISSION

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

VISION

One Army. We see a God-raised, Spirit-filled Army for the 21st century – convinced of our calling, moving forward together.

One Mission into the world of the hurting, broken, lonely, dispossessed and lost, reaching them in love by all means.

One Message with the transforming message of Jesus, bringing freedom, hope and life.

VALUES

There are three core values of our faith: **Salvation**, **Holiness** and **Intimacy with God**.

Rooted in these three values are the seven core operational values which guide all aspects of The Salvation Army in Canada and Bermuda.

Compassion: We reach out to others and care for them.

Respect: We promote the dignity of all persons.

Excellence: We strive to be the best at what we do and a model for others to emulate.

Integrity: We are honest, trustworthy, and accountable.

Relevance: We are committed to the pursuit of innovation and effectiveness.

Co-operation: We encourage and foster teamwork and partnerships.

Celebration: We give thanks by marking milestones and successes.

WHAT WE DO

Now at work in 128 countries, The Salvation Army's operations in Canada began in 1882 and has grown to become one of the largest direct providers of social services in the country. In Bermuda, the Army has been at work since 1896.

Our social service activities include: hunger relief for individuals and families through food banks and feeding programs; shelter for people experiencing homelessness and support for those needing housing; rehabilitation for those struggling with addiction; long-term care and palliative care; Christmas assistance such as food hampers and toys; after-school programs, camps, and school nutrition programs for children and youth; and life-skills classes such as budgeting, cooking for a family, and anger management.

With more than 200 Thrift Stores, The Salvation Army operates one of Canada's largest national clothing recycling operations.

Although proceeds from the sale of goods help fund our many social programs, the Army also provides items free of charge to individuals or families who have been referred by our social programs and other agencies.

Thanks to the generosity of donors in Canada who have given specifically to our international work, the World Missions Department is able to support education, healthcare, water and sanitation, and livelihood development projects that are helping families and communities abroad work towards self-sufficiency.

As a religious denomination, The Salvation Army has over 300 corps or congregations in Canada and Bermuda. These corps not only focus on worship, Christian education and other congregational activities, but are also involved in providing practical assistance to their communities.

The Salvation Army gives hope and support to vulnerable people every day.

The Salvation Army is diligent in its 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.

PROVIDING AID DURING ALBERTA WILDFIRE CRISIS

From the front lines to behind the lines, The Salvation Army provided ongoing assistance during the devastating wildfire in northern Alberta.

The Salvation Army's personnel and community response units were operating in full force in Fort McMurray, in May 2016, serving meals, snacks, and refreshments to firefighters, police and other first responders, as they fiercely battled the stubborn wildfire. Across the province, The Salvation Army provided for the immediate needs of over 1,500 evacuees through emergency gift cards, Thrift Store vouchers for clothing, and food hampers.

Once the wildfires were under control and evacuees were allowed to re-enter their homes, The Salvation Army welcomed residents home with assistance. About 110 Salvation Army employees and 100 volunteers worked tirelessly over the course of the three months.

The ravaging wildfire destroyed nearly 600,000 hectares (1,500,000 acres) of forest, forced 90,000 residents to evacuate and left more than 2,400 families homeless.

About 25% of the town's residents have not returned due to the loss of their scorched homes.

"Parts of the town look like someone dropped a bomb – it's horrible," said Salvation Army officer Major Marina Jennings, who is based in Fort McMurray.

"It's been a traumatic experience. We have been able to give to people who are really hurting. We have been sharing in their emotional experience. It's been rewarding and challenging to support people, knowing that we can make a little bit of difference to help," said Jennings.

The Salvation Army Thrift Store and emergency shelter and community outreach programs have all reopened and are operating at full capacity due to the increased demand from displaced families.

- 15,735 meals were served in Fort McMurray.
- Over 3,500 people have received help from The Salvation Army.
- More than $165,000 in goods provided through pre-paid VISA cards, gift cards, Salvation Army Thrift Store vouchers, food hampers, bus tickets and mattresses.

During his visit and inspection of the Fort McMurray devastation, Prime Minister Justin Trudeau gave his personal thanks to Salvation Army personnel for their dedicated service.

ACHIEVING ACCREDITATION

The Salvation Army has been recognized with the highest level of excellence in ethical fundraising and financial accountability that Canadians can trust.

The Salvation Army is now one of only 177 charities in Canada that has earned Imagine Canada's national Standards Program accreditation.

Imagine Canada believes that charities and non-profits have a responsibility to be innovative, transparent, accountable, ethical and well-governed.

To achieve the accreditation in November 2015, The Salvation Army had to meet 73 stringent standards set out in the peer-reviewed standards program.

This accredited status demonstrates compliance with a strict set of standards created to show adherence in five key areas of operation:

- **Board Governance**
- **Financial Accountability and Transparency**
- **Fundraising**
- **Staff Management**
- **Volunteer Involvement**

The accreditation gives Canadian donors continued confidence and assurance in supporting The Salvation Army. The accreditation also helps The Salvation Army alleviate risk by ensuring staff and volunteers meet their legal, financial and fiduciary duties.

