



NATIONAL ANNUAL REPORT

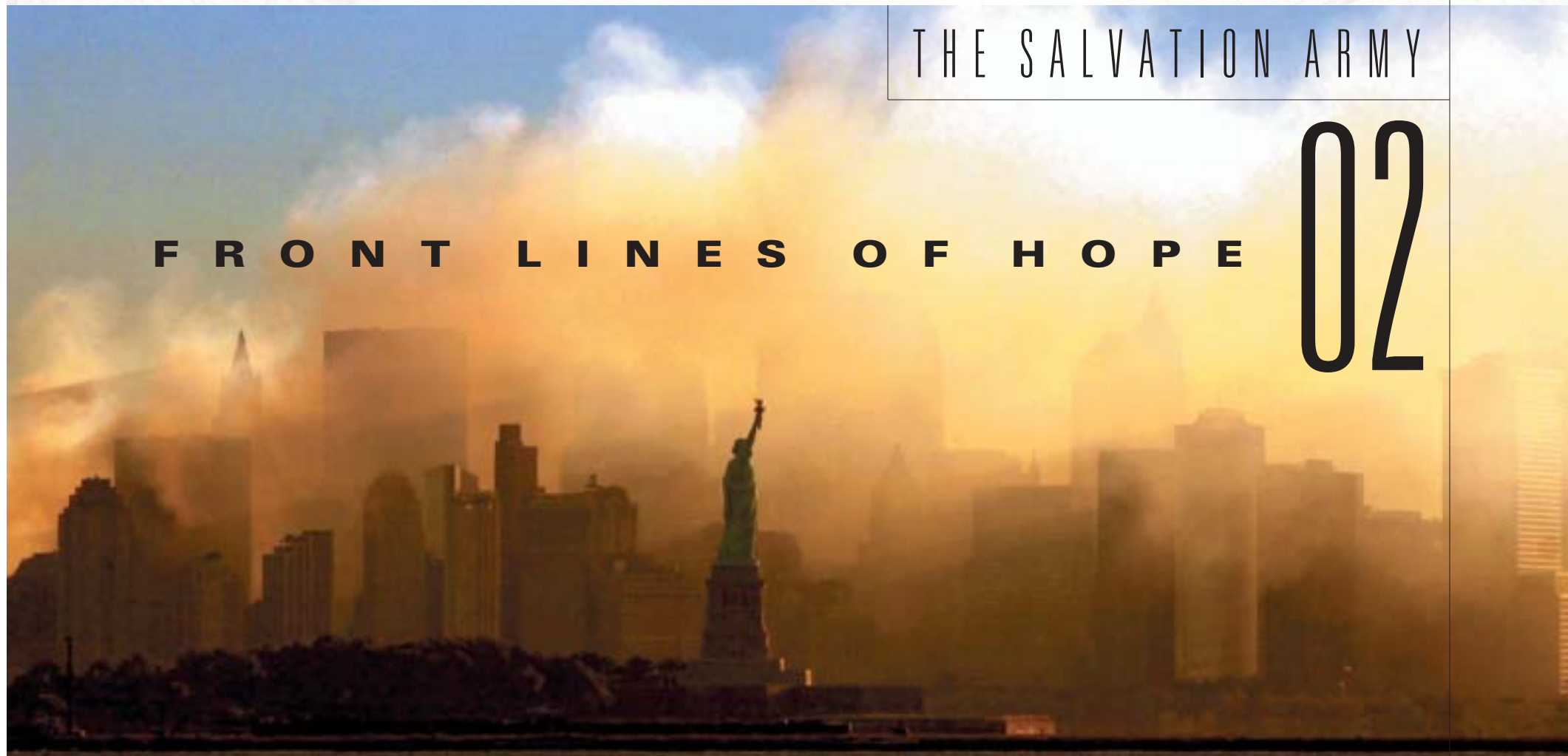
United States of America

20

THE SALVATION ARMY

FRONT LINES OF HOPE

02



“WHEN THE SALVATION ARMY SHOWS UP, THEY BRING THEIR WHOLE BAG. IF YOU NEED A BLANKET, THEY GIVE IT TO YOU.

