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2011 In Review

HOPE AND A FUTURE

“For I know the plans I have for you,” declares the Lord, “plans to prosper you and not to harm you, plans to give you hope and a future.”

– Jeremiah 29:11

Hope is an amazing thing. It can take a family by the hand and lead them out of the depths of despair. It can raise up a community out of unthinkable disaster. And it can bless us with immeasurable spiritual riches in the midst of desperate economic times.

Hope is an escape from the past, a reassurance in the present, and a promise for the future. And in 2011, The Salvation Army was blessed by God’s hope. Not only to be able to share it with those who needed it most, but also to experience its power for ourselves.

Hope for the Impoverished

As a result of the economic times, a record 1-in-6 Americans are now living in poverty. Many people who were making a comfortable living just a few years ago found themselves in 2011 losing their homes, unable to feed their families, desperate for help. This is a new generation of poverty.

Thanks to the generosity of our donors, however, The Salvation Army continued to respond to and meet the needs in our communities this year. By providing more than 30 million people with a variety of services – including nearly 10 million nights of lodging and 60 million meals – we helped meet the immediate needs of those struggling with poverty.

But we refused to stop there.
The Salvation Army also actively addressed the root causes of poverty, taking on other challenges such as health and education, helping secure 86,000 job referrals, and providing substance abuse rehabilitation to 324,000 people.

Our goal is not just to treat the symptoms of poverty, but to work diligently to heal the epidemic once and for all. Through our ongoing studies and evolving programs, we are taking a stand, dedicating ourselves to examining the current landscape, understanding the perceptions, and stopping the cycle of poverty before it is passed on to the next generation.

HOPE FOR THE NEXT GENERATION
Perhaps the greatest impact of this recession has been on the youth of America. They have seen their parents lose jobs. They have been forced out of their homes. They have endured a downturn of emotions and opportunities as well as finances. And yet, they are helpless to do anything about it.

The Salvation Army has always been a champion of children and families, a fact demonstrated by our numerous youth programs across the country. We believe that every child desires and deserves hope.

So, to better understand the influence of the recession on American youths, The Salvation Army National Headquarters commissioned a survey in 2011. The results show that 81% of our youth programs saw an increase in demand in 2011, while 41% of those programs have been forced to cut back on services provided.

In essence, more and more youths are coming to The Salvation Army for help and hope – finding an after-school haven, an alternative to life on the streets, help with homework and educational pursuits, a week at a summer camp, new friends, new role models, and most important of all, a blossoming relationship with God. And yet, while the demand for these services has grown, many youth programs have been forced to scale back due to dwindling resources.
The good news is this: Hope always finds a way. In many locations, donations to The Salvation Army actually increased. And there is an abundance of heart. Sixty-two percent of our youth programs reported an increase in volunteerism in 2011. And with the ongoing support of their communities, 92% expect to meet the increased demand for as long as there are youth in need.

**Hope for the Future**

2011 was a difficult year in many ways. But The Salvation Army was created for times such as these. Our officers, employees, and volunteers rose to every occasion with unshakable optimism and eagerness. Our donors gave generously of their money, time, prayers, and hearts. Our beneficiaries turned their lives in the right direction, and then reached out to help others do the same.

In disasters, we saw heroism. In poverty, we saw the riches of love. And in communities across the country, we saw a commitment to family, to neighbors, to the next generation.

Thank you for helping us serve more than 30 million Americans this year.

By God’s grace, we have continued Doing the Most Good. And through His promise, we look forward to a future rich with hope.
Dear Friends,

In the book of Jeremiah, we are given a wonderful promise – a promise that, in our darkest times, reveals a perfect, brilliant, and uplifting light:

“For I know the plans I have for you,” declares the Lord, “plans to prosper you and not to harm you, plans to give you hope and a future.”

That promise is reflected in the theme of this year’s annual report: Hope and a future. Because in 2011, we were blessed to see that promise fulfilled.

For many across the country, 2011 was a year of shadows and darkness. But I am humbled and grateful to say that the men and women who wear The Salvation Army uniform – as well as the volunteers and employees of The Salvation Army – never faltered, bearing the light of God’s love and hope into the lives of millions in need. And they did so through the amazing generosity of our donors.

More than 30 million people were served. Hungry families were blessed with warm meals. Disaster victims were helped to their feet. Young people were taught how to overcome their circumstances. Men and women and children were helped and encouraged and inspired.

And through it all, our focus was not just to meet the immediate ills of our society, but to lay a foundation of healing that will bless and protect generations to come.

