



FACTS AT A GLANCE

2011-2012

RespectED: VIOLENCE AND ABUSE PREVENTION

- 362,305 children, youth and adults attended workshops in Canada
- 1,227 active youth facilitators
- 1,202 active adult facilitators
- 21 National Societies working with Canadian Red Cross to create safe environments
- 124,511 children, youth and adults attended workshops in other countries

RESTORING FAMILY LINKS

- 1,100+ loved ones reconnected
- 1,000 active cases
- 76 volunteers across Canada

HEALTH AND SOCIAL PROGRAMS

- 240,534 articles loaned through HELP (Health Equipment Loan Program)
- 46,033 people served through Link to Health, Meals on Wheels, Transportation and other home assistance programs
- 24,051 people served by 4,823,000 client service hours through home support services

INTERNATIONAL OPERATIONS

- 13 field offices operating in 27 countries around the world
- \$24.5 million in total spending on Development Projects (excluding Haiti)
- 265 missions for fiscal year
- 190.15 metric tonnes of relief supplies managed.
- \$58,730,870 in support to 59 emergency relief operations in 42 countries, including responses to the drought in the Horn of Africa, civil unrest in the Middle East, cholera outbreaks in Africa and the Americas and the East Japan earthquake and tsunami response

INJURY PREVENTION

- 1.81 million Canadians took Red Cross First Aid or Swimming and Water Safety courses
- Over 24,000 active instructors in first aid, swimming and lifeguarding

DETENTION MONITORING PROGRAM

- 34 visits to detention facilities holding immigration detainees
- 91 volunteers across Canada

DISASTER MANAGEMENT IN CANADA

- 46,719 people directly assisted
- 6,197 trained disaster response volunteers
- 2,321 disaster responses in Canada
- Almost 100,000 hours that Canadian Red Cross volunteers dedicated to large disasters
- 15,126 Canadians trained in disaster preparedness

HUMANITARIAN ISSUES AND INTERNATIONAL HUMANITARIAN LAW

- 23,584 youth reached through 863 events
- Over 430 teachers reached through 10 training workshops on Exploring Humanitarian Law

GENERAL INFORMATION

- 1 National office
- 4 Zones
- 22 Regions
- 38 Branches
- 6,640 Staff
- 22,000 Volunteers

READY

Preparation is at the core of everything the Canadian Red Cross does. Being ready to deal with threatening events—from an individual accident to a region-wide emergency—provides the best chance for a healthy and sustaining outcome in any situation, including survival. In our longer term projects, we strive to prepare people and communities to successfully handle physical and emotional distress which, in turn, increases their resilience and improves their prospects for recovery.

And, of course, to be effective in preparing people and communities, the Red Cross itself must be ready with the knowledge, training and expertise so that our volunteers and staff can do what they do best: prevent and alleviate suffering in all its forms... wherever and whenever we are called upon.

In the following pages, we provide a sample of the challenges faced this past year as well as the response and innovation of thousands of Canadian Red Cross volunteers and staff as we worked to “improve the lives of vulnerable people by mobilizing the power of humanity in Canada and around the world”.

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MESSAGE FROM THE CHAIR



IN THIS, my second and final year as Chair of the Canadian Red Cross, I am pleased to report that your organization has made substantial progress towards the goals set by the Board at the start of my tenure as Chair.

Building on the excellent financial and operational shape of the Canadian Red Cross which the current

Board inherited, we have furthered our goals of increasing our transparency and strengthening overall governance by adopting a series of measurable benchmarks in four categories—Legal Compliance & Public Disclosure, Effective Governance, Strong Financial Oversight, and Strategic & Operational Oversight.

Work in this final area of focus—Strategic & Operational Oversight—has resulted in a number of important initiatives to help shape the Red Cross's direction regarding what we do and where and with whom we do it. Among the strategies we are pursuing are:

- Deepening our relationships with various levels of government
- Increasing our presence in the North and building stronger relationships with Aboriginal communities
- Developing a national health services strategy
- Intensifying efforts to engage Canadian youth to ensure vibrant future leadership

Much of this expanding scope of operations will involve forging new partnerships, which will also mean an increased demand for transparency and accountability as donors and funders understandably seek assurances that the resources they provide are being spent effectively and wisely. We welcome this oversight—as we always have—because a key characteristic of the Canadian Red Cross is its fiscal responsibility.