"Having the Trustmark accreditation from Imagine Canada's Standards Program tells people that The Salvation Army has good governance systems and that we've worked hard to earn donors' trust by acting ethically and transparently," said Paul Goodyear, Territorial Financial Secretary for The Salvation Army.

"It's no small feat for an organization to earn Standards Program accreditation. It's a rigorous, peer-reviewed process that is meant to build public trust and confidence in the charitable sector," said Bruce MacDonald, President and CEO of Imagine Canada.

> "It's no small feat to earn Standards Program accreditation."

Visit **imaginecanada.ca** to learn more about Imagine Canada's national Standards Program accreditation.

ASSISTING THOUSANDS OF SYRIAN REFUGEES

The Salvation Army has helped thousands of displaced Syrian refugees internationally and here at home.

It's estimated that 4.7 million Syrian refugees arose from the outbreak of the Syrian civil war in 2011. The Salvation Army provided practical, emotional and spiritual support as well as food, clothing, shelter, healthcare, and assistance to thousands of dispersed Syrians in Hungary, Switzerland, Germany, Greece, Italy, across Europe and Canada.

Canada has welcomed 29,713 Syrian newcomers since November 2015. The Salvation Army worked with all levels of government and community agencies to contribute to the resettlement process.

The Salvation Army prepared a welcome package, which includes information on how immigrants can access our community and family services and clothing vouchers to use in Salvation Army Thrift Stores across Canada. More than 1,150 Thrift Store vouchers were redeemed by Syrian newcomers. We continue to provide assistance with food and clothing.

In the past year The Salvation Army has also been assisting in cases of private sponsorship of Syrian refugees by relatives in Canada.

A fund to support Syrian refugees overseas was also established by The Salvation Army in Canada to:

- **Provide emergency shelter to asylum seekers who entered Italy via the Mediterranean Sea;**
- **Distribute water to refugees in Berlin while they waited for days to register with the German Government;**
- **Renovate a German kitchen and provided cookware to allow refugee women to cook and share meals together;**
- **Support language development for refugee children to aid in their integration into German society.**

More than 1,150 Thrift Store vouchers were redeemed by Syrian newcomers.

FROM HOMELESSNESS TO HOPE

For years, Take ('taw-kee') lived his Canadian dream. An immigrant from Japan, he was a self-employed auto mechanic in Vancouver and enjoyed Canadian culture. Life was good. Then, in an instant, everything changed.

"In 2012 I injured my lower back in a ski accident," says Take. "I thought I'd bounce back quickly, but my back pain worsened and I couldn't work. At the beginning my finances were okay, but eventually the money ran out. I had to skip meals, couldn't pay the hydro bill or the rent and was evicted.

"When I arrived at The Salvation Army's emergency shelter I'd lost everything—my car, money, job and hope," says Take.

"I had no family in Canada and I often thought, 'What is the point of living?'"

"I can't tell you the relief I felt having a bed to lie down on, a roof over my head and heat. My first meal was a bowl of soup with steam coming out. I wanted to cry."

With help from The Salvation Army, Take completed documents to collect welfare and secure permanent housing, and connected with family in Japan. Caseworkers encouraged him to complete his high school education. In June 2015, Take graduated with a high school diploma.

"When I arrived at The Salvation Army's emergency shelter I'd lost everything."

"The Salvation Army lifted me out of a dark place and gave me hope," says Take. "Today I volunteer at the Harbour Light drop-in centre as a means of giving back. Moving forward I want to be a counsellor for the homeless or at-risk youth. I have something to live for and that's all thanks to The Salvation Army."

HOW YOU'VE TRANSFORMED OUR COMMUNITIES IN 2015-2016

- 11,700 referred for employment.
- 3,700 helped with cooking/nutrition classes.
- 1,020 used Salvation Army community gardens.

“The Salvation Army lifted me out of a dark place and gave me hope.”

ADULT DAYCARE PROGRAM SUPPORTS PEOPLE WITH ALZHEIMER'S DISEASE OR DEMENTIA

Five days a week, people with Alzheimer's and other dementias are warmly welcomed at The Salvation Army's Adult Day program in London, Ont. "We are a happy group," says 90-year-old Helen. "I like the singing here."

Every day, Monday to Friday, more than 25 people come to the program for socialization, personal care and to participate in activities in a safe environment.

"We bake cookies," says Sharon, as she enjoys a cup of tea with friends. "And sometimes I get my nails done. I'm never tired of coming here."

Margaret likes it when the bus comes to pick her up. "It's not fun being home alone," she says. "As long as I can be with other people, that's all that matters."

Participants may attend daily, a few times a week, weekly, or just for special activities.

"The program offers benefits to both people with dementia or Alzheimer's disease, and their caregivers," says Major Debra Beaupre, former Executive Director. "For caregivers, the program is a much needed respite that gives them a break to run errands, spend time with family or just get away from the stress of dealing with difficult behaviours."

Michelle Johnston is a full-time Personal Support Worker who helps with the program's personal care. She says without these services, the majority of participants would be in long-term care.

"With encouragement and support we help them remain as independent as possible," says Michelle. "We want to see families keep their loved ones at home as long as they can."

> "We help them remain as independent as possible."