In 2011, through God’s grace, The Salvation Army has continued to live up to our promise of Doing the Most Good. That is a promise we make to our donors, our beneficiaries,
and our Lord – to use what has been entrusted to us as efficiently, as responsibly, and as powerfully as possible in order to change lives for the better. And as we move forward, continuing to fulfill that promise, we are encouraged beyond measure to know that our Heavenly Father will keep the promise He made to us in Jeremiah:

“Hope and a future.”

What more could we possibly ask for as we look back at where we’ve been, evaluate where we are, and prepare for where we’re going?

To those who have given their time, their money, their careers, and their hearts, we are eternally grateful for the hope we shared together in 2011 ... and for the future God has planned for all of us. Thank you.

Yours in His service,

William A. Roberts, Commissioner
National Commander
Dear Friends,

Let me start with a story:

A pessimist walked into a room, looked at a glass of water, and grumbled, “It’s half-empty.” An optimist entered, looked at the same glass, and proclaimed, “It’s half-full!” But then a Salvation Army officer came into the room. Seeing the glass, he immediately produced another glass – as well as a pitcher – as if out of thin air. He filled both glasses with water, handed them to the pessimist and the optimist … and then dug a well to make sure there would be plenty of water for years to come.

That’s The Salvation Army, in a nutshell.

Always serving. Always helping. Always adapting to solve the problem at hand. But even more than that, always striving to eliminate the problem once and for all.

In 2011, with a still-struggling economy and horrific natural disasters leading the news reports, The Salvation Army stepped up and delivered the impossible: Hope. Not just for today. But for years to come. Because they weren’t just reacting. They were actively learning – analyzing the ills and epidemics that plague the communities where they serve, adapting their services to meet the evolving needs, and implementing new programs to help break the cycles of poverty and need before they can be passed on.

*Hope and a Future* is precisely what The Salvation Army delivers. Driven by faith and love, they continue to rise to every challenge, making a powerful difference through humble service.

I never cease to be amazed at the heart of the officers, the passion of the volunteers,
and the generosity of those who give their time and money when both are in such short supply.

Looking back, I believe the pessimist would see 2011 as a bleak, unforgiving year. The optimist would see the positive strides that were made. But anyone and everyone who saw The Salvation Army in action would, without a doubt, be unified in one thought:

They truly are Doing the Most Good.

Thank you for joining us as we look forward to the coming challenges and victories with unshakeable hope.

With gratitude,

Charlotte Jones Anderson  
National Advisory Board Chairperson
2011 Financial Summary
Hope and a Future

This summary represents a combination of data from the Audited Financial Statements of the six (6) separate Salvation Army corporations in the United States: National Headquarters (New Jersey corporation authorized to do business in Virginia), The Salvation Army World Service Office [SAWSO] (District of Columbia corporation authorized to do business in Virginia), Central Territory (Illinois corporation), Eastern Territory (New York corporation), Southern Territory (Georgia corporation), and Western Territory (California corporation).

The four territories supervise seven thousand five hundred and ninety-three (7,593) units of operation throughout the United States, including Puerto Rico, Guam, the Republic of the Marshall Islands, and the Federated States of Micronesia. The National Corporation and the World Service Office serve an essential role in helping the territories fulfill their mission. Inter-corporation transactions have been eliminated for presentation purposes.

The Salvation Army has successfully rendered service in America since 1880 by maintaining conservative financial policies, enabling us to meet basic human needs without discrimination. Operating support represents funding provided by outside sources for the ongoing operations of The Salvation Army. Revenues are classified as operating or non-operating, based on donor restrictions and/or designations by the corporate Board of Trustees.

During 2011, the Army spent $3.23 billion serving people, down from $3.24 billion the prior year. Eighty-two cents of every dollar spent, or $2.65 billion, went toward program services; the remainder was accounted for by management and general expenses of $380 million and by fundraising costs of $196 million. Approximately 74% of these expenditures were funded by public and other operating support received during the year, with the remaining funding provided by the release of net assets that
were previously donor-restricted or board-designated for long-term projects.

Total public support – both operating and non-operating – was $1.70 billion, changed from $1.82 billion in 2010. It comprised $927 million of general contributions, $201 million of legacies and bequests, $496 million of gifts in kind, and $73 million of allocations from local United Way and similar funding organizations.

During 2011, other operating and non-operating revenue increased net assets by $779 million, in contrast to an increase of $1.54 billion in the prior year. Other revenue comprised of program service fees of $147 million, sales to the public of $578 million, net investment gain of $6 million, and miscellaneous other revenue of $48 million.

In addition, fees and grants were given to The Salvation Army from various government agencies totaling $351 million for 2011, down from $384 million in the prior year.

