



beacon of a brighter light

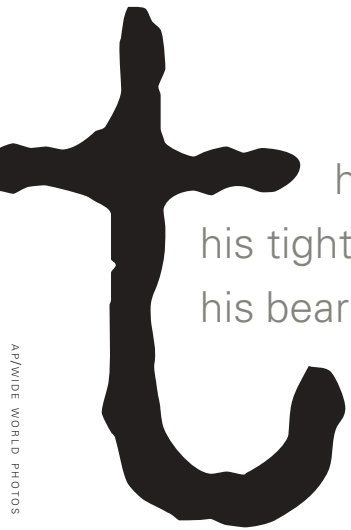
NATIONAL ANNUAL REPORT

THE SALVATION ARMY OF THE UNITED STATES OF AMERICA



beacon

of a **brighter** light



he wind of a suddenly failed marriage had knocked the man off his tightrope. Spiraling downward, he lost his job, then his home, then his bearings. Two cross-country trips left him at the end of his wits and at the bottom of the country in Key West, Florida. Without a home and without a friend, he saw no reason to go on with his life. He saw no hope. He saw no choice but suicide.

Then he saw a red kettle.





A frantic phone call from volunteer bell ringer Barbara Anderson brought Captain David Worthy to the scene, where he found the man kneeling and sobbing beside the kettle. “I helped the man up, gathered his scattered luggage and took him to my pickup truck to speak to him,” Worthy recalls.

After hearing the man’s story, Captain Worthy offered a prayer and then a plan. A trip to the thrift store got the man some fresh clothes, followed by a hot meal and a night in a motel for a shower and a decent sleep. The next day, Captain Worthy arranged for counseling and medical care at a veteran’s hospital.



Another day in the life of The Salvation Army.

Serve First

In the founding days of The Salvation Army on the squalid streets of 19th-century London, General William Booth prescribed a simple equation that guides the movement still: “Soup, Soap and Salvation.” You save best when you serve first, meeting the tangible and temporary needs at the surface as a credential to address the deeper issues of life.

“People are in our doors every day of the week with human needs,” says Captain Susan McElroy, corps officer in Lawrenceville, Georgia. “As part of

For Salvationist Diane Collins, service to the poor becomes practical as she and other volunteers wash the feet of residents of a Shawnee, Oklahoma, homeless shelter.

PHOTO COURTESY OF WAR CRY





A preschooler gets a closer look during a learning exercise, thanks to the TLC Playground Child Development Center, located in the Booth Family Services center in Grand Rapids, Michigan.

meeting those needs, we can meet the spiritual need as well.” (Read more about Lawrenceville — and one special volunteer — on page 12.)

Often, reaching people within the community involves developing unique approaches.

For Kevin Zander, in the West Park section of Cleveland, childhood memories of ice-cream trucks served as inspiration. A little decoration transformed a Salvation Army mobile feeding canteen into the John 3:16 Ice Cream Express. The maiden voyage reached 140 parents and children, taking five hours to cover just nine blocks — giving away ice cream along the way.

In Shawnee, Oklahoma, serving the poor is a tangible exercise. On Monday nights, guests at the Shawnee homeless shelter are invited to have their feet washed. Volunteers and Salvation Army staff members wash residents’ feet, massaging them with oil. Each person is given a new pair of socks and offered a voucher for new shoes and foot cream — along with a New Testament.

The HOPE Center (Helping Others Pursue Excellence) is an after-school program for teens at the corps in Anacortes, Washington, offering homework support, tutoring, mentoring and recreation. Academic results have been so strong that the school district designated the Army’s summer program as the area’s official summer school.

“There is nothing more rewarding than seeing positive changes in our young people,” says one staff member. “And not just academically, but socially and spiritually as well.”

Faith-Based Funding

Reaching into lives in powerful ways through the legal and social-service infrastructure can be a challenge, requiring a careful balance to ensure that no one is coerced to hear a sectarian message. Still, the movement toward “Faith-Based Funding” initiatives can yield amazing results, because social services are provided by people for whom the work is truly a calling.