HOW YOU'VE TRANSFORMED ISOLATED ADULTS IN 2015-2016

- 302,800 senior citizens were served.
- 47,600 visited in nursing homes and hospitals.
- 105,000 served for substance abuse.

SALVATION ARMY HELPS FORMER ACTOR BEAT THE STREETS

Less than a year ago, Kevin, an immigrant from Iran, lived on the streets of Vancouver. A former actor in his country, this wasn't the life he had imagined. He had no home, no money and no family. Today, with help from The Salvation Army, he has a roof over his head and hope for a better future.

"I had many different problems," says Kevin, 30. "Life was hard. But The Salvation Army changed that."

In 2006, Kevin was a successful actor and professional inline skater in Iran. While rollerblading across the country to raise funds for MS and cancer he took notes to pass on to the government about peoples' concerns. But with restrictions on freedom of speech, he was arrested and imprisoned.

"I fled to Turkey then to Bulgaria to avoid capture," says Kevin. "Bulgarian police caught me and sent me back to a Turkish prison where I lived for one year. It was a very tough time."

In 2011, Kevin immigrated to Canada and eventually moved to Vancouver. With limited English speaking skills he struggled to find employment, which led to financial problems and homelessness.

Before long, Kevin learned of The Salvation Army's Belkin House, a residential program facility that helps the homeless and those at risk of homelessness become self-sufficient and independent.

"The Salvation Army gave me hope, a home and a family," says Kevin. "Their support helped me forget the hard place I was in. I've found employment and my way again. That feels awesome."

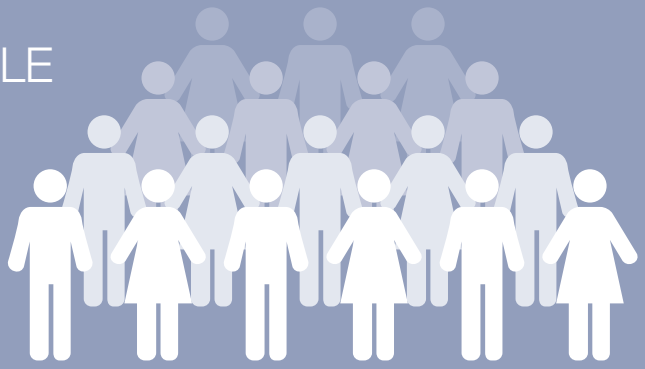
> "The Salvation Army gave me hope, a home and a family."

HOW YOU'VE TRANSFORMED CHILDREN IN 2015-2016

- 7,300 children and youth participated in community centre programs.
- 1,660 children helped in school with the Red Cap Anger Management program.
- 266,000 toys were given out at Christmas.

YOUR SUPPORT IN ACTION – FACTS and FIGURES

OVER **1.9 MILLION** PEOPLE WERE HELPED BY THE SALVATION ARMY IN CANADA AND BERMUDA LAST YEAR.



262,000
people were helped at Christmas with food hampers and toys.

85,000
people were visited in hospitals, nursing homes, prisons, daycare centres and other facilities.

154,000
meals were served in school breakfast programs.

3,900
children went to Salvation Army camps.

3,562
children were helped through the **Brighter Futures** Children's Sponsorship Program.

THE SALVATION ARMY

Giving Hope Today

3.2 million

free meals were served at shelters and in feeding programs.

136,300

people were helped in night patrol, rescue and suicide prevention.

1,285,000

people were assisted with food, clothing or practical assistance.

5,850

shelter, addictions, detox and mental health beds provided.

4,800

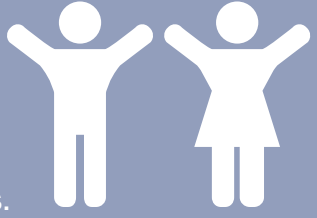
people were helped when an emergency or natural disaster struck.

4,300

people were helped with language training through the **Immigration and Refugee Services**.

1,570

people completed addictions and rehabilitation programs.



TRUTH AND RECONCILIATION

After six years of hearings and testimony from more than 6,000 Aboriginal residential school survivors and family members, the Truth and Reconciliation Commission released its final report in June 2015 calling for 94 recommendations.

"The Salvation Army recognizes the history of the Church with the Indigenous people in Canada. We want to honour a new relationship of equals. The Salvation Army believes in the dignity of all people. We want to ensure that we honour the dignity of Indigenous Peoples and their rights, which are basic to all humanity," said Major Shari Russell, Territorial Indigenous Ministries Consultant.

> "We want to honour a new relationship of equals."

The report called on all three levels of government to work together by executing the 94 Calls to Action. The report also asked that the Indigenous people be honoured through education and memorials.

The Salvation Army and other church groups responded to the Truth and Reconciliation Commission's Call to Action #48.

This Call to Action asked faith and interfaith social justice groups in Canada to formally embrace and comply with the principles and normal standards of the United Nations Declaration on the Rights of Indigenous Peoples, as a framework for reconciliation.