About 59% of the Army’s net assets consist of land, buildings, and equipment ($4.1 billion), plus invested board-designated reserves for future capital expenditures, ongoing facilities maintenance, and specific programs ($1.05 billion). The remainder primarily comprises investment of donors’ temporarily restricted gifts and permanently restricted endowments.

Doing the Most Good for those in need is our highest goal. We pledge to maintain the highest standards of financial accountability to earn your continued trust. To that end, Salvation Army centers are audited by independent certified public accountants in accordance with generally accepted accounting principles.
$2,827,795
(IN THOUSANDS)

FINANCIAL HIGHLIGHTS
INCOME

- Direct Public Support: $1,623,920 (57%)
- Indirect Public Support: $73,227 (3%)
- Government Funds: $351,489 (12%)
- Program Service Fees: $146,657 (5%)
- Sales to the Public: $577,780 (21%)
- Investment Income: $6,615 (0%)
- Other Revenue: $48,107 (2%)
- Total Income: $2,827,795
FINANCIAL HIGHLIGHTS

EXPENSES

$3,229,634
(IN THOUSANDS)

- Corps Community Centers: $670,638 (21%)
- Rehabilitation Services: $647,264 (20%)
- Other Social Services: $994,451 (31%)
- Residential & Institutional Services: $341,262 (10%)
- Management & General: $379,696 (12%)
- Fundraising: $196,323 (6%)
FINANCIAL HIGHLIGHTS

STATISTICAL HIGHLIGHTS

CENTERS OF OPERATION

<table>
<thead>
<tr>
<th>Operation</th>
<th>Count</th>
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</thead>
<tbody>
<tr>
<td>Corps</td>
<td>1,221</td>
</tr>
<tr>
<td>Outposts and Service Centers</td>
<td>185</td>
</tr>
<tr>
<td>Rehabilitation Centers</td>
<td>153</td>
</tr>
<tr>
<td>Family Stores</td>
<td>1,315</td>
</tr>
<tr>
<td>Community Centers, Boys/Girls Club</td>
<td>327</td>
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<tr>
<td>Child Day Care Centers</td>
<td>147</td>
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<tr>
<td>Adult Day Care Centers</td>
<td>32</td>
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<tr>
<td>Senior Citizen Centers</td>
<td>265</td>
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<tr>
<td>Group Homes/Temp Housing</td>
<td>566</td>
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<tr>
<td>Permanent Residences</td>
<td>74</td>
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<tr>
<td>Medical Facilities</td>
<td>32</td>
</tr>
<tr>
<td>Service Units</td>
<td>2,873</td>
</tr>
<tr>
<td>Camps</td>
<td>46</td>
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<tr>
<td>Divisions</td>
<td>40</td>
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<tr>
<td>Training Colleges</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>313</td>
</tr>
<tr>
<td>TOTAL Centers of Operation</td>
<td>7,593</td>
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PERSONNEL

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers/Lieutenants/Auxiliary Cpts</td>
<td>3,555</td>
</tr>
<tr>
<td>Cadets</td>
<td>335</td>
</tr>
<tr>
<td>Soldiers</td>
<td>108,175</td>
</tr>
<tr>
<td>Members</td>
<td>416,526</td>
</tr>
<tr>
<td>Employees</td>
<td>64,145</td>
</tr>
<tr>
<td>Volunteers</td>
<td>3,297,576</td>
</tr>
<tr>
<td>Advisory Organization Members</td>
<td>60,605</td>
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</table>

GROUP MEETING ATTENDANCE

<table>
<thead>
<tr>
<th>Attendance</th>
<th>Count</th>
</tr>
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<tbody>
<tr>
<td>Outdoor Meetings</td>
<td>403,445</td>
</tr>
<tr>
<td>Sunday School</td>
<td>2,194,942</td>
</tr>
<tr>
<td>Sunday Meetings</td>
<td>5,051,643</td>
</tr>
<tr>
<td>Weekday Public Meetings</td>
<td>2,232,253</td>
</tr>
<tr>
<td>Soldier Development</td>
<td>555,913</td>
</tr>
<tr>
<td>Group Activities</td>
<td>8,533,326</td>
</tr>
<tr>
<td>Music Organizations</td>
<td>1,059,447</td>
</tr>
<tr>
<td>Other</td>
<td>5,581,431</td>
</tr>
<tr>
<td>TOTAL Group Meeting Attendance</td>
<td>25,612,400</td>
</tr>
</tbody>
</table>
FINANCIAL HIGHLIGHTS