One area I am particularly proud of over this past year is our greater participation in the International Red Cross Movement. In a shrinking world, it is important that the Canadian Red Cross make larger contributions on the global stage. Our successful involvement in Geneva at the Movement's Statutory meetings, including the International Conference, stands out, as does our presence at the Inter-American Conference and our missions to China, Washington, Japan, Geneva, Haiti and Colombia as well as our hosting of the Donor Partnership Forum in Québec City.

Internally, I am pleased that we are having more frequent and regular contact with our regional offices as we strengthen our succession planning and recruiting, share experiences and best practices and consult on the major by-law revisions which are leading to a stronger inter-level governance framework.

We have also furthered a number of objectives I set for my tenure including the adoption of new technologies (our “paperless” Board pilot is now underway), and the launch of an organization-wide branding effort which presents a consistent and compelling image based on uniform standards and greater emphasis on proudly presenting the evidence of the good we do. We have also taken steps to further recognize the bilingual nature of our organization in our public-facing outreach to donors, partners, volunteers and the people who benefit from our services.

The Canadian Red Cross is well on its way toward meeting the goals we set for ourselves as part of *Strategy 2015*, and which closely aligns with the International Federation of Red Cross and Red Crescent Societies' *Strategy 2020*. We are well equipped to reach and exceed these goals and their attendant benchmarks on schedule.

On a personal note, I have been impressed with, and touched by, the commitment of all the Red Cross people I've encountered during my term. Their unanimous dedication to service, to improvement, to sharpening our focus, makes it compulsory that our Board continually strives to provide them with an organizational and operational framework that reflects, supports and guides this outstanding culture of concern and professionalism. We owe our volunteers and donors an organization that values every one of them, an organization that provides the tools and training to maximize their talents and puts them to use where they will do the most good, and an organization that is guided by rock solid principles and a total commitment to accountability.

I have every confidence that this is exactly the organization we are building.

Sincerely,

A handwritten signature in black ink that reads "EA Tanaka". The signature is fluid and cursive.

Edward Tanaka
Chair

MESSAGE FROM THE SECRETARY GENERAL



OUR FOCUS this past year, as always, has been on getting ourselves and the communities which we serve ready for any eventuality that could potentially result in emotional or physical injury, death or the significant loss of property.

Realistically, we know we can't be ready for absolutely every occurrence as was

demonstrated by the East Japan earthquake and tsunami of 2011 which overwhelmed one of the most highly trained and proficient Red Cross societies in the world. Short of this type of cataclysmic event, however, we owe it to ourselves and to everyone we come in contact with to actively promote our mantra of prepare and prevent.

I want to assure you that we are steadily working to ensure the Canadian Red Cross is as relevant to Canada and the world today as it was 100 years ago. To do that, we must continually adapt to the conditions around us by finding new ways to deal with old problems and by addressing new, emerging challenges with our hallmark thoughtfulness and expertise.

For example, we know our climate is changing and that Canada is not exempt from shifting weather patterns. Droughts, floods, forest fires have all increased dramatically in frequency and severity over the last generation. Communities which historically have been safe from these events are now vulnerable and communities that only occasionally faced extremes are now routinely threatened.

In Canada, we plot the areas and communities most vulnerable to natural events, prepositioning supplies and equipment, providing personal and community safety training or enlisting and preparing groups of employees to answer the surge requirement for more volunteers that can take action when needed.

We also know the Canadian Red Cross can play an important role in addressing another new challenge—care for our aging population. As a cost-effective and quality supplier of services to the vulnerable, we are working with governments to find answers to the current funding crisis facing our health care delivery system. Our years of experience and success in delivering home care and equipment loan programs form the basis for our expansion of home care services to help ensure that our seniors can age in place—with dignity and freedom.

On the international scene, the Canadian Red Cross is expanding and adapting to deal with new issues. For example, we are determined to play a major role in combating a horrific new trend: the deliberate and unimaginably cruel targeting of health care workers and health infrastructure in conflict areas. Such attacks go against every international humanitarian law and our own governing principles of humanity, neutrality and impartiality, and they must stop.

Canada is also playing the lead role in addressing a problem that at last is getting the attention it deserves. To address the issue of violence and abuse in the aftermath of disasters, the Canadian Red Cross co-authored *Predictable, Preventable*—a report which studies the nature and types of violence we've seen first-hand in Canada and elsewhere. In recommending the adoption of innovative violence prevention programs and strategies across all stages of a disaster - preparedness, response, and recovery—we are shining a light on a problem that occurs after *all* disasters, and by developing workable solutions, Canada is making an important and vital new contribution.

