

Canadian Red Cross

**Annual Report**  
2010-2011



**CANADIAN  
RED CROSS**



# FAST FACTS FROM 2010-2011

**OUR MISSION: THE CANADIAN RED CROSS MISSION IS TO IMPROVE THE LIVES OF VULNERABLE PEOPLE BY MOBILIZING THE POWER OF HUMANITY IN CANADA AND AROUND THE WORLD.**

## DISASTER MANAGEMENT IN CANADA

- over 20,106 people directly assisted
- over 2,098 house fires responded to
- 5,117 trained volunteers ready to respond 24/7, 365 days a year
- 10,622 Canadians trained in disaster preparedness

## INJURY PREVENTION

- 1.5 million Canadians took Red Cross First Aid or Swimming and Water Safety courses
- 20,000 active instructors in first aid, lifeguarding, swimming and water safety

## RESTORING FAMILY LINKS

- 1,000 active cases
- 31 dedicated volunteers across the country

## DETENTION MONITORING PROGRAM

- 37 visits to detention facilities holding immigration detainees
- 49 DMP volunteers across the country

## RESPECTED: VIOLENCE AND ABUSE PREVENTION

- 290,994 youth and adults attended workshops and sessions in Canada
- 128,347 attended programs offered in other countries

## INTERNATIONAL OPERATIONS

- 13 field offices operating in 19 countries around the world
- 386 delegate missions abroad
- 54 international emergency relief and recovery appeals answered, including support for Sri Lanka and Bolivia floods and Chile and Sumatra earthquakes
- \$23.9 million invested in development projects
- 909 metric tonnes of relief supplies managed

## HUMANITARIAN ISSUES AND INTERNATIONAL HUMANITARIAN LAW

- 21,555 youth reached through 514 events
- 297 teachers trained to teach the “Exploring Humanitarian Law” curriculum

## HEALTH AND SOCIAL PROGRAMS

- 236,228 articles loaned through **HELP** (Health Equipment Loan Program)
- 42,248 people served through Link to Health, Meals on Wheels, Transportation and other home assistance programs
- 24,055 people served by 3,762,824 client service hours through home support services

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# PRESIDENT'S MESSAGE

**WITH A MIXTURE OF HUMILITY AND PRIDE, I MARK MY FIRST YEAR AS PRESIDENT OF THE BOARD OF GOVERNORS, ALONG WITH THE FIRST YEAR OF SERVICE FOR FIVE NEW BOARD MEMBERS.**

**WE OWE A GREAT DEBT TO THE PAST PRESIDENT AND OUTGOING DIRECTORS FOR THEIR SUPERB WORK AND THOUGHTFUL GUIDANCE IN BUILDING AND MAINTAINING AN OUTSTANDING ORGANIZATION. SIMPLY PUT: IT'S A GREAT TIME TO BE INVOLVED IN THE CANADIAN RED CROSS. OUR ORGANIZATION IS IN A HEALTHY FINANCIAL POSITION ENABLED BY STRONG DONOR SUPPORT AND A WELL-EARNED REPUTATION IN CANADA AND INTERNATIONALLY.**

Our challenge—the challenge of every board—is to enhance the organization's position and strengthen its prospects for success.

One of the most important ways our board can achieve this goal is to insist on superior governance principles and practices. In the eyes of our volunteers, our donors, and our local, national and international partners, we will continue to be a model of good governance because every stakeholder expects and demands such rigour. We must expect and demand this of ourselves.

As with all other parts of the organization, we have set performance benchmarks for the board, focusing on four key areas of our mandate: legal compliance and public disclosure; effective governance; strong financial oversight; and strategic and operational oversight.

Beginning last year, immediately after the Annual General Meeting, we set an ambitious but achievable slate of specific objectives, including revisiting our bylaws to reflect current operating realities, providing oversight of our strategic plan, and implementing an annual strategic planning session to tackle the larger issues and opportunities facing the Canadian Red Cross. We have improved the process for board evaluation, tightened the roles of our committees and their structures, and invested in board member development and succession planning.

We have also enhanced oversight of our international role and worked closely with management on an enterprise risk management framework.

Some of our strategic imperatives include leveraging technology investments to gain efficiencies, developing a clear vision for our presence in the Canadian North and promoting an aggressive strategy for youth involvement. As a cornerstone to our fundamental principles, we continue to support and cultivate our strong volunteer culture.

As the Canadian Red Cross finishes the first year of our second century, I am pleased to report that we are making significant and tangible progress in each area outlined above.

Our stakeholders should be excited about the future of the Canadian Red Cross. While there is much physical and emotional stress in this country and abroad, we are confident that we are fashioning a prudent and highly accountable organization—an organization that is capable of fully and thoroughly meeting the challenges we face in relieving or preventing suffering in its many forms.

Sincerely,



**Edward Tanaka**  
PRESIDENT

# SECRETARY GENERAL'S MESSAGE

**AS HAS BEEN THE CASE EVERY YEAR, THIS PAST YEAR WAS ONE OF CHALLENGES AS IT IS THE NATURE OF OUR WORK AND THE NATURE OF HUMANS TO WANT TO HELP THE MOST VULNERABLE.**

**IN CANADA AND THROUGHOUT THE WORLD, THE RED CROSS HAS ACHIEVED AN ENVIABLE STATUS; IT IS THE OBJECT OF PUBLIC TRUST, BOTH AS AN EFFICIENT VEHICLE FOR GIVING AND AS AN EFFECTIVE AND COMPASSIONATE MEANS TO DELIVER AID TO THE MOST VULNERABLE. I AM EXTREMELY PROUD OF CANADA'S CONTRIBUTION TO THE WORLD'S LARGEST HUMANITARIAN ORGANIZATION, BOTH IN TERMS OF DONATIONS AND IN THE QUALITY AND IMPORTANCE OF THE WORK THAT THOSE DONATIONS ALLOW US TO DO, HERE AND ABROAD.**

We welcome our expanding role within the Red Cross Red Crescent Movement as we are called upon to deliver immediate relief in disasters and conflict. More frequently, we are being asked to work with other National Societies to build community resilience in countries as diverse as Haiti, Liberia and Indonesia. The Canadian Red Cross is steadfastly committed to working with our counterparts from other countries at every opportunity, for the combined strengths of the Red Cross Movement are far greater than the resources of a single society. In the process, we have learned much and we have been asked to teach much. This mutually beneficial relationship can also be seen inside our own borders as the sharing of best practices within Canada is now itself a standard practice.

This past year marked the end of the first year of our renewed strategic plan, *Strategy 2015*, a plan that calls for the strengthening and focusing of our services into six areas of excellence: disaster management, community resilience and capacity building, health and social programs, violence and abuse prevention, injury prevention, and humanitarian issues and international humanitarian law. I can report that, in Canada and abroad, we have continued to elevate the quality and consistency of our programming in all areas of excellence.

Technology is playing a major role in shrinking both our country and our planet. It is playing a greater role in our organization and will continue to do so as we explore and exploit new tools in the year ahead. Technology maximizes our administrative efficiency, it helps our giving programs as more and more people are using online donations, it increases our visibility, and it keeps us connected across the country and around the world so that we may immediately learn of events and issues and the response that is expected of us. We are, and will always be, mindful that technology in its many forms is only an enabler, a tool that helps Red Cross staff and volunteers do what they do best: supply a human presence, a human touch.

So while technology can allow a donation from a remote village in Canada to get to a remote village in Japan or Haiti in the form of relief supplies, it cannot distribute those supplies and it certainly cannot place a warming blanket around the shoulders of a child. It is this personal touch, this care and concern for the suffering of others that drives us forward.

