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2010 In Review
A Time For Every Purpose

“For everything there is a season, and a time for every purpose under heaven.”
–Ecclesiastes

God has ordained certain purposes for us to carry out. He permits challenges to our fulfillment of those purposes. And He provides grace to overcome the challenges and see His purposes accomplished.

In 2010, the opportunities for The Salvation Army were great, the challenges many and, at times, daunting. But God’s grace abounded. The Salvation Army prayed through, pressed through, and, with God’s help, came through for tens of millions of our neighbors.

A Time To Build
Building up spirits and intellects, building stronger families, building more vibrant communities. From Boston and Philadelphia in the East to Idaho and Oregon in the West, The Salvation Army completed and opened five new Kroc Centers in 2010, undeterred by the lingering downturn in the nation’s economy.

Begun from what was, at the time, the largest charitable gift in the nation’s history, the Ray and Joan Kroc Corps Community Centers offer underserved communities recreational, spiritual, educational, and cultural arts programs of superb quality. Two-thirds of the planned 26 centers around the country are now up and running, open to all ages with programs and services focused on building character, confidence, and capacity for excellence.
A TIME TO FIGHT
Appalled and grieved by the trafficking of human beings for labor and sexual exploitation – modern-day slavery – The Salvation Army in 2010 expanded both our outreach to victims and our work to fight the spread of trafficking.

Illinois provides an apt example of the scale both of the problem and of the Army’s response. In Chicago alone, as estimated 16,000 to 25,000 women and girls are involved in the sex trade. In 2010, The Salvation Army opened Anne’s House, one of the few homes in the country to offer residential care and long-term therapeutic treatment for sexually exploited young women.

Meanwhile, the STOP-IT Program provides psychological and medical treatment, educational services and vocational training for victims who have been harmed by the sex trade. The Salvation Army also takes the battle directly to the streets with the Promise program (Partnership to Rescue Our Minors from Sexual Exploitation).

In Illinois, 2010 saw a historic victory take shape. The STOP-IT Program, in coordination with the Office of the Illinois Attorney General and other law enforcement agencies, provided support services to two survivors, ages 17 and 18. The effort led to the break-up of a trafficking ring and the first human trafficking convictions in the state’s history. In early 2011, two men were sentenced to prison.

A TIME TO DIG DEEP
While many economic experts state that, technically, the recession is over, millions of hungry Americans tell a sadly different story. Ninety-five percent of The Salvation Army’s food programs surveyed in 2010 reported increased demand for food services.

And though 60 percent of the programs also reported a decline in donations, with God’s help the Army mobilized on a mass scale to feed neighbors in need. We provided more than 64 million meals in 2010.
While demand has stretched us and led to low supplies of food in many of our programs, we believe that as we remain faithful, God will be faithful to supply our needs financially and with volunteer assistance for years to come.

2010: A Season of Seasons
The year brought a great diversity of circumstances – a season of growth and optimism for some areas and Salvation Army programs, a season of great challenge for others; victory on certain fronts, continuing struggle on others. Through it all, with the loyal support of our many friends and partners, we adapted. We responded. We remained faithful to our mission, relevant to the needs of our nation and world.

And in the course of the year, we served 30 million Americans.

Through every time and for every purpose to which God has called us, The Salvation Army presses on, joyfully and with determination.
Commissioner William A. Roberts

A Time For Every Purpose

Dear Friends,

“Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up.”

I can imagine that those words from the book of Galatians came to mind for many of our soldiers and volunteers this year. And I know beyond a doubt that the truth behind those words – the truth that God inevitably rewards perseverance in His work – came powerfully to life through those dedicated individuals.

Faced not only with great need but also with straitened circumstances for meeting that need, weariness seemed inevitable, and giving up must have felt at times like a real possibility. Yet with God’s help, we pressed on. And we saw much harvest.

A time for every purpose, our theme for this year’s report, found expression in myriad ways.

Captives rescued. The hungry fed. The lonely comforted. The disregarded given new hope and opportunity.

The Salvation Army today is able to intervene, to serve, to encourage, to love in more ways and more places than ever before. Serving more than 30 million women, men, and children. Truly Doing the Most Good.