Here and around the world, the Red Cross has a unique reach and capability. In conflict areas like Syria, Libya, and Somalia, the Red Cross and Red Crescent, because of our inviolate neutrality, is often the *only* humanitarian aid organization that provides relief and medical attention at exactly the time such relief is needed. In Canada, owing to our legislated status as “an auxiliary to government” we can plan and work with government agencies to be part of the comprehensive response which Canadians expect and deserve.

In our efforts to be ready, we will see an increase in partnerships with governments, with fellow National Societies and with the corporate sector. And we will see heightened engagement with our volunteers and with our donors whose astonishing generosity makes possible everything we do.

Regards,

A handwritten signature in black ink, appearing to read 'C. Sauvé', written in a cursive style.

Conrad Sauvé
Secretary General and CEO

READY TO ACT

Despite best efforts, tragedies occur in Canada and the rest of the world. And when they do, the Canadian Red Cross is ready to act quickly and thoughtfully to deliver relief and comfort to those in need. By putting the right human and financial resources to work where they will do the most good, the Canadian Red Cross plays a major role in reducing the impact of emergencies and speeding up the recovery process for individuals and entire communities. And, time after time, well before a disaster happens and long after the TV cameras have packed up, or following disasters that never get reported, the Canadian Red Cross is on the job, helping to ensure that communities are supported as they prepare and as they re-build.

Whether here or abroad, the Canadian Red Cross relies on its cadre of highly trained volunteers and staff to provide the level of expertise and decisiveness required to accurately assess danger or damage and then, usually in co-operation with government agencies, marshals and co-ordinates the people, equipment and supplies in a bid to alleviate suffering and put the affected areas on the track to recovery as fast as possible.

WHEN A COMMUNITY IS IN CRISIS



ATTAWAPISKAT

On the ground, providing urgently needed aid to vulnerable families in a community in crisis.

RESPONDING TO THE community's request for help, the Canadian Red Cross immediately sent an assessment team to Attawapiskat, Ontario, last December. The remote First Nation community was facing a housing crisis, with the onset of winter just around the corner. Trained staff and volunteers visited homes and spoke with community members to determine the most urgent needs for vulnerable families. Following a successful Canada-wide appeal, the Red Cross then arranged several cargo flights to deliver winter clothes and boots, blankets, heaters, generators, insulation and building materials. These supplies kept families safe and warm throughout the winter.

READY TO ACT

WHEN A RIVER FLOODS



MONTEREGIE

Volunteers work around the clock to meet the immediate needs in flood-devastated communities.

Last year's flooding in the Richelieu Valley, south of Montréal, was the worst in 150 years, causing widespread damage and displacement in 22 municipalities and touching off one of the largest emergency responses in the history of the Red Cross in Québec. Some 594 volunteers from every corner of the province and all trained in emergency response, helped over 3,000 people by staffing reception and information centres and providing vouchers for food, clothing and emergency shelter. With the stubborn floodwaters not receding for a month and a half, the Canadian Red Cross remained on the job—and continues to offer support and comfort to hundreds of families who lost so much.

WHEN A FOREST FIRE DESTROYS HOMES



SLAVE LAKE

After one third of a town is destroyed, Red Cross mobilizes to accommodate displaced citizens.

In May 2011, a series of wildfires devastated communities in the Slave Lake region of Northern Alberta, forcing the evacuation of more than 15,000 people, destroying more than 400 homes, and causing an estimated \$1.8 billion in damage. Quickly responding to what is regarded as the second costliest disaster in Canadian history, the Red Cross, sent 360 volunteers and staff who have donated almost 60,000 hours in providing temporary housing, food, household items and medical supplies. Part of the immediate response involved an Aboriginal outreach effort to remote communities. Since then, the Canadian Red Cross has made a commitment to the citizens of northern Alberta to work with them for at least two years, providing work clothes and tools, school supplies and first aid kits and helping to establish art and sport programs for children, as families and towns recover and rebuild.

WHEN EPIDEMICS SPREAD THROUGH VILLAGES



CHAD

Red Cross deploys a field hospital that treats up to 300 cholera patients a day.

The Canadian Red Cross's Emergency Response Unit (ERU) was dispatched to Chad in 2011 to help combat a serious cholera outbreak. Part of the Red Cross's *First Responder Initiative* with the Government of Canada, the self-contained field hospital has the capacity to treat up to 300 patients a day, to provide life-saving medical assistance and psychosocial support, as well as serving as a base from which personnel assist in educating communities about epidemics. At the height of the outbreak, more than half of the districts in Chad were affected, with cholera cases spreading to neighbouring Niger, Nigeria and Cameroon. While cholera can be fatal, it is easily treatable if quick action is made possible by facilities like the Red Cross's ERU and community outreach activities.

