THE SALVATION ARMY 2020 ANNUAL REPORT



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Our Year



In the trenches of COVID-19, Love's Army protected the vulnerable

Before COVID-19, 34 million Americans were living in poverty.

Love's Army has always fought for good in the face of life's toughest battles – from natural disasters to homelessness, poverty to addiction. But when COVID-19 hit, the battle – and the need – in America became greater than ever. Without paychecks, millions of families were added to the population of the hungry. Without protection, those facing homelessness became even more vulnerable. And without our regular support and means of raising funds, The Salvation Army had to find ways to meet the growing need with dwindling resources. Thankfully, Love's Army answered the call. Through the help of corporate partners, foundations, nonprofits, and individuals – as well as the selfless ingenuity and courage of our volunteers, employees, and officers – we quickly adapted and evolved to meet a new generation of need, feeding, sheltering, and encouraging millions in the greatest time of need.



IN THE LGBTQ COMMUNITY, LOVE'S Army continued to serve without discrimination

In 2019, we continued to serve over 30 million Americans without discrimination.

Love's Army loves all, serves all, and fights for all. As the world's largest nongovernmental provider of poverty relief, The Salvation Army serves millions of Americans in need each year. So by sheer size and access, we believe we are the largest provider of poverty relief for people in the LGBTQ community. Whether sheltering the homeless, feeding the hungry, helping those battling substance abuse, preventing the trafficking of transgender individuals, or counseling youth who are contemplating suicide, our doors are open to all. Period. And that inclusiveness also applies to our own offices, where we hire without discrimination, extending all employee benefits to legally married spouses, including same-sex couples. Our faith compels us to love and serve as Jesus did. With open arms.



In the battle for racial equality, Love's Army fought as one

"Finally, all of you, be like-minded, be sympathetic, love one another, be compassionate and humble." – 1 Peter 3:8

In the battle against racism and inequality, Love's Army has always marched at the side of those who peacefully, passionately, and compassionately fight to ensure that underserved Americans are cared for, lifted up, and given the opportunity to thrive. This year, our Pathway of Hope program continued to help families break generational cycles of poverty by overcoming root causes like unemployment, unstable housing, and lack of education. In diverse communities across the country, our youth programs provided after-school care, sports, academic support, fine arts, and other opportunities that those children might not otherwise have. In the midst of COVID-19, partners like the Toyota USA Foundation generously provided grants to help us distribute food in minority communities. And in every corps across the country, we continued to listen to the needs and desires of our brothers and sisters, acting boldly and lovingly to do the most good for all.



TONY THOMPSON

Love's Army wields boundless generosity.

In this broken world, we have always been surrounded by need. The need to feed loved ones. The need for a safe place to sleep. The need to overcome poverty, addiction, or disaster. Sadly, the need has always been there.

But in 2020, the need was greater than ever.

Thankfully, through the years, The Salvation Army has also been

surrounded by something greater than need – love. Through God's grace and provision, The Salvation Army's mission to fight for good has continually been bolstered by those who give and serve with open hearts and open arms. We call them Love's Army.

This year, Love's Army marched onto a battlefield scorched by sickness and fear, discrimination and inequality, darkness and despair. As COVID-19 brought our country and our economy to its knees, Love's Army stood tall. A battalion of partner corporations, foundations, and individuals generously blessed The Salvation Army with financial support – in addition to countless hours of volunteer time – helping us feed, shelter, and encourage the most vulnerable in their greatest hour of need.

Thanks to the support of Love's Army, the officers and employees of The Salvation Army in nearly every ZIP code across the country found new ways to do good in a world turned upside down. Entrenched in their communities and deeply sensitive to their neighbors' needs, these courageous and loving leaders were able to adapt and innovate, serving immediate needs while adhering to additional and expanded protocols of safety and health.

In one senior residence facility, The Salvation Army provided live music and guided exercise from the parking lot as the shut-in residents watched from their balconies. In Las Vegas, a Salvation Army Safety Dorm provided a safe place to stay for transgender homeless people who'd been rejected from other shelters. In another community, upon hearing about a racial justice march, a Salvation Army officer reached out to provide water, Gatorade, sanitizer, masks, and gloves.

As always, The Salvation Army served their communities and our nation with love, with compassion, and without discrimination.

I am constantly amazed at the boundless resilience, limitless creativity, and selfless compassion of The Salvation Army. And this year, in the face of the greatest need our country may have ever seen, I was reminded that The Salvation Army does not march alone. Love's Army – more generous than ever – marched right by our side.