“The Salvation Army understands this new thing called faith-based funding better than most, because we’ve been doing it for decades,” says Betty Zylstra, director of Booth Family Services in Grand Rapids, Michigan. Many of Zylstra’s projects are financed with government social-service funds.

“We understand that it’s about serving people with a mission and still demonstrating that the government ought to be a part of what we’re doing.” (One such program — the Teen Living Center, funded by the U.S. Department of Housing and Urban Development — is described on page 8.)

“We work within The Salvation Army’s mission. We are a Christian organization that demonstrates God’s love through service. HUD knows we do that. They just want to know — along with our other funders — that we’re demonstrating outcomes that make a difference in people’s lives. And we’re doing that.”

Just as it always has — starting with its earliest days opposing slavery in the 19th century —

DEAR FRIENDS,

Every day, The Salvation Army helps bind the wounds of modern-day life, offering food to the hungry, shelter to the hopeless, companionship to the forlorn. In every community across the land, Salvation Army officers, staff members, Salvationists and volunteers touch lives through selfless acts of service. That work could not continue without the support of people like you.

As long as some people are discouraged or lonely or needing a helping hand, our “Army of Compassion” will still have a mission. We serve not as a beacon to ourselves, but as a reflection of God’s brighter light that has always driven our movement.

Thank you for adding your light to ours, for helping The Salvation Army shine as a beacon of hope in your community.

May God bless you,



W. TODD BASSETT,
COMMISSIONER
National Commander

DEAR FRIENDS,

As Chairman of the National Advisory Board of The Salvation Army, I have had the wonderful opportunity in 2003 to visit many Salvation Army divisions across America.

In every community I've visited, The Salvation Army delivers ... from coffee and caring at disaster sites; to new and modern adult rehabilitation centers; to child-friendly day-care centers; to well-equipped community centers; to an astonishingly wide array of good works limited only by clear and present needs.

Last spring, the National Advisory Organization Conference came together in Philadelphia. Thousands of volunteers and Army officers gathered for camaraderie, to share successes and failures, and to come away with invaluable ideas and networking resources. Each attendee came away with a "best practices" book, which resulted in a flourish of new ideas from coast to coast.

This past fall, the National Advisory Board took another step in our ongoing quest to improve communications. We are refocusing our efforts to more directly align ourselves with National Headquarters and the four U.S. Territories.

In conclusion, let me take this opportunity to thank the millions of Salvation Army volunteers, local advisory board members and Salvation Army officers for investing in an organization committed to serving the needy.

Sincerely,



EDSEL B. FORD II
National Advisory
Board Chairman
Board Director,
Ford Motor Company



The Salvation Army also takes a leading role in fighting social evil. Today it does so in the issue of sexual exploitation and trafficking of children. Working in partnership with the U.S. State Department and a coalition of nongovernmental organizations, The Salvation Army is helping marshal the Church's response to this malignant and little-known epidemic.

The Urge to Serve

Whether advocating social reform or serving in the lives of local citizens, The Salvation Army has always been a force for bringing people together, a focus for the urge to serve.

When job losses and a move from Southern California left Richard West homeless, The Salvation Army offered him hope through Sacramento's B Street Shelter. Today, Rick helps pay back what he has been given through serving in the B Street band, playing worship music at the shelter's Sunday services. (For more on the band and the shelter, see page 14.)

"If it weren't for The Salvation Army and the grace of God, I'd be out on the streets," Richard says. "I can't say enough for them."

"Everybody in our community thinks of themselves as part of The Salvation Army," says Major Bob Fay, corps officer for Green Bay, Wisconsin. "They have an attitude of involvement. They feel responsible for our mission. We feel blessed to have this kind of community commitment."

"One of the great things about the Army is that it's the one place where you find kids whose parents make \$100,000 a year and kids whose parents barely make minimum wage or are on welfare," says Mike Buzzard, who grew up in the projects before becoming a youth pastor in Erie, Pennsylvania. "They'll play together and do the same things together. The usual barriers just vanish." (A story about Mike begins on page 10.)