The Salvation Army has developed a comprehensive plan on how to implement the declaration in concrete ways. The action plan includes:

Accessibility. Ensuring everyone should have access to basic rights and ensuring human rights are upheld;

Building Trust. The Salvation Army is building trust by developing relationships of mutual respect with Indigenous peoples and groups by celebrating the Indigenous presence and expression within our organization, by engaging in effective and ongoing partnerships with Indigenous communities, and by maintaining our commitment to reconciliation and walking in truth and accountability with Indigenous peoples;

Awareness and Education. The Salvation Army is committed to increasing awareness and education of the United Nation as Declaration on the Rights of Indigenous Peoples through various presentation formats and continues to foster attitudes and values upholding human rights;

Leadership Development. The Salvation Army will continue to develop Indigenous leaders within the Army to provide guidance and leadership for Indigenous peoples;

Promoting Women's Equality. The Salvation Army will continue to uphold and promote the equality of women and promote and maintain women's rights, and offer ongoing support with Indigenous women experiencing violence.

Russell said building trust and celebrating who Indigenous Peoples are and what gifts they bring to the Army is key to building reconciliation in the Army.

"Due to the history as the Church in Canada, we need to reset those relationships with Indigenous Peoples in a good way and reframe how we do things. Building trust is key to sustaining these relationships. Honouring traditions is part of this rebuilding of trust and so it is important to celebrate the richness of all culture and our expression of faith," Russell said.

“We want to ensure that we honour the dignity of Indigenous Peoples and their rights.”

FROM POVERTY TO POSSIBILITY

More than a dozen families will experience increased self-reliance by the year end, thanks to a new program at The Salvation Army.

Over 886,000 children live in poverty in Canada and three million Canadian families are living in unaffordable and unsuitable housing. More than 200,000 people are homeless at a cost to the economy of $7 billion per year. Statistics show that when children live in poverty for more than half of their childhood, they are much more likely to experience financial hardship as adults.

The Pathway of Hope pilot is a year-long project which began in January 2016 at seven Salvation Army locations in the Greater Toronto Area where community and family services are provided. Pathway of Hope uses a case management approach to working with families with children. Its aim is to help families and children escape generational poverty. The goal for the Pathway of Hope pilot is to see 20 families graduate from the program.

"We hope to provide families with long-term solutions to poverty and not just a hand out. We want to enable them to dream, have goals and move forward in a positive and financially sustainable way," said Claire Dunmore, social services consultant at The Salvation Army.

"We hope to provide long-term solutions to poverty."

Parents take part in long-term case management with community and family service counsellors working towards finding jobs, housing and opportunities for education. In addition, counsellors provide practical support for families and share tools for proper nutrition as well as physical, emotional and spiritual health. Counsellors work intensively with a small number of families to help them achieve short and long-term goals.

The approach includes collaborating with others and providing access to community resources for families as well as working on coping techniques to help address stress. Through existing Salvation Army supports, families continue to receive practical assistance such as food and shelter.

Pathway of Hope allows community and family workers, chaplains and other community members to assist families to pinpoint the root causes that keep them from becoming self-supporting. One-on-one counselling, life-skills training and needed resources are available to break down barriers to success and productivity.

The desire beyond the pilot phase is to launch Pathway of Hope across the country.

NEW PARTNERSHIP IN RECYCLING

The Salvation Army's National Recycling Operations (Thrift Stores) scored a huge initiative this past year with Peel Region in Ontario.

In 2016, The Salvation Army embarked on a new partnership with Peel Region in Ontario by opening Donor Welcome Centres at four of Peel Region's Community Recycling Centres in Mississauga and Brampton. In this way, the Army can intercept used items from the public that can be reused, instead of being automatically sent to the landfill.

"Winning the licence from Peel Region is huge. We want to be the lead partner with the government in efforts to keep textiles and other reusable or recyclable materials out of landfills and we're excited to be a part of this trend as it spreads across Canada," said Kevin McElcheran, Interim Managing Director of National Recycling Operations.

With 106 Thrift Stores across Canada, The Salvation Army hopes to set into motion similar coalitions with municipalities across the country, as waste diversion is becoming a priority at all levels of government.

In 2015-2016, The Salvation Army's National Recycling Operations diverted 31.2 million kilograms of used clothing and household items away from landfills through re-use and recycling.

Due to the conflict in Syria, since November 2015, Canada has welcomed 29,713 Syrian refugees and another 45,000 are expected to arrive in Canada by the year's end.

Meanwhile, The Salvation Army's Thrift Stores have been helping displaced Syrian refugees settle into their new homes across Canada by providing vouchers for free access to household items, furniture, appliances and toys.

So far this year, 1,153 Syrian refugees have been provided clothing, household items, furniture, appliances and toys.

"We were happy to welcome these newcomers with basic necessities to help start off their new lives in Canada," said McElcheran.

Last year, 31,443 vouchers equalling $2,860,303 in clothing and household goods were given to all individuals and families in need across Canada, including the Syrian newcomers.

Visit thriftstore.ca for more information on Salvation Army Thrift Stores.

31,443 vouchers equalling $2,860,303 were given to those in need.

HAITI EARTHQUAKE VICTIMS RECEIVE NEW HOMES AND TRAINING

The deadly earthquake that devastated Haiti six years ago is a faded memory, but The Salvation Army has been working to rebuild the lives of hundreds of traumatized families.

The Army's team has been helping victims improve their lives after 250,000 people died when the 7.1 magnitude earthquake struck on January 12, 2010.

