Table of Contents

Our Year
3

Our Vision
6

Our Stories
10

Financial Summary
18

Leadership
29

About The Salvation Army
35
Jesus bids us shine with a clear, pure light,
Like a little candle burning in the night;
In this world of darkness, we must shine,
You in your small corner, and I in mine.

—Susan Warner, “Jesus Bids Us Shine”

The Salvation Army exists to shine. A glimmer of hope, chasing away the shadows. A warm glow, offering comfort and security. A beacon of optimism and faith, leading the way to recovery.

When times are tough, when the ever-present darkness of this world seems overwhelming, that is when The Salvation Army shines brightest.

We shine because you shine.

And in 2009, in the midst of a gloomy economy and murky prospects for the future, your generosity shone brighter than ever. Thanks to your donations, The Salvation Army has helped nearly 30 million Americans in need. And we have had the privilege of seeing your “shine” reflected in their lives, their resurgence, and their gratitude.

GREAT NEED, GREAT GENEROSITY
This year, all across the country, the need has been staggering. Both in numbers of people and in the depth of the need itself. Local Corps units have reported, in some cases, a demand for social services more than 400 percent above normal. In Hickory, North Carolina, we have served almost 75,000 more people than this time last year. And the food pantry in Pen Argyl, Pennsylvania, now serves up to 50 families a week, up from last year’s 15 families a week.
When you add in the devastation of natural disaster, addiction, human trafficking, and other tragedies, the amount of need in this country is truly amazing. And yet the generosity of our donors has been even more amazing. A shining example: This year’s Red Kettle donations soared to a new record high: $139 million. That’s $9 million more than our previous record, which was set in 2008, another year in which the economy and logic suggested that donations would be down.

Once again, your generosity outshines the world’s expectations.

REACHING THE NEXT GENERATION
The Salvation Army has seen Americans through turbulent times throughout our history. And we’re prepared to do the same in the future. This year, we have taken even more steps to ensure that our outreach methods and ability to impact lives are as current as the leading technology. In addition to the second year of publishing our annual report online, The Salvation Army maintains a diverse presence on the Internet. Our YouTube channel showcases current events, advertising messages, and videos of real life stories. Meanwhile, we’re using Facebook, Twitter, and other popular social networks to promote volunteerism and encourage giving.

Our Online Red Kettles provide another way for a younger generation to support The Salvation Army, while more than 62,000 people in 47 countries downloaded our free iPhone app, ringing a Red Kettle bell in a brand-new way. JCPenney launched the first-ever Online Angel Giving Tree Program, allowing visitors to adopt Salvation Army “Angels” from across the country and deliver their requested gifts via the Internet. And in the aftermath of devastating earthquakes in Haiti and Chile, The Salvation Army allowed donors to give simply by sending a text message with their cell phones.

BRIGHT IDEAS AT WORK
The shine of innovation wasn’t limited to technology, either. Across the country, local Corps units found ways to meet needs with new and highly effective programs.
For instance, at the Center of Hope in Louisville, Kentucky, Chef Timothy Tucker doesn’t just serve warm meals to the homeless. He also gives them job training through an intensive 10-week culinary program on food service skills. Chef Tim – who comes from an impressive background at several prestigious restaurants – has helped his graduates land good jobs with restaurants, bakeries, caterers, and other food programs.

Many other programs throughout the country are using community gardens to help those in need. In addition to being an inexpensive source of produce and a hands-on education in self-sufficiency, community gardens have provided a relaxing activity for women and children coping with domestic violence in Portland, Oregon, and a therapeutic treatment for men in the Lake Charles, Louisiana, transitional shelter program.

These are just a few examples of the 30 million Americans served by The Salvation Army in 2009.

Every life changed is a shining victory. And every victory comes through the compassion of our donors and the commitment of our soldiers and volunteers. This year, we have been blessed with countless opportunities to make a difference in the world. As always, we have worked diligently to do the most good with every single penny. And we will continue to do so as we move forward, surrounded and illuminated by the light of your generosity.

Together, we will shine.

*Jesus bids us shine, then, for all around,*

*Many kinds of darkness in this world abound:*

*Sin, and want, and sorrow – we must shine,*

*You in your small corner, and I in mine.*
Dear Friends,

“You are the light of the world.”

Those are not my words. They are the encouraging and powerful commission Jesus Christ gave to his followers. And they are a reminder of just what The Salvation Army exists to be and to do.

“You are the light of the world.”

Light dispels darkness. It leads the way. It reveals and illuminates.

Light shines.

And in 2009 – a year that many might characterize as a year of darkness – your lights shone brilliantly.

With countless Americans floored by financial loss and unemployment, we would have been perfectly justified in lowering our expectations for contributions and, therefore, for the impact The Salvation Army could make in 2009. But you let your lights shine.

Your generosity helped The Salvation Army shine a light of hope and healing on millions of families swallowed by the suffocating shadows of destitution, hunger, disaster, and addiction. In a year when need was greater than ever, compassion proved up to the challenge. And to confirm the point, you filled our Christmas kettles far beyond 2008’s record-breaking year.
That, my friends, is what “Shine” is all about.

What lies ahead? God alone knows. But as we look forward, we also look back at the amazing things God has done through inspired giving, compassionate dedication, and amazing commitment. And we glow with hope.

“You are the light of the world.”