IF YOU’RE THIRSTY, THEY GIVE YOU WATER. IF YOU’RE COLD, THEY’LL FIND A PLACE FOR YOU INSIDE. THERE’S COMFORT

FOR YOU, IF THAT’S NECESSARY. I FEEL LIKE I COULD ASK THE SALVATION ARMY ANYTHING AND THEY’D FIND A WAY TO

GET IT FOR ME. AND THEY DO THAT FOR EVERYONE.” **NEW YORK FIREFIGHTER LIEUTENANT JOE HUBER**



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THE SALVATION ARMY



PHOTO: JENNIFER GOFF

Eight forty-six, nine-one-one. That moment stands alone, transforming a nation as if startled from a prosperous slumber. From peace to war, from complacency to commitment, from selfishness to service, that morning changed this nation forever. And for thousands of officers, soldiers and volunteers for The Salvation Army, it meant immediate mobilization. In war, that’s what an army does.



PHOTO: WARREN MAYE



PHOTO: CAPTAIN EDUARD A. ZUNIGA

Cadets from the School for Officer Training (top) breathe through dust masks as they serve workers in New York. An American flag (above) rises above the ruins.

Within moments of the terrorist attacks of September 11, The Salvation Army's response was underway. Disaster-relief specialists traveled immediately to the crash sites in New York City, the Pentagon and rural Pennsylvania. The wheels—and axles—of key support functions began turning as a 70-foot disaster services trailer was sent from The Salvation Army's Central territory headquarters in Illinois to New York City. From Florida, a 48-foot field kitchen was sent to the World Trade Center, capable of providing thousands of meals per day. In the Midwest, Salvation Army officers were sent to dozens of airports to help stranded travelers. In the West, Salvation Army counselors were dispatched to airports in Los Angeles and San Francisco—destinations of the fated airliners—in case grieving families needed help.

"You see the tangled buildings and twisted rubble," Major Molly Shotzberger recalls of her first moments at the World Trade Center site, "and you ask, 'My God, how can anyone get out of here alive?' When I first got to the scene, some firemen were bringing out someone in a body bag. I was choking back tears, but you have to take a deep breath and move on."

By the time any rescuer at the site needed food, The Salvation Army was there, providing much more than food.

"When The Salvation Army shows up, they bring their whole bag," says New York firefighter Lieutenant Joe Huber. "If you need a blanket, they give it to you. If you're thirsty, they give you water. If you're cold, they'll find a place for you inside. There's comfort for you, if that's necessary. I feel like I could ask The Salvation Army anything and they'd find a way to get it for me. And they do that for everyone."

The Salvation Army's commitment to service always

begins with the very practical—meals, water, warmth—but it rarely ends there. Major Ralph Jackson found a young paramedic at Ground Zero who was so overcome with grief that she could not continue to work. As he comforted and prayed with her, he was encircled by two other Salvation Army officers and a soldier—an impromptu prayer team.

"Regardless of how seasoned these rescue workers are, nothing can compare to the gut-wrenching devastation we all witnessed," Major Shotzberger adds.

"We found a lot of people who would literally break down when you gave them an opportunity to ventilate and tell you how they felt," says Major Bert Tanner, who organized the counseling effort at the Pentagon. Counselors at the Pentagon coined a term—"engagement counseling"—for the process of getting rescue workers to share their concerns through simple conversation at key moments.

"People had a lot of stuff they just needed to work through. The best way to do that is immediately," says Joel Jenkins, an army reservist who was called away from his pulpit in Charlottesville, Virginia, to serve as a chaplain at the Pentagon. "The Salvation Army really became a big part of strengthening the teams to do their work."

"Our job was to listen to what they said, offer some comfort, and then see where they were taking the conversation," adds Jeff Jellets, Salvation Army disaster services coordinator for the Southern territory. "Often, people had seen such horrific sights that right away they would open up.

"A lot of times it would end with them asking us for prayer."

In Pennsylvania, Major Claranne Meitrott brought Bibles to give away at services held near the crash site. Soon, police officers stationed at the morgue asked for 25

copies. A police sergeant told her it helped his men feel a part of the recovery process.

The Salvation Army offers both the gentle hands of compassion and the broad shoulders of hard work.

In a single day following the attacks, the Army unloaded 60 tractor-trailer loads of donated supplies, organizing and storing nearly a million square feet of those supplies in 24 warehouses in and around New York City. A network of

hundreds of volunteer amateur radio operators allowed The Salvation Army Team Radio Network (SATERN) to relay information on the status of family members affected by the attack. For more conventional communications, The

Officers prepare their hearts with prayer and make plans to help the victims at the World Trade Center.



PHOTO: BRIAN MORRIS

Dear Friends of The Salvation Army

On the morning of September 11, The Salvation Army was on the scene in New York before the clouds of dust even settled, meeting—as it always does—very practical needs. Water for the thirsty. Food for the hungry. Rest and encouragement for those weary on the front lines of America's recovery. What was done in New York was done as well at the Pentagon, in the hills of western Pennsylvania and for stranded travelers across the land.