As you'll see in the examples we cite in the following pages, our story is the story of one Canadian Red Cross. You will also see a pattern of collaboration across this country and around the globe. Although no one can predict where and when the next major disaster or the next house fire will strike, I can suggest, with complete confidence, that the caring volunteers and staff of the Red Cross will be there—tomorrow and the next day and the next.

We will face the challenges before us—the effects of climate change, of an aging population, of the increasing severity of natural disasters and of political instability in many regions—with one Red Cross and with a solidarity in spirit and purpose that ought to be a source of optimism and hope for our volunteers, our staff, our government and private sector partners, and, above all, for the people we serve.

Warm Regards,



Conrad Sauvé

SECRETARY GENERAL AND CEO

# DISASTER MANAGEMENT IN CANADA

WHILE CANADA HAS NOT FACED THE KIND OF CATASTROPHIC NATURAL DISASTERS WITNESSED RECENTLY IN PLACES LIKE HAITI, JAPAN OR THE U.S. GULF COAST, THERE HAVE BEEN—AND CONTINUE TO BE—FREQUENT MAJOR DISASTERS ACROSS THE COUNTRY.

FLOODING IN ATLANTIC CANADA AND THE PRAIRIE PROVINCES AND FOREST FIRES IN BRITISH COLUMBIA ALL DEMAND A RAPID AND CO-ORDINATED RESPONSE TO PROTECT LIFE AND PROPERTY AND TO PROVIDE COMPASSION AND RELIEF TO AFFECTED PEOPLE AT A CRUCIAL TIME. AS AN AUXILIARY TO GOVERNMENT, THE CANADIAN RED CROSS IS ACTIVE ACROSS THE COUNTRY, TRAINING AND MAINTAINING A ROSTER MADE UP OF VOLUNTEERS WHO KNOW HOW TO HELP WHEN DISASTER STRIKES BY SUPPORTING THE EMERGENCY SERVICES OF ALL LEVELS OF GOVERNMENT.

Much of the Red Cross' work focuses on helping Canadians be better prepared for disasters, as each year we ensure that thousands more citizens know how to cope with emergencies and are able to take care of themselves and their families. A growing resource for the Canadian Red Cross is a corps of reserve volunteers under the "Ready When the Time Comes" program that sees employees from national and regional corporations such as **Acklands Grainger**, **Bombardier**, **RBC**, **RONA**, **Canadian National Railway** and others trained and ready to deploy in groups should the need arise.

## CASE STUDY #1

In life, many disasters are personal. An unexpected and shocking event, like a house fire, exacts a terrible toll on a family as possessions are lost and personal mementos are destroyed. Across the country, a priority for the Canadian Red Cross is offering support and comfort to those suddenly displaced by a personal disaster such as a house fire. Last year alone, our network of volunteers responded to over 2,000 fires. Relief takes the form of providing immediate shelter, comfort and personal care items.

**Vicky Chainey** (pictured bottom left, opposite page) of Sherbrooke is one such highly trained and sympathetic volunteer who says that, "*The Red Cross vest represents peace of mind. In a sense, we are the emotional firefighters providing much-needed comfort to those impacted.*" A professor with the School of Applied Politics at the Université de Sherbrooke, Vicky's dedication to providing comfort has led to more intense training in disaster management—skills she brought to bear during her deployment to Haiti this past fall.

## CASE STUDY #2

As is the case throughout the world, natural and man-made disasters in Canada most seriously impact the vulnerable.

On September 21, 2010, Hurricane Igor, with winds as high as 172 kph, drenched Newfoundland and Labrador's Burin and Bonavista peninsulas with up to 238 mm of rain in a matter of hours, destroying or damaging roads, bridges, water and utility lines, homes and businesses. Immediately after the storm, close to 100 volunteers provided disaster relief by operating shelters or comfort centres, transporting water, food, other basic supplies and cleanup kits to those most affected by the storm (top, opposite page.) Some 700 people received emergency aid from the Canadian Red Cross and, later, over 200 households received supplemental aid to alleviate the financial hardship from hurricane-related destruction or damage to their homes.

The value of this aid was noted by the **Blundell** family of Hickman's Harbour who, in a thoughtful thank-you letter, said: "*Your kindness will always be remembered.*"



# INTERNATIONAL DISASTER MANAGEMENT

## CANADA SHOULD BE PROUD OF THE DEPTH OF ITS SUPPORT AND COMMITMENT TO ACTION IN REACHING SURVIVORS OF MAJOR DISASTERS.

**CANADA'S RESPONSE CAPABILITY THROUGH THE CANADIAN RED CROSS IS RENOWNED, BOTH FOR THE EXTREMELY HIGH LEVEL OF DONOR GENEROSITY IN THIS COUNTRY AND, CONSEQUENTLY, FOR THE RELIEF SUPPLIES AND HIGHLY TRAINED PERSONNEL IT CAN DISPATCH TO TROUBLED AREAS THROUGHOUT THE WORLD.**

The demand for emergency humanitarian assistance is steadily increasing. Decade-long disaster trends rooted in a combination of deadly factors—more intense urbanization, climate change, increasing regional conflicts and migration—point to more frequent and severe natural and human-caused disasters in the future. It is evident that Canadian support and expertise will be required to assist in emergency relief and recovery, providing a critically needed surge in support of local response.

As part of its international operations, the Canadian Red Cross maintains standby field hospitals, relief supplies, emergency funds and trained personnel. Moreover, under its **Restoring Family Links** program, the Canadian Red Cross works with the International Committee of the Red Cross to re-establish contact with immediate family members who have become separated in the chaos and confusion of humanitarian crises.

### CASE STUDY

Beginning in July 2010, monsoon rains caused extensive and unprecedented flooding throughout Pakistan, killing more than 1,700 people, affecting another 20 million people, and destroying billions of dollars worth of homes, crops and livestock as vast areas of the country's land mass lay underwater.

The Canadian Red Cross had been working with the Pakistan Red Crescent since the 2005 earthquake. Much of that work had gone toward preparing for disasters by stockpiling supplies, training volunteers and providing basic health-care training for mobile health clinics. When the floods hit, those investments immediately began to pay off as the Pakistan Red Crescent was able to mobilize a rapid and effective response to help flood survivors. What's more, with huge sections of the country submerged and inaccessible to outside relief agencies, local branches of the Pakistan Red Crescent, in partnership with the Canadian Red Cross "in-country," were the only teams able to provide immediate assistance.

A Red Cross Young Humanitarian Award Recipient, **Breanne England** of Quispamsis, New Brunswick (*pictured top right, opposite page*), is now working for the Canadian Red Cross and she was deployed to Pakistan on her first international mission. Writing in her field diary, Breanne said: "*The support from the people in Pakistan has been incredible. The country is very aware of the bond between the Canadian Red Cross and the Pakistan Red Crescent.*" Later on, she wrote: ". . . *we remain focused on trying to help the most vulnerable. The need here is great*".





# HAITI RECOVERS

The western hemisphere had never witnessed a disaster as destructive and widespread as the earthquake that devastated Haiti on January 12, 2010.

A QUARTER OF A MILLION PEOPLE DIED, MILLIONS WERE LEFT HOMELESS AND A COUNTRY'S ALREADY FRAGILE INFRASTRUCTURE WAS ALL BUT DESTROYED. THE TRAGIC EVENTS OF THAT JANUARY DAY, AND ITS CONTINUING AFTERMATH, TOUCHED OFF ONE OF THE LARGEST HUMANITARIAN RESPONSES IN THE WORLD'S HISTORY.