STATISTICAL HIGHLIGHTS

PEOPLE SERVED
Basic Social Services 17,773,674
Holiday Assistance 4,263,622
Summer & Day Camps 183,016
Disaster Assistance 558,550
Persons Visited In Institutions 2,419,774
Job Referrals 86,958
Correctional Services 305,511
Community Center Participants 1,311,648
Day Care 186,885
Senior Citizens 670,508
Substance Abuse 178,676
Medical Care 42,714
Institutional Care 1,040,414
Missing Persons 20,454
Transportation Provided 912,960
TOTAL Persons Assisted 29,955,364

SERVICES
Meals Served 57,833,281
Lodgings Supplied 9,931,654
Welfare Orders – Cash Grants 7,820,053
Tangible Items Distributed – 21,003,872
Clothes, Furniture, Gifts
REVENUE

Public support:

Received directly:

<table>
<thead>
<tr>
<th>Description</th>
<th>General Operating</th>
<th>Board Designated</th>
<th>Land, Building and Equipment</th>
<th>Total</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>782,892$</td>
<td>17,408$</td>
<td>35$</td>
<td>800,335$</td>
<td>33,856$</td>
<td>$469$</td>
<td>834,660$</td>
</tr>
<tr>
<td>Donations-in-kind and contributed services</td>
<td>491,307$</td>
<td>4,669$</td>
<td>-</td>
<td>495,976$</td>
<td>13$</td>
<td>-</td>
<td>495,989$</td>
</tr>
<tr>
<td>Special events</td>
<td>16,666$</td>
<td>-</td>
<td>16,666$</td>
<td>69$</td>
<td>-</td>
<td>16,755$</td>
<td></td>
</tr>
<tr>
<td>Legacies and bequests income</td>
<td>13,817$</td>
<td>196,641$</td>
<td>-</td>
<td>210,458$</td>
<td>3,377$</td>
<td>(13,290)$</td>
<td>200,545$</td>
</tr>
<tr>
<td>Pledges revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,591$</td>
<td>574$</td>
<td>21,165$</td>
<td></td>
</tr>
<tr>
<td>Contributions from split interest agreements</td>
<td>-</td>
<td>1,048$</td>
<td>-</td>
<td>1,043$</td>
<td>36,229$</td>
<td>18,016$</td>
<td>55,288$</td>
</tr>
<tr>
<td>Change in value of split interest agreements</td>
<td>-</td>
<td>(1,860)$</td>
<td>-</td>
<td>(1,860)$</td>
<td>2,276$</td>
<td>(1,398)$</td>
<td>(482)$</td>
</tr>
<tr>
<td>Total received directly</td>
<td>1,304,702$</td>
<td>217,901$</td>
<td>35$</td>
<td>1,522,638$</td>
<td>96,917$</td>
<td>4,371$</td>
<td>1,623,920$</td>
</tr>
</tbody>
</table>

Received indirectly:

<table>
<thead>
<tr>
<th>Description</th>
<th>General Operating</th>
<th>Board Designated</th>
<th>Land, Building and Equipment</th>
<th>Total</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocated by federated fund raising organizations</td>
<td>48,181$</td>
<td>-</td>
<td>48,181$</td>
<td>25,005$</td>
<td>-</td>
<td>73,186$</td>
<td></td>
</tr>
<tr>
<td>Contributed by unassociated &amp; non-federated organizations</td>
<td>(3,470)$</td>
<td>-</td>
<td>(3,470)$</td>
<td>3,511$</td>
<td>-</td>
<td>41$</td>
<td></td>
</tr>
<tr>
<td>Total received indirectly</td>
<td>44,711$</td>
<td>-</td>
<td>44,711$</td>
<td>28,516$</td>
<td>-</td>
<td>73,186$</td>
<td></td>
</tr>
</tbody>
</table>

Total public support: 1,349,413$ 217,901$ 35$ 1,587,689$ 120,458$ 4,371$ 1,687,148$.

Fees and grants from government agencies: 350,546$ 398$ 136$ 351,080$ 409$ - 351,489$.