READY TO PREVENT

It's fair to take the age-old maxim—"an ounce of prevention is worth a pound of cure"—and apply it across whole communities and even countries for an idea of how the Red Cross dedicates itself to readying people for the occurrence of a personal or widespread disaster.

Almost by definition, it's hard to celebrate over something that didn't happen. And yet, much of what the Canadian Red Cross does—including stockpiling and prepositioning relief supplies, delivering expert first aid and water safety programs, preventing violence, abuse and exploitation in whatever form it may take, and stepping up disaster training in vulnerable areas—is aimed, very simply, at preventing suffering.

So too at the individual level. The broad reach of the Red Cross sees over half a million Canadians take expertly delivered first aid programs each year while over a million more take our swimming and water safety classes.

While helping people avoid pain is a worthwhile end in itself, our experience clearly demonstrates that a community or individual who acquires the knowledge, resources and support to effectively handle challenges becomes more resilient and much more adept at dealing with hardship and recovering from it.

BECAUSE WATER SAFETY AND FIRST AID TRAINING SAVES LIVES



SAFETY IN THE WATER

The Canadian Red Cross and the Chinese Red Cross team up to save lives.

DURING THE PAST 65 YEARS, millions of Canadians have learned to swim and received water safety training as the Canadian Red Cross understood that our thousands of miles of coastline and myriad of lakes and rivers presented a substantial threat to public health through drowning. Our counterparts in China have made the same decision only much more recently and with a population roughly 40 times larger than ours. Aiming to rapidly establish life-saving water safety programs across their country, the Chinese Red Cross hosted Canadian Red Cross water safety Master Instructor Trainers from Western Canada to deliver training for their trainers. Under a unique co-operative agreement between our two National Societies, Canada's contribution of technical assistance is expected to ultimately help reach a staggering number of Chinese youth with the aim of reducing drowning deaths by the same 75% which the Red Cross has achieved in Canada.

READY TO PREVENT

BECAUSE BULLYING IN SCHOOLS NEEDS TO STOP



THE POWER OF PINK

Student-led action makes a difference in the fight against bullying.

Across the country, the Canadian Red Cross supports Pink Shirt Day, in its efforts to prevent bullying in our schools. Pink Shirt Day began in 2007 after a group of high school students in Nova Scotia took a stand against bullying in their school when a fellow student was bullied for wearing a pink shirt. Their spontaneous show of solidarity by asking their peers to wear pink has led to a grassroots campaign which has spread across Canada and attracted worldwide attention. The Red Cross is proud to help promote this day as a focal point in its year-round RespectED programs which raise awareness, facilitate youth-led workshops, conferences and discussion groups. These activities are all aimed at drawing attention to and reducing the range of abuse, violence and exploitation in our schools and communities by encouraging and developing practical, long-term solutions.

BECAUSE OUR SENIORS WANT TO STAY IN THEIR HOMES



PROVIDING QUALITY OF LIFE

Home care services are giving seniors more comfort and dignity.

As our population ages, the issue of caring for our elderly is becoming increasingly important. With fiscal restraint now a fact of life among funding bodies and health care providers alike, it will be up to organizations and institutions to find creative and cost-effective ways to care for seniors who want to age in place, *their* place. Not only do these home care services preserve the dignity and independence of seniors by preventing or delaying institutionalization, they free up beds and personnel for chronic care patients. In Ontario, New Brunswick and Nova Scotia where the Red Cross has been providing quality home care services for decades, we have seen first-hand how a suite of services delivered by compassionate and skilled paid workers and volunteers—including Meals on Wheels, personal care, medical equipment rentals and transportation—can make all the difference to the comfort and quality of life which our seniors appreciate and deserve.

BECAUSE TOWNS MUST PROTECT THEMSELVES



AN OUNCE OF PREVENTION

Communities make plans to deal with disasters before they occur.

To help ensure that vulnerable Canadians receive the level of support they need when disaster strikes, detailed planning sessions—such as the one pictured from Western Canada—are a key part of every successful disaster response. To be ready, Canadian Red Cross experts have to integrate a myriad of details that can include everything from developing “what if” scenarios with local and provincial emergency response authorities, to working with meteorologists to chart possible trouble spots, to acquiring and pre-positioning cots, blankets, hygiene kits and clean-up supplies in over 60 warehouses across the country. In addition to the recruitment, training and deployment of volunteers, Red Cross teams will often make prior arrangements with hotels, grocery stores and transport companies in their bid to provide co-ordinated support for potential evacuees. These teams also work to secure agreements with municipal, provincial and territorial authorities in order to ensure that the Red Cross can be most effective when assisting communities affected by disaster.

