The Salvation Army, an international movement, is an evangelical part of the universal Christian Church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination.
On behalf of Salvationists, officers and staff, as well as the tremendous community of donors and volunteers who support our work, I invite you to explore the pages of The Salvation Army’s annual report for 2008. This annual review of our unchanging mission is set in a world of constant change.

TO OUR FELLOW STAKEHOLDERS

We live in uncertain times. Economic doubts and uncertainty set Americans on edge, unsure of where our nation is heading. Volatility in global markets is echoed in the marketplace of ideas. The spiritual moorings that have anchored this nation for generations seem to be under assault. Worse yet, they are ignored.
Yet in these times of challenge we can witness, perhaps more clearly than in easier days, the unique intersection where the calling of The Salvation Army meets the way that America faces a crisis. As recent history has repeatedly shown, America rises to the occasion in crisis — caring for those who cannot care for themselves. And when the people of our nation reach out, they often do so through the work and Ministry of The Salvation Army.

We see every year in Christmastime. The year was no different even in the face of rising prices and familial uncertainty, donations at Salvation Army kettles were higher than ever before — for the third year in a row.

The Salvation Army’s place in American society — what I call our “stewardship of trust” — is a sacred responsibility that we take very seriously. It is a position we have neither planned nor overtly sought. Instead, our trusted role was obtained naturally — or perhaps more accurately, supernaturally — through an ongoing commitment to our mission, deepened by service. That service permeates our society, touching people at every stratum. That’s why The Salvation Army uniform is appropriate anywhere from a homeless shelter to the White House.

When tragedy struck Virginia Tech last April, Captain Stephen Morris served as part of our disaster-response pastoral team. While he was comforting a mother touched by the tragedy, she explained an unexpected sense of peace. “My grandmother was a Salvationist in Boise, Idaho,” she told Captain Morris. “I just remember the peace she seemed to have. When I saw your uniform last night, that same peace came over me.”

That kind of trust does not come easily, and we have it only because of the generations of service to America in her moments of greatest need.

We respond to disasters of all sorts — from wildfires in California to hurricanes in the Midwest, from storms in Florida to the collapsed Freeway Bridge in Minneapolis. But in the vast majority of our work, the devastation is on a personal scale.

And though our work usually begins with meeting immediate needs, it rarely ends there, because spiritual transformation is essential for lasting change. Central to our mission is holistic ministry — moving beyond the moment’s crisis to address deeper spiritual hunger. We call it “serving a person into wholeness.”

This report will explore a few examples of our commitment to holistic transformation:

- In Detroit, Michigan, the Southeast Michigan Adult Rehabilitation Center gives men a path out of addiction through spiritual renewal built on a foundation of work therapy.
- In Boston, Massachusetts, the Eva Booth House offers homeless women a place to rebuild their lives until they are able to live independently.
- In Ramona, California, Wildwood Ranch brings inner-city youth into an encounter with nature and its Creator, often with life-changing results.

Known for its work in service to society, The Salvation Army is also a church, with congregations all around the country. A more familiar aspect is the Army’s long-standing commitment to music (above). Behind the scenes, millions of Americans serve with us, such as during Indiana’s Operation Homefront (below).

New kinds of Ministry

Because of The Salvation Army’s unique position of trust, new ministry efforts are often launched when local leaders approach us.
A few months ago, I was invited to participate in a conference of diverse nonprofit organizations, spanning a broad spectrum of ideologies. When I addressed the delegates, one young man stopped me in the hallway. His perspective was different from mine, yet his counsel was powerful: “Don’t ever change your mission. Don’t ever let The Salvation Army abandon its faith.”

We are committed to thinking smarter, working harder and praying deeper. And yet, we must also be concerned about our mission. That’s why this nation has always connected so deeply with the work and mission of The Salvation Army. By meeting practical needs in effective, community-based ways— in a community coming together to solve its own problems— The Salvation Army has a powerful impact upon both individual lives and entire communities— at moments of deepest need. Such need and such community action are a powerful combination.

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Cecil Foley spiraled from alcohol to cocaine to crystal meth to crack. He would quit for a time, and he never had trouble working, but each season of sobriety was short-lived. The most recent binge left him homeless, spending $23,000 on drugs in less than 10 weeks.