In the face of such tragedy, Canada's response was nothing short of awe-inspiring with an outpouring of support totalling over \$200 million collected by the Canadian Red Cross. Because Canadian citizens, companies and governments at all levels answered the call for assistance, the Red Cross was able to deliver a range of critical services, including immediate disaster relief, medical aid, safe drinking water and \$65 million in durable shelter construction (top left). Through its long-standing partnership with the Haitian Red Cross, the Canadian Red Cross is now engaged in capacity building through a \$25 million, five-year integrated health program for new facilities and trained personnel in four districts in the country's southeast.

More than a year after the fact, the recovery is underway, but it promises to be a long and difficult process in the face of that country's extreme poverty, ongoing health threats, complex land ownership questions, security issues, and co-ordination and logistics challenges. For years to come, the Canadian Red Cross will play a role in the rebuilding efforts in Haiti, confident the country will emerge stronger, healthier and more resilient.

## CASE STUDY

The after-effects of a large-scale disaster like the Haiti earthquake often present serious health concerns. With a shattered infrastructure and scarce clean water and sanitation facilities, Haiti was faced with a deadly outbreak of cholera months after the earthquake. In December 2010, the Canadian Red Cross was able to outfit, staff and deploy its first ERU (or Emergency Response Unit), a modular and self-contained field hospital. Staffed and equipped under a First Responders Initiative partnership with the Canadian International Development Agency (CIDA), this new ERU was dispatched and assembled on site near Carrefour in a matter of days.

The impact of such a facility and the men and women who staff it cannot be overestimated. Typifying its importance is the story of **Stacey Fillia**. Now a healthy, happy baby, Stacey was born prematurely and dramatically underweight in the Canadian/Norwegian ERU deployed immediately after the earthquake. Stacey could fit in the hand of **Dr. Zubair Masood** (pictured top left, opposite page), the Canadian Red Cross paediatrician who attended her birth. "When I saw her in the delivery room, I didn't think she would survive," says Dr. Masood. "But, while we may not have all the special features of an intensive care unit in Canada, we do have the doctors and nurses who are totally committed to saving lives."

ERUS ARE IN USE THROUGHOUT THE RED CROSS RED CRESCENT MOVEMENT ABROAD, BUT THE CANADIAN ERU IS THE FIRST SUCH FACILITY TO BE BASED IN THE AMERICAS. TRAINING IS NOW UNDERWAY TO TRIPLE THE NUMBER OF DELEGATES VERSED IN ITS USE AND, IN FUTURE, IT WILL BE ABLE TO BE DEPLOYED ON 48-HOURS NOTICE.



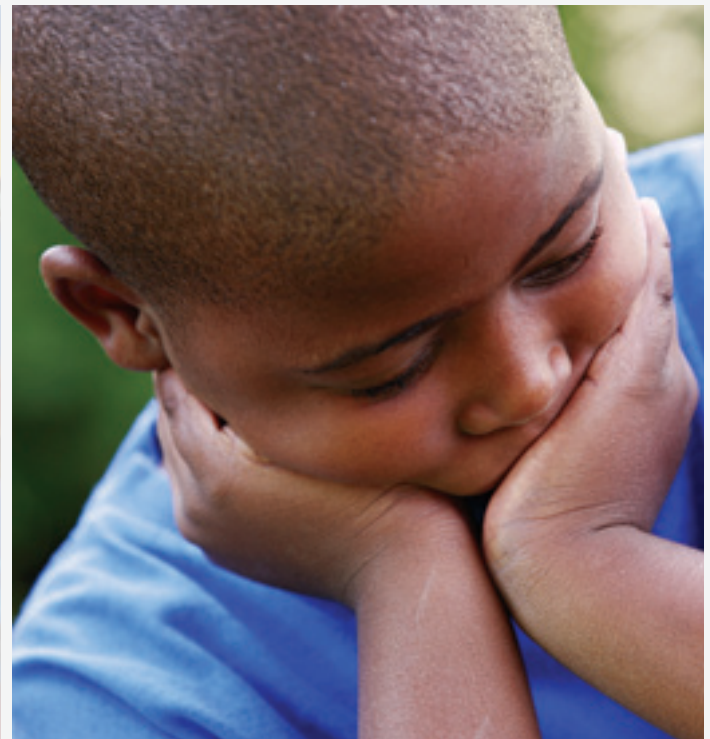
# VIOLENCE AND ABUSE PREVENTION

WHILE PERHAPS BEST KNOWN FOR ITS EFFORTS IN RESPONSE TO LARGE-SCALE DISASTERS, THE CANADIAN RED CROSS, OVER THE LAST GENERATION, HAS DESIGNED AND IMPLEMENTED A RANGE OF EDUCATIONAL PROGRAMS TO PREVENT OR ALLEVIATE THE EFFECTS OF CHILD ABUSE AND NEGLECT, INTERPERSONAL VIOLENCE, AND BULLYING AND HARASSMENT—ISSUES WHOSE CUMULATIVE, LONG-TERM IMPACT ON A SOCIETY IS NO LESS DAMAGING THAN A NATURAL DISASTER.

Grouped under the banner of **RespectED**: Violence and Abuse Prevention, these programs see the Canadian Red Cross work with community groups, school boards, police, government departments, sport organizations, faith organizations, new Canadians, and First Nations, Inuit and Métis communities across the country to educate children, youth and adults about dangerous behaviours and about ending the painful cycle of violence and abuse.

RED CROSS AND RED CRESCENT SOCIETIES AROUND THE WORLD HAVE RECOGNIZED THE CANADIAN RED CROSS' IMPORTANT WORK IN THIS AREA, AND CANADA HAS EMERGED AS THE LEADER IN DESIGNING AND DELIVERING SIMILAR PROGRAMS IN AFRICA, THE AMERICAS, ASIA, AUSTRALIA AND EUROPE.

## CASE STUDY



In many ways, **Alicia Adams** (top left) of Coquitlam, BC represents the full circle of abuse and its prevention. Bullied as a primary school student, Alicia was hurt and isolated. By the time she reached high school, she had herself become a bully and, once again, was friendless and alone. Determined to change her circumstances, Alicia entered a **RespectED** program offered by the Canadian Red Cross where she gained the strength and the understanding she needed. So impressed with this peer-to-peer mainstay of RespectED, Alicia developed the skills to become a teen facilitator and is now delivering anti-bullying workshops for younger children aged 6–12. By connecting with them as a mentor and role model, Alicia shares her own experiences. As she says of her role as a Prevention Educator with the **Beyond the Hurt** program: *“Everyone needs a little help to keep them on the right track. I do what I can to help out other kids; RespectED gives me that chance to do some good.”*

# Community Resilience and Capacity Building

LESS VISIBLE THAN THE CANADIAN RED CROSS' DISASTER RELIEF EFFORTS IS ITS INVESTMENT IN COMMUNITY RESILIENCE AND CAPACITY BUILDING. THE FACT IS, HOWEVER, HELPING TO ENSURE COMMUNITIES AND COUNTRIES ARE PREPARED FOR DISASTERS IS ONE OF THE MOST VITAL THINGS WE DO. CASE AFTER CASE HAS PROVEN THAT THE MORE ABLE A COMMUNITY IS TO WITHSTAND DISASTER, THE LESS DEBILITATING THE LONG-TERM IMPACTS ARE. BY SAVING LIVES AND REDUCING INJURIES, THE ECONOMIC AND SOCIAL EFFECTS ON A CITY, A REGION AND AN ENTIRE COUNTRY ARE LESSENERED, AND LIFE MAY RETURN TO NORMAL MORE QUICKLY. MOREOVER, THESE COMMUNITIES ARE BETTER PREPARED TO FACE THE NEXT DISASTER SHOULD IT OCCUR.

