



Over 1.5 million people were helped by The Salvation Army in Canada and Bermuda last year. Some of the services offered include:

Addictions, Rehabilitation & Shelter

- 5,000 shelter beds provided for the homeless each night
- 7,900 people with addictions received assistance
- 1,100 people successfully completed addiction & rehabilitation programs
- 2.3 million meals served

Community Churches

• 350 community churches

Community & Family Services

- 855,000 family members provided with food, clothing or practical assistance
- 8,500 children went to Salvation Army camps

Emergency Disaster Services

• 11,000 people helped when disaster struck

Hospice, Health & Long-Term Care

- 500 hospital beds provided
- 1,500 long-term care and supportive housing beds provided
- 32 hospice beds provided

Work in Developing Countries

- 125 projects in 7 countries
- 2,500 children sponsored
- 50 members serving full time in developing countries



Spotlight on youth

Recently I was at a large Salvation Army youth event. When the celebration began, 100 flashlights were shining at the front of the auditorium. As the evening went on, one by one the flashlights were extinguished until there were only seven left... seven isolated beams where there was once a huge bank of light. This was a potent illustration of the reality of youth involvement in our churches: for every 100 involved as children, only seven remain by the time they become adults.

I want to make sure that The Salvation Army is a place where the light never dies for young people. Rather than seeing our youth leave because they don't feel welcomed, understood or heard, we can be a place where they are allowed to work through the stages of life without rejection or judgment.

Youth is a time of wonder, freedom and expansion, where there is adventure in life and the bonds of boredom haven't yet become shackles. The world is large and faith is limitless. That faith transforms into world-changing, spirit-charged engagement, and that transfusion of energy and faith is vital to the future of The Salvation Army. After all, it is today's youth who will carry on the urgent mission of hope and grace, which are the Army's essential gifts.

We have so much to give to young people—our time, knowledge, wisdom and great opportunities to challenge and engage. Let's not forget, though, that youth have much to provide us—their excitement and passion, their easy smiles and deep laughter, their desire to explore new ways to become ever more relevant to today's world.

When the flashlights started to go out, the power and the spark disappeared. In this year for children and youth, will you join with them and us to illuminate our world?

M. Christine MacMillan Territorial Commander

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essential: to community



As the largest social service provider after the government, The Salvation Army is deeply involved in the texture of communities throughout the nation. Annually, hundreds of thousands of our neighbours and friends seek help under the Shield. Some of the programs and ministries offered by the Army are tightly focused, such as addictions treatment for men or a hospice for the elderly. Many others are offered more widely, and these are often the programs that support children and youth directly.

Some of our work is targeted at parents or the entire family. Christmas hampers and gifts ensure that everyone enjoys the bounty of the season. Our thrift stores offer low-cost clothing and household items

that benefit families on tight incomes. We also provide family shelters, parenting classes, day care and counselling. At many points of crisis or need, parents across Canada can turn to the Army for practical help and direction. In these ways, Army representatives permeate cities, towns and neighbourhoods. It's our belief that this God-inspired activity is essential to society; without it, our communities are poorer and less vibrant.

Much of our programming is geared specifically to children and young people. In our churches we have faith classes, music lessons, pioneer clubs, and literacy programs. Our church buildings are located in neighbourhoods full of needy people—like any neighbourhood

throughout the country. These areas have single-parent families, people recently bereaved and others so stressed juggling work, commuting and family obligations that something is bound to snap. In these neighbourhoods the Army reaches out to provide solutions, help, options and, in some cases, nothing more than a much-desired listening ear.

Often the help can be quite simple. At one Army church in Western Canada, young people put out cookies and put on the coffee once a week and welcome new immigrants for an evening of conversation. Having an opportunity to practice English in a non-threatening environment is a gift to these newcomers.

