

THE GOVERNING COUNCIL OF THE SALVATION ARMY IN CANADA

Condensed Balance Sheet

(in millions of dollars)

March 31, 2009, with comparative figures for 2008

	2009	2008 Restated
Assets		
Current assets:		
Cash and cash equivalents	\$ 29.3	53.4
Receivables, principally from other Salvation Army entities	17.6	22.4
Other current assets	3.7	4.4
	50.6	80.2
Investments	508.8	592.5
Accrued pension asset	20.3	19.6
Capital assets	683.8	675.2
	\$ 1,263.5	1,367.5
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 39.6	40.5
Deferred revenue	9.7	8.7
	49.3	49.2
Long-term liabilities:		
Restricted deposits held principally for other Salvation Army entities	223.0	212.4
Mortgages payable	98.8	93.9
Post-retirement benefits	44.6	41.7
Other	18.5	16.2
	384.9	364.2
Fund balances:		
Net unrealized (losses) gains on investments	(40.2)	47.0
Operating	6.7	9.6
Endowment	66.0	67.0
Other restricted	243.9	277.2
Capital	552.9	553.3
	829.3	954.1
	\$ 1,263.5	1,367.5

THE GOVERNING COUNCIL OF THE SALVATION ARMY IN CANADA

Condensed Statement of Operations and Changes in Fund Balances

(in millions of dollars)

March 31, 2009, with comparative figures for 2008

	2009	2008 Restated
Revenue:		
Donations		
National Red Shield Appeal	\$ 42.1	42.2
Legacies	41.6	43.4
Other	26.3	24.5
	110.0	110.1
Ancillary operations	79.3	75.7
Investments	(19.6)	42.9
Levies and assessments from other Salvation Army entities	26.7	25.7
Contributions to capital projects	22.4	18.6
Other	8.2	3.1
	227.0	276.1
Expenses and allocations:		
Grants and allocations to Salvation Army entities	87.5	86.1
Ancillary operations	77.2	73.7
Territorial and Divisional Headquarters operations	32.9	31.6
Fundraising and Public Relations	20.0	18.9
Depreciation	20.5	19.7
Officer benefit plans	13.7	12.5
Net loss on disposal of capital assets	-	30.9
Other	12.8	10.6
	264.6	284.0
Deficiency of revenue over expenses and allocations	\$ (37.6)	(7.9)
Fund balances, beginning of year	\$ 954.1	1,023.6
Realized losses (gains) on securities	37.2	(27.6)
Net unrealized losses on securities	(124.4)	(34.0)
Fund balances, end of year	\$ 829.3	954.1



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AUDITORS' REPORT ON CONDENSED FINANCIAL STATEMENTS

To The Governing Council of The Salvation Army in Canada

The accompanying condensed balance sheet and condensed statement of operations and changes in fund balances are derived from the complete financial statements of The Governing Council of The Salvation Army in Canada ("The Salvation Army") as at March 31, 2009 and for the year then ended on which we expressed a reservation in our report dated June 12, 2009. Our opinion stated that except for our inability to satisfy ourselves concerning the completeness of revenue from the general public in the form of donations and legacies, the complete financial statements are, in all material respects, fairly presented in accordance with Canadian generally accepted accounting principles. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the condensed financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These condensed financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the financial position, results of operations and cash flows of The Salvation Army, reference should be made to the related complete financial statements.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

June 12, 2009