Let it shine. Let it shine. Let it shine.

ISRAEL L. GAITHER, COMMISSIONER
National Commander
Dear Friends,

It is in times like these that The Salvation Army’s dedicated donors, soldiers, and volunteers truly shine.

Across the country, we have seen a dramatic increase in the number of individuals and families who desperately need help. And The Salvation Army has responded.

Armed with a promise to do the most good, and bearing a spirit of optimism and passionate commitment, the Army is changing millions of lives for the better. Every day. They are not waiting for the recovery. They are the recovery in action. And thanks to generous donors who give even when giving is difficult, The Salvation Army is as relevant today as it has ever been in its history.

That relevance extends to The Salvation Army’s place in this modern world. For the second year, we are publishing our annual report online, diminishing costs and delivering a more dynamic result that can reach more people. In addition, our Online Red Kettles, tools like Twitter and Facebook, and support from popular bands such as Daughtry, Honor Society, and the Jonas Brothers ensure that The Salvation Army is communicating with the next generation of donors and soldiers.

Long-standing programs such as the angel trees and red kettles have once again been a huge success, blessing countless lives. At the same time, the Army is also making an impact with creative efforts. Such as inexpensive community gardens and culinary teaching programs that not only feed those in need, but also provide therapeutic and employment opportunities.
Throughout its history, The Salvation Army has served as a beacon of light in a world of need. In 2009, that need was unprecedented. But so was your generosity. And as we move forward, the light of your generosity continues to lead the way. Thanks to you, the future looks bright.

Shine on,

ROB PACE
National Advisory Board Chairman
Booth Family Emergency Shelter
Akron, OH

“I can’t even feed my family and pay the rent because I lost my job. I have two kids, and I have a wife, and I can’t even give them a dollar.”

Your life is in a tailspin, and all you can do is watch. You can see homelessness looming, ready to lay claim to you and your family. But what do you do?

For many families in Akron, the answer is found at The Salvation Army’s Booth Family Emergency Shelter – seven fully furnished apartment units where homeless families, or families on the verge of homelessness, find foundation and hope.

“It’s a place where we get to bring families who are going through some tough times…we give them a little bit of time to take a breath and put life back together.”

The first goal of the Booth Family Emergency Shelter is to keep families intact – which is especially critical when, so often, the only thing they really have left is each other. Whether they consist of a two-parent family, a single mother with kids, or a single father with kids, The Salvation Army resolves to keep families together, all under one roof.

The second goal is to provide more than just a quick-fix solution, more than just a place to stay. So while these families get back on their feet, The Salvation Army supplies everyday necessities like food and utilities, as well as after-school programs, tutoring, and day care for the children.

“Everything is provided for them, so whatever kind of income they have, they can use toward moving on.”
Once the residents of the Booth shelter have found solid footing, The Salvation Army helps them take the next step toward recovery – providing landlord lists to help them find a new home, offering rental and utility assistance, and counseling each family to get them off to the best possible start.

“I have a smile today. I didn’t have that smile 4 weeks ago, let me tell you.”

While many families in Akron have made it through their darkest hour thanks to the Booth Family Emergency Shelter, many more have yet to be served. But thanks to the generous support of donors and volunteers, they too will find the hope and help to find their way back into the light.

“You walk around the neighborhood today, you’re starting to see some real changes. Not only in individual’s lives, but in the shared hope we have as a neighborhood.”
“We’ve experienced shootings in front of our door, prostitution across the street… I mean, just so many things. But still, we are able to remain positive.”

For the economically depressed Eastside community of St. Paul, Minnesota, The Salvation Army’s after-school program is a beacon of light, giving schoolchildren an alternative to the streets, to gangs, and to other less-than-ideal situations.

The program provides every child with enrichment activities, academic support, and the uplifting mentorship of adults who truly want to see them succeed.

“With this program… you know where your child is, you know what they’re doing, you know what’s going on, and you know that it’s productive.”

Every day, an iconic white-and-red Salvation Army bus picks up the children at school and delivers them to the center. And every night, the bus drops off each child at their own door, ensuring that they all return home. Safe. Secure. And with smiles on their faces.

“Being involved in The Salvation Army actually gives my little girls a chance to see that there’s other things outside of life other than being out on the streets having no other choices or goals.”

In addition to help with homework and tutoring in school subjects, kids at the after-school program also get the opportunity to learn from community volunteers. Local police officers read to the children, demonstrating face-to-face that the police really are on their side. And professional artists and musicians teach specialized skills that the public schools, because of tight budgets, have been forced to cut.
“There’s always a new dance…there’s always a new friend…there’s always a new song they’ve learned…there’s a different skill they’ve mastered that they didn’t know before. And it’s just exciting to them. It’s something else to do.”

As a result, the entire Eastside community is growing stronger and growing together. Children and parents alike look to The Salvation Army as a welcoming place. A safe place. A place where bodies, minds, and spirits take root and begin to bloom.

“I always tell the kids my payment is later in life when I see them going to college, working a job, starting a family, being a positive outlet to society.”

Thanks to donors and volunteers, every child who walks through The Salvation Army’s doors sees hope and opportunity. And they leave equipped with the knowledge and confidence to succeed in life.

“That dollar that you gave yesterday helps us today to be able to take care of that kid. They’ll go home tonight and know that someone cares about them.”
“I’m confident. I’m proud. I’m just happy…all-around happy.”