> "We thank our generous donors for their contribution."

A total of 214 homes are expected to be completed by 2017 thanks to the Integrated Family Support Program (IFS). Of the 204 homes built, 168 went to female-headed households, as women and children are more vulnerable to disasters.

The Salvation Army expanded its earthquake redevelopment services by launching the IFS five-year project in 2012.

The IFS program – which cost US$3.6 million – has also vocationally trained more than 1,100 young adults, provided 850 families with livelihood training and business support, and supported 1,050 farmers with agricultural assistance.

"We thank our generous donors for their contribution and continuous support in rebuilding the lives of the earthquake-affected people in Haiti," said Manjita Biswas, The Salvation Army's World Missions Program Director for Overseas Projects.

Monique Ducasse, 58, along with her four children and three grandchildren were living in a makeshift home, which was demolished by the earthquake.

"I am grateful to The Salvation Army for restoring my hope. I now have a safer place to live and my children can go to school with joy and have a place to study and sleep," said Ducasse, who has a physical disability.

Biswas said Ducasse with her family and other beneficiaries took part in the house design during the construction process. This provided beneficiaries with skills, dignity and a sense of ownership.

Fellow Haitian Jean-Charles lost everything he owned when his home was levelled by the disastrous earthquake.

The 31-year-old man, his wife and young son survived by crouching under the kitchen table and escaped from the debris relatively unharmed.

Jean-Charles is one of 1,100 people to benefit from the Army's vocational training program. He graduated from a mechanical auto repair course and he can now repair everything from a brake-system to body repair to diagnosing and repairing complicated car electrical systems.

"We are living a better life. The Salvation Army made me feel like I really mattered and for that, I will be forever grateful," said Jean-Charles.

The program trains young adults between the ages of 19 to 30 in areas including construction, motor mechanics, auto shop, plumbing, agriculture and the electrical field.

Thanks to the generosity of donors, the IFS project is funded entirely by The Salvation Army in Canada and Bermuda.

“I am grateful to The Salvation Army for restoring my hope.”

You can provide a brighter future for vulnerable men, women and children with a gift in your will to The Salvation Army.

HOPE is an Everlasting Legacy

THE SALVATION ARMY

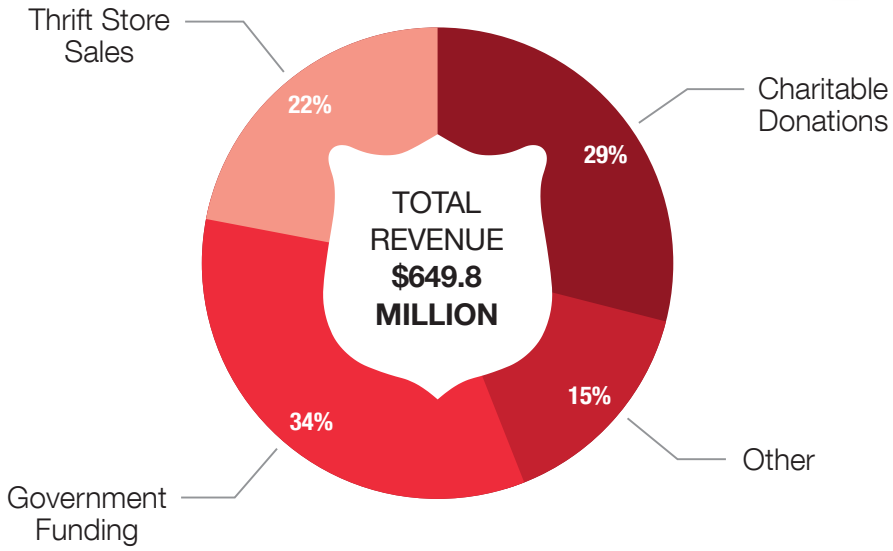
1-855-546-5556
donor_questions@can.salvationarmy.org
SalvationArmy.ca/wills

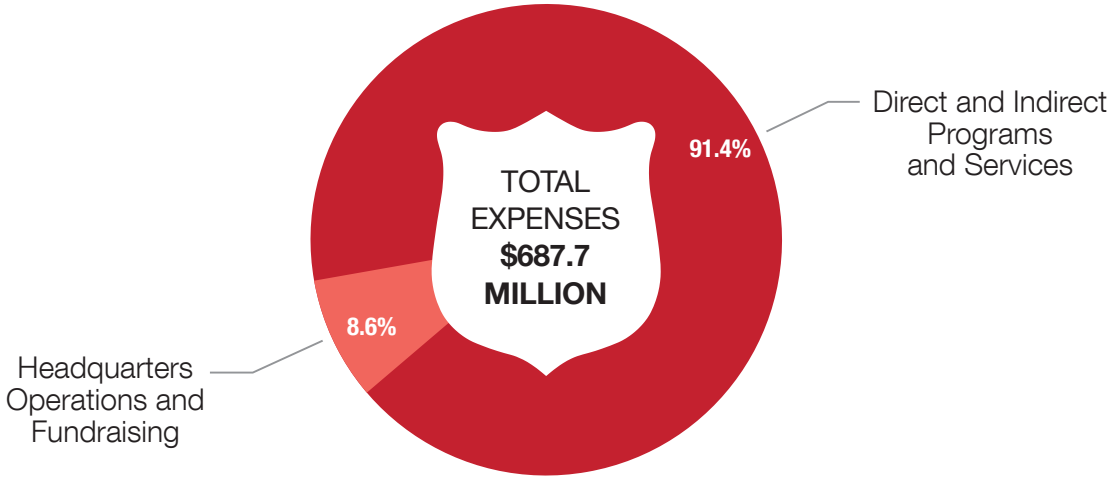
Charitable Registration No. 107951618 RR0001