I have been a Salvation Army officer for 40 years. My mother and father before me were officers. My love for and pride in this organization are literally lifelong. In that lifetime, I cannot remember a time when The Salvation Army confronted a greater breadth of urgent missions with greater grace and endurance.
Your generosity and compassion made all the difference.

This year, called by our Master to serve tirelessly and with perseverance, to embrace a challenging season and to reject any thought of surrender, we fulfilled our purpose. Thank you.

Yours in His service,

William A. Roberts, Commissioner
National Commander
Dear Friends,

Awe. Respect. Gratitude. These are just a few of the emotions I feel as I think back over the events of 2010 and the ways The Salvation Army responded to those events.

Awe at the magnitude of the challenges we faced and at how, seemingly against the odds, we met those challenges.

Deep respect for the faith, courage, and selflessness of our volunteers, donors, and soldiers.

Gratitude not only for those incredible individuals on the front lines, but also for the wise and dedicated leaders who keep The Salvation Army on course.

There is, indeed, “a time for every purpose.” The past year was exceptional because it seemed to be a time for every purpose all at the same time!

Ongoing economic difficulties in our nation that left more families in desperate need.

Disastrous natural events at home and overseas that demanded a swift response to save lives.

The bittersweet mixture of emotion for our Salvation Army organization as we said goodbye to beloved outgoing commanders and welcomed their outstanding successors.

Exciting opportunities to expand our ministry of education, inspiration and spiritual nurture to underserved communities.
Not to mention all the familiar programs such as red kettles and angel trees that, in thousands upon thousands of communities and neighborhoods, have been synonymous with The Salvation Army for so many years.

To natural eyes, it looked as if our resources would be stretched too thin. And yet, challenged on multiple fronts, The Salvation Army rose to every occasion and tackled seemingly “every purpose under heaven.”

Many people would call 2010, with its great challenges, anything but a blessed year. Yet The Salvation Army was blessed; we were enabled to be a blessing to others. The abundant needs and opportunities the year brought us, and the provision that came through our dedicated supporters, show how The Salvation Army is as relevant and as needed as ever.

Looking ahead, we are confident in the direction of The Salvation Army and of finding the spiritual and material resources needed for every challenge and every purpose. Our confidence comes from knowing that, ultimately, the resources come from One greater than ourselves. As St. Paul put it, “It is God who works in you to will and to act in order to fulfill His good purpose.”

Thank you for being part of this great journey of faith with us.

With gratitude,

Charlotte Jones Anderson
National Advisory Board Chairperson
2010 Financial Summary

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 7,675 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 2010, the Army spent $3.24 billion serving people, up from $3.12 billion the prior year. Eighty-two cents of every dollar spent, or $2.66 billion, went toward program services; the remainder was accounted for by management and general expenses of $393 million and by fundraising costs of $191 million. Approximately 77% 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 $1.82 billion, changed from $1.66 billion in 2009. It comprised $949 million of general contributions, $311 million of legacies and bequests, $484 million of gifts in kind, and $76 million of
allocations from local United Way and similar funding organizations.

During 2010, other operating and non-operating revenue increased net assets by $1.54 billion, in contrast to an increase of $810 million in the prior year. Other revenue comprised of program service fees of $152 million, sales to the public of $562 million, net investment gain of $673 million, and miscellaneous other revenue of $154 million.

In addition, fees and grants were given to The Salvation Army from various government agencies totaling $384 million for 2010, down from $392 million in the prior year.