In Canada, continuous volunteer training, personal preparedness courses, and co-ordinated planning and information sharing help ensure that a community's capacity to respond is at maximum strength.

Much of our international work in this area focuses on partnerships with other national Red Cross and Red Crescent societies, where we are able to transfer expertise in a wide variety of fields, including logistics, community health, personal preparedness, governance and volunteer training.



## CASE STUDY

For the six years following the 2004 Asian tsunami, the Canadian Red Cross was deeply involved in recovery and rebuilding efforts, primarily in the hardest-hit country of Indonesia. As the recovery work there wrapped up, we were asked by the Indonesian Red Cross to stay to help them establish longer-term community resilience programs for the villages and towns most vulnerable to future disasters.

Our collaborative effort led to an integrated community-based disaster risk reduction program that will strengthen the capacity of both the National Society and targeted communities to prepare for, respond to and cope with the effects of disasters.

In the coming years, with Canadian Red Cross support, the Indonesian Red Cross will build its own capacity to address the vulnerability of targeted communities with activities that will include activating disaster management centres, training school teachers (*above left*) and Red Cross volunteers, delivering first aid training, promoting community hygiene (*above right*), developing disaster contingency plans, and conducting early warning and early action simulations.

# Health and Homecare

**From its historical role in creating outpost hospitals and nursing stations, as well as its efforts in combating influenza and polio epidemics early in the last century to its current homecare services, it's fair to suggest that concern for community health is in the Red Cross' "DNA".**

**THE EARLY PART OF THE 21ST CENTURY SEES A RANGE OF EMERGING COMMUNITY HEALTH CHALLENGES TO WHICH THE CANADIAN RED CROSS IS RESPONDING, BOTH DOMESTICALLY AND ABROAD. AS OUR POPULATION AGES IN THIS AND OTHER COUNTRIES, DEMANDS ARE MOUNTING ON GOVERNMENTS AND THE NON-PROFIT SECTOR TO PROVIDE INCREASED SERVICES TO PEOPLE IN THEIR HOMES RATHER THAN IN INSTITUTIONS. IT IS A COST-EFFECTIVE AND PROVEN WAY TO REMOVE PRESSURE ON HEALTH-CARE BUDGETS WHILE PRESERVING HUMAN DIGNITY AND INDEPENDENCE.**

By providing nutritious meals and general personal assistance for seniors, as well as medical equipment loans and transportation, Canadian Red Cross homecare and other community health services offered in several provinces often make the difference between independence and institutionalization for a rapidly growing segment of our society.

Internationally, pressure exists to lessen the severe economic and social effects of disease and illness in developing nations by not only relieving the suffering but by addressing the root causes. Our maternal and child health programs in Central America, Asia and sub-Saharan Africa are dedicated to providing communities with the tools and expertise to improve their collective health.

## CASE STUDY #1

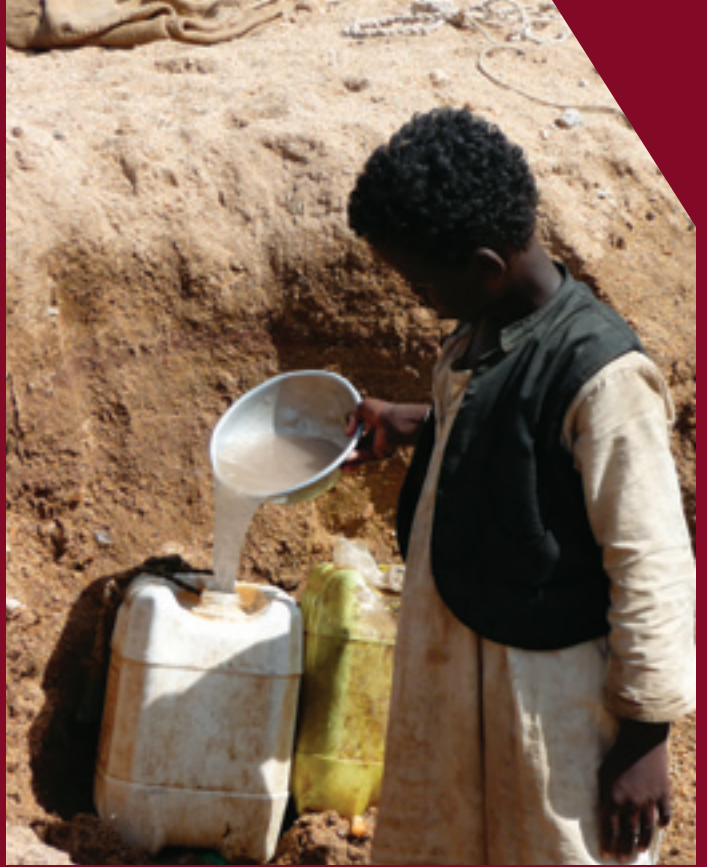
When **Ken Wyatt's** health began deteriorating, his wife, **Jean** (*pictured top left, opposite page*), called on the Sault Ste. Marie, Ontario branch of the Canadian Red Cross to provide a range of in-home personal care services to help her cope and to respect Ken's desire to stay at home. Jean was so impressed with the Canadian Red Cross homecare services that, when "Kenny" passed away, she became a volunteer. After a time, with health challenges of her own, she was told she would be sent to a nursing home, something she was not ready for, even though she knew she was not able to care for herself. Enter the Canadian Red Cross personal support/homemaking services. Jean now lives in supportive housing, and she also uses our transportation services, but—to her credit and our benefit—Jean continues to be a Canadian Red Cross Branch Council President and an active member of Regional Council.

*"If I didn't have personal support workers," says Jean, "I'd be in a nursing home. . . . I have the Canadian Red Cross to thank for that because, without them, I don't know what I would do. . . . I enjoy everything that I do as a volunteer and, as long as I'm able to, I will be serving the Canadian Red Cross because they have served me."*

## CASE STUDY #2

East Sudan is struggling to overcome the effects of 10 years of conflict that has displaced thousands of people, destroyed livelihoods and left the ground littered with landmines. Access to health care in the region is already limited, but women face even greater barriers with direct impacts on their health status, as hospitals are hours away and complications during delivery are often needlessly fatal. For the past three years, the Sudanese Red Crescent and the Ministry of Health, supported by the Canadian Red Cross and Netherlands Red Cross, have worked diligently to meet the basic needs of over 100,000 people in East Sudan.

In paying particular attention to women and children's health needs, clinics in targeted communities have received medical equipment and supplies and births are being attended by trained health workers and midwives, while locally recruited home visitors are raising health awareness and improving hygiene practices. In addition to improving access and quality of antenatal, natal and postnatal services, the communities-at-large have benefited from mosquito net distribution and the building or rehabilitation of 35 freshwater sites (*top right, opposite page*) providing water for an estimated 54,325 people.