Thank you to those who gave and continue to give your time, your money, your prayers, and your hearts as The Salvation Army continues to fight for good.

Humbly,

Tony Thompson National Advisory Board Chairman



Kenneth G. Hodder

Dear Friends,

In my years with The Salvation Army, I've seen a lot of battles. I've seen natural disasters devastate communities. I've seen alcohol and drug addiction ravage families. And I've seen rampant poverty overpower millions.

But in every battle, Love's Army has always been there. Right by our side.

I am eternally grateful that God has provided The Salvation Army with such a heroic alliance of donors, volunteers, supporters, partners, officers, and employees. Through the years, their generous gifts of time and resources have been invaluable in helping us fight for good across the country.

And in 2020, that fight didn't just continue. It escalated.

Hatred, wielding the weapons of discrimination and inequality, fought harder than ever to weaken America's spirit. And then, in a completely unexpected attack, COVID-19 struck at America's heart. But Love's Army did not back down.

Thanks to our allies, we continued to serve and fight for all those in need. With love. With compassion. And without discrimination. We continued to provide safe shelter for impoverished and homeless souls within the LGBTQ community. We continued to lift up our brothers and sisters in minority communities across the country. And we continued to serve not only those who were already in need before the coronavirus outbreak but also the growing number of people who suddenly found themselves without food, jobs, homes, and hope.

Thankfully, Love's Army has been in the trenches with us the entire time. The pandemic's economic bombshell may have decimated our usual ways of raising the funds we needed to fight these battles, but Love's Army found other ways.

As a result, The Salvation Army is doing more good than ever. In 2020, we fought for the good of all. On all fronts. And despite the odds, we continued to win amazing victories – feeding the hungry, sheltering the homeless, and delivering God's love, grace, and hope to those who needed it most.

Thank you for fighting by our side. We are eternally grateful.

Yours in Christ,

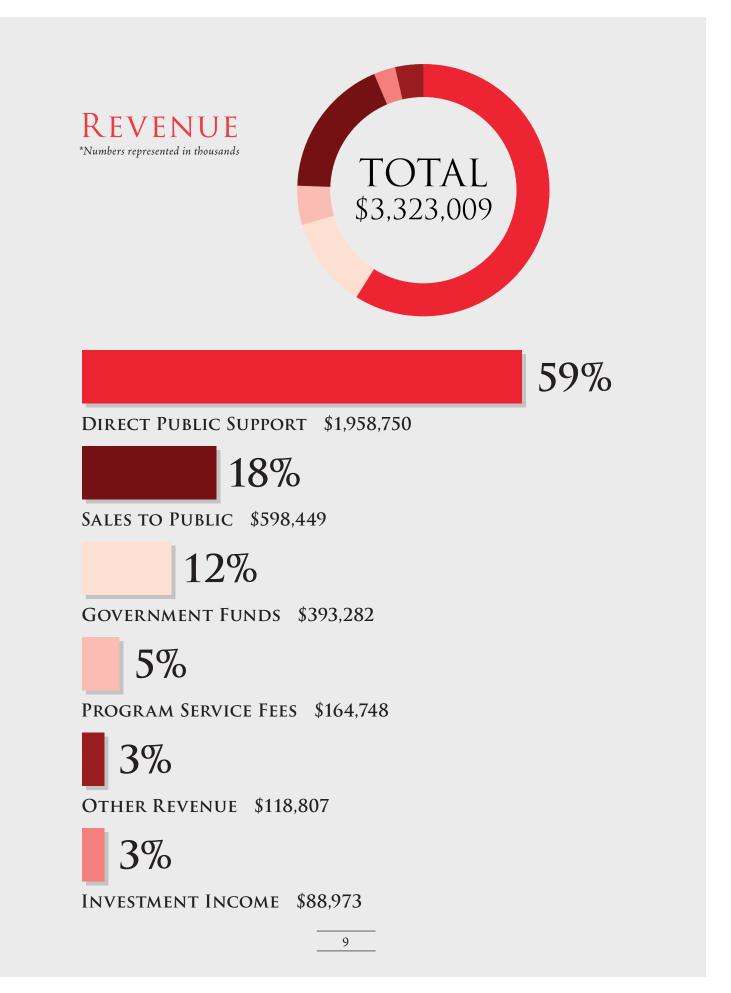
Commissioner Kenneth G. Hodder National Commander