About 58% of the Army’s net assets consist of land, buildings, and equipment ($3.8 billion), plus invested board-designated reserves for future capital expenditures, ongoing facilities maintenance, and specific programs ($1.53 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.
# Financial Highlights

**Income**

$3,745,103  
*(In Thousands)*

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Public Support</td>
<td>$1,743,592</td>
<td>47%</td>
</tr>
<tr>
<td>Indirect Public Support</td>
<td>$75,576</td>
<td>2%</td>
</tr>
<tr>
<td>Program Service Fees</td>
<td>$152,482</td>
<td>4%</td>
</tr>
<tr>
<td>Sales to the Public</td>
<td>$562,456</td>
<td>15%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$673,121</td>
<td>18%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$153,747</td>
<td>4%</td>
</tr>
<tr>
<td>Government Funds</td>
<td>$384,129</td>
<td>10%</td>
</tr>
<tr>
<td>Indirect Public Support</td>
<td>$75,576</td>
<td>2%</td>
</tr>
</tbody>
</table>
$3,239,149
(IN THOUSANDS)

FINANCIAL HIGHLIGHTS
EXPENSES

- Corps Community Centers: $639,906 (20%)
- Rehabilitation Services: $639,577 (20%)
- Residential & Institutional Services: $338,603 (10%)
- Management & General: $392,863 (12%)
- Fundraising: $190,721 (6%)
- Other Social Services: $1,037,479 (32%)
### Financial Highlights

#### Statistical Highlights

**Centers of Operation**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corps</td>
<td>1,232</td>
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<tr>
<td>Outposts and Service Centers</td>
<td>195</td>
</tr>
<tr>
<td>Rehabilitation Centers</td>
<td>154</td>
</tr>
<tr>
<td>Thrift Shops</td>
<td>1,352</td>
</tr>
<tr>
<td>Community Centers, Boys/Girls Club</td>
<td>371</td>
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<tr>
<td>Child Day Care Centers</td>
<td>145</td>
</tr>
<tr>
<td>Adult Day Care Centers</td>
<td>26</td>
</tr>
<tr>
<td>Senior Citizen Centers</td>
<td>275</td>
</tr>
<tr>
<td>Group Homes/Temp Housing</td>
<td>563</td>
</tr>
<tr>
<td>Permanent Residences</td>
<td>73</td>
</tr>
<tr>
<td>Medical Facilities</td>
<td>32</td>
</tr>
<tr>
<td>Service Units</td>
<td>2,893</td>
</tr>
<tr>
<td>Camps</td>
<td>45</td>
</tr>
<tr>
<td>Divisions</td>
<td>40</td>
</tr>
<tr>
<td>Training Colleges</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>275</td>
</tr>
<tr>
<td><strong>TOTAL Centers of Operation</strong></td>
<td>7,675</td>
</tr>
</tbody>
</table>

**Personnel**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers</td>
<td>3,426</td>
</tr>
<tr>
<td>Cadets</td>
<td>309</td>
</tr>
<tr>
<td>Soldiers</td>
<td>107,846</td>
</tr>
<tr>
<td>Members</td>
<td>413,961</td>
</tr>
<tr>
<td>Employees</td>
<td>64,611</td>
</tr>
<tr>
<td>Volunteers</td>
<td>3,414,858</td>
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<td>Advisory Organization Members</td>
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**Group Meeting Attendance**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
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<tbody>
<tr>
<td>Outdoor Meetings</td>
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<tr>
<td>Sunday School</td>
<td>2,313,323</td>
</tr>
<tr>
<td>Sunday Meetings</td>
<td>5,244,769</td>
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<tr>
<td>Weekday Public Meetings</td>
<td>2,216,593</td>
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<tr>
<td>Soldier Development</td>
<td>603,500</td>
</tr>
<tr>
<td>Group Activities</td>
<td>8,828,694</td>
</tr>
<tr>
<td>Music Organizations</td>
<td>1,054,005</td>
</tr>
<tr>
<td>Other</td>
<td>5,598,294</td>
</tr>
<tr>
<td><strong>TOTAL Group Meeting Attendance</strong></td>
<td><strong>26,260,422</strong></td>
</tr>
</tbody>
</table>

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14
FINANCIAL HIGHLIGHTS

Statistical Highlights

PEOPLE SERVED
Basic Social Services 17,448,150
Holiday Assistance 4,244,361
Summer & Day Camps 189,981
Disaster Assistance 725,552
Persons Visited In Institutions 2,573,250
Job Referrals 86,376
Correctional Services 403,481
Community Center Participation 1,386,806
Day Care 206,678
Senior Citizens 697,992
Substance Abuse Rehabilitation 324,484
Medical Care 47,398
Institutional Care 1,003,743
Missing Persons 25,356
Transportation Provided 863,039
**TOTAL Persons Assisted** 30,226,647