Every community has unique needs. And in each of those communities, The Salvation Army strives to create and implement solutions tailored to those specific needs.

Such is the case in a Tucson, Arizona, community where poverty is more than just a product of recent trends. Rather, it is an ongoing cycle that has been passed down through generations.

“So many of the people that we help in this building just need more education.”

While The Salvation Army in Tucson is dedicated to providing for those in their community who are struggling with poverty and homelessness, they are also determined to put an end to one of the main causes of those needs – a lack of education.

“If they’ve dropped out of high school or never made it out of high school, they’re stuck at the income level they’re at. And without the GED, the door closes on them right there.”

To help solve the problem, The Salvation Army instituted a groundbreaking new GED program – a free, in-house course designed to tutor students at their own pace, help teach them the required material, and help them learn how to take and pass the GED test.

“It’s not just kids. It’s not just people who dropped out. We’ve seen people come back mid-life and later life to finish goals that they’d always thought about.”
The goal of the GED program aims higher than just a diploma. It’s about building confidence and empowering individuals to get better jobs, make better livings, help their children with their homework, and pass down a legacy of learning and accomplishment.

As a result, a growing group of people in Tucson who never graduated from high school is now gaining the confidence and knowledge to break the cycle of poverty. In their families. And in their community.

“The feeling that they were able to accomplish something is huge. It’s like stepping outside the door and having the confidence to brave whatever comes your way.”
“We hear a lot of negative things about North Tulsa. But in the midst of all that, we’ve got this shining star right here.”

In the economically deprived community of North Tulsa, the North Mabee Boys & Girls Club has been a beacon of light and hope for many years – a place where children and teenagers have found refuge, an escape from harmful influences, and more importantly, a place where they have found opportunity and hope.

“I find that kids don’t dream things they don’t know about.”

At the Mabee Center, kids can get help with their schoolwork, and older students can prepare for the ACT examination to help pave the way for college. But the education they receive also extends far beyond reading, writing, and arithmetic. The kids at Mabee are exposed to as many different skills and arts as possible – ballet, photography, drum line, music production, piano, and much more.

“The Mabee Center is a place where kids can come and feel safe and dream all the dreams they want to dream. And what’s really interesting is they happen. Their dreams come true.”

Over the years, the lessons on the importance of education, good citizenship, and dreaming dreams have paid off for Mabee students. Many have gone on to college educations and professional success. And their alumni – or “Mabee Babies” – are honored to give back to the center that helped them achieve their dreams. Dreams of becoming musicians, business owners, attorneys, politicians, news anchors, and even professional athletes.
“Football explains life better to me than any game. If you can teach them how to overcome the pain, the tiredness, and the self-doubt, then that little bit of extra that it takes to be successful in life, they push for it. And they will do it. Because they’ve already been tested at an earlier age.”

Athletics play an especially big role at the Mabee Center. And the football program in particular has helped produce a handful of NFL players, including current stars Robert Meachem of the New Orleans Saints and Felix Jones of the Dallas Cowboys. But more important than creating professional athletes or winning championships, the Mabee Mustangs football team has helped shape hundreds of young boys into honorable young men.

“The game is just a way of getting them in. But once they get in, then we’re out here to teach them about life.”

The Mabee Center’s success is a tribute to the generosity of donors. But it is also the product of dedicated volunteers – dedicated men and women who believe in their community. They believe in love. And they believe that when you make the sacrifice and give of your own time, people’s lives are changed forever.
This summary represents a combination of data extracted from the Audited Financial Statements of the National Corporation, the World Service Office, and the four U.S. Territories – the Central Territory, the Eastern Territory, the Southern Territory, and the Western Territory. The four Territories supervise 7,821 units of operation throughout the United States, including Puerto Rico, Guam, and the Marshall Islands. 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 2009, the Army spent $3.12 billion serving people, up from $3.05 billion the prior year. Eighty-two cents of every dollar spent, or $2.54 billion, went toward program services; the remainder was accounted for by management and general expenses of $392 million and by fundraising costs of $179 million. Approximately 75% 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 $1.66 billion, changed from $1.76 billion in 2008. It comprised $848 million of general contributions, $287 million of legacies and bequests, $448 million of gifts in kind, and $81 million of allocations from local United Way and similar funding organizations.

During 2009, other operating and non-operating revenue increased net assets by $810 million, as opposed to a decrease of $561 million in the prior year. Other revenue comprised of program service fees of $141 million, sales to the public of $542 million, net investment gain of $21 million, and miscellaneous other revenue of $106 million.

In addition, fees and grants were given to The Salvation Army from various government agencies totaling $392 million for 2009, up from $366 million in the prior year.