It is done every day in the lives of uncounted people throughout society. Meeting the needs of the hungry and the hurting is central to our mission. It is what we do, because of who we are, because of Whom we serve.

May God bless you.



COMMISSIONER JOHN BUSBY
National Commander

Dear Friends of The Salvation Army

I've always been proud of my association with The Salvation Army, perhaps this year more than ever. Their extraordinary response, in a time of crisis, made all of us feel very proud.

What The Salvation Army did for firefighters in New York City and rescue workers at the Pentagon, it did as well—without headlines or attention—for the homeless family in Cincinnati, for the single mother in Los Angeles and for the broken life in Seattle—meeting human needs without discrimination in God's name.

Speaking for 3.3 million volunteers who give of their time during the year, it is an honor to serve with The Salvation Army.

May God bless you.



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

Salvation Army established a toll-free phone bank and staffed it around the clock with volunteers and officers from around the country.

With airports closed for the first days after the attack, Salvation Army camps were opened to shelter stranded travelers. In Wichita, the Army provided housing and kosher meals for a group of Orthodox Jews.

As the anthrax threat unfolded, the District of Columbia asked The Salvation Army to assist in the massive testing program, providing food and logistical support for the hundreds of people tested for the potentially deadly bacteria.

And throughout the process, for months and months following September 11, The Salvation Army was on the scene at the World Trade Center to meet the needs of the recovery workers.

"For me at Ground Zero," says one New York firefighter, "The Salvation Army wasn't just about food and clothing, it was about a lot more. It was about caring. It was about somebody there to give me a hand up when I was starting to feel down. They were really there to support me and to help me go on."

At the three major disaster sites, The Salvation Army has served more than 4.3 million meals, and provided counseling, spiritual support or social service assistance to 110,402 persons.

Of course, apart from a generous nation, even an organization like The Salvation Army could not muster such a sustained effort. With a gift of \$10 million, Lilly Endowment Inc. led an extraordinary group of donors sup-

Major Debra S. Ashcroft observes the carnage at Ground Zero.



PHOTO: CAPTAIN EDUARDO A. ZUNIGA

porting the disaster relief effort. Wal-Mart Stores, Ford Motor Company, PepsiCo, Yahoo, Thomas Kinkade, AT&T, Do it Best Corp., Burger King, McDonalds, Tyson Foods, Outback Steakhouse and Dixie Cups contributed cash, material and personnel, or a combination.

In total, more than \$84 million has been contributed to The Salvation Army in response to September 11.

Of that sum, \$631 came from Rosario Yberra, who works at Santa Anita Racetrack's concession stand in Southern California, selling coffee and pastries. On Friday, September 21, Rosario put up a cardboard sign declaring that all tips would be donated to The Salvation Army's relief fund. Her tips that morning were more than five times what she would normally make.

She gave the money to The Salvation Army because of the way her father had always talked about the organization. When the Depression hit and he couldn't find work, The Salvation Army had come to his rescue with food, clothing and other essentials of life. "I want to make my father happy in heaven by repaying his debt in some small way," Rosario says.

For British Salvationists Austin and Linda Burn, news of the attack meant a change in travel plans—twice. The couple had planned to vacation in New York but canceled those plans after September 11. Before they could buy tickets for a rescheduled vacation in Tunisia, Austin and Linda decided to change back to their initial destination for a "working vacation." A very hard working vacation. They toiled as volunteers at Ground Zero, serving with others from The Salvation Army in any way possible. When their two weeks ended, they returned to normal life in London, where Austin Burn serves as head butler for the Royal Family at Buckingham Palace.

Cynthia Yobbs and other family members came to help—sorting donated goods at the Army's Arlington, Virginia warehouse—in memory of their father, Tony Bai. A World War II veteran, Tony Bai had donated his time after September 11, organizing a production line in the medication area supporting the Pentagon. That evening, Tony told his children and grandchildren about the efforts, and he prayed with them. While watching television later in the evening, the retired anti-aircraft gunner was—as The Salvation Army says—"promoted to Glory."

"He was our hero," says daughter Margaret Clay. "We returned to the Army's warehouse to honor him by pitching in."

The investment of lives in lives has always been the stock in trade for The Salvation Army, manifested in massive efforts such as the recovery after September 11, as well as in the quiet restoration of lives around the country that earns headlines only in heaven.