SERVICES
Meals Served 59,938,111
Lodgings Supplied 9,956,764
Welfare Orders – Cash Grants 7,493,123
Tangible Items Distributed – 21,278,003
   Clothes, Furniture, Gifts
### Net assets released due to fulfillment of donor restrictions

- **188,616**

### Total revenue

- **3,346,876**

#### Interfund transfers

- **668,998**

### Total support and revenue

- **2,489,262**

#### Contributions

- **$757,089**
- **$39,118**
- **$271**
- **$786,478**
- **$31,293**
- **$2,336**
- **$820,107**

#### Donations-in-kind and contributed services

- **479,056**
- **5,362**
- **484,418**
- **16**
- **484,434**

#### Special events

- **15,830**
- **15,865**

#### Legacies and bequests income

- **22,195**
- **226,227**
- **248,422**
- **24,980**
- **37,184**
- **310,586**

#### Pledges revenue

- **16,356**
- **145**
- **145**
- **31,868**
- **21,597**
- **55,510**

#### Change in value of split interest agreements

- **1,814**
- **1,814**
- **7,109**
- **2,937**
- **11,860**

#### Total received directly

- **1,274,170**
- **262,701**
- **271**
- **1,537,142**
- **113,612**
- **92,838**
- **1,743,592**

#### Allocated by federated fund raising organizations

- **49,171**
- **49,171**
- **26,357**
- **-**
- **75,528**

#### Contributed by unassociated & non-federated organizations

- **115,401**
- **115,401**
- **84,099**
- **171**
- **391,966**

#### Total received indirectly

- **48,996**
- **48,996**
- **26,580**
- **-**
- **75,576**

#### Total public support

- **1,323,166**
- **262,701**
- **271**
- **1,586,138**
- **140,192**
- **92,838**
- **1,819,168**

#### Fees and grants from government agencies

- **378,684**
- **459**
- **399**
- **379,542**
- **4,587**
- **-**
- **384,129**