About 57% of the Army’s net assets consist of land, buildings, and equipment ($3.6 billion), plus invested board-designated reserves for future capital expenditures, ongoing facilities maintenance, and specific programs ($1.43 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. These audited financial statements, along with the opinions of independent certified public accountants, are available for request.
FINANCIAL HIGHLIGHTS

INCOME

$2,865,999
(IN THOUSANDS)

Direct Public Support
$1,582,730
55%

Indirect Public Support
$81,111
3%

Government Funds
$392,178
14%

Program Service Fees
$141,160
5%

Sales to the Public
$542,390
19%

Investment Income
$20,984
1%

Other Revenue
$105,446
3%
$3,115,737
(IN THOUSANDS)

FINANCIAL HIGHLIGHTS
EXPENSES

Corps Community Centers $592,730
19%

Rehabilitation Services $630,288
20%

Residential & Institutional Services $334,715
11%

Other Social Services $986,991
32%

Management & General $391,588
12%

Fundraising $179,425
6%

(IN THOUSANDS)
FINANCIAL HIGHLIGHTS
STATISTICAL HIGHLIGHTS

CENTERS OF OPERATION

Corps 1,241
Outposts and Service Centers 189
Rehabilitation Centers 163
Family Stores 1,375
Community Centers, Boys/Girls Club 350
Child Day Care Centers 120
Adult Day Care Centers 14
Senior Citizen Centers 266
Group Homes/Temp Housing 568
Permanent Residences 74
Medical Facilities 33
Service Units 3,051
Camps 45
Divisions 40
Training Colleges 4
Others 288
TOTAL Centers of Operation 7,821

PERSONNEL

Officers 3,557
Cadets 283
Soldiers 107,393
Members 400,055
Employees 60,117
Volunteers 3,411,613
Advisory Organization Members 58,860

GROUP MEETING ATTENDANCE

Outdoor Meetings 353,124
Sunday School 2,387,389
Sunday Meetings 5,338,383
Weekday Public Meetings 2,224,481
Soldier Development 618,397
Group Activities 9,205,940
Music Organizations 1,026,899
Other 6,179,162
TOTAL Group Meeting Attendance 27,333,775
FINANCIAL HIGHLIGHTS

Statistical Highlights

PEOPLE SERVED
Basic Social Services 16,511,716
Holiday Assistance 4,246,340
Summer & Day Camps 180,585
Disaster Assistance 955,440
Persons Visited In Institutions 2,714,759
Job Referrals 82,346
Correctional Services 433,998
Community Center Participation 1,050,598
Day Care 164,743
Senior Citizens 784,251
Substance Abuse Rehabilitation 372,934
Medical Care 35,139
Institutional Care 1,041,924
Missing Persons 18,400
Transportation Provided 825,357
TOTAL Persons Assisted 29,418,530

SERVICES
Meals Served 64,039,211
Lodgings Supplied 10,292,835
Welfare Orders – Cash Grants 6,716,866
Tangible Items Distributed –
  Clothes, Furniture, Gifts 102,698,950
# THE SALVATION ARMY - USA

## UNAUDITED COMBINED STATEMENT OF ACTIVITIES

For the year ended September 30, 2009

(Dollars in thousands)

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Land, General</th>
<th>Board Operating</th>
<th>Land, General Designated</th>
<th>Building and Equipment Operating</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
</table>

### REVENUE

**Public support:**

- **Contributions:** $746,305
- **Donations-in-kind and contributed services:** $442,495
- **Special events:** $1,531
- **Legacies and bequests income:** $13,106
- **Pledges revenue:** $13,106
- **Change in value of split interest agreements:** $490

**Total received directly:** $1,217,027

**Allocated by federated fundraising organizations:** $54,515

**Contributed by unassociated & non-federated organizations:** $(371)

**Total received indirectly:** $54,144

**Total public support:** $1,271,171

**Fees and grants from government agencies:** $383,879

**Other revenues:**

- **Program service fees:** $141,003
- **Sales to the public:** $540,994
- **Investment income:** $11,946
- **Realized gain (loss) on sale of investments:** $(15,619)

**Total other revenues:** $690,948

**Total support and revenue:** $2,345,998

**Net assets released due to fulfillment of donor restrictions:** $422,586

**Interfund transfers:** $250,022

**Total revenue:** $2,838,606

### Notes to Financial Statements

- **FOR INTERNAL USE ONLY**
## Unaudited Combined Statement of Activities

For the year ended September 30, 2009

(Dollars in thousands)

### Unrestricted

<table>
<thead>
<tr>
<th>General Operating</th>
<th>Board Designated</th>
<th>Land, Building and Equipment</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corps community center</td>
<td>$ 592,730</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 592,730</td>
<td>$ -</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>630,288</td>
<td>-</td>
<td>-</td>
<td>630,288</td>
<td>-</td>
</tr>
<tr>
<td>Residential and institutional services</td>
<td>334,715</td>
<td>-</td>
<td>-</td>
<td>334,715</td>
<td>-</td>
</tr>
<tr>
<td>Other social services</td>
<td>986,991</td>
<td>-</td>
<td>-</td>
<td>986,991</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>2,544,724</td>
<td>-</td>
<td>-</td>
<td>2,544,724</td>
<td>-</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>391,588</td>
<td>-</td>
<td>-</td>
<td>391,588</td>
<td>-</td>
</tr>
<tr>
<td>Fund raising</td>
<td>179,425</td>
<td>-</td>
<td>-</td>
<td>179,425</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td>571,013</td>
<td>-</td>
<td>-</td>
<td>571,013</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>3,115,737</td>
<td>-</td>
<td>-</td>
<td>3,115,737</td>
<td>-</td>
</tr>
</tbody>
</table>