Rain or shine, in season and out, The Salvation Army stands ready to meet human needs with human compassion as ambassadors of God's love. They do it under the glare of public, international attention or just as gladly when no one is watching.

When September 11 closed air traffic in the United States, inbound international flights were all diverted to land at the nearest available facility. Nearly 40 flights ended up in the tiny city of Gander, Newfoundland. Of course, The Salvation Army provided housing for the stranded passengers.

While frightened passengers on one flight gazed on the foreboding Canadian landscape as they landed, the plane came to a stop near a Salvation Army emergency vehicle.

"We'll be OK," one passenger was heard to exclaim, "The Salvation Army is here!"



PHOTO: MAJOR TODD SMITH



PHOTO: MAJOR TODD SMITH

Lieutenant Colonel William Crabson (top) conducts services at a makeshift chapel at the Pentagon's Camp Unity. Salvation Army officers (above) work through relief logistics at the Pentagon.

Steve McNarry prowls within the circle of desks, unable to contain his enthusiasm. He stops in front of a man in his 30s. "Say it."

"God is not done with me yet."

Steve moves to the next desk and points to a young woman. "Say it and mean it."

She fills the room: "God is not done with me yet!"

Steve continues around the circle until he has coaxed the same phrase out of each of them and instilled the same truth: *God is not done with me yet. He has plans for me. Those plans do not include addiction.*

Decades into his own recovery, Steve celebrates every day by investing himself into those around him at the Harbor

When Shawn Bailey (below) came to the Harbor Light Center, he had only the clothes he was wearing. Dr. Peter Kim prays with Danny Hamilton during a medical visit at the Center (right, top). Major Larry Manzella (middle) chats with a co-worker. Chaplain Steve McNarry (bottom) leads a recovery session.



PHOTOS: RON LONDEN

Light Center in Indianapolis. "We help a lot of lives there," he says. "That's what counts."

Offering a wide spectrum of treatment programs from drug detoxification to relapse prevention, the Harbor Light Center uses every available tool—medical, emotional, spiritual—to help clients pull themselves loose from the bonds of addiction.

"When people come here, they are really getting treatment in terms of the whole person," says Major Larry Manzella, director of the center. "That defines our mission and sets the course for us. By any stretch of the imagination, it's as far from 'three hots and a cot' as you can get. It is a treatment center in every sense of the word."

After a quarter-century of crowding—sometimes 30 to a room—into a tiny downtown campus, the center moved late last year into a state-of-the-art facility within an engine's roar of the famed Indianapolis Motor Speedway. The new facility—75,000 square feet and 22 acres of land—became available when its original owner went bankrupt. Thanks to a generous donation, The Salvation Army had to provide only about one-eighth the actual value.

"You're working with people who are already in a desperate situation, trying to work out all the issues of treatment," Major Manzella says, "and now we send them back to a facility in the evening that treats them a whole lot



CENTRAL TERRITORY



> CENTERS OF OPERATION: 2,294

> VOLUNTEERS: 728,920

> PEOPLE SERVED: 7,109,930

better than our other facility ever could. Now, it feels like a community."

For MacElroy Acheson, Harbor Light offers much more than amenities. A "highly functioning heroin abuser" for more than 30 years, Acheson watched his life fall completely apart when bad knees forced his retirement as a boiler-maker and, shortly after, his wife of 37 years died of cancer. His addiction then turned to crack cocaine and he began selling drugs—"a monkey selling bananas," he recalls.

"Then I got sick and tired of being sick and tired." After 24 previous stints at rehab facilities, Acheson turned to The Salvation Army and its Harbor Light Center.

"Three years, four months and two days" ago—he keeps a running count—MacElroy Acheson left drugs behind and entered the relationship with God for which his late wife had always prayed. Today, he is a van driver for the Harbor Light Center and working to rebuild his relationship with his three adult daughters.

"I've not only kept my life clean for three years," he says humbly, "but because of Harbor Light, I've got God in my life today."

And God is not done with him yet.

After more than 30 years of addiction—and 24 previous attempts at recovery—MacElroy Acheson (below) turned his life around at the Harbor Light Center in Indianapolis.



CENTRAL TERRITORY

Works in Progress

The Barnabas Center for Youth allows Mesha Wiggins (below) a chance to work with kids. Every day, Andre Douglas (far right, top) spreads the word for the teen drop-in center on the streets of Syracuse. School children (middle) work on homework together at the center. Carlos Rivera and Dustin Montonez (bottom) develop life skills in a supervised apartment facility.