FINANCIAL OVERVIEW

For complete information on the financial position and results of operations of The Salvation Army in Canada and Bermuda, please see the accompanying Consolidated Financial Statements at **www.SalvationArmy.ca/financialstatements2016** for the year ended March 31, 2016, which have been audited by KPMG, LLP, Chartered Professional Accountants, Licensed Public Accountants.

The financial statements present the assets, liabilities, fund balances, revenues and expenses of the Governing Council and each of its controlled entities, both incorporated and unincorporated.





FINANCIAL CHALLENGES

A review of the Consolidated Financial Statements (available at **SalvationArmy.ca/financialstatements2016**) will provide detailed information about the Army's financial position and results of operations during 2015– 2016.

On a consolidated basis, it will be seen that the Army is a large organization with assets of nearly $1.7 billion, and annual expenses of almost $690 million last year.

One might rightly ask whether an organization of this size and scope needs continuing public support in the form of donations. The answer is an unequivocal "YES"!

The Army is facing several challenges that donors can help it meet.

a) Revenues

Consolidated revenues have been largely flat over the past five years, declining at an average rate of 0.01% per year. Meanwhile, expenses have increased by 2.3% per year.

While donations have done better than some other sources of revenue, they have increased by only about 0.8% per year.

Donations are important to the funding of the Army's programs and services. They constitute almost 30% of our funding, so the Army's services to the most disadvantaged in our communities rely upon a steady and growing stream of donations to make up for the shortfall between the costs we incur and other sources of funding.

> "Donations are important to the funding of the Army's programs and services."

b) Regional Disparities

In addition, donors are increasingly inclined to be specific about where and how their contributions are used. While we understand donors' interest in their local communities and specific programs, the reality is that as more funds are restricted by donors, the Army relies on a diminishing pool of unrestricted donations and other funds to provide programs and services in communities and regions which are unable to generate sufficient local donations.

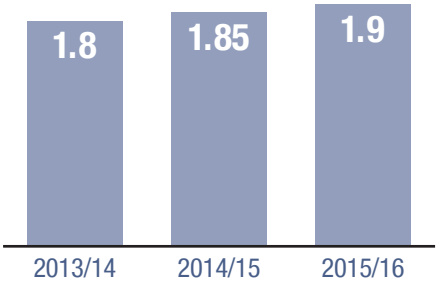
While the Army desires to provide services to needy Canadians wherever they live, its ability to do so is wholly dependent on sources of unrestricted funds.

c) Financially Vulnerable Operations

The Army's goal is that each operating unit would have sufficient reserves to meet three months' operating expenses to help protect programs and services during difficult times when revenues are down or expenses are unusually high. While 60% of its operations have adequate reserves and another 5% are expected to be able to attain such reserves in the near future, 35% of units have insufficient reserves and are unlikely to be able to amass them without help. Unrestricted donations are pivotal to the Army's ability to sustain these operations.

On a consolidated basis, its net funds for operations have been in a deficit position for several years, with a net deficit of $0.9 million recorded at March 31, 2016. To achieve a three-month operating reserve position on a consolidated basis would require an infusion of funds totaling $173 million.

Number of people helped by The Salvation Army in Canada and Bermuda (in millions)



ADMINISTRATIVE AND OPERATING STRUCTURE

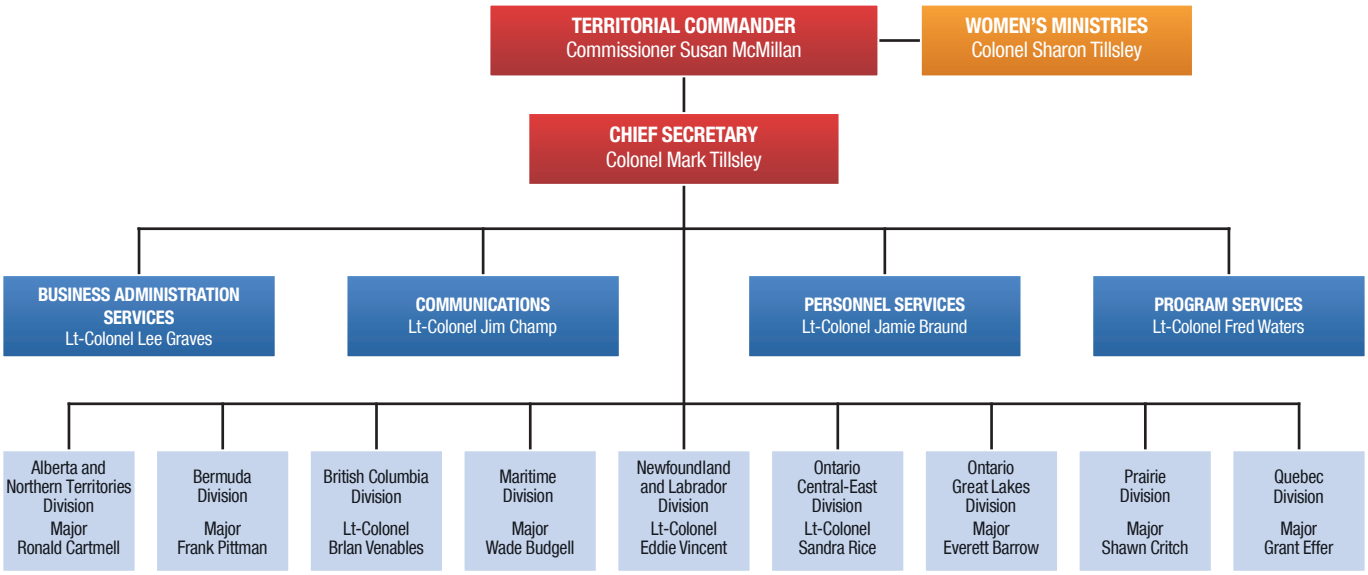
The Salvation Army's International Headquarters is located in London, England.