#### Other revenues:

- **152,338**
- **144**
- **152,482**
- **-**
- **152,482**

#### Other revenue

- **10,265**
- **27,204**
- **893**
- **38,362**
- **19**
- **38,346**

### General operating

<table>
<thead>
<tr>
<th>Revenue/Expense Item</th>
<th>Operating</th>
<th>Board Designated</th>
<th>Building and Equipment</th>
<th>Total</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$757,089</td>
<td>$29,118</td>
<td>$271</td>
<td>$786,478</td>
<td>$31,293</td>
<td>$2,336</td>
<td>$820,107</td>
</tr>
<tr>
<td>Donations-in-kind and contributed services</td>
<td>479,056</td>
<td>5,362</td>
<td>484,418</td>
<td>16</td>
<td>484,434</td>
<td></td>
<td></td>
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<tr>
<td>Special events</td>
<td>15,830</td>
<td>15,865</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacies and bequests income</td>
<td>22,195</td>
<td>226,227</td>
<td>248,422</td>
<td>24,980</td>
<td>37,184</td>
<td>310,586</td>
<td></td>
</tr>
<tr>
<td>Pledges revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16,346</td>
<td>29,184</td>
<td>45,530</td>
</tr>
<tr>
<td>Contributions from split interest agreement</td>
<td>-</td>
<td>145</td>
<td>145</td>
<td>33,868</td>
<td>21,597</td>
<td>55,510</td>
<td></td>
</tr>
<tr>
<td>Change in value of split interest agreements</td>
<td>-</td>
<td>1,814</td>
<td>1,814</td>
<td>7,109</td>
<td>2,937</td>
<td>11,860</td>
<td></td>
</tr>
<tr>
<td>Total received directly</td>
<td>1,274,170</td>
<td>262,701</td>
<td>271</td>
<td>1,537,142</td>
<td>113,612</td>
<td>92,838</td>
<td>1,743,592</td>
</tr>
<tr>
<td>Allocated by federated fund raising organizations</td>
<td>49,171</td>
<td>-</td>
<td>-</td>
<td>49,171</td>
<td>26,357</td>
<td>-</td>
<td>75,528</td>
</tr>
<tr>
<td>Contributed by unassociated &amp; non-federated organizations</td>
<td>(175)</td>
<td>-</td>
<td>(175)</td>
<td>223</td>
<td>-</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Total received indirectly</td>
<td>48,996</td>
<td>-</td>
<td>48,996</td>
<td>26,580</td>
<td>-</td>
<td>75,576</td>
<td></td>
</tr>
<tr>
<td>Total public support</td>
<td>1,323,166</td>
<td>262,701</td>
<td>271</td>
<td>1,586,138</td>
<td>140,192</td>
<td>92,838</td>
<td>1,819,168</td>
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<tr>
<td>Fees and grants from government agencies</td>
<td>378,684</td>
<td>459</td>
<td>399</td>
<td>379,542</td>
<td>4,587</td>
<td>-</td>
<td>384,129</td>
</tr>
<tr>
<td>Other revenues:</td>
<td>152,338</td>
<td>144</td>
<td>152,482</td>
<td>-</td>
<td>-</td>
<td>152,482</td>
<td></td>
</tr>
<tr>
<td>Sales to the public</td>
<td>562,050</td>
<td>406</td>
<td>562,456</td>
<td>-</td>
<td>-</td>
<td>562,456</td>
<td></td>
</tr>
<tr>
<td>Investment income:</td>
<td>4,712</td>
<td>72,404</td>
<td>77,116</td>
<td>48,110</td>
<td>64</td>
<td>125,290</td>
<td></td>
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<tr>
<td>Dividends and interest, net of fees</td>
<td>(16,143)</td>
<td>136,258</td>
<td>120,115</td>
<td>35,727</td>
<td>23</td>
<td>155,865</td>
<td></td>
</tr>
<tr>
<td>Realized gain (loss) on sale of investments</td>
<td>74,284</td>
<td>232,602</td>
<td>306,886</td>
<td>84,099</td>
<td>171</td>
<td>391,966</td>
<td></td>
</tr>
<tr>
<td>Unrealized gain (loss) on value of investments</td>
<td>(94)</td>
<td>1,491</td>
<td>114,004</td>
<td>115,491</td>
<td>-</td>
<td>115,491</td>
<td></td>
</tr>
<tr>
<td>Gain (loss) on sale of land, buildings and equipment</td>
<td>10,265</td>
<td>27,204</td>
<td>893</td>
<td>38,362</td>
<td>19</td>
<td>38,346</td>
<td></td>
</tr>
<tr>
<td>Total other revenues</td>
<td>787,412</td>
<td>470,509</td>
<td>114,897</td>
<td>1,372,818</td>
<td>168,727</td>
<td>261</td>
<td>1,541,806</td>
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<tr>
<td>Total support and revenue</td>
<td>2,489,262</td>
<td>733,669</td>
<td>115,567</td>
<td>3,338,498</td>
<td>313,506</td>
<td>93,099</td>
<td>3,745,101</td>
</tr>
<tr>
<td>Net assets released due to fulfillment of donor restrictions</td>
<td>188,616</td>
<td>167,627</td>
<td>38,783</td>
<td>395,026</td>
<td>(395,026)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interfund transfers</td>
<td>668,998</td>
<td>(721,246)</td>
<td>52,248</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td><strong>3,346,876</strong></td>
<td><strong>180,050</strong></td>
<td><strong>206,598</strong></td>
<td><strong>3,733,524</strong></td>
<td><strong>81,520</strong></td>
<td><strong>93,099</strong></td>
<td><strong>3,745,101</strong></td>
</tr>
</tbody>
</table>
THE SALVATION ARMY - USA
UNAUDITED COMBINED STATEMENT OF ACTIVITIES
For the year ended September 30, 2010
(Dollars in thousands)

Representing 7,675 centers of operation throughout the United States including Puerto Rico, Guam, and the Marshall Islands