# Injury Prevention

**MANY CANADIANS HAVE THEIR FIRST EXPOSURE TO THE CANADIAN RED CROSS THROUGH OUR INJURY PREVENTION PROGRAMS, EITHER WATER SAFETY AND SWIMMING LESSONS AT THEIR LOCAL POOL OR FIRST AID AND CPR COURSES GIVEN AT SCHOOL OR WORK.**

**WHAT'S MORE, MANY CANADIANS HAVE PERSONAL KNOWLEDGE OF SOME FAST-ACTING STRANGER WHO SAVED A LOVED ONE FROM INJURY OR DEATH USING THE EXPERT TRAINING HE OR SHE RECEIVED FROM THE CANADIAN RED CROSS. THESE TRAINING PROGRAMS ARE BEING CONTINUOUSLY UPDATED AND STANDARDIZED ACROSS THE COUNTRY TO INCORPORATE THE LATEST ADVANCES IN MEDICAL RESEARCH AND TRAINING TECHNIQUES.**

It takes a highly dedicated and highly organized effort to deliver these programs, which the Canadian public wants and expects, a responsibility the Canadian Red Cross takes very seriously. As a coast-to-coast core offering, we rely on the skills of more than 20,000 trained instructors to deliver injury prevention courses to more than 1.5 million Canadians each year. Internationally, the Canadian Red Cross helps deliver programs to Red Cross workers and the public to avoid injury themselves and to be in a position to give on-the-spot treatment when medical facilities are lacking, either on a day-to-day basis or as a result of a disaster.

## CASE STUDY #1

From Low, Québec where he lives and nearby Ottawa where he works, **Patrick Boucher** (*bottom right*) has been deeply involved with first aid for almost 20 years. Beginning as an instructor, Patrick went on to sit on advisory committees as the Canadian Red Cross updated its manual and training regimens to, as he puts it “make a great program even better.” Not content with program administration, Patrick also finds time to indulge in one of his more recent passions: the relatively new Canadian Red Cross Wilderness and Remote First Aid training, a program that, on many weekends, he can be found delivering in the forests north of Ottawa.

*“Canada has a lot of wilderness, and more and more people are enjoying it. It’s a thrill for me to be part of that outdoor experience and, more directly, in helping people become confident and comfortable in providing critical first aid when there’s nobody else around.”*

## CASE STUDY #2

A self-described late bloomer, **Cathy Broadbent** (*top right*) of Leduc, Alberta took up swimming seriously at the age of 39. In rapid succession, she worked her way through the various designations to become a Master Instructor Trainer. Today, Cathy is Supervisor of Aquatic Programming for a municipal facility, but she returns to teaching whenever she can.

*“Swimming is a life skill everyone should acquire. And it’s forever. For me, seeing a student’s eyes light up with delight at his or her achievement is incredibly rewarding. None of this would have been possible for me without the Canadian Red Cross.”*





# HUMANITARIAN ISSUES AND INTERNATIONAL HUMANITARIAN LAW

## IN THE CENTURY AND A HALF SINCE THE SIGNING OF THE FIRST GENEVA CONVENTION, THE NATURE OF WAR HAS CHANGED.

**MOST CONFLICTS TODAY ARE FOUGHT WITH NO CLEAR BATTLE LINES AND MOST OF THE CASUALTIES—OFTEN DELIBERATELY SO—ARE CIVILIANS. THE RED CROSS, IN CANADA AND WORLDWIDE, IS DEDICATED TO PROMOTING RESPECT FOR INTERNATIONAL LAW THROUGH DIALOGUE WITH ARMED FORCES, LAWMAKERS, POLITICIANS AND CANADIAN YOUTH. OUR MESSAGE IS “EVEN WARS HAVE LIMITS.”**

Through humanitarian leadership development and public engagement on critical humanitarian issues, the Canadian Red Cross builds awareness and promotes action on behalf of vulnerable people. We also partner with academic institutions to explore emerging humanitarian issues and we co-host a week-long university course on international humanitarian law. Through our work, the Canadian Red Cross helps to ensure that Canada will continue its long-standing tradition of providing a compassionate and informed humanitarian voice on behalf of vulnerable people.

Throughout the world, the Red Cross is known for its commitment to its seven fundamental principles. Steadfast adherence to these principles, and its reputation, allows the Red Cross to gain access to vulnerable groups. In this country, through an agreement with the Canada Border Services Agency, the Canadian Red Cross regularly visits immigration detention centres. Most notably, this past year, trained Red Cross volunteers monitored the conditions and treatment of 492 immigration claimants detained upon their arrival aboard the MV Sun Sea from Sri Lanka.

### CASE STUDY #1

Since 2009, University of Manitoba student **Isha Kaushal** (pictured top left, opposite page) has become increasingly involved with the Canadian Red Cross' Humanitarian Issues Program, where she is currently the co-campaign leader for **Even Wars Have Limits**. “I was impressed with the scope and depth of understanding of the issues that the Red Cross offered,” Isha notes. “I feel I’m able to go further, help more in this field as a result.” Isha is confident that she can soon combine her academic studies in human resource management with her concern for humanitarian issues by working overseas to improve the situation for refugees and immigrants. “I believe that awareness is the first step in spreading the word and reaching more people to educate them about the issues and hopefully inspire them to do something as well.”

### CASE STUDY #2

Canadian youth have gone beyond raising awareness about humanitarian issues to raising funds for overseas projects, such as the establishment of training and vocational schools by the Afghanistan Red Crescent Society and the Canadian Red Cross (pictured bottom right) to help women widowed by war and amputees crippled by the same conflict. Without help, these families struggle to find food, shelter, clean water, sanitation and health care while their children go without access to education for their own development. By providing the skills training and resources necessary to support themselves and their families, the Red Crescent is empowering people to achieve sustainable incomes and increased self-reliance.

One student, **Momena**, described the value of her school near Kabul this way: “I have learned a lot from our tailoring course. Now I can solve my own needs, besides sewing clothes for other people to make money and buy the necessities for my children. We also had literacy class which helped me to learn how to measure clothes and help my kids with their school subjects.”



# GIVING MAKES IT ALL POSSIBLE

**WITHOUT THE GENEROSITY OF CANADIAN CITIZENS, GOVERNMENTS, COMMUNITIES AND CORPORATIONS, THE CANADIAN RED CROSS WOULD SIMPLY NOT BE IN A POSITION TO OFFER THE SERVICES IT DOES—BOTH HERE AND ABROAD.**

TO EARN THIS POSITION OF TRUST, THE CANADIAN RED CROSS IS COMMITTED TO OPERATING EFFICIENTLY AND TRANSPARENTLY, ACCOUNTING TO ALL DONORS FOR THE USE OF THE FUNDS THEY PROVIDE. WHEN MAJOR DISASTERS OCCUR, SPECIFIC APPEALS ARE ESTABLISHED TO COLLECT, DISBURSE AND ACCOUNT FOR TARGETED FUNDS.

Whether it's the food and craft fair run by a primary school class or an employee/employer matching funds campaign, the Canadian Red Cross understands that every donation counts. The Canadian Red Cross encourages and helps facilitate all legitimate fundraising efforts, and is grateful for the many creative and often spontaneous ways in which organizations, companies and individuals come together to express their concern and offer tangible aid.

All donors should be assured that, with decades of experience and strict rules of governance, the Canadian Red Cross has a keen understanding of how donations and humanitarian aid can best be directed to where they will do the most good. Moreover, our presence and experience in countries around the world and our close communications with the International Federation of Red Cross and Red Crescent Societies allow us to know immediately what is needed of us and when.