READY TO INNOVATE

The Canadian Red Cross is committed to developing innovative solutions to the challenges and problems this world presents. Addressing old issues with new ideas or decisively responding to emerging new threats is central to the Red Cross's determined effort to remaining a dynamic, relevant organization. To do so requires continuous, evidence-based evaluation of programs and processes to find out what's working and what needs refinement.

Feeding into this review are a number of integrated activities including applying best practices collected from the world-wide network of National Societies, studying and adopting new technologies and techniques, improving data collection and analysis, and establishing unique partnerships, all designed to take advantage of the experience and wisdom of our people. When confronting challenges, the one phrase that is seldom heard is "Well, that's the way we've always done it."

WHEN THE HEALTH OF MOTHERS AND CHILDREN IS AT RISK



LESSONS LEARNED

Initiatives developed in Central America are helping mothers and children in Africa.

WITH FUNDING FROM the Canadian government, the Canadian Red Cross and the Red Cross Societies of Honduras and Nicaragua are working with governments there to improve the health of mothers and their children in remote and vulnerable communities. Taking a holistic approach to health, these programs promote breast feeding and child nutrition, the participation of men in family health, safe births and maternal care, and access to community-based health and care. Tracking the results of these grassroots projects, it's clear that they improved the well-being of mothers and their children, and increased local community capacity to prevent disease and overcome health problems that have a profound effect on the resiliency of the communities. Lessons learned and best practices from Central America are adapted and transferred to major new Canadian Red Cross initiatives in the African countries of Liberia and Kenya. The Canadian Red Cross is focusing on Maternal, Newborn and Child Health (MNCH) in much of its international operations.

READY TO INNOVATE

WHEN NEW APPROACHES CAN ADDRESS OLD ISSUES



HELPING HOME CARE PATIENTS

Challenging the status quo is saving money and reducing wait times.

To combat growing wait times for home care beds in Nova Scotia, the Canadian Red Cross came up with an innovative model that has proven to be popular, efficient and cost effective. So much so, it continues to expand in that province while generating considerable interest from the health care sector across Canada and has won a prestigious national awards program. Through its Health Equipment Loan Program (HELP)— a partnership between the Canadian Red Cross and the provincial government—home care patients could borrow expensive health equipment and hospital-type beds on a temporary basis after which the equipment is refurbished and reused. Credited with saving Nova Scotia's health care system millions of dollars, this initiative has reduced demand for institutional beds while measurably improving the lives of home care clients and their family members. For its efforts, the Red Cross was named a 2011 Gold Medal winner by the prestigious IPAC/Deloitte Public Sector Leadership Awards program recognizing organizations that have shown "excellence, outstanding leadership, collaboration and innovation" within the Canadian public and not-for-profit sectors.

WHEN INFRASTRUCTURE NEEDS REBUILDING



INVESTING IN HAITI

Innovative partnerships are building facilities, creating long-term healthcare programs for Haiti.

As part of its multi-year commitment to the recovery of Haiti after that country's devastating earthquake in 2010, the Canadian Red Cross is investing over \$20 million in health infrastructure in the Jacmel region, where our initiative has been boosted by an additional \$10 million from the Japanese Government. The Red Cross established an innovative partnership with the International Health Unit of the Université de Montréal, Direction de la Santé Publique de Montréal and Sainte-Justine University Hospital Centre also from Montréal to help improve the long-term health outcomes for Haitians by building and outfitting an earthquake-resistant hospital as well as several neighbourhood clinics. These modern facilities on Haiti's south-east coast are part of an integrated five-year health plan aimed at improving access to quality health services for mothers, newborns and children, and strengthening resilience through community care and first aid.

WHEN A “SILENT” PROBLEM NEEDS A VOICE



POST-DISASTER VIOLENCE

Creating disaster response strategies that incorporate violence prevention.

Long-observed but rarely spoken about, the problem of violence following natural disasters is the subject of a detailed report co-authored by the Canadian Red Cross and the International Federation of the Red Cross. Entitled *Predictable, Preventable: Best Practices for Addressing Interpersonal and Self-Directed Violence During and After Disasters*, the report examines the varied causes and the effects of many forms of violence—including domestic abuse, acts against and by aid workers, and gang violence—and their impact on a population's ability to recover. Noting that post-disaster violence exists in both developing and developed nations, the report concludes with a series of innovative recommendations for all participants in disaster management to take a public health approach and incorporate violence prevention strategies across all stages of their disaster response—from planning through response to recovery and development.