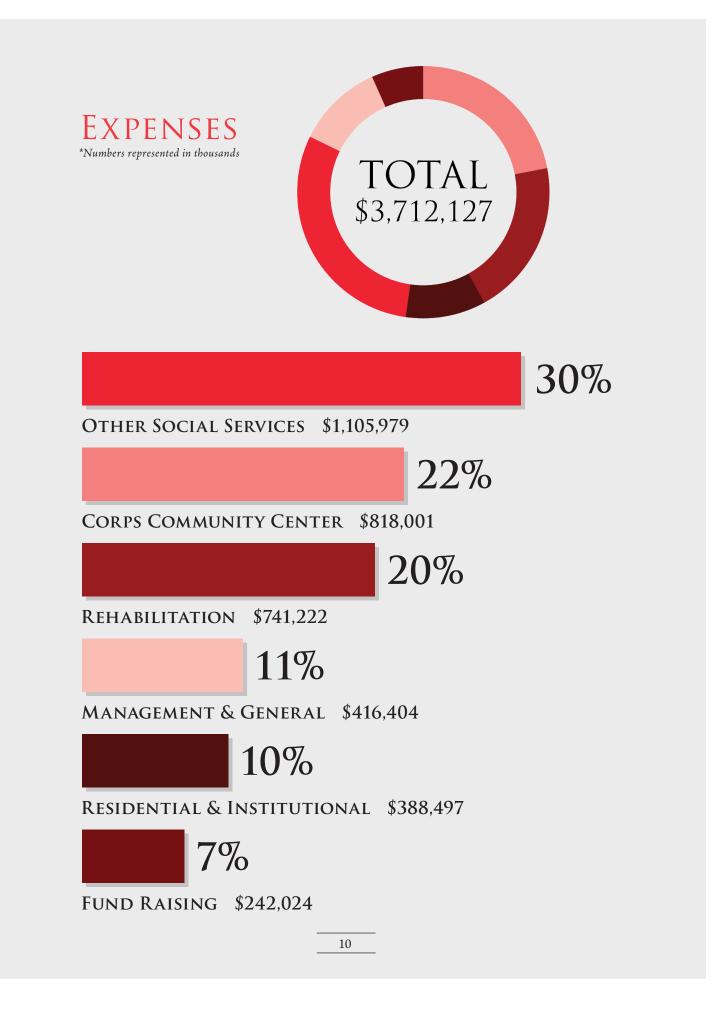
2019 FINANCIAL SUMMARY

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

The four territories comprise seven thousand five hundred sixty-five (7,565) units of operation throughout the United States, including Puerto Rico, Guam, the Republic of the Marshall Islands, and the Federated States of Micronesia. The National Corporation and the World Service Office serve an essential role in helping the territories fulfill their mission. Inter-corporation transactions have been eliminated for presentation purposes.

The Salvation Army has successfully rendered service in America since 1880 by maintaining conservative financial policies, enabling us to meet human needs without discrimination. Doing the most good by 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.





STATISTICAL HIGHLIGHTS

<u>CENTERS OF OPERATION</u> <u>PEOPLE SERVED</u>

Corps	1,156
Outposts and Service Centers	193
Rehabilitation Centers	143
Thrift Shops	1,116
Community Centers, Boys/Girls Club	292
Kroc Centers	26
Child Day-Care Centers	75
Adult Day-Care Centers	11
Senior Citizen Centers	235
Group Homes/Temp Housing	571
Permanent Residences	90
Medical Facilities	21
Service Units	2,793
Camps	42
Divisions	39
Training Colleges	4
Anti Human Trafficking Centers	46
Other	712
TOTAL Centers of Operation	7,565

<u>Personnel</u>

Officers/Lieutenants/Auxiliary Cpts/0	<u>Cadets 3,479</u>
Soldiers/Members	466,004
Employees	58,982
Volunteers	2,699,485
Advisory Organization Members	60,534
Echelon	694

SERVICES

Total Meals Served	146,754,830
Lodgings Supplied	9,753,419
Financial Assistance	2,478,071
Tangible Items Distributed	16,209,506