E A S T E R N T E R R I T O R Y



It's Karaoke Night at the teen drop-in center and harmony reigns, except musically. One brave soul picks up a microphone and breaks the ice with the first hip-hop tune, followed by a series of makeshift duets and trios until the whole crowd joins in. It's cold outside, and in this part of Syracuse, New York, you take your fun where you can get it.

For many teens in the street, that means The Salvation Army.

In an area with hundreds of at-risk youth—homeless, hungry or nearly so—the drop-in center is a small storefront operation selling hope. Open after school and early into the evening, the center offers a safe environment for having fun, working on homework, getting warm or getting fed. “It’s the front door,” Andre Douglas says; the front door to the Barnabas Center for Youth, which offers struggling kids some alternatives to the street.

Every day, Andre goes out into the streets to find teens and let them know about the Barnabas Center, taking with him some food, clothing and information. “We’ll basically do anything we can to get ourselves into a conversation with a teenager,” says Tom Roshau, director of the Barnabas Center.

“If there’s a 14-year-old girl out on the street for the first time tonight, we want to meet her and get her into a safe place before someone else tries to turn her into a victim. We know that there is a competition. It’s a race to see who

PHOTOS: RON LONDEN



can get to that street corner first.”

Roshau estimates that half of the center’s clientele are at or near a state of homelessness. “They may know where their parents live, but they know they’re not sleeping there tonight because they’re either not welcome or not safe.”

Behind the “front door” of the drop-in center—across the hall from the bustling activity room—case workers help teens grapple with tough issues. “We’ll bring them in for fun, and then the staff will work their magic and get to know them,” Roshau says. “And before you know it, those kids are sitting across the hall, talking about some major stuff that’s going on in their lives.”

“It really is the heart of The Salvation Army,” says Major John Morrison, Syracuse area services coordinator. “[Salvation Army founder] General William Booth would have loved this program.”

Since teenagers are often more receptive hearing from their own, the Barnabas Center recruits teen leaders within the community. The HYPED program—Help Your Peers Make Educated Decisions—allows these leaders to guide a group through a six-week program, with sessions devoted to peer pressure, anger management and responsible decision making.

“This is a great environment,” say Mesha Wiggins, a HYPED leader who has a passion for teaching art. “There’s just something about this place that keeps me coming

back every day.”

The Barnabas Center also provides a place to live in a supervised environment for homeless or runaway teens, giving them a chance to learn some life skills.

“They can get out from under the pressure of worrying about whatever illegal thing they have to do to get money for rent or food,” Roshau says. Rather than paying rent, residents are required to learn to work and save their money.

For kids who stay with the program, Roshau reports, 93 percent end up with jobs, and more than 80 percent complete their schooling.

“When I first started here, I was scared to come to this part of town,” admits Diantha Johnson, a live-in supervisor at the residential facility. “I expected thugs and kids who are into all kinds of bad things, but they’re not.

“They’re great kids and they have a lot to offer. They just may not know it. But we see it and we try to help them see it.”

Karaoke night leads to harmony at The Salvation Army’s Barnabas Center in Syracuse, New York.



E A S T E R N T E R R I T O R Y

The Front Door

Kelly Case had been free of her addiction for nearly four years when her baby daughter passed away. Barely a year later, her husband died of a massive heart attack, and she was totally alone. Then came the spiral downward: cocaine, heroin, an abusive relationship, jail, homelessness and hopelessness.

"That whole life I had—the house and the flower garden—it was not even a memory," she says. "I just erased it. The drugs were a distraction from my pain."

But now, through Sally House—The Salvation Army's innovative transitional shelter for women in Houston—Kelly is starting over.

"There was a void in the Houston area for a facility that

For Linda Williams (below), Sally House offered a chance for change in her life. Sally House provides clients with a supportive atmosphere (right, top) and a recovery program (right, middle) to explore fundamental issues .



PHOTOS: RON LONDON

could give a little more attention to these women," says Major Henry Gonzalez, area commander. "I just like to believe that because we are The Salvation Army, there is a little bit more care and compassion given to our clients."

"We call this a step up before stepping out," says Gay McCurdy, director of Sally House. "We give them a hand because sometimes no one else will."

"Often their families are disappointed with them, their friends are aggravated with them, so we help them get jobs and become productive members of society."

Founded three years ago in response to unmet needs, Sally House helps women overcome their addictions. The process addresses issues often more complicated than with men, because of challenges related to children.