Of course, The Salvation Army also plays a central role at another time when communities come together — in moments of crisis. When



PHOTO BY LT. COLONEL DOUG O'BRIEN

Salvation Army volunteers and staff served throughout Southern California following wildfires, distributing food and medical supplies, such as first aid and eye drops.

devastating wildfires destroyed 3,600 homes throughout Southern California, The Salvation Army swung into action with mobile feeding stations, emergency disaster personal and grief counselors. Salvation Army personnel offered aid to thousands of residents in Illinois, Kansas and Missouri affected by tornadoes and windstorms that killed at least 40 people and left countless others without shelter or food. Up and down the East Coast, The Salvation Army provided hope and help to those struck by the winds and floodwaters of Hurricane Isabel.

Against Isabel's rising waters, Andrew Mazuek and his wife struggled to protect the only home they've known. "We sealed the

doors with plastic and duct tape, soaking and ringing out towel after towel, dumping bucket after bucket,” Mazuiek says. But he was genuinely moved when he saw volunteers from the Army at his house. “I cried when those ladies came up and gave us coffee, hot dogs and water. They were a real blessing.”

With the launching of the war in Iraq, a generation of citizen soldiers went off to serve their country, leaving behind families with real and continuing emotional, spiritual and financial needs. Across the nation, The Salvation Army organized community efforts to help military families, providing care packages to soldiers and support for the home front.

At Fort Hood, Texas, volunteers supplied writing paper and mailing services to soldiers just before they boarded planes for deployment. “I said goodbye to my wife and told her I didn’t know when I would be able to talk to her again,” one soldier said. “I have an 18-month-old daughter, and my wife is pregnant. The chance to send this letter means as much to me as I know it will to her.”

From the desert battlefields of modern-day Iraq to the trenches of World War I Europe, The Salvation Army has always ministered to the needs of the soldier fighting for freedom.

But this army is also embedded for service throughout the land.

Through Belwood Boys and Girls Club, The Salvation Army offers a refuge of fun and learning for the children and teens of urban Atlanta living in the shadow of the Georgia Dome. Derrick Douglas was a fixture at the club since he was 4 years old. Now an 11th grader, Derrick was on his



way to the club early in 2001, when he was shot in the head by a gang member who mistook Derrick for someone else. The bullet traveled from eyebrow to eyebrow, leading to life-saving surgery followed by months in a hospital bed.

“When I was in the hospital, people from the club supported me,” Derrick recalls. “They visited me and told me I was going to get better. They gave me motivation to get back and come on stronger.”

Despite frequent, severe headaches, Derrick is back in school and back in the club most days, even playing a starring role in the club’s flag-football team.

“The Salvation Army is a good place for kids who live in the ghetto. They keep us safe. They give us a place to come and have fun. They keep us off the streets.”

In communities around the nation, the shield of The Salvation Army represents a mission going back further still — decades further to its founding, centuries further to its roots.

Whenever anyone came to Jesus with a need, He would meet that need in a way that pointed to something deeper. A blind man was healed so he might see an eternal light. A woman was offered living water for her thirsty soul. A huge crowd was fed from a young boy’s snack so that they might know the God who supplies all of their needs.

Through the work of The Salvation Army across today’s America, people are met at their point of need — given the temporary and offered the eternal. That was true for Derrick, for Richard, for a man on the verge of suicide in Key West, and for countless others across the country and through the years.

A meal defeats hunger in the name of One who can nourish our deepest appetite. A shelter rebuffs the biting wind, calling to mind the refuge that seeks to shelter every soul. The old, the lonely and the imprisoned are given companionship in God’s name. And to any who would have it, a hope is extended that this world can neither understand, nor offer, nor explain.



PHOTO COURTESY OF CENTRALITY

Major Toni Dorrell (above) helps a 5-year-old in Indianapolis, Indiana, put on her new winter coat—donated through The Salvation Army’s Coat for Kids program. Friends and staff at the Belwood Boys and Girls Club supported Derrick Douglas (lower left) after he was shot on the way to the club.