Basic Social Services	8,221,525
Referrals	2,785,158
Interviews Conducted	6,449,028
Holiday Assistance	2,506,317
Summer & Day Camps	845,332
Disaster Assistance	370,772
Persons Visited in Institutions	1,064,283
Job Training	29,936
Job Placement	10,743
Correctional Services	127,096
Community Centers Participants	5,661,022
Day Care	32,029
Senior Citizens	770,085
Substance Abuse	158,667
Medical Care	11,011
Institutional Care	549,624
Transportation Provided	1,320,843
Permanent Placement/Housing	20,970
TOTAL Persons Assisted	30,934,441

SERVICE HIGHLIGHTS

Virtual Ministry	121,779
Youth Programming	3,081,911
Music Education	1,050,315
KROC Membership	1,088,948
Anti-Human Trafficking (Survivors Hel	ped) 4,012
Anti-Human Trafficking (Nights of She	lter) 24,774
Anti-Human Trafficking (Referrals)	5,904
Food Pantries	1,572
Shelters	584
Disaster Response Events	4,310
Total Prepared Meals	50,972,350
<u>Total Food Boxes (1 box = 20 meals)</u>	4,789,124

THE SALVATION ARMY–USA Unaudited Combined Statement of Financial Position

For the year ended September 30, 2019

(Dollars in thousands)

ASSETS	2019	2018
Cash and cash equivalents	\$443,808	\$387,838
Accounts receivable	152,151	140,577
Legacies and bequests receivable	753,347	788,273
Pledges receivable	45,643	43,651
Inventory	44,969	44,665
Prepaid expenses and deferred charges	34,283	32,660
Mortgages and notes receivable	95,752	96,200
Investments	7,851,025	8,271,855
Assets held under split-interest agreements	1,106,230	1,081,965
Land, building, improvements & equipment	5,221,187	5,169,472
Other assets	6,455	6,067
TOTAL ASSETS	\$15,754,850	\$16,063,223

LIABILITIES & NET ASSETS

Total liabilities	\$5,063,910	\$4,593,257
NET ASSETS:		
Without donor restrictions:		
Available for operations	311,263	301,810
Designated for capital & specific program expenditures	1,079,791	1,870,445
Land, building & equipment	4,488,354	4,472,936
Total net assets without donor restrictions	5,879,408	6,645,191
With donor restrictions:		
Amounts to be held in perpetuity	2,786,859	2,800,019
Other restrictions	2,024,673	2,024,756
Total net assets with donor restrictions	4,811,532	4,824,775
Total Net Assets	10,690,940	11,469,966
TOTAL LIABILITIES & NET ASSETS	\$15,754,850	\$16,063,223

THE SALVATION ARMY–USA Unaudited Combined Statement of Activities

Financial Summary for Fiscal Year 2019

(Dollars in thousands)

REVENUE	2019	2018
Public support:		
Received directly:		
Contributions	\$916,631	\$943,549
Donations-in-kind and contributed services	576,015	589,432
Special events	24,112	23,903
Legacies and bequests income	285,670	326,135
Pledges revenue	19,881	13,991
Contributions from split-interest agreements	92,011	64,830
Total received directly	1,914,320	1,961,840
Received indirectly by federated campaigns	44,430	49,014
Total public support	1,958,750	2,010,854
Fees and grants from government agencies	393,282	373,324
Program service fees	164,748	159,000
Sales to the public	598,449	593,167
Investment earnings	88,973	613,031
Other revenue	118,807	81,034
TOTAL REVENUE	\$3,323,009	\$3,830,410
EXPENSES		
Program services:		
Corps community centers	\$818,001	\$828,293
Rehabilitation	741,222	727,347
Residential and institutional services	388,497	371,024
Other social services	1,105,979	1,116,085
Total program services	3,053,699	3,042,749
SUPPORTING SERVICES:		
Management and general	416,404	407,845
Fund raising	242,024	253,010
Total supporting services	658,428	660,855
TOTAL EXPENSES	3,712,127	3,703,604
Other changes in net assets	(389,908)	388,459
CHANGE IN NET ASSETS	\$(779,026)	\$515,265