Increase (decrease) in net assets before pension related expenses other than net periodic pension cost, reclassification of net assets, change in venture, change in estimated additional liability for retirement benefits:

| (277,131) | (67,487) | 285,741 | (58,877) | (232,212) | 41,351 | (249,738) |

Property recoveries related to natural disaster:

| - | - | - | - | - | - | - |

Pension related expenses other than net periodic pension cost:

| (136,344) | (103,156) | - | (239,500) | - | (239,500) | - |

Change in accounting principle:

| (73,161) | - | (73,161) | 73,161 | - | - | - |

Reclassification of net assets:

| - | (9,241) | - | (9,241) | 9,241 | - | - |

Change in venture:

| (313) | - | (313) | - | - | - | - |

Change in adopting FAS 158:

| - | - | - | - | - | - | - |

Change in fair value of interest rate swaps:

| - | (34,912) | - | (34,912) | - | (34,912) | - |

Change in estimated additional minimum liability for retirement benefits:

| - | (97,192) | - | (97,192) | - | (97,192) | - |

Change in net assets:

| (486,949) | (311,988) | 285,741 | (513,196) | (149,810) | 41,351 | (621,655) |

Net assets, beginning of year:

| 846,945 | 1,744,456 | 3,315,361 | 5,905,862 | 1,708,754 | 1,833,348 | 9,447,964 |

Net assets, end of year:

| 359,096 | $ 1,432,468 | $ 3,061,102 | $ 5,392,690 | $ 1,558,944 | $ 1,874,699 | $ 8,826,309 |
### UNAUDITED COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2009  
(Dollars in thousands)

<table>
<thead>
<tr>
<th>Corps</th>
<th>Community Center</th>
<th>Rehabilitation</th>
<th>Other Social Services</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Supporting Services</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and allowances</td>
<td>$185,316</td>
<td>$231,287</td>
<td>$129,494</td>
<td>$236,884</td>
<td>$782,981</td>
<td>$148,027</td>
<td>$60,960</td>
<td>$2,085,987</td>
</tr>
<tr>
<td>Employees and officer benefits</td>
<td>$67,085</td>
<td>$69,180</td>
<td>$40,600</td>
<td>$80,412</td>
<td>$257,277</td>
<td>$47,378</td>
<td>$13,522</td>
<td>$318,177</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>$15,756</td>
<td>$31,128</td>
<td>$14,804</td>
<td>$23,975</td>
<td>$85,663</td>
<td>$13,647</td>
<td>$5,573</td>
<td>$104,883</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$16,037</td>
<td>$8,934</td>
<td>$2,934</td>
<td>$12,375</td>
<td>$52,795</td>
<td>$41,073</td>
<td>$22,595</td>
<td>$116,455</td>
</tr>
<tr>
<td>Supplies</td>
<td>$8,940</td>
<td>$8,884</td>
<td>$2,195</td>
<td>$4,853</td>
<td>$20,832</td>
<td>$6,569</td>
<td>$749</td>
<td>$28,150</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>$3,594</td>
<td>$691</td>
<td>$397</td>
<td>$2,207</td>
<td>$6,759</td>
<td>$2,380</td>
<td>$14,050</td>
<td>$23,259</td>
</tr>
<tr>
<td>Occupancy</td>
<td>$107,059</td>
<td>$124,104</td>
<td>$64,136</td>
<td>$87,765</td>
<td>$383,075</td>
<td>$39,954</td>
<td>$3,871</td>
<td>$428,690</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>$26,853</td>
<td>$10,818</td>
<td>$7,511</td>
<td>$16,734</td>
<td>$61,906</td>
<td>$12,677</td>
<td>$2,066</td>
<td>$14,743</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>7,957</td>
<td>8,785</td>
<td>784</td>
<td>442</td>
<td>17,968</td>
<td>19,710</td>
<td>41,748</td>
<td>61,458</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>29,313</td>
<td>28,133</td>
<td>2,586</td>
<td>15,423</td>
<td>75,455</td>
<td>8,771</td>
<td>2,644</td>
<td>86,870</td>
</tr>
<tr>
<td>Conferences, meetings and major trips</td>
<td>17,286</td>
<td>1,911</td>
<td>879</td>
<td>6,061</td>
<td>25,227</td>
<td>8,293</td>
<td>2,006</td>
<td>29,326</td>
</tr>
<tr>
<td>Direct assistance</td>
<td>9,288</td>
<td>8,428</td>
<td>11,989</td>
<td>415,511</td>
<td>444,316</td>
<td>71</td>
<td>75</td>
<td>444,462</td>
</tr>
<tr>
<td>Organization dues</td>
<td>927</td>
<td>47</td>
<td>131</td>
<td>364</td>
<td>1,469</td>
<td>449</td>
<td>109</td>
<td>2,072</td>
</tr>
<tr>
<td>Awards and grants</td>
<td>5,736</td>
<td>470</td>
<td>639</td>
<td>11,460</td>
<td>3,671</td>
<td>186</td>
<td>3,857</td>
<td>15,317</td>
</tr>
<tr>
<td>Interest expense</td>
<td>2,459</td>
<td>3,297</td>
<td>3,347</td>
<td>346</td>
<td>9,399</td>
<td>1,167</td>
<td>74</td>
<td>10,640</td>
</tr>
<tr>
<td>Depreciation</td>
<td>27,479</td>
<td>20,829</td>
<td>16,700</td>
<td>18,668</td>
<td>83,676</td>
<td>12,375</td>
<td>4,363</td>
<td>100,414</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>27,955</td>
<td>31,358</td>
<td>3,506</td>
<td>24,049</td>
<td>86,868</td>
<td>16,419</td>
<td>982</td>
<td>104,269</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$592,730</td>
<td>$630,288</td>
<td>$334,715</td>
<td>$966,991</td>
<td>$2,544,724</td>
<td>$391,888</td>
<td>$179,425</td>
<td>$3,115,737</td>
</tr>
</tbody>
</table>