CENTRAL TERRITORY



a place like home

Tamika Tatum grew up in the shelter of a close-knit family in suburban Grand Rapids. Her world began to fall apart the day her father died. Tamika was only 12.

"My mom and dad had been together for more than 30 years," she recalls. "My mom didn't know how to handle his death." Less than two years later, her mother fell ill with a form of aplastic anemia, and Tamika dropped out of high school to care for her.

"We lost our home and had to move into the inner city," Tamika remembers. "Life went downhill from there. I ended up getting into stuff that I had no business doing. Mom couldn't keep track of me, she was so sick."

When her mother died — one day after Tamika's 18th birthday — Tamika was already a mother herself, to 7-month-old Taveyon. And for the first time, she was out on her own.

When Tamika arrived at the Teen Living Center months later, she was out of options. "This was my last resort," she says. But when she moved into the facility — The Salvation Army's center for homeless pregnant and parenting teens — she was, for a time, home again.

"We are trying to create a culture," says Tenetia Pulliam, director of the Teen Living

Center, "where people come in and see us more like a family and less like an institution."

At dinnertime, it's a big family, with moms sitting around a half-dozen tables — each flanked with high-chairs — feeding their babies and sneaking a bite to eat and perhaps a touch of the latest gossip. After dinner, each mom has assigned chores and homework.

Funded by the U.S. Department of Housing and Urban Development, the center can house a dozen girls and their young children, each for up to two years, while they learn the skills necessary for life on their own.

The Teen Living Center grew from The Salvation Army's unique place in the community. Years earlier at the same location, the Army operated a home for unwed mothers. That home was eventually torn down to build a hospital, which later became Booth Family Services — epicenter of The Salvation Army's social services in Grand Rapids.

When community leaders saw the need for a center specifically for homeless teen mothers, they sought out the Army. Today, the Teen Living Center sits on the second floor of the Booth center, a homecoming of a sort.

"While they're here, our job is to help them

be the best moms they can be," says Betty Zylstra, director of the Booth Family Services center. "We help them take care of themselves if they are pregnant, stay in school or get back into school, and we help them identify where they are going to live when they move out."

Tamika, who now has a job and lives on her own with Taveyon, regularly returns to encourage the moms in the program.

"There's always one person in the background who tells you that you can't make it," she tells the girls. "Regardless of who it is — your mama, your daddy, your granny — don't listen to them. As long



"They helped me want to get up and accomplish something with my life instead of just being a nobody in somebody's world."

TAMIKA TATUM Grand Rapids, Michigan

as you believe you can do it, you're going to do it. If you're willing to work, you're going to make it."

Tamika says the program brought out the best in her by setting expectations. "When you're here, you don't have any choice but to get up and do it," she says. "So after a while, that becomes your main priority. They helped me want to get up and accomplish something with my life instead of just being a nobody in somebody's world."

"I say this from the bottom of my heart: If I had not come here, I don't know where I would be now. I love my life now. I may be stressed sometimes, but I'm happy."



Tamika and Taveyon Tatum (opposite page, lower left) got a new start at the Teen Living Center. A home-like environment helps develop family skills for a lifetime for all those living, learning and growing at the center (other photos on these pages).



Family Services

The Salvation Army is committed to helping mothers and children — not only meeting immediate needs but also providing the skills and encouragement needed for long-term change. Nationwide, more than 17 million family members were served last year.



CENTRAL TERRITORY

- > Centers of Operation 2,349
- > Volunteers 685,820
- > People Served 6,559,360



hanging with biggie

For **Mike Buzzard**, even pumping gas is a chance to make a connection with his kids. As other customers feed their tanks and stare off into space, Mike makes faces with the boys in his van, part of the near-constant banter between neighborhood youth and the man they call "Biggie."

Mike reaches youth any way he can, using the language of what's best known to express what's most needed in their lives. He can talk sports. He can talk hip-hop music. He can talk about life in the projects. He's been there.

Growing up in Erie, Pennsylvania, Mike and his family were clinging to the lower rungs of middle-class life until they were evicted when their neighborhood was condemned to build a football field for a local college. The move, along with his mother's failing health, landed the family in Erie's public-housing system.