Unrestricted

<table>
<thead>
<tr>
<th>Expenses</th>
<th>General</th>
<th>Board</th>
<th>Building and Equipment</th>
<th>Operating</th>
<th>Total</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension related expenses other than net periodic pension cost</td>
<td>3,239,149</td>
<td>-</td>
<td>-</td>
<td>3,239,149</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>447,334</td>
<td>1,530,206</td>
<td>3,807,700</td>
<td>5,785,240</td>
<td>1,477,513</td>
<td>1,967,798</td>
<td>9,230,571</td>
<td>17</td>
</tr>
<tr>
<td>Corp</td>
<td>Community Center</td>
<td>Rehabilitation</td>
<td>Residential and Institutional</td>
<td>Other Social Services</td>
<td>Total Program Services</td>
<td>Management and General</td>
<td>Fund Raising</td>
<td>Total Supporting Services</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------</td>
<td>-----------------------------</td>
<td>-----------------------</td>
<td>-----------------------</td>
<td>------------------------</td>
<td>--------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Salaries and allowances</td>
<td>$193,660</td>
<td>$232,755</td>
<td>$130,609</td>
<td>$231,671</td>
<td>$788,695</td>
<td>$153,533</td>
<td>$65,615</td>
<td>$219,148</td>
</tr>
<tr>
<td>Employee and officer benefits</td>
<td>$85,242</td>
<td>$75,575</td>
<td>$44,436</td>
<td>$94,840</td>
<td>$299,883</td>
<td>$46,659</td>
<td>$15,958</td>
<td>$62,617</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>$35,911</td>
<td>$30,480</td>
<td>$14,771</td>
<td>$23,079</td>
<td>$84,241</td>
<td>$14,030</td>
<td>$5,819</td>
<td>$19,849</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$17,844</td>
<td>$7,572</td>
<td>$13,446</td>
<td>$16,468</td>
<td>$55,330</td>
<td>$35,833</td>
<td>$22,371</td>
<td>$58,204</td>
</tr>
<tr>
<td>Supplies</td>
<td>$31,345</td>
<td>$49,464</td>
<td>$21,294</td>
<td>$30,823</td>
<td>$134,936</td>
<td>$9,981</td>
<td>$3,849</td>
<td>$13,830</td>
</tr>
<tr>
<td>Communications</td>
<td>$8,950</td>
<td>$5,389</td>
<td>$2,047</td>
<td>$4,748</td>
<td>$21,134</td>
<td>$6,992</td>
<td>$728</td>
<td>$7,720</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>$2,612</td>
<td>$908</td>
<td>$213</td>
<td>$2,048</td>
<td>$6,081</td>
<td>$2,440</td>
<td>$14,159</td>
<td>$16,599</td>
</tr>
<tr>
<td>Occupancy</td>
<td>$119,633</td>
<td>$121,628</td>
<td>$65,055</td>
<td>$96,014</td>
<td>$402,330</td>
<td>$37,083</td>
<td>$4,115</td>
<td>$41,198</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>$25,141</td>
<td>$12,376</td>
<td>$6,893</td>
<td>$16,698</td>
<td>$61,308</td>
<td>$14,073</td>
<td>$2,419</td>
<td>$16,492</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>$7,979</td>
<td>$7,957</td>
<td>$591</td>
<td>$1,877</td>
<td>$14,650</td>
<td>$19,968</td>
<td>$45,576</td>
<td>$65,562</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>$30,087</td>
<td>$29,458</td>
<td>$2,467</td>
<td>$14,692</td>
<td>$76,704</td>
<td>$8,735</td>
<td>$2,972</td>
<td>$11,707</td>
</tr>
<tr>
<td>Conferences, meetings and major trips</td>
<td>$19,615</td>
<td>$1,321</td>
<td>$546</td>
<td>$5,503</td>
<td>$26,985</td>
<td>$8,796</td>
<td>$2,188</td>
<td>$10,384</td>
</tr>
<tr>
<td>Direct assistance</td>
<td>$9,332</td>
<td>$8,695</td>
<td>$12,226</td>
<td>$435,843</td>
<td>$466,696</td>
<td>$52</td>
<td>$21</td>
<td>$73</td>
</tr>
<tr>
<td>Organization dues</td>
<td>$932</td>
<td>$38</td>
<td>$130</td>
<td>$812</td>
<td>$1,912</td>
<td>$454</td>
<td>$111</td>
<td>$565</td>
</tr>
<tr>
<td>Awards and grants</td>
<td>$6,176</td>
<td>$614</td>
<td>$399</td>
<td>$7,234</td>
<td>$14,423</td>
<td>$3,262</td>
<td>$206</td>
<td>$3,468</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$2,718</td>
<td>$2,792</td>
<td>$3,038</td>
<td>$289</td>
<td>$8,817</td>
<td>$1,068</td>
<td>$37</td>
<td>$1,105</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$37,788</td>
<td>$23,570</td>
<td>$15,422</td>
<td>$18,379</td>
<td>$95,159</td>
<td>$14,067</td>
<td>$2,432</td>
<td>$16,499</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$22,041</td>
<td>$28,985</td>
<td>$5,030</td>
<td>$40,215</td>
<td>$96,271</td>
<td>$15,819</td>
<td>$2,145</td>
<td>$17,964</td>
</tr>
</tbody>
</table>