**FOR INTERNAL USE ONLY**

---

26
### THE SALVATION ARMY - USA

**UNAUDITED COMBINED STATEMENT OF FINANCIAL POSITION**

**September 30, 2009**

*(Dollars in thousands)*

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>General Operating</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><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>143,704</td>
<td>120,878</td>
<td>9,598</td>
<td>274,180</td>
<td>$43,252</td>
<td>$13,724</td>
</tr>
<tr>
<td>Collateral received under securities lending program</td>
<td>120,978</td>
<td>262,249</td>
<td>-</td>
<td>383,227</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>121,589</td>
<td>42,512</td>
<td>-</td>
<td>164,101</td>
<td>834</td>
<td>388</td>
</tr>
<tr>
<td>Legacies and bequests receivable</td>
<td>-</td>
<td>21,279</td>
<td>-</td>
<td>21,279</td>
<td>177,592</td>
<td>114,294</td>
</tr>
<tr>
<td>Due (to) from</td>
<td>120,359</td>
<td>73,161</td>
<td>(150,274)</td>
<td>43,246</td>
<td>(32,383)</td>
<td>(10,863)</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>484</td>
<td>-</td>
<td>-</td>
<td>484</td>
<td>71,947</td>
<td>29,371</td>
</tr>
<tr>
<td>Inventory</td>
<td>39,538</td>
<td>-</td>
<td>-</td>
<td>39,538</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses and deferred charges</td>
<td>26,381</td>
<td>4,131</td>
<td>-</td>
<td>30,512</td>
<td>792</td>
<td>-</td>
</tr>
<tr>
<td>Mortgages and notes receivable</td>
<td>573,033</td>
<td>525,258</td>
<td>(140,676)</td>
<td>957,615</td>
<td>262,035</td>
<td>146,914</td>
</tr>
<tr>
<td>Investments (at fair value)</td>
<td>253,216</td>
<td>3,259,460</td>
<td>-</td>
<td>3,512,676</td>
<td>1,109,823</td>
<td>1,385,595</td>
</tr>
<tr>
<td>Assets held under split interest agreements</td>
<td>17</td>
<td>4,037</td>
<td>-</td>
<td>4,054</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>827,188</td>
<td>3,835,114</td>
<td>4,093,632</td>
<td>8,755,934</td>
<td>1,761,732</td>
<td>1,894,890</td>
</tr>
</tbody>
</table>

27
THE SALVATION ARMY - USA
UNAUDITED COMBINED STATEMENT OF FINANCIAL POSITION
September 30, 2009
(Dollars in thousands)

<table>
<thead>
<tr>
<th>LIABILITIES &amp; NET ASSETS</th>
<th>Unrestricted</th>
<th>Land, General Board Building and Equipment</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 211,258</td>
<td>$ 26,136</td>
<td>$ 6,864</td>
<td>$ 244,258</td>
<td>$ 270</td>
</tr>
<tr>
<td>Conditional asset retirement obligations</td>
<td>-</td>
<td>$ 697</td>
<td>$ 58,004</td>
<td>$ 58,701</td>
<td>-</td>
</tr>
<tr>
<td>Payable under securities lending program</td>
<td>136,504</td>
<td>273,854</td>
<td>-</td>
<td>410,358</td>
<td>-</td>
</tr>
<tr>
<td>Liability for split interest agreements</td>
<td>-</td>
<td>35,204</td>
<td>-</td>
<td>35,204</td>
<td>199,453</td>
</tr>
<tr>
<td>Refundable advances and deferred revenue</td>
<td>5,261</td>
<td>480,609</td>
<td>426,477</td>
<td>917,086</td>
<td>-</td>
</tr>
<tr>
<td>Mortgages and notes payable</td>
<td>10,000</td>
<td>126,073</td>
<td>-</td>
<td>174,073</td>
<td>-</td>
</tr>
<tr>
<td>Estimated liability for self-insured claims</td>
<td>48,000</td>
<td>126,073</td>
<td>-</td>
<td>174,073</td>
<td>-</td>
</tr>
<tr>
<td>Estimated liability for retirement and post-retirement benefits</td>
<td>-</td>
<td>1,438,821</td>
<td>-</td>
<td>1,438,821</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>57,069</td>
<td>21,251</td>
<td>1,185</td>
<td>79,505</td>
<td>3,021</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>$ 468,092</td>
<td>$ 2,402,646</td>
<td>492,530</td>
<td>3,363,268</td>
<td>202,788</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Permanently restricted</th>
<th>TOTAL NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>359,996</td>
<td>3,601,102</td>
<td>5,392,666</td>
<td>5,392,666</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>-</td>
<td>-</td>
<td>1,558,944</td>
<td>1,558,944</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>-</td>
<td>-</td>
<td>1,874,699</td>
<td>1,874,699</td>
</tr>
<tr>
<td>TOTAL NET ASSETS</td>
<td>359,996</td>
<td>3,601,102</td>
<td>5,392,666</td>
<td>5,820,369</td>
</tr>
</tbody>
</table>