## CASE STUDY

Immediately following the March 11, 2011 earthquake and tsunami in Japan, the Japanese Red Cross acted, carrying out its specific role during disasters (*top left*), which includes supporting emergency medical care, hospital care and psychological support and distributing relief items such as blankets, food and basic supplies. As the disaster shifts from the emergency to recovery phase, assessments will be done to determine how the Canadian Red Cross can best support longer term relief and recovery efforts in affected communities.

Once again, Canadians proved their generosity through an outpouring of donations. In the aftermath of this disaster, the Canadian Red Cross worked closely with their counterparts in Japan to ensure these funds were put to work toward helping those who needed it most.

*The compassion the Canadian people have demonstrated. . . through their generous support to the Canadian Red Cross is incredibly uplifting at a time when we are dealing with such an immense humanitarian tragedy,"* said **Satoshi Sugai**, Director, International Relief Division of the Japanese Red Cross Society. *"This financial support is very much needed and continues to be welcomed to help the hundreds of thousands of lives that will forever be changed by this disaster."*



# LEADERSHIP AND GOVERNANCE

## RESPONSIBLE AND RESPONSIVE LEADERSHIP

### CORPORATE OFFICERS



**CONRAD SAUVÉ**  
Secretary General and  
Chief Executive Officer



**ALMIN R. SURANI**  
National Director,  
Information Services



**SAMUEL SCHWISBERG**  
General Counsel,  
Corporate Secretary



**JOHN L. BYRNE**  
Director General,  
Atlantic Zone



**CLAUDE TREMBLAY**  
Chief Financial Officer,  
Chief Operating Officer



**RON KELUSKY**  
Director General,  
Ontario Zone



**MICHEL LÉVEILLÉ**  
Director General,  
Québec Zone



**SUE PHILLIPS**  
Director General,  
Western Zone



**LESLIE DUNNING**  
Director General,  
Violence and Abuse Prevention



**SUSAN JOHNSON**  
Director General,  
International Operations



**ANN CLANCY**  
National Director,  
Human Resources and  
Volunteer Services



**PAM AUNG THIN**  
National Director,  
Public Affairs and Government  
Relations



**MEMBERS OF THE CANADIAN RED CROSS BOARD OF GOVERNORS, OTTAWA 2011**

*Top left descending to right:* Gavin Giles, Mylène Turcotte, Diane Girard, Alan Dean (**Vice-President**), Ella West, Amit Mehra (**Vice-President**), Peter Robinson *Bottom left to bottom right:* Peter Zulauf, Conrad Sauvé, Lloyd Posno, Ted Tanaka (**President**), Lynda Durand, Mandeep (Roshi) Chadha, Mario Dionne, Mary-Jane Dawson, Sara John Fowler

## CORPORATE OFFICERS

### PATRON

Her Majesty Queen Elizabeth II

### HONORARY PRESIDENT

Her Excellency the Governor General of Canada

### HONORARY VICE-PRESIDENTS (APPOINTED)

The Right Honourable Prime Minister of Canada

The Honourable Leader of the Official Opposition

### HONORARY VICE-PRESIDENTS

The Honorable Robert L. Barnes

Ms. Janet Davidson

Mr. Armand de Mestral

Mr. Gene Durnin

Mr. Darrell D. Jones

Ms. Huguette Labelle

Mr. Jon Turpin

Mr. Myrle Vokey

Mr. George Weber

Ms. Kate Wood

Ms. Jane McGowan

### NATIONAL REPRESENTATIVE MEMBERS

(Members at the June 2010 AGM)

#### ATLANTIC ZONE

Gavin Giles

Pam Miller

Rick Graham

Jim Squires

Peter Nestman

#### QUEBEC ZONE

Gilles Blondeau

André Poirier

Mishell Potvin

Richard Dupuis

Catherine Leblanc

Denise Vandembroucke

#### ONTARIO ZONE

Barb Trant

Stéphane Gallant

Lynn Greiner

Jeff Eames

Dennis Chow

Ella West

#### WESTERN ZONE

Steve Donaldson

Jackie Specken

Sandra MacArthur

Cassandra Consiglio

Paul Jenkins

Peter Robinson



# FINANCIALS

2010  
2011

# REPORT OF THE CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDING MARCH 31, 2011

## BASIS OF PRESENTATION

The financial statements of The Canadian Red Cross Society have been prepared by management in accordance with Canadian generally accepted accounting principles and contain certain items that reflect best estimates and judgment of management. The integrity and reliability of the data in these financial statements are management's responsibility.

**THE BOARD OF GOVERNORS IS RESPONSIBLE FOR ENSURING THAT MANAGEMENT FULFILLS ITS RESPONSIBILITIES FOR FINANCIAL REPORTING AND INTERNAL CONTROLS AND EXERCISES THIS RESPONSIBILITY THROUGH THE NATIONAL AUDIT AND FINANCE COMMITTEE.**

## BACKGROUND

The Canadian Red Cross Society operates across Canada and internationally, supported by over 6,640 employees in Canada. Domestic activities accounted for 61 percent of total program expenditures and international operations accounted for the remaining 39 percent.

In order to support humanitarian efforts, the Society manages a number of national and regional fund development appeals throughout the year.

The Society is organized into the following operational units:

- Atlantic Zone
- Quebec Zone
- Ontario Zone
- Western Zone
- International Operations

The corporate office is based in Ottawa and provides strategic and support services to the operational units.

## RISK MANAGEMENT

The Society's major programs are subject to various types of contractual arrangements with federal and provincial governments and with other funding agencies. The Society ensures that the grants or funds are properly spent.

Large contracts are with:

- Ministries of Health
- Canadian International Development Agency
- United Way agreements

The Society has material service delivery contracts with several Community Access Centres in Ontario, which require the provision of personal support services under specific contractual terms.

## RISK MANAGEMENT PRACTICES

The Society's senior management team, both at the corporate level and in each operating unit, maintains appropriate controls to ensure that contractual obligations are respected.

The Society's executive, including legal counsel, reviews major contracts for operational and financial risks.

Large transactions and non-budgeted expenditures are also reviewed and approved by the Board.

While management is positive about the future outlook of its activities, the Society is exposed to certain risks and uncertainties including:

- **Contract renewals and fundraising** – Maintaining the existing annual fundraising revenue is critical to maintaining the Society's humanitarian programs. Renewing and increasing contracts with government agencies is essential to sustain the Society's current infrastructure and services in communities across Canada.
- **International projects** – The Society manages humanitarian projects in several countries around the world, frequently in areas affected by natural disasters, conflict and civil unrest. By their nature, these projects have significant operational and financial risk.

The Society has experience over many years of managing these type of projects and has in place the procedures and protocols required to mitigate operational risks. Financial risks are mitigated because funds are typically received from donors in advance. If necessary, additional funds can be accessed from the Society's Disaster Relief Fund and the International Disaster Relief Fund.

## KEY OPERATING RISKS AND UNCERTAINTIES

### DONOR SUPPORT

The Society relies on donations from direct appeals. The continued support of individual donors, foundations and corporations, provides the most significant support to the delivery of the Society's humanitarian programs.

Any major decrease in donor support would have a considerable impact on the ability of the Society to deliver humanitarian services in Canada and around the world.

### GOVERNMENT SUPPORT

The Society's ability to maintain its service capabilities is highly contingent on government funding. The two principal areas where governments provide grants or fee for service are within the international work funded by the Canadian International Development Agency and community health services from provincial governments.

The Society receives a significant portion of its revenues from provincial governments. Staff and benefit costs account for over 82 percent of government-sponsored programs. Any disruption of these revenues could impact the Society's ability to provide consistent and high quality services and would impact its financial results.