“I knew my family was tired of it,” Foley recalls. “Tired of me hurting them and hurting myself. One Monday, I spent $1,000 in four hours, and I said, ‘I’m done.’”

Foley found his way to The Salvation Army’s Southeast Michigan Adult Rehabilitation Center in downtown Detroit. The轉折 point with the ARC has allowed Foley to reconnect with his faith and begin to rebuild his life. “God called me to do something. I brought me through this and to The Salvation Army for a reason. I truly know that.”

“There are what we refer to as ‘trophies of grace’ around here,” says program administrator Merle Miller. “They are men who would be dead right now if not for this program.”

The largest of 125 such facilities in the nation, Detroit’s ARC now houses 300 residents, up from 83 a decade ago. The program’s $30 million annual budget is funded entirely through the 24 Detroit-area thrift stores.

The days begin early. Breakfast at 5 a.m. is the only time everyone is together, usually with Miller there to help serve the food. Devotions and the meal are followed by work shifts in the facility or thrift stores. Through the work therapy program, residents learn important lessons that can help reshape a life.

“The reality is that men know they need to work,” Miller says. “They don’t necessarily want to. But they are all involved in the work therapy program, which is essential to completion and recovery.”

Residents also participate in mandatory classes and group meetings, as well as one-on-one sessions with the spiritual counseling staff.

The ARC’s 355,000 square-foot facility was rededicated last year following a $24 million upgrade. “We chose the word ‘transformation’ for our building because it was going to be transformed, not renovated,” Miller says. “It’s not like the souls and hearts of men. When the Lord gets ahold of you, you become a different person.”

Donald Muse, ARC’s director of food services, knows transformation from personal experience. He came to the ARC after his own addiction derailed a promising career as an executive chef. Following his recovery, Muse decided to stay on for one year to help others facing the same challenges. That was 13 years ago.

“I had planned on returning to my career,” he says, “but I love the work I do, and it seems that God has trained me in preparation for this.”

Residents assigned to the kitchen are trained in highly marketable skills. Using his extensive contacts in Detroit’s food-services community, Muse helps place graduating residents in jobs throughout the city.

“I’m concerned about every person who comes through this program,” he says, “because I know that you can make it. Where you started doesn’t define who you will be once you decide to get yourself together.”
Recruited into prostitution at age 13, Denise Williams became a mother at 16, married at 18 and had a second child at 19 who died at an infant. She and her husband also used cocaine together. She then became a 25-year-old widow when her husband died of HIV. Denise was not infected.

Eventually, Williams began to put her life together. She ran a family shelter in Boston and founded a ministry outreach to teenage prostitutes. Spread too thin, she tried to ignore that stress was taking an expensive toll. “Just one pain pill,” she told herself. “And that was the beginning of the end,” she says now.

After having enjoyed nine drug-free years, Williams plunged deeper than ever into addiction. Multiple arrests landed her in jail, where she reconnected with her childhood faith. Facing serious charges, Williams prayed for deliverance. The next day, the judge offered her a second chance. “I couldn’t believe it when I walked out of court, because that just doesn’t happen.”

On her release, Williams found The Salvation Army’s Eva Booth House in South Boston. Until the Eva Booth House was founded in 2007, there were no addiction treatment facilities available for women in Boston’s social-service network.

“The result was that women simply stayed in jail,” says Major Steve Carroll, commanding officer of the Cambridge Corps. “And when they were released, they were never treated for the addiction that brought them there in the first place.”

The program is divided into three phases. The first six months are highly structured with classes, counseling sessions and support groups. After that, residents find a job or go to school while attending evening sessions. After a year, women can move to single-occupancy rooms with an eye toward independence.

Throughout the program, spiritual growth is emphasized. “The love of Christ is in this place,” Denise Williams agrees. “I praise God for what He’s done in my life.”

Rebuilt lives often lead to rebuilt families. “Some of these women have had their children taken away from them,” says Marilyn G. Morrison, chaplain and administrator of Eva Booth House. “We want to see those families reunified, repaired.”

Decades of addiction had alienated another resident from her three grown children. But now Belinda Crawford’s children are proud of the changes they have seen in her life since coming to Eva Booth House.