GIVING GETS US READY



THE PRECEDING PAGES have offered a glimpse of what the Canadian Red Cross has accomplished during the past year and what it hopes to accomplish in the future. Any achievements from previous years, anything the organization plans to achieve in the years to come, rely completely on the generosity of Canadians who, year after year, give so unselfishly of their time and financial support.

This truly outstanding level of generosity is legendary across the global Red Cross movement. Time and time again, Canadians have answered the call when disaster strikes and they have trusted the Red Cross as their preferred vehicle to express their concern and offer hope to their fellow citizens, here and around the world.

In major disasters, specific fundraising appeals are established with their own separate accounting so that donors have a safe and secure system of collection which assures them that the dollars they give will go where they were intended. In some cases, the Federal Government will match individual donations to the Red Cross over a set time period so that the impact Canada can have is significantly amplified.

Alongside major emergencies that garner incredible generosity from Canadians, the Canadian Red Cross has been successful in collecting for Canadian and International Disaster Relief Funds. Donors recognize—as do we—that there are numerous hidden disasters in Canada and around the world. On average the Canadian Red Cross is responding to emergencies in Canada every four hours and up to three emergencies per week internationally. While these events do not attract attention, they affect thousands of lives and create just as much suffering as more public occurrences.

In addition to direct financial contributions, the Canadian Red Cross and the people we serve benefit from a wide range of fundraising activities, most of which arise from grassroots enthusiasm. Among many outstanding examples, we thank the students at Newfoundland and Labrador's Glovertown Academy who, for 25 years, have maintained a Red Cross Youth Group to study humanitarian issues and raise money, particularly with their Walk for Humanity. Noteworthy too are the efforts of Calgary high schools to raise awareness and funds for the rehabilitation of former child soldiers in Liberia by staging a city-wide photography contest called "Picture the Future". In Montréal, a core group of 30 young business people have started 'Relève d'affaires' to further engage the corporate sector and contribute funds through social events.

To complement individual giving, we understand the growing importance of good corporate citizenship and have expanded our efforts to partner with companies who want to strengthen their charitable presence in communities where they do business. It's a tribute to numerous national and local companies who mobilize groups of their own employees, or contribute money, blankets, water or other supplies to provide relief in the case of significant disasters.

While financial gifts are crucial for the Red Cross's acquisition of supplies, equipment and facilities, the gift of time is equally important. In Canada, some 25,000 volunteers donate millions of hours each year for everything from water safety training, to staffing health equipment loan outlets to comforting victims of house fires. Dedicated and well-trained, every Red Cross volunteer is an ambassador for hope and a wonderful example of our best humanitarian instincts.



LEADERSHIP AND GOVERNANCE

CORPORATE OFFICERS



Conrad Sauvé
Secretary General and
Chief Executive
Officer



Claude Tremblay
Chief Financial Officer,
Chief Operating Officer



Samuel Schwisberg
General Counsel,
Corporate Secretary



Leslie Dunning
Director General,
Violence and Abuse
Prevention



Ann Clancy
National Director,
Human Resources and
Volunteer Services



Almin R. Surani
National Director,
Information Services



Susan Johnson
Director General,
International
Operations



Pam Aung Thin
National Director,
Public Affairs and
Government
Relations



Michel Léveillé
Director General,
Québec Zone



Ron Kelusky
Director General,
Ontario Zone



Sue Phillips
Director General,
Western Zone



John L. Byrne
Director General,
Atlantic Zone



MEMBERS OF THE CANADIAN RED CROSS BOARD OF DIRECTORS, 2012*

Top row, left to right: Gavin Giles, Mylène Turcotte, Mario Dionne, Edward Tanaka (Chair), Diane Girard, Sara John Fowler, Ella West, Lloyd Posno
Bottom row, left to right: Alan Dean (Vice-Chair), Amit Mehra (Vice-Chair), Conrad Sauvé, Lynda Durand, Peter Collens, Mary-Jane Dawson, Peter Zulauf,

* On March 18 of this year, board members unanimously adopted a new organizational bylaw in compliance with the recently-proclaimed *Canada Not For Profit Organizations Act* which sees “Governors” now referred to as “Directors”.