The Society's Community Health Support Programs in Ontario, New Brunswick, and Nova Scotia are examples of such government-funded programs that together make up approximately 51 percent of the Society's total operating revenues.

### UNIONIZED WORKFORCE

The Society has four collective agreements across the country with the largest being the 3,372 employees represented by the Service Employees International Union (SEIU). With the exception of one small bargaining unit all agreements have expired and are in various levels of negotiations.

## RESULTS FROM OPERATIONS

Excluding cases of where the Society decides to use reserves the Society budgets its operations on a rolling three year break-even basis and uses unrestricted excess revenue over expenses to maintain adequate financial reserves and develop its humanitarian programs. The Society has set aside \$43.5 million in reserves to ensure the capability of operations should there be unexpected events.

For the year ending March 31, 2011, the Society's revenues over expenses were \$4.3 million (2010 - \$4.89 million).

Most of the Society's programs and projects ran close to expectation. The major exceptions were shortfalls in our fundraising revenues of \$4.2 million primarily within the Corporate and Planned Giving programming. This is offset by a favourable one-time pension gain adjustment of \$5.6 million as a result of the Supreme Court of Canada decision in the Kerry case. The decision had the effect of eliminating the previous limit on the accrued pension benefit asset.

Included in the excess of revenues over expenses is an amount of \$1.2 million (2010 - \$1.8 million) in net investment income related to the funds restricted for the Tsunami recovery operation. All interest earned from this fund is reinvested into the recovery effort. Tsunami interest income is recognized as revenue in the year earned and as an expense in the year that it is spent.

The investment in the fundraising program (included in direct marketing in the financial statements) was increased from \$4 million in 2010 to \$8 million in 2011. The full benefits of this investment will be seen over the next several years.

In 2010, there was a tremendous outpouring of support in response to the tragedy in Haiti following the earthquake of January 12, 2010. The Red Cross has raised over \$200 million to date from over 700,000 individual donors, hundreds of corporate organizations and from governments at all levels. At March 31, 2011 deferred revenue of \$95 million (2010 - \$124 million) related to the Haiti appeal. Within the international spending is an amount of \$87 million related primarily to emergency supplies and the completed construction of 1,569 homes for Haitian beneficiaries and many more underway.

As with the relief operations following the 2004 tsunami in the Asia Pacific region, we expect a multi-year program for our relief efforts and expenditures in Haiti. A significant portion of the funding will be spent by December 31, 2011, to establish basic shelter and address emergency relief needs. A smaller portion will be in the years that follow for longer-term redevelopment programs.

As part of *Strategy 2015* (the Society's strategic plan) we put in place a continuous improvement framework and a three-year process to review our larger programs and services across the country. In the first year (2009) we established a national vision and plan for the Disaster Management, Fund Development and First Aid programs. In 2010 we have set a three year plan for the International, RespectED, and Water Safety programs. The support services of Public Affairs, Information Services and Human Resources were also included in the past year's review. Resources have been put in place to achieve each program's goals over the next three fiscal years. We are pleased with the progress and dialogue of volunteers and staff across the country and will continue the process with the third and final year of the programmatic review.

The Society's Senior Management and Governance are committed to ensuring that donations from the public at large as well as funding agencies are used in the most effective manner as possible. This includes the cost of raising funds. Within the five year trend provided on *page 32*, our overall cost of fundraising averages 19.6%.

Our approach continues to be a focus on a conservative expectation as to future earnings, with spending that emphasizes a high quality and sustainable approach to each of the programs and projects within our mission. The introduction of *Strategy 2015* and the enhanced accountability framework are essential steps towards ensuring the continued progress towards operational objectives as well as a healthy and financially sustainable future for the Society.

The complete financial report, including the notes to the financials and the independent auditor's report can be found at [www.redcross.ca](http://www.redcross.ca).



**Claude Tremblay**

CHIEF FINANCIAL AND OPERATING OFFICER

JUNE 1, 2011



**Mary-Jane Dawson**

CHAIR, NATIONAL AUDIT AND FINANCE COMMITTEE

JUNE 1, 2011



# INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS

## TO THE BOARD OF GOVERNORS OF THE CANADIAN RED CROSS SOCIETY

The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2011, and the summary statement of operations for the year then ended are derived from the audited financial statements of the Canadian Red Cross Society (the "Society") for the year ended March 31, 2011. We expressed an unmodified audit opinion on those financial statements in our report dated June 11, 2011. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles applied in the preparation of the audited financial statements of the Society. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Society.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements based on the established criteria disclosed in *Note 1* to the summary financial statements.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "*Engagements to report on Summary Financial Statements*".

### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Society for the year ended March 31, 2011 are a fair summary of those financial statements, in accordance with the established criteria disclosed in *Note 1* to the summary financial statements.

A stylized, handwritten signature of "Deloitte &amp; Touche LLP" in blue ink.

### Deloitte & Touche LLP

Chartered Accountants

Licensed Public Accountants

JUNE 11, 2011

## The Canadian Red Cross Society

**SUMMARY STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

(In thousands of dollars)

	2011		2010
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 109,667	\$	178,890
Accounts receivable – Trade and other	21,612		17,929
Accounts receivable – Tsunami	-		135
Inventory and prepaid	9,286		6,215
Advances on construction	1,399		8,918
	141,964		212,087
LONG-TERM INVESTMENTS (Note 2)	165,520		108,529
CAPITAL ASSETS	47,188		47,791
ACCRUED PENSION BENEFIT ASSET	6,206		233
<b>TOTAL ASSETS</b>	<b>\$ 360,878</b>	<b>\$</b>	<b>368,640</b>
<b>CURRENT LIABILITIES AND NET ASSETS</b>			
Accounts payable and accrued liabilities	\$ 26,573	\$	22,438
Deferred revenue – short-term (Note 3)	131,972		150,247
	158,545		172,685
DEFERRED REVENUE – LONG-TERM (Note 3)	55,474		53,985
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	10,031		10,582
ACCRUED OTHER BENEFIT PLANS LIABILITY	16,698		16,840
<b>TOTAL LIABILITIES</b>	<b>240,748</b>		<b>254,092</b>
<b>NET ASSETS</b>			
Invested in capital assets	37,157		37,209
Restricted for endowment purposes	1,216		1,204
Internally restricted - General	47,531		47,531
Internally restricted - Tsunami interest	25,792		24,601
Unrestricted	8,434		4,003
<b>TOTAL NET ASSETS</b>	<b>120,130</b>		<b>114,548</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 360,878</b>	<b>\$</b>	<b>368,640</b>

Notes and schedules to the financial statements are available on the Red Cross website at [www.redcross.ca](http://www.redcross.ca).