“My kids really need me,” Crawford says. “And I’m not ready to die. I’m ready to live.”

**Long-Term Change**

Denise Williams leads music during devotions (above). Chaplains and administrator Marilyn Morrison (left) says the program’s long-term commitment allows residents to begin rebuilding family relationships, for everyone (below left). Eva Booth House was a chance to start over with her children.

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**THERE’S MORE TO THE STORY.**

See more photos and interviews online: www.SalvationArmyUSA.org/videos

**Change**

**Long-Term**

**Easter Territory**

Centers of Operation: 2,946

Volunteers: 773,442

People Served: 7,401,302

**Read more on the story.**

See more photos and interviews online: www.SalvationArmyUSA.org/index
In Tyler, Texas, The Salvation Army has seniority. More than a century of service will do that. Tyler was much smaller when the Army arrived in 1897. But today, the city of more than 80,000 retains a small-town spirit.

“People around here really care about what happens to their neighbors,” says Captain John Falin. “The Army genuinely believes in the mission of The Salvation Army. We are a part of the fabric of this community.”

Captain Falin describes the Army in Tyler as a “conduit of grace,” where organizations, churches and individuals come together to serve others in times of need. The spranglike facility is The Center of Hope, the Army’s sprawling campus covering four city blocks. But the final destination, Falin says, is self-sufficiency.

For Wilson Risinger, the road to that destination stretched through 30 years of addiction. “By the time I graduated to methamphetamines, things had gotten pretty bad,” he recalls. “I’d gone through two wives and I don’t know how many live-in girlfriends. I’d probably worked in 100 different jobs.”

A friend’s recommendation got him to The Center of Hope. “I didn’t know if this place was going to work. I just knew that I was tired — spiritually, emotionally and physically tired of the whole thing.”

Risinger was first enrolled in Reconnect, a chemical-dependency program that features highly structured spiritual counseling and support classes. From there, he graduated to the HELP (Holistic Employment Life-Skills Program) curriculum, which provides residents with training ranging from personal finances and parenting skills to résumé building.

HELP alumni have enjoyed considerable success, with 93 percent moving on to jobs and independent living. While parents are being trained and gaining employment, children who live in the center are tutored by volunteer educators. Last year, every child in the program made the academic honor roll in the Tyler public-school system.

Other ministry efforts in Tyler include a shelter for homeless families, extensive food relief and an active women’s auxiliary, as well as William Booth Gardens — a 132-unit apartment complex for low-income seniors. And while The Salvation Army’s efforts touch a broad swath of the community, the real value of ministry is measured one life at a time.

Leslie Darby came to The Center of Hope as an alternative to jail for her fourth DUI conviction. “I wasn’t sure they would even allow me to stay, because I thought I was such a horrible person,” Darby says. “But from the day I walked in, the compassion, caring and support from the staff has helped me start a new journey.”

“TThe staff treated me with the compassion, caring and support from the staff has helped me start a new journey. It has saved and rebuilt what was left of me.”

WHERE HOPE LIVES

“THe staff treated me with the compassion, caring and support from the staff has helped me start a new journey. It has saved and rebuilt what was left of me.”

Leslie Darby enjoys her opportunities to work with kids in The Center of Hope’s nursery (above). Wilson Risinger (left) volunteers for extra work in the kitchen, just to stay busy. The center’s HELP curriculum helps residents (far left) gain key skills as they develop a spiritual foundation for independent living.

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THERE’S MORE TO THE STORY.

See more photos and interviews online: www.SalvationArmyUSA.org/videos

RON LONDEN (4)

WHERE’S MORE TO THE STORY.

See more photos and interviews online: www.SalvationArmyUSA.org/indexes

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Living with Grandmother had become so normal for Deja Cox that it was nearly a year before the young girl was told that her mother had been sentenced to life in prison. Even at a young age, Deja herself had grown a tough, rebellious exterior.

"Years ago, my grandmother told me that, at the rate I was going, by age 15 I would either be dead or in jail, " the 16-year-old says quietly. "I was really bad."

Every summer, though, Deja welcomed her week at Wildwood Ranch, The Salvation Army’s youth camp in the mountains of north San Diego County.