Other revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>General Operating</th>
<th>Board Designated</th>
<th>Land, Building and Equipment</th>
<th>Total</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program service fees</td>
<td>145,378$</td>
<td>1,279$</td>
<td>-</td>
<td>146,657$</td>
<td>-</td>
<td>146,657$</td>
<td></td>
</tr>
<tr>
<td>Sales to the public</td>
<td>577,503$</td>
<td>269$</td>
<td>-</td>
<td>577,772$</td>
<td>8$</td>
<td>577,780$</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>3,961$</td>
<td>72,001$</td>
<td>-</td>
<td>75,962$</td>
<td>58,428$</td>
<td>131$</td>
<td>134,451$</td>
</tr>
<tr>
<td>Dividends and interest, net of fees</td>
<td>64,764$</td>
<td>14,426$</td>
<td>-</td>
<td>79,190$</td>
<td>58,428$</td>
<td>131$</td>
<td>134,451$</td>
</tr>
<tr>
<td>Realized gain (loss) on sale of investments</td>
<td>500$</td>
<td>200,541$</td>
<td>-</td>
<td>201,041$</td>
<td>46,526$</td>
<td>(108)</td>
<td>(375,534$</td>
</tr>
<tr>
<td>Unrealized gain (loss) on value of investments</td>
<td>(28,738)$</td>
<td>(281,235)$</td>
<td>-</td>
<td>(309,973)$</td>
<td>(65,453)$</td>
<td>(108)</td>
<td>(375,534$</td>
</tr>
<tr>
<td>Gain (loss) on sale of land, buildings and equipment</td>
<td>17$</td>
<td>3,109$</td>
<td>14,526$</td>
<td>17,652$</td>
<td>(2)</td>
<td>17,650$</td>
<td></td>
</tr>
<tr>
<td>Other revenue</td>
<td>3,722$</td>
<td>26,179$</td>
<td>520$</td>
<td>30,421$</td>
<td>36$</td>
<td>30,457$</td>
<td></td>
</tr>
<tr>
<td>Total other revenues</td>
<td>160,045$</td>
<td>244,045$</td>
<td>15,217$</td>
<td>299,507$</td>
<td>95$</td>
<td>299,602$</td>
<td></td>
</tr>
</tbody>
</table>

Total support and revenue: 2,402,235$ 244,045$ 15,217$ 2,661,507$ 4,455$ 2,665,962$.

Net assets released due to fulfillment of donor restrictions: 224,034$ 154,718$ 75,843$ 454,595$ - 454,595$.

Interfund transfers: 602,217$ (773,610)$ 171,393$ - - 171,393$.

Total revenue: 3,256,453$ (179,601)$ 1,112,522$ (1098,219)$ 4,455$ 2,665,962$.

EXPENSES

Program services:

<table>
<thead>
<tr>
<th>Description</th>
<th>General Operating</th>
<th>Board Designated</th>
<th>Land, Building and Equipment</th>
<th>Total</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corps community center</td>
<td>670,638$</td>
<td>-</td>
<td>-</td>
<td>670,638$</td>
<td>-</td>
<td>670,638$</td>
<td></td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>647,264$</td>
<td>-</td>
<td>-</td>
<td>647,264$</td>
<td>-</td>
<td>647,264$</td>
<td></td>
</tr>
<tr>
<td>Residential and institutional services</td>
<td>341,262$</td>
<td>-</td>
<td>-</td>
<td>341,262$</td>
<td>-</td>
<td>341,262$</td>
<td></td>
</tr>
<tr>
<td>Other social services</td>
<td>994,451$</td>
<td>-</td>
<td>-</td>
<td>994,451$</td>
<td>-</td>
<td>994,451$</td>
<td></td>
</tr>
<tr>
<td>Total program services</td>
<td>2,653,815$</td>
<td>-</td>
<td>-</td>
<td>2,653,815$</td>
<td>-</td>
<td>2,653,815$</td>
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Supporting services:

<table>
<thead>
<tr>
<th>Description</th>
<th>General Operating</th>
<th>Board Designated</th>
<th>Land, Building and Equipment</th>
<th>Total</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and general</td>
<td>379,696$</td>
<td>-</td>
<td>-</td>
<td>379,696$</td>
<td>-</td>
<td>379,696$</td>
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<tr>
<td>Fund raising</td>
<td>196,323$</td>
<td>-</td>
<td>-</td>
<td>196,323$</td>
<td>-</td>
<td>196,323$</td>
<td></td>
</tr>
<tr>
<td>Total supporting services</td>
<td>576,019$</td>
<td>-</td>
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<td>576,019$</td>
<td>-</td>
<td>576,019$</td>
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</tr>
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</table>

Total expenses: 3,239,634$ - - - 3,239,634$.

Increase (decrease) in net assets before pension related expenses other than net periodic pension cost, change in venture, change in fair value of interest swaps, and change in estimated additional liability for retirement benefits: (1,081)$ (378,450)$ 262,453$ (117,078)$ (289,216)$ 4,455$ (401,839$).

Pension related expenses other than net periodic pension cost: (41,019)$ (27,152)$ - (68,171)$ - - (68,171$).

Change in venture: (389)$ - - (389)$ - - (389)$.