TOTAL LIABILITIES AND NET ASSETS | $ 827,188 | $ 3,835,114 | $ 4,093,632 | $ 8,755,934 | $ 1,761,732 | $ 1,894,890 | $ 12,412,556 |
# Leadership

## National Leadership

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Commander</td>
<td>Commissioner Israel L. Gaither</td>
</tr>
<tr>
<td>National President for Women's Ministries</td>
<td>Commissioner Eva D. Gaither</td>
</tr>
<tr>
<td>National Chief Secretary</td>
<td>Colonel David Jeffrey</td>
</tr>
</tbody>
</table>

## Central Territory

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territorial Commander</td>
<td>Commissioner Paul R. Seiler</td>
</tr>
<tr>
<td>Territorial President for Women's Ministries</td>
<td>Commissioner Carol Seiler</td>
</tr>
<tr>
<td>Chief Secretary</td>
<td>Colonel Nestor Nüesch</td>
</tr>
</tbody>
</table>

## Southern Territory

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territorial Commander</td>
<td>Commissioner Maxwell Feener</td>
</tr>
<tr>
<td>Territorial President for Women's Ministries</td>
<td>Commissioner Lenora Feener</td>
</tr>
<tr>
<td>Chief Secretary</td>
<td>Colonel Terry W. Griffin</td>
</tr>
</tbody>
</table>

## Western Territory

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territorial Commander</td>
<td>Commissioner James M. Knaggs</td>
</tr>
<tr>
<td>Territorial President for Women's Ministries</td>
<td>Commissioner Carolyn R. Knaggs</td>
</tr>
<tr>
<td>Chief Secretary</td>
<td>Colonel William Harfoot</td>
</tr>
</tbody>
</table>

## Eastern Territory

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territorial Commander</td>
<td>Commissioner R. Steven Hedgren</td>
</tr>
<tr>
<td>Territorial President for Women's Ministries</td>
<td>Commissioner Judith Hedgren</td>
</tr>
<tr>
<td>Chief Secretary</td>
<td>Colonel William R. Carlson</td>
</tr>
</tbody>
</table>

## National Advisory Board

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman, National Advisory Board</td>
<td>Mr. Robert J. Pace</td>
</tr>
<tr>
<td></td>
<td>Retired Partner</td>
</tr>
<tr>
<td></td>
<td>Goldman, Sachs &amp; Company</td>
</tr>
<tr>
<td></td>
<td>Rancho Santa Fe, California</td>
</tr>
</tbody>
</table>

|                                 | Mr. Mark Abels            |
|                                 | Senior Vice President     |
|                                 | K Global                  |
|                                 | St. Louis, Missouri       |
Leadership
Shine

MR. ROBERT W. ALSPAUGH
CEO – Retired
KPMG International
Carmel, California

MRS. CHARLOTTE JONES ANDERSON
Executive Vice President
Dallas Cowboys Football Club
Irving, Texas

MR. MARC Y. BELTON
Executive Vice President
General Mills, Inc.
Minneapolis, Minnesota

MR. DAVID W. BOWER
Chairman & CEO
Data Computer Corporation of America
Ellicott City, Maryland

MRS. DEBORAH C. BRITTAINE
Past President
Association of Junior Leagues International, Inc.
Princeton, New Jersey

MR. LAURA W. BUSH
Former First Lady of the United States
Dallas, Texas

MR. ROBERT L. BYERS
Chairman
Byers’ Choice Ltd.
Chalfont, Pennsylvania

MR. ALLEN CHAN
President & CEO
Resource Mosaic
Atlanta, Georgia

MRS. MARLENE KLOTZ COLLINS
Director of Community Relations – Retired
NewsChannel 3 & WB 3 (Belo)
Phoenix, Arizona

MR. RICHARD DAVIS
President & CEO – Retired
Dearborn Development Co.
Alamo, California

MR. WAYNE DRINKWARD
President & CEO
Hoffman Construction Co.
Portland, Oregon

MR. DAVID R. FRAUENSHUH
CEO
Frauenshuh Companies
Bloomington, Minnesota

MRS. JOYCE GLAZER
Philanthropist
San Diego, California

MRS. SALLY HARRIS
Vice Chairman
Albert Schweitzer Fellowship
New York, New York

MR. C. SCOTT HARTZ
Principal
The Hartz Group
Philadelphia, Pennsylvania

MRS. KAY COLES JAMES
President
The Gloucester Institute
Richmond, Virginia
LEADERSHIP

MR. DALE E. JONES
Vice Chairman
Heidrick & Struggles
Washington, D.C.