"The typical child who comes to camp is from a single-parent family — an inner-city child, " says camp director Dave Patton. "The experience up here is totally foreign to a lot of these kids. It lowers their guard a little bit."

"By the time they leave, we have to push them onto the bus. They’re clinging to their counselors and the staff members, " Deja says.

"Camping should follow the weeks of summer, " says Patton.

Each week during the summer camping season, Wildwood Ranch hosts 120 to 140 children. The six-day camp offers kids a wilderness experience in an encouraging environment designed for life-changing impact.

"Our staff are aware that every minute counts in getting these kids to a saving knowledge of Christ, " Patton says. "We do not apologize for the fact that we are going to have an impact on the children — not only with the environment and the fun, but also because we are going to introduce them to the gospel!"

Deja Cox was one of those children. Despite her rebellious exterior, she gained life-long spiritual lessons from the staff during the nine summers she spent at the camp. "Sometimes the preaching doesn’t necessarily have to be in the sermons opening the Bible and talking about Bible-based things, " she says. "Sometimes the preaching is through their actions — being nice to you or teaching you how to swim or helping you shoot a bow and arrow."

Nine-year-old Michelle Nolasco agrees: "The counselors are very nice, sweet and protective. They always give me hugs. It makes me feel happy!"

"I believe that camping is the largest evangelical tool The Salvation Army has, " Patton says. "Where else can you reach this many people in such a short time? We’re on the front lines of the spiritual ministry of The Salvation Army."

"We create moments at camp with the different activities we provide. We hope and pray that the moments where kids have fun will ultimately lead to eternal moments, " Deja says.

Deja says her years at camp taught her to be more caring to others, which she is now trying to pass on in her own life — as a staff member herself, at Wildwood Ranch. In a few years, Deja wants to go to college and eventually become a Supreme Court justice.

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Financial Summary of Combined Corporations in the USA

Financial Year Ended September 30, 2007

This summary represents a combining of data extracted from the Audited Financial Statements of its corporations. Most of these—The Central Territory, the Eastern Territory, the Southern Territory and the Western Territory—supercede 7,680 units of operation throughout the United States including Puerto Rico, Guam and the Marshall Islands. These remaining corporations are the World Service Office and the National Corporation. 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 it to meet human needs without discrimination. Operating support represents funding provided by outside sources for the ongoing maintenance and specific programs (designated reserves for future capital expenditures, ongoing facilities and maintenance of facilities and equipment. Other categories of non-operating revenue include $323 million of temporarily restricted investments of donors’ temporarily restricted endowments. Approximately $968 million of temporarily restricted endowments, $92 million of gifts-in-kind, and $539 million of public gifts restricted permanently by the donors, $359 million of temporarily restricted endowments and $323 million of permanently restricted endowments.

During 2007 non-operating revenues comprised $292 million of unrestricted legacies and bequests and net investment gains of $97 million; these funds were designated by the Boards for replacement maintenance and specific programs (designated reserves for future capital expenditures, ongoing facilities and maintenance of facilities and equipment. Other categories of non-operating revenue include $247 million of publicly restricted gifts restricted permanently by the donors, $323 million of temporarily restricted endowments, $359 million of temporarily restricted endowments and $323 million of permanently restricted endowments. During 2007 non-operating revenues comprised $292 million of unrestricted legacies and bequests and net investment gains of $97 million; these funds were designated by the Boards for replacement maintenance and specific programs (designated reserves for future capital expenditures, ongoing facilities and maintenance of facilities and equipment. Other categories of non-operating revenue include $247 million of publicly restricted gifts restricted permanently by the donors, $323 million of temporarily restricted endowments, $359 million of temporarily restricted endowments and $323 million of permanently restricted endowments.

About 5 percent of the Army’s net assets consist of land, buildings and equipment ($3.13 billion) plus invested board-designated reserves for future capital expenditures, ongoing facilities and maintenance of facilities and equipment. Other categories of non-operating revenue include $247 million of publicly restricted gifts restricted permanently by the donors, $323 million of temporarily restricted endowments, $359 million of temporarily restricted endowments and $323 million of permanently restricted endowments.

Reaching out to those in need in your community is our highest goal. Our pledge is to manage the highest standards of financial accountability to continue to deserve your trust. 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 at the addresses shown on page 14.