CORPORATE OFFICERS

Patron

Her Majesty Queen Elizabeth II

Honorary Chair

His Excellency the Governor General
of Canada

Honorary Vice-Chairs (Appointed)

The Right Honourable Prime Minister
of Canada

The Honourable Leader of the Official
Opposition

Honorary Vice-Chairs

The Honourable 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 2011 AGM)

Atlantic Zone

Peter Collens

Sandra Craft

Ella Kelly

Erin Kielly

Peter Nestman

John Scoville

Québec Zone

Gilles Blondeau

Vincent Bolduc

Claude Chevalier

Mishell Potvin

Denise Vandenbroucke

Marcel Whissell

Ontario Zone

Dennis Chow

Stéphane Gallant

Lynn Greiner

Leonard Murphy

Jane Ann Newson

Barb Trant

Western Zone

Timothy Alexander

Paul Jenkins

Tami Kjerulf

Scott Osmachenko

George Petel

Gordon Shead

REPORT OF THE CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED MARCH 31, 2012

BASIS OF PRESENTATION

The financial statements of The Canadian Red Cross Society (the Society) have been prepared by management in accordance with the Canadian Institute of Chartered Accountants Handbook – Part V Pre-Changeover Canadian Standards (Canadian generally accepted accounting principles). They 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 Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls and it exercises this responsibility through the National Audit and Finance Committee.

BACKGROUND

The Society operates across Canada and internationally, supported by over 6,600 employees in Canada. Domestic activities accounted for 71 percent of total program expenditures and international operations accounted for the remaining 29 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
- Québec Zone
- Ontario Zone
- Western Zone
- International Operations

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

RISKS AND UNCERTAINTIES

Risk management practices are part of normal business operations to help identify and manage the principal risks. Governance of principal risks forms part of the mandate and the charters of the Board of Directors and its committees, including the monitoring of the risk management program by the National Audit and Finance Committee.

The Society's risk management program is Society wide with a focus on the identification, assessment and mitigation of risks associated with the achievement of the organization's objectives. Principal risks are identified and evaluated relative to their potential impact and likelihood, including consideration of mitigating activities. There is an annual review that is linked to the business planning process, with periodic updates to identify emerging risks arising from major business decisions, key initiatives and external factors.

The Society's risk management program is managed through an executive-level committee and reports on principal risks to the Board of Directors. The Society's executive management and the senior management of each operating unit maintain appropriate controls.

The Society's executive management, including legal counsel, review major contracts for operational and financial risks. 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, contributions, donations and other funds are properly spent. Large transactions and non-budgeted expenditures are also reviewed and approved by the Board.

CONTRACTUAL PROVISIONS

Contractual risks to which the Society is bound are generally becoming more complicated and expose the Society to heightened risks. The Society has material service delivery contracts with several Community Care Access Centres in Ontario, which require the provision of personal support services under specific contractual terms.

There are reasonable processes and controls in place to ensure that contractual exposure is properly managed in consideration of the services provided.

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 types 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.

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 80 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 46 percent of the Society's total operating revenues.

UNIONIZED WORKFORCE

The Society has four collective agreements across the country with the largest being the agreement with approximately 3,400 employees represented by the Service Employees International Union (SEIU).

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 ended March 31, 2012, the Society's excess of revenues over expenses were \$0.6 million (2011 – \$4.3 million).

Most of the Society's programs and projects ran close to expectation. The major exceptions were shortfalls in fundraising revenues of \$2.2 million primarily within the Planned Giving programming. A one-time adjustment of almost \$2 million relating to a re-organization within the Personal Support program of Ontario has also been incurred.

Included in the excess of revenues over expenses is an amount of \$1.3 million (2011 – \$1.2 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 annual investment in the fundraising program (included in direct marketing in the financial statements) was adjusted to \$5 million in 2012 versus \$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 Society raised over \$200 million from over 700,000 individual donors, hundreds of corporate organizations and from governments at all levels. At March 31, 2012, deferred revenue of \$60 million (2011 – \$95 million) related to the Haiti appeal. Within the international spending category is an amount of \$40 million related primarily to emergency supplies and the completed construction of 7,044 of a planned 7,500 homes for Haitian beneficiaries. As with the relief operations following the 2004 tsunami in the Asia Pacific region, there is expected to be a multi-year program for relief efforts and expenditures in Haiti. A significant portion of the funding has been spent as at March 31, 2012, 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) a continuous improvement framework and a three-year process was put in place 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, Respect Ed, and Water Safety programs. The support services of Public Affairs, Information Services and Human Resources were also included in the 2010 review. During 2011, we developed a three year vision for the Health portfolio with a particular focus on the implications of the integration of care programming in Ontario. This concludes the first three year cycle of program reviews. The second cycle will commence in 2012. 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.