Change in value of interest rate swaps: - (44,892)$ - (44,892)$ - - (44,892)$.

Change in estimated additional minimum liability for retirement benefits: - (29,992)$ - (29,992)$ - (29,992)$.

Change in net assets: (42,489)$ (440,488)$ 262,453$ (260,522)$ (289,216)$ 4,455$ (545,283$).

Net assets, beginning of year: 451,581$ 1,330,208$ 3,897,700$ 6,789,449$ 1,494,586$ 1,972,233$ 9,531,841$.

Net assets, end of year: 409,502$ 1,046,792$ 4,070,153$ 5,326,925$ 1,205,381$ 1,972,233$ 8,706,558$.
### The Salvation Army USA

#### UNAUDITED COMBINED STATEMENT OF OPERATIONAL EXPENSES

For the year ended September 30, 2011

(Dollars in thousands)

Representing 7,593 centers of operation throughout the United States including Puerto Rico, Guam, the Republic of the Marshall Islands, and the Federated States of Micronesia

<table>
<thead>
<tr>
<th>Corp Category</th>
<th>Community Center</th>
<th>Rehabilitation</th>
<th>Residential and Institutional</th>
<th>Other</th>
<th>Total Program Services</th>
<th>Management and Support</th>
<th>Fund Raising</th>
<th>Total Supporting Services</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and allowances</td>
<td>$209,438</td>
<td>$241,993</td>
<td>$150,037</td>
<td>$226,456</td>
<td>$807,924</td>
<td>$157,012</td>
<td>$67,589</td>
<td>$224,661</td>
<td>$1,032,525</td>
</tr>
<tr>
<td>Employee and officer benefits</td>
<td>$74,351</td>
<td>$74,977</td>
<td>$40,244</td>
<td>$77,089</td>
<td>$260,061</td>
<td>$48,645</td>
<td>$15,896</td>
<td>$64,539</td>
<td>$231,600</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>17,426</td>
<td>31,157</td>
<td>14,534</td>
<td>22,000</td>
<td>85,117</td>
<td>14,529</td>
<td>5,935</td>
<td>28,464</td>
<td>105,581</td>
</tr>
<tr>
<td>Professional fees</td>
<td>18,033</td>
<td>11,750</td>
<td>16,190</td>
<td>18,674</td>
<td>64,647</td>
<td>40,649</td>
<td>21,758</td>
<td>62,387</td>
<td>127,034</td>
</tr>
<tr>
<td>Supplies</td>
<td>35,833</td>
<td>50,558</td>
<td>22,821</td>
<td>31,963</td>
<td>140,177</td>
<td>8,903</td>
<td>4,011</td>
<td>12,914</td>
<td>153,091</td>
</tr>
<tr>
<td>Communications</td>
<td>9,743</td>
<td>5,452</td>
<td>2,417</td>
<td>5,272</td>
<td>22,884</td>
<td>6,208</td>
<td>741</td>
<td>6,949</td>
<td>29,833</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>3,235</td>
<td>936</td>
<td>204</td>
<td>1,549</td>
<td>5,524</td>
<td>2,197</td>
<td>15,293</td>
<td>23,414</td>
<td>23,414</td>
</tr>
<tr>
<td>Occupancy</td>
<td>132,747</td>
<td>110,058</td>
<td>66,669</td>
<td>81,932</td>
<td>391,406</td>
<td>15,017</td>
<td>17,490</td>
<td>17,490</td>
<td>253,414</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>27,843</td>
<td>14,991</td>
<td>7,002</td>
<td>16,117</td>
<td>65,953</td>
<td>12,653</td>
<td>2,364</td>
<td>15,017</td>
<td>80,970</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>7,646</td>
<td>8,877</td>
<td>595</td>
<td>10,029</td>
<td>27,327</td>
<td>7,313</td>
<td>46,547</td>
<td>53,660</td>
<td>80,970</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>32,853</td>
<td>30,499</td>
<td>2,641</td>
<td>15,491</td>
<td>81,416</td>
<td>8,966</td>
<td>2,926</td>
<td>11,892</td>
<td>93,308</td>
</tr>
<tr>
<td>Conferences, meetings and major trips</td>
<td>20,147</td>
<td>1,900</td>
<td>689</td>
<td>4,780</td>
<td>27,316</td>
<td>8,744</td>
<td>2,359</td>
<td>11,103</td>
<td>38,619</td>
</tr>
<tr>
<td>Direct assistance</td>
<td>7,579</td>
<td>8,820</td>
<td>12,896</td>
<td>432,234</td>
<td>461,329</td>
<td>143</td>
<td>85</td>
<td>228</td>
<td>461,557</td>
</tr>
<tr>
<td>Organization dues</td>
<td>939</td>
<td>62</td>
<td>124</td>
<td>547</td>
<td>1,467</td>
<td>476</td>
<td>99</td>
<td>575</td>
<td>2,042</td>
</tr>
<tr>
<td>Awards and grants</td>
<td>2,065</td>
<td>690</td>
<td>451</td>
<td>9,134</td>
<td>17,340</td>
<td>3,013</td>
<td>313</td>
<td>3,526</td>
<td>20,666</td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,150</td>
<td>2,735</td>
<td>2,991</td>
<td>660</td>
<td>9,334</td>
<td>879</td>
<td>17</td>
<td>896</td>
<td>10,430</td>
</tr>
<tr>
<td>Depreciation</td>
<td>46,634</td>
<td>22,499</td>
<td>14,410</td>
<td>15,472</td>
<td>100,745</td>
<td>11,703</td>
<td>2,118</td>
<td>13,821</td>
<td>114,566</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>15,972</td>
<td>29,357</td>
<td>6,817</td>
<td>25,702</td>
<td>75,848</td>
<td>12,031</td>
<td>3,710</td>
<td>15,741</td>
<td>91,589</td>
</tr>
</tbody>
</table>