"In many ways, suburban life and project life are parallel," he says, citing how families looked out for one another: "When I got in trouble in school, I got spanked three times on the way home."

One day, when Mike went off to visit a friend, his mother became worried, asking a local gang to help find her son. "It was odd. Here were all

these gang members, walking around the neighborhoods, calling my name."

But they often had to be careful in the projects, such as the day Mike's sister boarded the school bus only after first stepping past a chalk outline defining the previous night's murder victim.

At a neighbor's invitation, Mike began attending The Salvation Army's youth programs at age 5, becoming a regular almost immediately. Fifteen years later, he supervises the same programs as the corps youth ministry coordinator.

The neighborhood has seen changes, but life on these streets still troubles him. "It's commonplace," he says, "to see 5-year-olds out at 10 o'clock at night, walking around by themselves.

"Ironically, I am now the youth pastor to the kids of the family that first brought me here."

Starting when he was just 17, Mike has administered the programs he grew up with and added others as well, such as HopeShare — the Eastern territory's innovative system for reaching youth with relevant gospel messages.

"Mike has a gift with youth," says Major Dennis Camuti, corps officer for Erie. "Kids gravitate to him, and he's able to relate to them and share a positive Christian witness."

As Mike swings by in the corps' van to pick up kids for the after-school program, one girl yells "Biggie!" as she flies up, hugging him as she might a huge teddy bear. Whether driving in the van, shooting baskets in the gym or working on homework after school, he connects deeply with children in the program.

"Especially the guys," he confirms. "Many teenage boys here don't have a father in their lives. For a lot of them, I'm a guy to hang out with — to help with problems and issues in their lives. Someone who will actually pay attention to them."



● "The Salvation Army saved me. If not for the opportunities they gave me, I probably would be another statistic."

MIKE BUZZARD Erie, Pennsylvania

Mike sees his current ministry as a way to pay back what The Salvation Army has done for him. "The Salvation Army saved me," he says. "If not for the opportunities they gave me, I probably would be another statistic — on welfare, not giving anything back to society.

"I've gone places I never would have gone if not for the Army. I've met all my close friends through the Army. I met my future wife through The Salvation Army." (He and Jennifer Dougherty plan to marry in August before they begin careers as officers.)

"The Salvation Army has given me everything."



Mike Buzzard's relationship with the kids in his program shows up in many forms, including a serious hallway conversation (far left), a playful welcome for Terrance Batts, 7 (below), or some goofing around with Andrew Shadle, 9, while fueling the van (left).



Youth

Through summer camps and music camps, scouting, youth ministries, and after-school programs, The Salvation Army reaches young people in communities across the country. Last year, attendance at Salvation Army youth programs exceeded 14 million.



EASTERN TERRITORY

- > Centers of Operation 2,731
- > Volunteers 622,763
- > People Served 8,443,463

SOUTHERN TERRITORY



everything new

As soon as **Brenda Miller** walked into the chapel, she said, "Uh-oh." God might be up to something, she feared.

"When Brenda came to us," Captain Susan McElroy says, "she wasn't looking to change her life. She needed work."

Laid off in the post-September 11 downturn, Brenda was feeling depressed about the prospect of getting back into the workforce. "I wanted to get a job where I would be helping someone," she explains, so she applied for a job as bell ringer during the Christmas season. "I've always loved Thanksgiving and Christmas."

But her first meeting of fellow bell ringers still caught her off guard. Like many people, when she walked into the chapel at The Salvation Army's corps in Lawrenceville, she did not realize that a Salvation Army corps is a church.

"As soon as I walked in," she says, "I sensed that there was more going on there. I had a feeling." That sense only deepened in her heart as the season progressed.

During the holiday season, her aunt passed away. Attending the funeral, Brenda saw that something was missing in her life.

"The funeral was an uplifting experience,

because my aunt was a Christian," Brenda recalls. "When I got home, I just couldn't be settled. I kept thinking about how I had spent my life."

Not knowing where else to turn, she went to the corps to speak with Cadet Greg Shannon, who was working in Lawrenceville on a short-term assignment to supervise the bell ringers and the Christmas kettle program.