As women arrive in the program, their first two weeks are spent within the walls of Sally House on intensive training in parenting skills, relapse prevention, domestic violence education and work skills, as well as a network of formal and informal peer support.

After the first two weeks, women can pursue education or work part time. They often live at the center for several months. Those who work are expected to pay a portion of their wages to the Sally House. "It's not to make a profit off them," McCurdy says. "It's to get them back into society, where they learn to pay their bills instead of [paying] their drug dealer."



S O U T H E R N T E R R I T O R Y

- > CENTERS OF OPERATION: 2,338
- > VOLUNTEERS: 1,280,495
- > PEOPLE SERVED: 11,349,953

After four months at Sally House, Sharon Davis is preparing to spread her wings.

"I really love this place," she says. "I feel secure now since I've been here. But I have to go. This is not a home. We have to just get what we need and then go back out there into the world and make a better future for ourselves. And that's what I'm doing."

Sally House has been able to place many women into productive jobs through community and corporate partnerships. ExxonMobil, for instance, has adopted Sally House as a project, recently creating a workshop for training residents in job interview and work skills.

"The program set a foundation for me," says Linda Williams, who after Sally House was able to move out on her own. "It allowed me to set some boundaries in my life and establish a better rapport with my family. Sally House allowed me to understand that I no longer had to be the person I once was, that there was something better inside of me."

"I know people who have tried to quit drugs and alcohol through psychiatry or through going to prison," says Kelly Case, "and that's not really the solution. The solution is spiritual in nature, and this program offers that."

"I believe that God gets people like me into a place like this," she says, with tears welling up in her eyes. "I feel so lucky."

Kelly Case (below) recognizes the spiritual connection to recovery from addiction. Talking with Julianne Hall (far left, bottom), Kelly describes her infant daughter's death.



S O U T H E R N T E R R I T O R Y

Stepping Up

The Salvation Army Adult Day Health Center helped Mildred Arakaki (below) recover from the effects of a stroke. Daily activities include music (far right, top) and stretching exercises (right, middle).

WESTERN TERRITORY

- > CENTERS OF OPERATION: 1,812
- > VOLUNTEERS: 691,026
- > PEOPLE SERVED: 5,094,384



Every day, Mildred Arakaki walks. Less than one year ago—with Mildred in a wheelchair following a stroke—that would have seemed almost impossible. She began making daily visits to The Salvation Army Adult Day Health Center in Honolulu to start the slow process of recovery through physical therapy: from the wheelchair to parallel bars, to a walker, then to a four-footed “quad” cane, now to a single cane and sometimes unaided.

“I had a massive stroke,” Mildred, 77, says. “With their help I got to this point. I’m back to just about normal in nine month’s time. At home I can walk without a cane.”

The Salvation Army opened the center in Honolulu in the 1970s—then one of the first such facilities in Hawaii. But the needs of caring for senior adults soon grew far beyond the social models of the past toward a center that is first and foremost a health-care facility.

“We’re a middle ground between the home and full-time nursing care,” says Helen Myers, administrator of day health services for The Salvation Army in Honolulu. By providing care for seniors during the day—including key health services such as nursing care and access to physical therapy—the need for institutionalization can be forestalled for years or avoided altogether.

Every day, clients are treated to a full range of activities therapeutically designed to stimulate the body and the mind.

PHOTOS: GREG SCHNEIDER



Nursing staff monitor vital signs and medication, coordinating care with clients’ physicians and physical therapists in an environment suited to addressing one of the most serious and often overlooked threats to senior health: depression.

“Depression is resolved here very quickly,” Myers says. She recalls one client who came to the center shortly after a hospitalization for depression.

“When she came in, you could see in her face that she was depressed. She didn’t talk to anyone, she didn’t want to be here. She didn’t participate in activities. And she didn’t eat.

“Within a month, you could see her change. She started to smile. She started making friends. She started exercising and participating in all the activities.”

Soon, the woman’s family reported that she would get up and get dressed each morning, excited to come to the center every day.

“When people come here, they still can go home every night,” Myers says. “And this place becomes a part of their life as well. This is their second home. This is their day home.

“They have their own peer group. They form social relationships. What we’re doing is giving them back, so to speak, a life that they’ve lost.”

In some cases, the results are remarkable.

One woman started coming to the center while under hospice care for breast and uterine cancer that had spread

to her bones, leaving her in a wheelchair. Expected to live just one to three months, the woman was a daily fixture at the center until hospice care was withdrawn after a year—because she had lived too long. In another six months, all signs of cancer were gone—without explanation.