Elsewhere, in a large urban centre, the Red Cap program works in several schools teaching children how to manage their anger and deal with bullying. "We're making a lifelong investment in these kids," says program manager Joe Elkerton. "Being able to constructively deal with conflict and tense situations is a skill many of us need."

And our sense of community is not limited to Canada. Our Child Sponsorship Program reaches into communities in 23 developing countries, providing an 'open door' of opportunity for many children to have a better quality of life, and to try and realize their aspirations. In partnership with almost 2,000 donors, we give assistance to over 2,500 children and programs, providing food, clothing, shelter, an education, love and compassionate care.

Without the support of Canadians many of these community programs simply wouldn't happen. Tax dollars from governments, donations from individuals and corporations and countless volunteer hours means the Army can continue to strengthen communities, bringing new hope to lives beaten down by the burdens of life.



Home alone no more

"I used to go home from school alone. Mom always told me that our apartment was safe. And when it was dark, she said I didn't have to worry that something scary would be there. But all by myself it was really easy to think that the noises and shadows were things that would get me. I hated going home after school but I couldn't tell Mom because she didn't get home from work until a long time after I finished school. So if she knew how much I hated being there alone, she'd feel bad about it.

"This year was different and a lot better. Now, after school, I go to The Salvation Army. There are about 15 kids. Every day they meet us at school and we walk to the church and then the fun starts... except for homework. We get a snack, we hang out, we play floor hockey, we play basketball... and yeah, we do our homework, too. Mom picks me up at the Army after work. I like this a lot better than going home alone."

essential: to serving others

Every organization needs people with energy and vision. One of the easiest ways to get this kind of lift is to attract and encourage young people. They have the desire, strength, commitment and urgency needed by any organization that wants to change the world. Because The Salvation Army's mission is so encompassing, it appeals to the idealism of the young. Because the Army's horizon is so vast, it beckons many to join the grand adventure. Being the human embodiment of God's love in all aspects of life and society is a compelling vision—one that places high demands and requires deep commitment.

It's been more than a century since the Army started in England, but in that time the world-changing possibilities of the Army's mission has struck a chord with many, especially the young. Our mission is equal portions faith and action and for decades the Army has been carried forward by those prepared to turn their heart toward God and extend a hand to their fellow man, wherever and however he is found.

By extending a hand of friendship, help and support can take place in many ways in the Army world. Our summer camps give young people—many of whom would otherwise be encased in hot, innercity concrete boxes all summer—the opportunity to escape for a few days. At camp they get to feel the wind and sun, the grass between their toes and the cooling effect of swimming in a lake. While many of our camps are designed to serve children, they couldn't operate without the skills and energy of youth. As most camp employees and volunteers are young people, they are essential to our mission. "Keeping almost 200 excited kids happy and out of trouble for a week is a big job," says Captain Mark Hall, an Army youth official who oversees one of our biggest camps. "We couldn't do it without young people on our staff."

Many youth travel to other countries where they connect with people served by other areas of Army outreach. These short-term mission



assignments open new frontiers of experience. As youth see first-hand the incredible needs of vulnerable people, as well as try to communicate across language and cultural divides, they are inspired and convicted in ways that can change their lives forever. Mark Young is a teacher at the Army's Booth College in Winnipeg. He regularly takes young people on overseas short-term mission trips, which open the eyes of his students to the harsh realities of the world. "Seeing is believing, especially for young people. So many think they know what things will be like from watching television, but until you smell, taste and feel what it's like you never really know," he says. "What inspires me is how engaged young people get with the scope of the need. The opportunities to serve others, to bring help and hope, are enormous."

What supports and drives the mission of The Salvation Army are imperatives found in the Bible. There's nothing particularly glamorous about helping an addict sober up. Likewise, there is little glory, fame or even money in helping a single mom get enough for her family to eat, tucking a lonely senior into bed or praying with a dying father. Hundreds of these acts of mercy and love take place every day in our world. We are called to serve others in Christ's name, to bring the Good News of hope to a suffering world. We are quite aware that the tears of humanity will never be completely wiped away, that there will always be sobs of fear and the pain of those who think they are not needed. But we are also aware and confident that others, especially young people, will continue to catch the Army's vision of outreach to the least and the lost.