THE SALVATION ARMY LEADERSHIP

NATIONAL LEADERSHIP

COMMISSIONER KENNETH G. HODDER National Commander

COMMISSIONER JOLENE K. HODDER National President of Women's Ministries

COLONEL KENNETH O. JOHNSON JR. National Chief Secretary

CENTRAL TERRITORY

COMMISSIONER BRADFORD BAILEY Territorial Commander

COMMISSIONER HEIDI J. BAILEY Territorial President of Women's Ministries

COLONEL STEVEN HOWARD Chief Secretary

EASTERN TERRITORY

COMMISSIONER WILLIAM A. BAMFORD III Territorial Commander

COMMISSIONER G. LORRAINE BAMFORD Territorial President of Women's Ministries

COLONEL PHILIP J. MAXWELL Chief Secretary

SOUTHERN TERRITORY

COMMISSIONER WILLIS J. HOWELL Territorial Commander

COMMISSIONER BARBARA A. HOWELL Territorial President of Women's Ministries

COLONEL RALPH BUKIEWICZ Chief Secretary

WESTERN TERRITORY

COMMISSIONER DOUGLAS F. RILEY Territorial Commander

COMMISSIONER COLLEEN RILEY Territorial President of Women's Ministries

> COLONEL KELLY IGLEHEART Chief Secretary

NATIONAL ADVISORY BOARD

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President & CEO, Krispy Kreme (Former)

MS. ALVA ADAMS-MASON

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Managing Attorney BoltNagi PC St. Thomas, Virgin Islands

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CEO, Mount West Investments Pittsburgh, Pennsylvania

Mr. Rodney Bullard

Executive VP, Corporate Social Responsibility Chick-fil-A, Inc. Executive Director, Chick-fil-A Foundation Atlanta, Georgia

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Those Callaways Realty Scottsdale, Arizona

Mr. Joseph Callaway

Those Callaways Realty Scottsdale, Arizona

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President & CEO CQuence Health Group Omaha, Nebraska

Mr. Allen Chan

Executive Director Robertson Scholars Leadership Program Chapel Hill, North Carolina

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Professor of Economics & Finance Manhattan College Riverdale, New York

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Director of Community Relations – Retired KTVK NewsChannel 3 Phoenix, Arizona

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Co-Founder & Vice President Cooke Media Group Burbank, California

MS. MEREDITH COUNCE

Director of Brand & Strategy Dallas Cowboys Football Club Dallas, Texas

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Vice Chairman, Consumer Practice Korn Ferry Chicago, Illinois

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CEO, Frauenshuh Companies Minneapolis, Minnesota

Mr. Matthew Frauenshuh

CEO, Fourteen Foods Minneapolis, Minnesota

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Managing Director William Gammon Insurance Austin, Texas

Mr. James F. Goodmon, Jr.

President & COO Capitol Broadcasting Company, Inc. Raleigh, North Carolina

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Philanthropist Birmingham, Michigan

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Mr. Eric Holm

President Metro Corral Partners Winter Park, Florida

Mr. J.C. Huizenga

Founder & Chairman Huizenga Group National Heritage Academies Grand Rapids, Michigan

Mr. Fred Hunzeker

CEO Tenaska Marketing Group Omaha, Nebraska

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President & CEO BNSF Railway Fort Worth, Texas

MR. DALE JONES President, Diversified Search Washington, DC

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Former Co-CEO, General Counsel Garden Fresh Gourmet Rochester Hills, Michigan

Mr. Joel Manby

Former President & CEO SeaWorld & SAAB Cars USA Author of "Love Works" Johns Creek, Georgia

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Community Affairs, LinkedIn Carpinteria, California

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Mr. Arthur J. Decio

(see Past Chairman Circle)

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

MR. RICHARD G. HAGERTY

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MR. WORTH HOBBS

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Owner & General Manager Dallas Cowboys Football Club Dallas, Texas

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Partner – Retired PriceWaterhouseCoopers LLP Scottsdale, Arizona

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Chairman, President & CEO Lyco Holdings Inc. Dallas, Texas

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Vice President – Retired Exxon Corporation Houston, Texas

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Mr. E. Richard Rathgeber

CEO & Managing Partner Southwest Constructors, Inc. Austin, Texas

Mr. Edward C. Ruff

COO – Retired Wachovia Securities, Inc. Charlotte, North Carolina

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President & CEO, GMR LLC – Retired Honolulu, Hawaii

Mr. William T. Slick, Jr.

Senior Vice President – Retired Exxon Corporation Houston, Texas

Mr. Timothy W. Swain II

Partner Swain, Hartshorn & Scott Peoria, Illinois

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Vice Chair – Retired Powell Tate Charlottesville, Virginia

Mr. Donald C. Wilson

Vice President – Retired U.S. West Communications Seattle, Washington



About The Salvation Army

"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 7,565 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.