“She had no treatment, no chemotherapy, no surgery, because she was so far gone. And yet this woman’s cancer disappeared,” Myers says of the woman, who remained active for more than four years. “Her daughter said that she feels the day-care center literally saved her life.”

Mildred Arakaki agrees.

“I love the staff here. They’re terrific. Coming here makes me feel good. I feel like I’m 65 again.”

Helen Sato (below) enjoys the daily walks on the center’s grounds. Residents (left) enjoy a friendly environment where relationships are built.



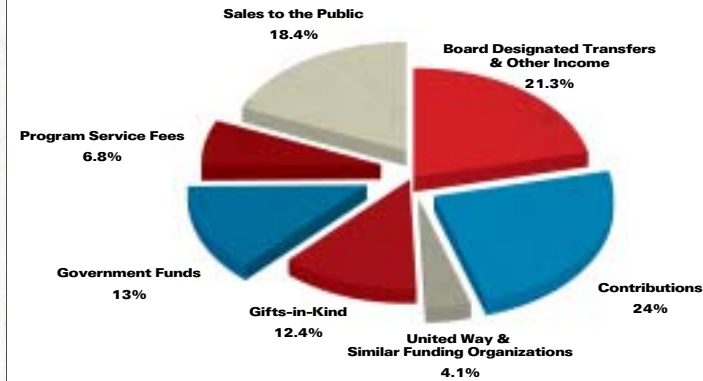
WESTERN TERRITORY

The “Day Home”

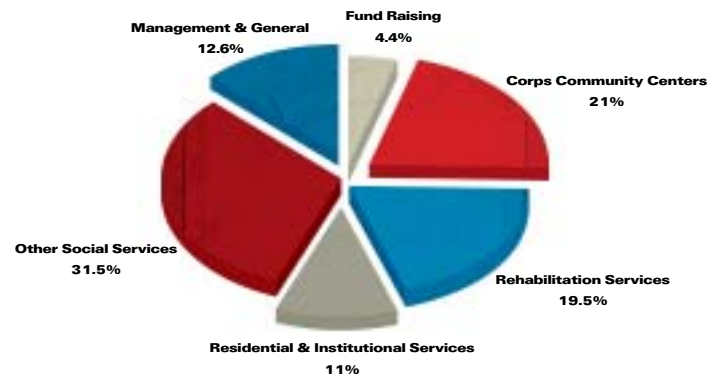
FINANCIAL HIGHLIGHTS

Fiscal Year Ended September 30, 2001

OPERATING INCOME \$ 2, 3 1 3 MILLION



OPERATING EXPENSES \$ 2, 3 0 8 MILLION



Financial Summary

of Combined Corporations in the USA for the Year Ended September 30, 2001

For the ninth year, The Salvation Army is the No. 1 choice of American donors. Donors look to The Salvation Army more than any other group to provide assistance to their neighbors. Your continued trust and support is needed to be able to continue to reach out to our communities. Our thanks for your continued financial assistance inadequately expresses the appreciation of every boy and girl, every homeless family and every person needing help. This happens because of your interest and support. We are pleased to provide this summary report of financial stewardship as well as sources for more detailed financial information.

This summary represents a combining of data extracted from the Audited Financial Statements of six corporations. Four of these—the Western Territory, the Southern Territory, the Eastern Territory and the Central Territory—supervise 9,161 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 information shown is for the 2001 fiscal year.

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 nonoperating based on donor restrictions and/or designations by the corporate Boards of Trustees.

During 2001 nonoperating revenues comprised \$242 million of unrestricted legacies and bequests and net investment losses of \$304 million; these funds were designated by the Boards for replacement and maintenance of facilities and equipment. Other categories of nonoperating revenue include \$27 million of public gifts restricted permanently by the donors, \$128 million of temporarily restricted support and \$44 million from miscellaneous sources.

During 2001 the Army spent \$2.31 billion in serving people, up from \$2.12 billion the prior year. A total of 83 cents of every dollar, or \$1.92 billion, went toward program services, with the remainder accounted for by management and general expenses of \$290 million and fund-raising costs of \$102 million. Approximately 75% of these expenditures were funded by public and other operating support received during the year, with the remaining funding provided by the release of net assets that were previously donor-restricted or Board-designated for long-term projects.

Total public support—both operating and nonoperating—was \$1.39 billion, down from \$1.44 billion in 2000. It comprised \$710 million of general contributions, \$285 million of legacies and bequests, \$286 million of gifts-in-kind, and \$110 million of allocations from local United Way and similar funding organizations.