Overseas and overcome

Working overseas in relief and development programs is draining work. But the rewards are huge. Ariane was one year away from finishing her degree in international development and needed an internship placement—somewhere she could try working in another culture. She turned to the Army, which worships and works in 110 countries around the world. A few weeks later she was in Bangladesh—a long way from her Montreal home—working with a Canadian Salvation Army minister.

Ariane spent six weeks helping with the Army's work at schools, orphanages, workshops and in the soul-crushing brothels where the Army brings hope of release and a new start. It was a life-changing experience to make such a difference while volunteering and furthering her education. "It opened my eyes in ways you can never understand just by reading about it."

essential: to the future

On the surface, Canadian society seems to be doing well. Unemployment is low, incomes are on the rise, interest rates are down, housing starts continue to surge and our nation still bounces around the top of the United Nations' best-country list. The Salvation Army welcomes these signs of health. But we also have a duty to show others what it's like below the surface, in the shadows, away from the sunny headlines, in the daily grind where people often feel crushed.

This is a world where the Army spends a lot of time. It's a world where two-income families earn so little they risk eviction. It's a place where gut-wrenching fear hits hunger pangs for people with so much debt that they need a food bank to feed their kids. It's a nightmare where young women are sold into sexual slavery. It's a reality where old and young desperately seek freedom from the death grip of addictions, abuse or neglect. This place where the Army works is full of our friends and neighbours, normal people banged and bruised by life, who need a bit of help to get to the surface where things seem to be doing well. Offering that help is the "business" of The Salvation Army.

Because applying band-aids to the wounds of the world and finding solutions to its ills is a growth industry, The Salvation Army has always been attractive to young people. One of our old songs has a powerful line about being able to "rescue the perishing": it describes our work well. To save the lost is a task requiring energy, passion, commitment and boldness. It isn't work for the faint of heart. It's a calling for the young and young-in-spirit—those still unscathed enough by the world have to have the rock-solid belief that they can help change it.

That's why the Army attracts youth. It's an organization that trains and commissions young people to engage with the world. In our churches, offices, social programs and outreach ministries, we offer countless training and equipping opportunities. Many young people guided by the Army go on to work with us. Others take their keen awareness of humanity to other vocations.



We also reach out unconditionally to understand and help youth in need. Young people are the second-fastest growing sector of our society using our homeless shelters. Many of them are in our addiction programs, job-training activities and homes for single mothers. In these programs we offer hope, the possibility of change and an earnest attempt to understand and accept.

That concern extends well beyond Canada. When the tsunami struck Asia after Christmas the urge to help was felt around the world. Here at home, Army young people across the nation raised money through the "Kids Lifeline of Hope." That money is now being used by The Salvation to rebuild damaged homes and communities.

When things seem to be going well and the headlines are trumpeting triumphs it is easy to overlook those on the margins—the lonely, the abused, the neglected. But these are our people. Our investments are directed to making their lives better. We believe that everyone can change and that with God's help, lives can be restored. That faith is what spurs us to spread hope and light. The Salvation Army has always helped the forgotten in our society build towards a brighter tomorrow. And since tomorrow is the land of the young we see a bright future together.



Brushfire

The motto is simple and direct: "Give a year, get a life." Young people from across Canada spend a year of adventure and uncertainty in downtown Toronto learning how to serve others. In return they get equipped to make the world a better place.

Designed as a gap-year program for youth between high school and before college or university, Ignite is where young people learn modern ways to interpret and deploy the Army's mission in an urban setting. During their year at Ignite the young people live communally, receive essential training and spend thousands of hours in practical service to others. The range of activities runs from volunteering at an understaffed inner-city day care to helping local teens produce programming at a community radio station.