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 worldwide Salvation Army is divided into territories, commands and regions.

The Salvation Army in Canada is part of the Canada and Bermuda Territory, which is subdivided into nine divisions.

The Army's operations in Canada and Bermuda are directed by the Territorial Commander, who operates under a Memorandum of Appointment issued by the General, and is accountable to International Headquarters.

ORGANIZATIONAL STRUCTURE



LEGAL AND CORPORATE STRUCTURE

The Governing Council of The Salvation Army in Canada is the primary legal entity that The Salvation Army operates through in Canada. This corporation, which was created by a special act of Canada's Parliament in 1909, gave the organization legal standing and holds title to most of The Salvation Army's assets.

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.

The legislation establishing the Governing Council limits the number of members to five individuals who hold specified management roles, four of whom are officers of the corporation. In order to provide the Governing Council with additional expertise to assist it in fulfilling its fiduciary responsibilities, observers have been appointed. These individuals participate fully in the deliberations of the Council, but are non-voting.

Current officers, members and observers of the Governing Council are, as follows:

Name / Position	Governing Council Status	Date of Governing Council Status	Corporate Office held (if any)	Number of meetings eligible to attend in 2015/16	Number of meetings attended in 2015/16
Commissioner Susan McMillan, *BAS, MBA, CPA, CGA* Territorial Commander	Member	September 1, 2014	Chair	17	14
Colonel Mark Tillsley, *MSW, Ph.D* Chief Secretary	Member	June 1, 2013	Vice-Chair	17	13
Lt.-Colonel Lee Graves, *MBA* Secretary for Business Administration	Member	July 1, 2013	Treasurer	17	16
Mr. R. Paul Goodyear, *B.Com., MBA, FCPA, FCMA* Financial Secretary	Member	July 1, 2001	Secretary	17	13
Lt.-Colonel Jamie Braund, *B.Sc., MAL* Secretary for Personnel	Member	July 1, 2014		17	17
Lt.-Colonel James Champ, *BRE,MBA* Secretary for Communications	Observer	July 1, 2013		17	11
Lt.-Colonel Junior Hynes, *MTS* Secretary for Program (to June 30, 2015)	Observer	July 1, 2010		7	6
Lt.-Colonel Fred Waters Secretary for Program (from July 1, 2015)	Observer	July 1, 2015		10	10
Mr. Bryan J. Campbell, *LL.B* General Legal Counsel	Observer	January 3, 2013	Associate Secretary	17	14

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 boards of these corporations are various other boards, committees and councils, comprised of officers, employees and volunteers who fulfil specified mandates given to them by the Governing Council.

Key committees accountable to the Governing Council include the Territorial Management Board, Territorial Finance Council, Territorial Program Council, Territorial Personnel Council, Territorial Property Board, Investment Advisory Committee, Risk Committee, Information Technology Steering Committee, Human Resources Information Systems Steering Committee, Officer Retirement Benefits Administrative Committee, Group Registered Retirement Savings Plan Management Committee and Internal Audit Advisory Committee.

In addition, the work of the Army is enhanced by advisory boards, comprised of members of the community, who provide advice to the Army on a wide variety of issues. Such boards exist at the national, regional and local community levels across Canada and Bermuda.

The National Advisory Board's purpose is to advise and assist the Territorial Commander regarding issues that have a significant impact on territory-wide operations. Such issues will include the Army's national strategy and development program, as well as its business practices and systems. The National Advisory Board has no legal or governance responsibility. It is not empowered with executive or administrative authority.

NATIONAL ADVISORY BOARD MEMBERS

Andrew Lennox – *Chair*
Retired Senior Vice-President
Scotiabank, Real Estate

Janice Barton
President
Radical Simplicity Inc.