MRS. GENE JONES
Dallas Cowboys Football Club
Dallas, Texas

MRS. ELIZABETH B. KOCH
Chairperson of the Board, Kansas Cultural Trust
President, Fred C. & Mary R. Koch Foundation
Wichita, Kansas

MR. JAMES LANDEN
President
Security National Bank
Omaha, Nebraska

MR. BOBBY LYLE
Chairman, President & CEO
Lyco Holdings Inc.
Dallas, Texas

MR. CRAIG G. MATTHEWS
Vice Chairman & COO – Retired
KeySpan
Basking Ridge, New Jersey

PASTOR MILES MCPHERSON
The Rock Church
San Diego, California

MS. DOROTHY NICHOLSON
President
Nicholson Interests
Houston, Texas

MR. JIM A. NORDSTROM
Managing Director
Northern Stream Capital, LLC
Media, Washington

MR. PHILIP RUSSELL
Principal
Graham, Murata, Russell
Honolulu, Hawaii

MR. CHARLES V. SEDERSTROM
Partner
Erickson & Sederstrom, LLC
Omaha, Nebraska

MR. DONALD G. SODERQUIST
Senior Vice President & COO – Retired
WalMart Stores, Inc.
CEO, OnCourse LLC
Rogers, Arkansas

MR. DONALD W. STRANG, JR.
Chairman – Retired
Strang Corporation
Cleveland, Ohio

MRS. MARY L.G. THEROUX
Senior Vice President & Director
The Independent Institute
Oakland, California

MR. FRANK VIZCARRA
VP Restaurant Support Group – Retired
McDonald’s Corporation
President, The Vizcarra Consulting Group LLC
Carlsbad, California
LEADERSHIP

MR. RICHARD B. WILLIAMSON
Chairman of the Board & CEO
T.D. Williamson, Inc.
Tulsa, Oklahoma

MR. EDWARD WINDERS
Chair
Voices for Global Change
Alexandria, Virginia

MR. CHARLES J. WYLY, JR.
Entrepreneur – Former Chairman,
Michaels Stores, Inc.
Dallas, Texas

MR. RICHARD H. BERTHOLDT
Vice Chairman – Retired
PriceWaterhouseCoopers
New York, New York

MR. ARTHUR J. DECIO
Chairman of the Board
Skyline Corporation
Elkhart, Indiana

MR. DONALD V. FITES
Chairman – Retired
Caterpillar Inc.
Peoria, Illinois

MR. EDSEL B. FORD II
Board of Directors
Ford Motor Company
Dearborn, Michigan

MR. HARRY V. LAMON, JR.
Principal
Lamon & Sherman Consulting, LLC
Atlanta, Georgia

MR. STEVEN S. REINEMUND
Dean of Business
Wake Forest University
Winston–Salem, North Carolina

MR. B. FRANKLIN SKINNER
Chairman & CEO – Retired
Bell South Telecommunications, Inc.
Atlanta, Georgia

PAST CHAIRMAN CIRCLE

MR. RICHARD H. BERTHOLDT
Vice Chairman – Retired
PriceWaterhouseCoopers
New York, New York

MR. ARTHUR J. DECIO
Chairman of the Board
Skyline Corporation
Elkhart, Indiana

MR. DONALD V. FITES
Chairman – Retired
Caterpillar Inc.
Peoria, Illinois

MR. EDSEL B. FORD II
Board of Directors
Ford Motor Company
Dearborn, Michigan

LIFE MEMBERS

MRS. RUTH SHARP ALTSHULER
Chairperson, Carr P. Collins Foundation
Chairperson, Sharp Foundation
Dallas, Texas

MR. RALPH O. GLENNING
Chairman – Retired
Glendenning Companies
Hobe Sound, Florida

MRS. MARGOT PEROT
Board of Directors
Dallas Museum of Art
Dallas, Texas

MR. ARTHUR J. DECIO
(see Past Chairman Circle)

MRS. MARGOT PEROT
(see Past Chairman Circle)
EMERITUS MEMBERS

MR. RICHARD H. EYMAN
Corporate Director – Retired
J. Walter Thompson
Salem, South Carolina

MR. DONALD C. FANTA
President & CEO – Retired
DCF Corporation Investment Banking
Columbus, Ohio

MR. ROBERT GARCIA
President
Robert Garcia & Associates, Inc.
Washington, D.C.

MR. RICHARD G. HAGERTY
Real Estate Development
Modesto, California

MR. WORTH HOBBS
President – Retired
Alcoa Foundation
Pittsburgh, Pennsylvania

MR. MARVIN D. HEAPS
Chairman of the Board
ACTS Retirement–Life Community
West Point, Pennsylvania

MR. JERRY V. JARRETT
Chairman & CEO – Retired
Ameritrust Corporation
Venice, Florida

MR. JERRY JONES
Owner & General Manager
Dallas Cowboys Football Club
Irving, Texas

MR. JONATHON E. KILLMER
Partner – Retired
PriceWaterhouseCoopers LLP
Scottsdale, Arizona

MR. GEORGE B. McCULLOUGH
Vice President – Retired
Exxon Corporation
Houston, Texas

MRS. MARILYN QUAYLE
President
BTC, Inc.
Scottsdale, Arizona

MR. E. RICHARD RATHGEBER
CEO & Managing Partner
Southwest Constructors, Inc.
Austin, Texas

MR. EDWARD C. RUFF
COO – Retired
Wachovia Securities, Inc.
Charlotte, North Carolina

MR. WILLIAM T. SLICK, JR.
Senior Vice President – Retired
EXXON
Houston, Texas

MR. TIMOTHY W. SWAIN II
Partner
Swain, Hartshorn & Scott
Peoria, Illinois

MR. CHARLES D. TOWERS, JR.
CEO – Retired
Rogers, Towers, Bailey, Jones & Gay
Jacksonville, Florida
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 7,821 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.