About 74% of the Army's net assets consist of land, buildings and equipment (\$2.47 billion) and invested Board-designated reserves for future capital expenditures, ongoing facilities maintenance and specific programs (\$2.18 billion). The remainder primarily comprises investments of donors' temporarily restricted gifts and permanently restricted endowments.

Meeting the needs of your community is our highest goal. Our pledge is to maintain the highest standards of financial accountability to continue to deserve your trust. Each corporation is 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 in the Statistical Highlights.

Thank you for *Making Change Happen*. Thank you for your continued support of the local Salvation Army unit serving your community. May God bless you!



STATISTICAL HIGHLIGHTS

Fiscal Year Ended September 30, 2001

CENTERS OF OPERATION

Corps	1,369
Outposts and Service Centers	153
Rehabilitation Centers	163
Thrift Stores	1,640
Community Centers, Boys/Girls Clubs	385
Day-Care Centers	228
Senior Citizen Centers	222
Group Homes/Temporary Housing	571
Permanent Residences	94
Medical Facilities	56
Service Units	3,700
Camps	53
Divisions	40
Training Colleges	4
Others	483
Total Centers of Operations	9,161

PERSONNEL

Officers	5,452
Cadets	322
Soldiers	120,209
Members	454,982
Employees	40,519
Volunteers	3,334,548
Advisory Organization Members	67,134

GROUP MEETING ATTENDANCE

Outdoor Meetings	350,071
Sunday School	2,844,015
Sunday Meetings	6,481,810
Weekday Public Meetings	2,144,441

Soldier Development	647,338
Group Activities	11,206,375
Music Organizations	1,023,394
Other	9,641,719
Total Group Meeting Attendance	34,339,163

PEOPLE SERVED

Basic Social Services	21,084,449
Holiday Assistance	5,720,852
Summer & Day Camps	189,471
Disaster Assistance	2,874,005
Persons Visited in Institutions	4,554,571
Job Referrals	31,401
Correctional Services	491,380
Community Center Participants	1,067,563
Persons Served in	
Salvation Army Institutions	1,071,273
Substance Abuse Rehabilitation	203,301
Medical Care	131,251
Transportation Provided	500,423
Missing Persons	65,816
Total Persons Assisted	37,985,756

SERVICES

Meals Served	57,769,930
Lodging Supplied	10,008,055
Welfare Orders—Cash Grants	7,180,879
Tangible Items Distributed—	18,246,840
Clothes, Furniture, Gifts	
Attendance at Community	
Center Activities	33,421,084



IN APPRECIATION SEPTEMBER 11 DISASTER RELIEF AND OTHER VALUED SUPPORT

The Salvation Army deeply appreciates the generosity of national donors providing \$1,000,000 and over:

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We also wish to thank the millions of individuals, foundations and corporations who have generously contributed to local Salvation Army programs throughout the United States.

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

of the United States of America

NATIONAL HEADQUARTERS

Commissioner John Busby, National Commander
Colonel Thomas C. Lewis, National Chief Secretary
615 Slaters Lane, P.O. Box 269, Alexandria, VA 22313-0269
Telephone (703) 684-5500, Fax (703) 684-3478
www.salvationarmyusa.org

CENTRAL TERRITORY

Commissioner Lawrence Moretz, Central Territorial Commander
10 West Algonquin Road, Des Plaines, IL 60016-6006
Telephone (847) 294-2000, Fax (847) 294-2299
www.usc.salvationarmy.org

EASTERN TERRITORY

Commissioner Joe Noland, Eastern Territorial Commander
440 West Nyack Road, West Nyack, NY 10994-1739
Telephone (845) 620-7200, Fax (845) 620-7757
www.salvationarmy-usaeast.org

SOUTHERN TERRITORY

Commissioner Raymond A. Cooper, Southern Territorial Commander
1424 Northeast Expressway, Atlanta, GA 30329-2088
Telephone (404) 728-1300, Fax (404) 728-1331
www.salvationarmysouth.org

WESTERN TERRITORY

Commissioner David Edwards, Western Territorial Commander
180 East Ocean Boulevard, Long Beach, CA 90802-4713
Telephone (562) 436-7000, Fax (562) 491-8792
www.salvationarmy.usawest.org

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-

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Contributions to it are deductible for

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THE SALVATION ARMY

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.

THE SALVATION ARMY

National Headquarters

615 Slaters Lane, P.O. Box 269

Alexandria, VA 22313-0269

Telephone (703) 684-5500 Fax (703) 684-3478

www.salvationarmyusa.org

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