"In the busyness of the season, when he was so rushed with activities with the kettles, he really didn't have time," Captain McElroy recalls. "But Greg made time for Brenda."

That night, he explained to her the heart of the gospel. And that night, Brenda Miller invited Jesus Christ into her heart and began a new life.

"Before, I didn't have joy in my life," she says. "I didn't know whether if I died, I would go to heaven. But now, everything has changed. Now my desire to have a relationship with God is a constant in my life. My focus is on Christ, not on myself."

Brenda began attending corps services right away, soon enrolling in classes to become a soldier.

"It's all so new for Brenda," Captain McElroy adds. "She knows the difference between her old life of spiritual poverty and drudgery, compared

to now. She now has the Lord to lean on, and everything seems new and exciting instead of old and worn.

"Any time we have a volunteer opportunity, Brenda is ready and willing. When we do visitations, she thinks it's incredible that she gets to visit people."

"I want to do something for other people," Brenda says. "It's amazing to me that God would use me."

Once a week, Brenda joins another soldier, Pat Dickerson, at a local adult-care facility as part of the League of Mercy — The Salvation Army's



"I want to do **something** for other people and I want to glorify God. It's **amazing** to me that God would **USE** me."

BRENDA MILLER Lawrenceville, Georgia

visitation program for those with special needs in hospitals, nursing homes and correctional facilities. At each visit, Brenda helps seniors with a small craft project, always weaving in a devotional message. Each week's visit is punctuated with hugs.

"I always get a blessing out of those visits, and they do too," Brenda says. "They enjoy seeing us coming, and we enjoy going."

"Brenda is no wealthier than she was a year ago," Captain McElroy says. "She still has struggles in this life, but she is rich in the love of God.

"She's got the keys to heaven in her hands."



Volunteer Brenda Miller enjoys her ministry opportunities for The Salvation Army. At weekly visits to an adult-care facility, Brenda makes crafts with Marguerite Whatley (below). Her rewards include a goodbye hug with Jane Camarata (far left) and a midday lunch with Captain Susan McElroy (left).



Volunteers

The Salvation Army couldn't function without its dedicated volunteers — working in every arm of service and ministry in a rich diversity of age, race and social background. Last year, more than 3.5 million volunteers helped accomplish the Army's mission.



SOUTHERN TERRITORY

- > Centers of Operation 2,183
- > Volunteers 1,305,117
- > People Served 12,174,773



breaking the loop

The judge's words were harsh, for good reason.

"Mr. Dayton, you don't have a clue," the judge said. "Do you realize that the sentence holding over your head right now is three-and-a-half years in the state penitentiary?"

With those words, **Larry Dayton** was sent back to the county jail to await formal sentencing in perhaps his eighth arrest — he can't remember for sure. All stemmed from his addictions to methamphetamines, alcohol, marijuana "and cocaine, when I could get it."

The addictions had cost Larry nearly everything — his job, his possessions, his relationships — leaving him homeless for five years before landing him in a cell at Sacramento's county jail, enduring four long days to hear his fate.

"I'd hit the bottom very, very hard," Larry says. "I had lost everybody that I cared about. Most importantly, I'd lost my connection with God, and I hated myself for that.

"I was broken, and I asked God to help me. I cried out, *Dear Lord, don't ever let me feel this way again — the fear, the brokenness and the incredible shame.* And then a little, tiny voice came back to me: *Then don't use.*"

That single moment's divine transaction set

Larry Dayton on a new course for the rest of his life.

He was sentenced to Drug Court, an outpatient program aimed at rehabilitation. During processing before his release from jail, another inmate told him about The Salvation Army's B Street Program, a shelter offering help for Sacramento's homeless. Though the shelter was full, Larry impressed Drug Court sponsors, who were able to arrange a spot for him in the program anyway.

In the five years since, Larry has been a fixture at B Street — first as a resident, then in a series of jobs at the shelter. He's currently a case worker, speaking to clients from his hard-earned credentials of five years on the streets.