The founder of The Salvation Army once wrote a hymn entitled "Send the Fire." Throughout their year at Ignite the young people are set ablaze with a passion for souls and an urgent desire to soothe the wounds of a hurting world.

Financial Highlights

The Salvation Army in Canada and Bermuda is a large organization by any standards, corporate or not-for-profit. The Army has 600 individual units associated with its territorial headquarters in Toronto, most of which are registered charities. Combined, they have a net operating budget of \$434 million annually.

A project is currently underway to allow the publication of consolidated financial statements reflecting all 600 operating units in Canada & Bermuda; however, the magnitude of this project necessarily involves a multi-year timeframe. While there is no requirement under current accounting standards for not-for-profit organizations, nor in the charitable regulatory arena, for the Army to undertake such a project at present, we are strongly committed to accomplishing this goal in order to be able to present a better picture to donors and others concerning the Army's accountability for the resources entrusted to us.

In the meantime, copies of the audited financial statements of The Governing Council of The Salvation Army in Canada, reflecting the Army's national and divisional headquarters operations and their allocations to program units, are available on request by writing to the address below. They may also be downloaded from our website (www.SalvationArmy.ca).

In addition, financial statements are issued for each of the Army's 600 program units individually in order to fulfill obligations for accountability to local communities, contributors and funding agencies. As well, extracts from the charity information returns of each unit are available on the Canada Revenue Agency's website (www.cra-arc.gc.ca).

Due to the fact that consolidated financial statements reflecting the complete scope of the Army's work in Canada and Bermuda are not yet available, the charts on the next page are based on combined operating budgets for the year 2004/05, and reflect sources and uses of funds for that year.

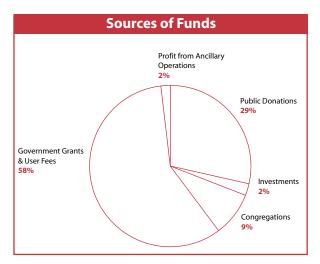
These charts tell a significant story concerning the work of The Salvation Army in financial terms. In short, the story is about:

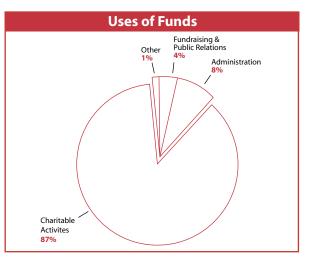
- the generosity of donors in Canada & Bermuda in contributing nearly \$130 million per year to help the Army make a difference in their communities:
- the respect of Canadian governments at the federal, provincial, and municipal levels for an agency that continually seeks to deliver effective social service programs to assist the most disadvantaged in our society; and
- the efficiency of the Army's management and fundraising functions, with 87 cents from every dollar allocated to charitable programs.

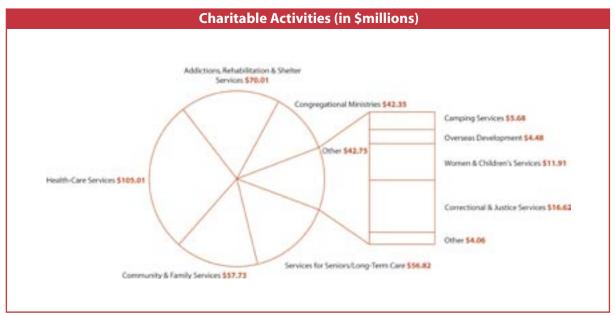
We are proud of our track record. We are grateful for the opportunity to serve. We are humbled by the trust that has been placed in our organization.

For more information or for a copy of the Financial Statements, write to:

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The Salvation Army serves in 110 countries throughout the world. It began its work in Canada in 1882 as a Christian movement with an acute social conscience. With more than 120 years experience, The Salvation Army continues to provide professional services that are relevant to the diverse needs of vulnerable people and their communities.



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