Total expenses: $670,638 $647,264 $341,262 $994,451 $2,653,615 $379,696 $196,323 $576,015 $3,229,634
## LIABILITIES & NET ASSETS

<table>
<thead>
<tr>
<th>Operating Designated Equipment</th>
<th>Land, Building, Improvements &amp; Equipment</th>
<th>Restricted</th>
<th>Temporary Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General</strong></td>
<td><strong>Board Designated</strong></td>
<td><strong>Total</strong></td>
<td><strong>Reserved</strong></td>
<td><strong>Restricted</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$243,889</td>
<td>$104,085</td>
<td>$9,797</td>
<td>$357,771</td>
<td>$45,008 $889</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>36,469</td>
<td>-</td>
<td>119,401</td>
<td>746</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities and receivables</td>
<td>-</td>
<td>24,659</td>
<td>24,659</td>
<td>163,558</td>
<td>90,476</td>
</tr>
<tr>
<td>Due (to) from</td>
<td>126,230</td>
<td>47,516</td>
<td>(159,252)</td>
<td>14,494</td>
<td>(23,295)</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>25</td>
<td>-</td>
<td>376</td>
<td>52,374</td>
<td>17,366</td>
</tr>
<tr>
<td>Inventory</td>
<td>40,989</td>
<td>-</td>
<td>40,989</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses and deferred charges</td>
<td>25,412</td>
<td>6,047</td>
<td>31,459</td>
<td>450</td>
<td>-</td>
</tr>
<tr>
<td>Mortgages and notes receivable</td>
<td>-</td>
<td>95,716</td>
<td>40,000</td>
<td>135,716</td>
<td>-</td>
</tr>
<tr>
<td>Investments (at fair value)</td>
<td>188,537</td>
<td>3,477,641</td>
<td>-</td>
<td>3,666,178</td>
<td>771,547</td>
</tr>
<tr>
<td>Assets held under split interest agreements</td>
<td>-</td>
<td>41,509</td>
<td>-</td>
<td>41,509</td>
<td>-</td>
</tr>
<tr>
<td>Land, building, improvements &amp; equipment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>-</td>
<td>-</td>
<td>744,473</td>
<td>4,184</td>
<td>-</td>
</tr>
<tr>
<td>Construction in process</td>
<td>-</td>
<td>278,623</td>
<td>278,623</td>
<td>21,753</td>
<td>-</td>
</tr>
<tr>
<td>Equipment held for sale</td>
<td>32</td>
<td>29,435</td>
<td>29,467</td>
<td>2,046</td>
<td>-</td>
</tr>
<tr>
<td>Equipment, net of accumulated depreciation</td>
<td>-</td>
<td>-</td>
<td>112,214</td>
<td>112,214</td>
<td>13</td>
</tr>
<tr>
<td>Total land, building, improvements &amp; equipment</td>
<td>32</td>
<td>4,713,313</td>
<td>4,713,345</td>
<td>30,390</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>205</td>
<td>9,949</td>
<td>10,164</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$771,166</td>
<td>$4,047,923</td>
<td>$4,603,868</td>
<td>$9,422,957</td>
<td>$1,405,876</td>
</tr>
</tbody>
</table>