"I haven't met many individuals who are as dedicated as Larry," says John Lucadano, assistant director of the B Street shelter. "He opens up doors that a lot of people cannot, because he is absolutely determined to help people out of the loop of homelessness."

Larry also uses his passion for music at the shelter. Off hours, he frequently plays and sings at a morning Bible study. His band — "B Street" — consists of clients and alumni of the shelter and plays every Sunday at shelter church services.

Larry's office in a converted storeroom off

B Street's cafeteria becomes a cramped rehearsal hall every Saturday night as the band prepares praise-and-worship music for the next day's service. With him this night is Bill Hollingworth.

Like everyone in the band, Hollingworth is something of a reclamation project. He uses a converted synthesizer keyboard to play the bass part with the good hand left him after a recent stroke. "Music was in the past tense for me," he says. "I never thought I'd be involved in it again."

"It's amazing," Larry says, "not just for those who hear the music, but also for the members of the band. We use music as a tool for helping



"I use my **role** here as a **vehicle** to give back, trying to make a **breakthrough** in some guy's **heart**."

LARRY DAYTON Sacramento, California

them get back to the right side of the road.”

The band is a family affair for Larry, not only building on relationships with fellow alumni, but also with Martha Dameron, intake counselor with the shelter who has become Larry’s fiancée and adds her voice on Sundays.

“I’m so grateful for what The Salvation Army has given me,” Larry says, “so I use my role here as a vehicle to give back — with the band, with counseling — trying to make a breakthrough in some guy’s heart.

“I have the best job in the place. I get to watch people get better.”



Work and ministry combine for Larry Dayton at the B Street Shelter. In addition to duties working with clients (far left), he rehearses with his band in his office (below, with guitarist Richard West). After Sunday services comes fellowship time with other worshippers (left).



Housing

Free temporary shelter is available to those in severe financial need. Programs for the homeless go beyond shelter to address deeper issues of rehabilitation, which often entangle people in helplessness. Last year, more than 10 million lodging accommodations were supplied.



WESTERN TERRITORY

- > Centers of Operation 1,762
- > Volunteers 928,862
- > People Served 5,759,321



Financial Summary

of Combined Corporations in the USA for the Year Ended September 30, 2003

This summary represents a combining of data extracted from the Audited Financial Statements of six corporations. Four of these — the Central Territory, the Eastern Territory, the Southern Territory and the Western Territory — supervise 9,027 units of operation throughout the United States, including Puerto Rico, Guam and the Marshall Islands. The two 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 operations of The Salvation Army. Revenues are classified as operating or non-operating based on donor restrictions and/or designations by the corporate Boards of Trustees.

During 2003 the Army spent \$2.55 billion in serving people, up from \$2.49 billion the prior year. Eighty-four cents of every dollar spent, or \$2.13 billion, went toward program services, with the remainder accounted for by management and general expenses of \$297 million and by fund-raising costs of \$124 million. Approximately 62% 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 \$1.42 billion, changed from \$1.48 billion in 2002. It comprised \$705 million of general contributions, \$281 million of legacies and bequests, \$337 million of gifts-in-kind, and \$98 million of allocations from local United Way and similar funding organizations.

During 2003, non-operating revenues comprised \$234 million of unrestricted legacies and bequests and net investment gains of \$607 million; these funds were designated by the boards for replacement and maintenance of facilities and equipment. Other categories of non-operating revenue include \$45 million of public gifts restricted permanently by the donors, \$59 million of temporarily restricted support and \$16 million from miscellaneous sources.

About 74% of the Army's net assets consist of land, buildings and equipment (\$2.81 billion), plus invested board-designated reserves for future capital expenditures, ongoing facilities maintenance and specific programs (\$1.89 billion). The remainder primarily comprises investments of donors' temporarily restricted gifts and permanently restricted endowments.