Total expenses | $639,906 | $639,577 | $338,605 | $1,037,479 | $2,655,565 | $392,863 | $190,721 | $583,584 | $3,239,149 |
### THE SALVATION ARMY - USA

**UNAUDITED COMBINED STATEMENT OF FINANCIAL POSITION**

**September 30, 2010**

(Dollars in thousands)

Representing 7,675 centers of operation throughout the United States including Puerto Rico, Guam, and the Marshall Islands

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>General</th>
<th>Board Designated</th>
<th>Land</th>
<th>Building and Equipment</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>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 163,031</td>
<td>$ 179,916</td>
<td>$ 9,837</td>
<td>$ 352,784</td>
<td>$ 31,595</td>
<td>$ 29,092</td>
<td>$ 413,471</td>
</tr>
<tr>
<td>Collateral received under securities lending program</td>
<td>53,094</td>
<td>230,987</td>
<td>-</td>
<td>284,081</td>
<td>-</td>
<td>-</td>
<td>284,081</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>86,065</td>
<td>41,969</td>
<td>-</td>
<td>128,034</td>
<td>926</td>
<td>-</td>
<td>128,960</td>
</tr>
<tr>
<td>Legacies and bequests receivable</td>
<td>-</td>
<td>24,531</td>
<td>-</td>
<td>24,531</td>
<td>163,652</td>
<td>123,549</td>
<td>311,792</td>
</tr>
<tr>
<td>Due (to) from</td>
<td>152,419</td>
<td>64,980</td>
<td>(160,716)</td>
<td>56,683</td>
<td>(50,360)</td>
<td>(6,323)</td>
<td>-</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>666</td>
<td>-</td>
<td>-</td>
<td>666</td>
<td>65,346</td>
<td>25,611</td>
<td>91,623</td>
</tr>
<tr>
<td>Inventory</td>
<td>41,265</td>
<td>-</td>
<td>-</td>
<td>41,265</td>
<td>-</td>
<td>-</td>
<td>41,265</td>
</tr>
<tr>
<td>Prepaid expenses and deferred charges</td>
<td>26,630</td>
<td>5,764</td>
<td>-</td>
<td>34,384</td>
<td>369</td>
<td>-</td>
<td>34,753</td>
</tr>
<tr>
<td>Mortgages and notes receivable</td>
<td>-</td>
<td>49,652</td>
<td>60,115</td>
<td>109,767</td>
<td>-</td>
<td>-</td>
<td>109,767</td>
</tr>
</tbody>
</table>

Total assets held under split interest agreements | 314,932 | 3,521,091 | - | 3,836,923 | 1,017,198 | 1,406,839 | 6,260,960 |

Land, building, improvements & equipment:

- **Land** | - | - | 692,245 | 692,245 | 8,885 | - | 701,130 |
- **Buildings, net of accumulated depreciation** | - | - | 3,270,941 | 3,270,941 | 1,451 | - | 3,272,392 |
- **Construction in progress** | - | - | 317,697 | 317,697 | 57,542 | - | 375,239 |
- **Assets held for sale** | 146 | - | 8,797 | 8,943 | - | - | 8,943 |
- **Equipment, net of accumulated depreciation** | - | - | 115,252 | 115,252 | 18 | - | 115,270 |

Total land, building, improvements & equipment | 146 | - | 4,904,322 | 4,905,078 | 67,896 | - | 4,972,974 |

Other assets | 8 | 5,049 | - | 5,057 | 120 | - | 5,177 |

**TOTAL ASSETS** | **$ 840,246** | **$ 4,170,044** | **$ 4,314,168** | **$ 9,325,358** | **$ 1,682,807** | **$ 1,984,679** | **$ 12,992,844**
### The Salvation Army - USA

#### Unaudited Combined Statement of Financial Position

**September 30, 2010**

(Dollars in thousands)

Representing 7,675 centers of operation throughout the United States including Puerto Rico, Guam, and the Marshall Islands

<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>LIABILITIES &amp; NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$196,940</td>
<td>$24,920</td>
<td>$5,415</td>
<td>$227,275</td>
<td>$151</td>
<td>-</td>
</tr>
<tr>
<td>Payable under securities lending program</td>
<td>65,715</td>
<td>238,711</td>
<td>-</td>
<td>304,426</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liability for split interest agreements</td>
<td>-</td>
<td>34,195</td>
<td>-</td>
<td>34,195</td>
<td>200,555</td>
<td>16,857</td>
</tr>
<tr>
<td>Refundable advances and deferred revenue</td>
<td>4,994</td>
<td>94</td>
<td>-</td>
<td>5,088</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities for securities purchased</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mortgages and notes payable</td>
<td>30,798</td>
<td>629,308</td>
<td>438,212</td>
<td>1,098,318</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Estimated liability for retirement and post-retirement benefits</td>
<td>-</td>
<td>1,587,563</td>
<td>-</td>
<td>1,587,563</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>50,272</td>
<td>9,076</td>
<td>1,247</td>
<td>60,595</td>
<td>4,568</td>
<td>24</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>392,312</td>
<td>2,640,738</td>
<td>506,468</td>
<td>3,540,118</td>
<td>205,274</td>
<td>16,881</td>
</tr>
</tbody>
</table>

| NET ASSETS | | | | | | |
| Unrestricted | 447,334 | 1,530,206 | 3,807,700 | 5,785,240 | - | - | 5,785,240 |
| Temporarily restricted | - | - | - | - | 1,477,533 | - | 1,477,533 |
| Permanently restricted | - | - | - | - | - | - | - |
| **TOTAL NET ASSETS** | 447,334 | 1,530,206 | 3,807,700 | 5,785,240 | 1,477,533 | 1,967,798 | 9,230,571 |

| TOTAL LIABILITIES AND NET ASSETS | $840,246 | $4,170,944 | $4,314,168 | $9,325,358 | $1,682,807 | $1,984,679 | $12,992,844 |

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20
LEADERSHIP

A TIME FOR EVERY PURPOSE

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COMMISSIONER NANCY L. ROBERTS
National President for Women’s Ministries

COLONEL WILLIAM HARFOOT
National Chief Secretary

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Territorial Commander

COMMISSIONER BARBARA JEFFREY
Territorial President for Women’s Ministries

COLONEL TERRY W. GRIFFIN
Chief Secretary

CENTRAL TERRITORY

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COMMISSIONER CAROL SEILER
Territorial President for Women’s Ministries

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COMMISSIONER CAROLYN R. KNAGGS
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Southern California Edison Company
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Carlsbad, California

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(see Past Chairman Circle)

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Owner & General Manager
Dallas Cowboys Football Club
Irving, Texas

MR. JONATHON E. KILLMER
Partner - Retired
PriceWaterhouseCoopers LLP
Scottsdale, Arizona
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 7,675 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.