## LIABILITIES

| Accounts payable and accrued expenses | $169,212                                  | $51,291    | $24,687               | $245,190               | $118   | -       | $245,308 |
| Conditional asset retirement obligations | -                                        | 657        | 65,594               | 66,251                 | -      | -       | 66,291   |
| Payable under securities lending program | 75,125                                    | 212,866    | -                     | 288,091                | -      | -       | 288,091  |
| Liability for split interest agreements | -                                        | 32,996     | -                     | 32,996                 | 191,721 | 15,095 | 239,812  |
| Refundable advances and deferred revenue | 5,588                                     | 36         | -                     | 5,624                  | -      | -       | 5,624    |
| Mortgages and notes payable      | 11,783                                    | 791,771    | 442,797               | 1,246,351              | -      | -       | 1,246,351 |
| Estimated liability for self-insured claims | 48,487                                    | 120,294    | -                     | 168,781                | -      | -       | 168,781  |
| Estimated liability for retirement and post-retirement benefits | -                                        | 1,778,753  | -                     | 1,778,753              | -      | -       | 1,778,753 |
| Other liabilities               | 51,919                                    | 6,839      | 637                   | 61,953                 | 8,637  | -       | 70,612   |
| **TOTAL LIABILITIES**           | **382,114**                               | **2,998,209** | **533,715**           | **3,994,092**          | **200,496** | **15,095** | **4,109,623** |

## NET ASSETS

<table>
<thead>
<tr>
<th>Operating Designated Equipment</th>
<th>Land, Building, Improvements &amp; Equipment</th>
<th>Restricted</th>
<th>Temporary Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$409,052</td>
<td>$4,070,153</td>
<td>$5,528,925</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,205,380</td>
<td>-</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,972,253</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>409,052</strong></td>
<td><strong>4,070,153</strong></td>
<td><strong>5,528,925</strong></td>
<td><strong>1,205,380</strong></td>
<td><strong>1,972,253</strong></td>
</tr>
</tbody>
</table>

## TOTAL LIABILITIES AND NET ASSETS

| Unrestricted                  | $771,166                                 | $4,047,923 | $4,603,868           | $9,422,957             | $1,405,876 | $1,987,348 | $12,816,181 |
| Temporary Restricted          | -                                        | -          | -                     | -                      | -     | -         | -         |
| Permanently Restricted        | -                                        | -          | -                     | -                      | -     | -         | -         |
| **TOTAL LIABILITIES AND NET ASSETS** | **771,166**                              | **4,047,923** | **4,603,868** | **9,422,957**          | **1,405,876** | **1,987,348** | **12,816,181** |
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COLONEL WILLIAM HARFOOT
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Territorial Commander

COMMISSIONER CAROL SEILER
Territorial President for Women’s Ministries

COLONEL MERLE HEATWOLE
Chief Secretary

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COMMISSIONER R. STEVEN HEDGREN
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COMMISSIONER JUDITH HEDGREN
Territorial President for Women’s Ministries

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Dallas Cowboys Football Club
Irving, Texas

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Partner – Retired
PriceWaterhouseCoopers LLP
Scottsdale, Arizona

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Vice President – Retired
Exxon Corporation
Houston, Texas

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EXXON
Houston, Texas

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Partner
Swain, Hartshorn & Scott
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The Salvation Army in the United States is divided into four territories. The National Commander and the National Chief Secretary serve in coordinating capacities. Each territorial commander operates under the general policies laid down by International Headquarters in London. National policy is established by the Commissioners’ Conference, over which the National Commander presides. Thus, while the local leadership adjusts to meet the conditions in each community, all officers are subject to the same broad, overall policies.
“Doing The Most Good.” In these four words, our mission – to feed, to clothe, to comfort, to care. To rebuild broken homes and broken lives. By walking with the addicted, we can lead them to recovery. In fighting hunger and poverty, we can feed and nurture the spirit. And, in living and sharing the Christian Gospel by meeting tangible needs, we give the world a lasting display of the love behind our beliefs.

The Salvation Army operates 7,593 centers in communities across the United States. These include food distribution, disaster relief, rehabilitation centers, anti-human trafficking efforts, and a wealth of children’s programs. Our work is funded through kettle donations, corporate contributions, and the sale of goods donated to our Salvation Army Family Stores. Eighty-two cents of every dollar we spend supports our various missions across the country. We are a tax-exempt 501(c)(3) organization, and contributions are deductible for Federal Income Tax Purposes to the extent permitted under Section 170(b)(2) for corporations.

An international movement, The Salvation Army is an evangelical arm of the universal Christian Church. Our message is based on the Bible, and our ministry is motivated by the love of God. We preach the Gospel of Jesus Christ and meet human needs in His name without discrimination.