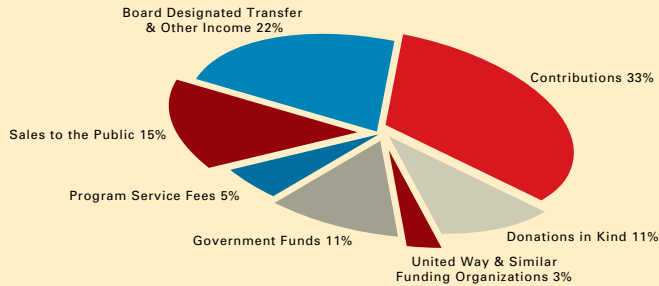
Reaching out to those in need in your community is our highest goal. Our pledge is to maintain the highest standards of financial accountability to continue to deserve your trust. Salvation Army centers are audited by independent certified public accountants in accordance with generally accepted accounting principles. These audited financial statements, along with the opinions of independent certified public accountants, are available at the addresses shown on page 18.



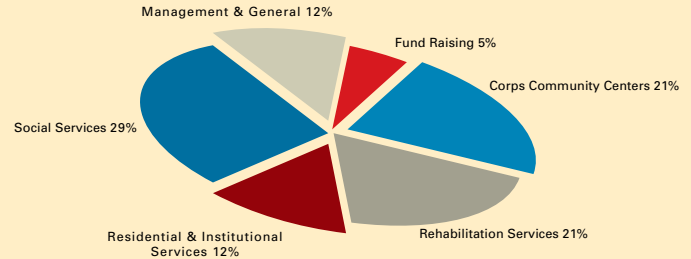
FINANCIAL HIGHLIGHTS

Fiscal Year Ended September 30, 2003

INCOME \$3,040 MILLIONS



OPERATING EXPENSES \$2,547 MILLIONS



STATISTICAL HIGHLIGHTS

Fiscal Year Ended September 30, 2003

CENTERS OF OPERATION

Corps	1,329
Outposts and Service Centers	161
Rehabilitation Centers	149
Thrift Shops	1,526
Community Centers, Boys/Girls Club	342
Day-Care Centers	220
Senior Citizen Centers	315
Group Homes /Temporary Housing	542
Permanent Residences	97
Medical Facilities	57
Service Units	3,721
Camps	51
Divisions	40
Training Colleges	4
Others	473
TOTAL Centers of Operations	9,027

SERVICES

Meals Served	55,572,633
Lodgings Supplied	10,616,113
Welfare Orders - Cash Grants	6,374,054
Tangible Items Distributed — Clothes, Furniture, Gifts	20,541,350

PERSONNEL

Officers	5,443
Cadets	318
Soldiers	115,251
Members	449,634
Employees	42,530
Volunteers	3,542,562
Advisory Organization Members	65,336

GROUP MEETING ATTENDANCE

Outdoor Meetings	380,019
Sunday School	2,783,341
Sunday Meetings	6,152,184
Weekday Public Meetings	2,730,365
Soldier Development	613,875
Group Activities	11,616,659
Music Organizations	1,028,126
Other	5,970,740
TOTAL Group Meeting Attendance	31,275,309

PEOPLE SERVED

Basic Social Services	17,145,146
Holiday Assistance	4,825,958
Summer & Day Camps	180,933
Disaster Assistance	1,860,045
Persons Visited in Institutions	3,887,666
Job Referrals	61,616
Correctional Services	502,158
Community Centers Participants	1,317,497
Persons Served in SA Institutions	1,063,673
Substance Abuse Rehabilitation	206,502
Medical Care	82,283
Transportation Provided	619,082
Missing Persons	229,518
Day Care	213,792
Senior Citizens	741,048
TOTAL Persons Assisted	32,936,917



The Salvation Army

of the United States of America

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 conditions in each community, all officers are subject to the same broad, overall policies.



The four territories of The Salvation Army in the United States

The Salvation Army's U.S. service began in 1880 and was first incorporated on May 12, 1899, in the State of New York. It is a tax-exempt 501(c)(3) organization. Contributions to it are deductible for Federal Income Tax purposes to the extent permitted under Section 170(b)(1)(A) of the Internal Revenue Code for individual donors and Section 170(b)(2) for corporations.

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T H E S A L V A T I O N A R M Y

Mission Statement

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.

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