ON BEHALF OF THE BOARD

 President

\_\_\_\_\_ Chair, National Audit and Finance Committee

**The Canadian Red Cross Society**  
**SUMMARY STATEMENT OF OPERATIONS**

Year ended March 31, 2011

(In thousands of dollars)

	Budget 2011 (Unaudited)	Actual 2011	Actual 2010
<b>REVENUE</b>			
Organizational Capacity			
Fundraising General	\$ 44,609	\$ 40,414	\$ 38,839
Investment Income	5,050	5,412	4,798
Other	-	787	7,990
	<b>49,659</b>	<b>46,613</b>	51,627
Core Programs	266,359	365,531	306,171
Support Services	5,584	8,180	8,971
Disaster Appeals	493	3,618	4,921
<b>Total Revenues</b>	<b>322,095</b>	<b>423,942</b>	371,690
<b>EXPENSES</b>			
Organizational Capacity			
Fundraising General	26,413	26,113	22,970
Investment Expense	232	450	1,327
Other	709	948	1,474
	<b>27,354</b>	<b>27,511</b>	25,771
Core Programs			
International Programs	78,172	167,832	124,187
Disaster Management	10,511	10,880	9,483
Health and Injury Prevention	168,339	174,777	162,335
Program Management and Volunteer Resources	4,184	3,961	4,215
	<b>261,206</b>	<b>357,450</b>	300,220
Support Services	35,414	36,726	35,893
Reduction in Pension Valuation Allowance	-	(5,630)	-
Disaster Appeals	493	3,618	4,921
<b>Total Expenses</b>	<b>324,467</b>	<b>419,675</b>	366,805
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (2,372)</b>	<b>\$ 4,267</b>	<b>\$ 4,885</b>

Notes and schedules to the financial statements are available on the Red Cross website at [www.redcross.ca](http://www.redcross.ca).

## The Canadian Red Cross Society

# NOTES TO THE SUMMARY FINANCIAL STATEMENTS

Year ended March 31, 2011

(In thousands of dollars)

### 1 BASIS OF PRESENTATION

The summary financial statements are derived from the complete set of financial statements of the Society. They meet the recognition and measurement principles of Canadian generally accepted accounting principles.

### 2 INVESTMENTS

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Notes and GIC's	\$ 6,862	\$ 7,067	\$ 4,922	\$ 5,097
Fixed Income	146,205	146,410	89,621	89,405
Equities	10,183	12,043	13,028	14,027
<b>TOTAL</b>	<b>\$ 163,250</b>	<b>\$ 165,520</b>	<b>\$ 107,571</b>	<b>\$ 108,529</b>

The fair values of long-term investments are based on quoted market prices. Fixed income investments are comprised of Government of Canada and corporate bonds with maturity dates from 2012 to 2015, earning interest from 0.50% to 10.35%.

**Long term investments are externally and internally restricted as follows:**

	2011	2010
Externally Restricted - General	\$ 46,203	\$ 43,949
Externally Restricted - Tsunami	-	11,657
Externally Restricted - Haiti	66,427	-
Internally Restricted - General	34,008	40,374
Internally Restricted - Tsunami	18,882	12,549
	<b>\$ 165,520</b>	<b>\$ 108,529</b>

**Gross investment income earned is reported as follows:**

Investment Income - General	\$ 4,170	\$ 2,867
Investment Income - Tsunami	1,242	1,931
	<b>\$ 5,412</b>	<b>\$ 4,798</b>

\$3,228 (2010 - \$NIL) in Haiti investment income is externally restricted and allocated to Haiti deferred revenue.



### 3 DEFERRED REVENUE

Deferred revenue is comprised of amounts restricted for the funding of expenses to be incurred in the future.

The movement of the deferred revenue is as follows:

	2011			
	General	Haiti	Tsunami	Total
Opening balance	\$ 51,187	\$ 123,719	\$ 29,326	\$ 204,232
Donations and grants received	144,937	54,778	-	199,715
Interest earned and deferred		3,228	-	3,228
Recognized as revenue	(116,351)	(86,852)	(16,526)	(219,729)
Closing balance	79,773	94,873	12,800	187,446
Less long-term portion	-	(55,474)	-	(55,474)
<b>Short-term portion</b>	<b>\$ 79,773</b>	<b>\$ 39,399</b>	<b>\$ 12,800</b>	<b>\$ 131,972</b>

	2010			
	General	Haiti	Tsunami	Total
Opening balance	\$ 65,749	\$ -	\$ 60,961	\$ 126,710
Donations and grants received	99,683	146,463	-	246,146
Recognized as revenue	(114,245)	(22,744)	(31,635)	(168,624)
Closing balance	51,187	123,719	29,326	204,232
Less long-term portion	-	(42,328)	(11,657)	(53,985)
<b>Short-term portion</b>	<b>\$ 51,187</b>	<b>\$ 81,391</b>	<b>\$ 17,669</b>	<b>\$ 150,247</b>

The amounts recognized above as revenue in respect to Tsunami and Haiti are included as part of the international programming revenue.

## The Canadian Red Cross Society

### COST OF FUNDRAISING

Five year Comparison (unaudited)

(in thousands of dollars)

	5 YR. TOTAL	2010-11	2009-10	2008-9	2007-08	2006-07
Fundraising Revenue	\$ 166,451	\$ 34,965	\$ 32,783	\$ 33,482	\$ 32,762	\$ 32,459
Bequest Revenue	31,890	5,449	6,056	7,963	5,669	6,753
Donations in Program Revenue	24,949	7,253	4,096	6,954	3,749	2,897
Deferred Revenue Donations	296,260	60,932	142,593	44,705	27,441	20,589
<b>Total Revenue</b>	<b>519,550</b>	<b>108,599</b>	185,528	93,104	69,621	62,698
Total Expense	101,861	26,113	22,970	17,434	17,642	17,702
Surplus	417,689	82,486	162,558	75,670	51,979	44,996
<b>Cost of Total Fundraising</b>	<b>19.6%</b>	<b>24.0%</b>	<b>12.4%</b>	<b>18.8%</b>	<b>25.3%</b>	<b>28.2%</b>
Lotteries and Gaming Revenue	\$ 33,489	\$ 6,055	\$ 6,390	\$ 6,712	\$ 6,967	\$ 7,365
Lotteries and Gaming Expenses	22,279	4,116	4,241	4,426	4,532	4,964
<b>Cost of Fundraising excluding Lotteries and Gaming</b>	<b>16.4%</b>	<b>21.5%</b>	<b>10.5%</b>	<b>15.1%</b>	<b>20.9%</b>	<b>23.0%</b>

Source documents originated from Notes 7 and 10 of our annual financial statements. Notes and schedules to the financial statements are available on the Red Cross website at [www.redcross.ca](http://www.redcross.ca).



**FOUNDED 1896**  
**INCORPORATED 1909**

The red cross emblem and designation "Red Cross" are reserved in Canada by law for the exclusive use of The Canadian Red Cross Society and for the medical units of the armed forces by the Geneva Conventions Act, R.S.C., 1985, c.G-3.

The programs of The Canadian Red Cross Society are made possible by the voluntary services and financial support of the Canadian people.

**To donate, please call 1-800-418-1111**

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Thomas Fricke  
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**FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

Canadian Red Cross  
National Office  
170 Metcalfe St., Suite 300  
Ottawa, Ontario K2P 2P2

Tel: (613) 740-1900  
Fax: (613) 740-1911  
Email: [feedback@redcross.ca](mailto:feedback@redcross.ca)

An electronic version of this document is available on the Canadian Red Cross Web site: [www.redcross.ca](http://www.redcross.ca).

*Ce document est également publié en français.*

## NATIONAL OFFICE

170 Metcalfe Street  
Suite 300  
Ottawa, Ontario  
K2P 2P2

[www.redcross.ca](http://www.redcross.ca)



**CANADIAN  
RED CROSS**

## ATLANTIC ZONE

133 Troop Avenue  
Dartmouth, Nova Scotia  
B3B 2A7

## QUEBEC ZONE

6, place du Commerce  
Verdun, Quebec  
H3E 1P4

## ONTARIO ZONE

5700 Cancross Court  
Mississauga, Ontario  
L5R 3E9

## WESTERN ZONE

100-1305 11 Avenue SW  
Calgary, Alberta  
T3C 3P6