Daniel Burns
Retired Deputy Minister
Government of Ontario 1991-2002

Calvin Buss
Managing Director
Global Audit Quality and Transformation
Deloitte Touche Tohmatsu Limited

Dr. Gail Cook-Bennett
Chair of the Board of the
Institute of Corporate Directors

Susan Doniz
Corporate Director

Andrew Grenville
Chief Research Officer
Vision Critical

Robert G. McFarlane
Vice-Chair
RSA Canada and
Retired EVP & CFO TELUS Corporation

Ron Sapsford
Retired Chief Executive Officer
Ontario Medical Association

Pina Sciarra
Managing Director, Consulting
PricewaterhouseCoopers

Marnie A. Spears
President & Chief Executive Officer
Ketchum Canada Inc.

Bruce V. Walter
Chair
Nunavut Iron Ore, Inc.

Charitable Status

The Salvation Army is a religious, charitable and not-for-profit organization, registered by the Canada Revenue Agency for tax-deductible contributions. Charitable Registration No. 107951618 RR0001. In Bermuda, the Army is also recognized as a charitable organization.

Conflict of Interest Policy

A conflict of interest policy has been established to provide staff and volunteers with guidance on how to identify potential or real conflicts of interest and disclose them in order to help minimize or eliminate the impact of such conflicts, both for themselves and for The Army.

When engaged in Salvation Army operations, officers, employees and volunteers are required to act in The Salvation Army's best interests and to avoid becoming involved in situations of real or perceived conflicts of interest.

Conflicts of Interest occur when officers, employees and volunteers have personal interests in decision-making that can reasonably appear to influence their actions, bias their judgment or prejudice the outcome of decisions. They can also occur when officers, employees, or volunteers are in situations where they can use or appear to use their position with The Salvation Army to benefit personally or to benefit someone else at The Salvation Army's expense.

Whistleblower Policy

The Salvation Army has a Whistleblower Policy in place (available at **SalvationArmy.ca/whistleblower**) to provide a means for staff and volunteers to make confidential disclosures with respect to any act or omission which appears to violate the Army's high standards of business, ministry and personal ethics.

The Salvation Army recognizes its accountability for the financial resources placed at its disposal.

Code of Conduct

A Code of Conduct (see **SalvationArmy.ca/Code-of-Conduct**) is in place to provide clear direction to officers, employees and volunteers with respect to appro-priate behaviour while engaged in The Salvation Army's work. All staff members are required to sign a statement confirming their acceptance of the Code and their commitment to adhere to it.

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 community and social service programs. Corps and congregations are financed largely by contributions from their members and other funds they generate through their operations. In some cases, they also receive donations from non-members who wish to support congregational activities. Funds collected from the public at large, however, can only be allocated to corps to the extent to which they are used to fund community and social programs, rather than congregational activities.

The Army will accept unrestricted gifts, as well as gifts restricted for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes and priorities.

HOW YOU'VE TRANSFORMED FAMILIES IN 2015-2016

- 132,400 participated in daycare programs.
- 55,000 people were referred to social service partners for practical help and support.
- 4,300 people helped with language training through immigration services.

VOLUNTEER SERVES THE ARMY FOR MORE THAN 65 YEARS

You wouldn't expect anyone to stand out in the cold each winter to help people in need. But, that's exactly what Bill Oliver has done for more than six decades with a smile on his face.

The 76-year-old Tillsonburg senior has volunteered for The Salvation Army's Christmas Kettle Campaign every year but one since he was nine-years-old back in 1939. Oliver missed one year after suffering from a heart problem. "I do it because the needy need a Christmas and I have to do my part," said the spritely Oliver.

Oliver says many changes have occurred since 1950, but the spirit of giving has remained the one constant. "I liked the cold winters when I stood outside collecting. I love to smile and wish people a Merry Christmas. People remember me year after year and tell me, 'You're the only kettle I ever give to because you opened the door for me,' " said Oliver.

Since Oliver's heart problem, he's had to slow down because he can't breathe as well outside. He still plans on volunteering five hours each day for six days a week this winter, but since his heart problems Oliver now stands inside a shopping mall with the Christmas kettle.

Oliver no longer brings along his portable stereo to play Christmas carols since there's music playing in the malls, but he still gives out candy canes to each child who passes by. "The secret is to keep smiling. It takes a bunch more muscles to frown than it does to smile, so why not smile? I'm going to keep volunteering until the day I die," Oliver said matter-of-factly.

The Christmas Kettle campaign begins each year in November. More than 2,000 kettles are located in shopping malls and public places across the country. The donations are used to support the 1.9 million people who are cared for by The Salvation Army's shelters, food banks and social services throughout the year.

"I'm going to keep volunteering until the day I die."

WE'RE GRATEFUL FOR

the 250,000 donors and 135,992 volunteers who helped 1.9 million people in 2015-2016.

The total number of volunteer hours donated in the Canada and Bermuda Territory was 1,167,781.

Based on $20 per hour, the total value would be $23,355,620!

The Salvation Army gives **hope** and **dignity** to **vulnerable people** today and every day in over **400 communities** across Canada and in **128 countries** around the world!

THE SALVATION ARMY

Giving
Hope
Today

The Salvation Army
Territorial Headquarters for Canada and Bermuda
Charitable Registration No. 107951618 RR0001
416-425-2111 | SalvationArmy.ca

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