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 28, our overall cost of fundraising averages 16.3%.

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.



Claude Tremblay
Chief Financial Officer and
Chief Operating Officer



Mary-Jane Dawson
Chair, National Audit and
Finance Committee

June 2, 2012

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS

**To the Board of Directors of
The Canadian Red Cross Society**

The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2012, the summary statement of operations for the year then ended and a summary of the basis of presentation and other explanatory notes are derived from the audited financial statements of The Canadian Red Cross Society (the "Society") for the year ended March 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated June 6, 2012. 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. The summary financial statements are derived from the complete set of financial statements of the Society and are 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, 2012 are a fair summary of those financial statements in accordance with the established criteria disclosed in Note 1 to the summary financial statements.



Deloitte & Touche LLP
Chartered Accountants
Licensed Public Accountants

June 6, 2012

FINANCIALS

The Canadian Red Cross Society

SUMMARY STATEMENT OF FINANCIAL POSITION as at March 31, 2012

(in thousands of dollars)

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 74,810	\$ 109,667
Accounts receivable - trade and other	21,343	21,612
Inventory and prepaid	21,129	9,286
Advances on construction contracts	1,366	1,399
	118,648	141,964
LONG-TERM INVESTMENTS (Note 2)	162,551	165,520
CAPITAL ASSETS	47,228	47,188
ACCRUED DEFINED BENEFIT PENSION PLAN ASSET	6,592	6,206
TOTAL ASSETS	\$ 335,019	\$ 360,878
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 26,527	\$ 26,573
Deferred revenue - short term (Note 3)	120,697	131,972
	147,224	158,545
DEFERRED REVENUE - LONG-TERM (Note 3)	37,362	55,474
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	9,576	10,031
ACCRUED OTHER BENEFIT PLANS LIABILITY	16,652	16,698
TOTAL LIABILITIES	210,814	240,748
COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES		
NET ASSETS		
Invested in capital assets	37,652	37,157
Restricted for endowment purposes	1,205	1,216
Internally restricted - General	47,531	47,531
Internally restricted - Tsunami interest	27,096	25,792
Unrestricted	10,721	8,434
TOTAL NET ASSETS	124,205	120,130
TOTAL LIABILITIES AND NET ASSETS	\$ 335,019	\$ 360,878

Notes and schedules to the financial statements are available on the Red Cross Website at www.redcross.ca

On behalf of the Board



Chair



Chair, National Audit and Finance Committee

The Canadian Red Cross Society

SUMMARY STATEMENT OF OPERATIONS

Year ended March 31, 2012

<i>(in thousands of dollars)</i>	Budget 2012	Actual 2012	Actual 2011
Revenue			
Organizational capacity			
Fundraising general	\$ 47,968	\$ 45,802	\$ 40,414
Investment income	4,628	3,313	5,412
Other	214	54	787
	52,810	49,169	46,613
Core programs	298,038	320,219	365,531
Support services	6,071	12,074	8,180
Disaster appeals	88	5,588	3,618
Total Revenues	357,007	387,050	423,942
Expenses			
Organizational capacity			
Fundraising general	24,755	24,172	26,113
Investment expense	226	279	450
Other	810	711	948
	25,791	25,162	27,511
Core programs			
International programs	105,559	103,221	167,832
Disaster management	12,077	16,004	10,880
Health and injury prevention	175,616	193,799	174,777
Program management and volunteer resources	4,150	3,951	3,961
	297,402	316,975	357,450
Support services	37,822	38,720	36,726
Disaster appeals	88	5,588	3,618
Reduction in pension valuation allowance	-	-	(5,630)
Total Expenses	361,103	386,445	419,675
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (4,096)	\$ 605	\$ 4,267

Notes and schedules to the financial statements are available on the Red Cross Website at www.redcross.ca

The Canadian Red Cross Society

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

Year ended March 31, 2012

1. BASIS OF PRESENTATION

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

2. INVESTMENTS

(in thousands of dollars)

	2012		2011	
	Fair Value and Carrying Value	Cost	Fair Value and Carrying Value	Cost
Fixed income	\$ 144,708	\$ 140,500	\$ 153,477	\$ 153,067
Equities	17,843	16,297	12,043	10,183
Total	\$ 162,551	\$ 156,797	\$ 165,520	\$ 163,250

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 2049, earning interest from 2.25% to 10.35%.

Long term investments are externally and internally restricted as follows:

(in thousands of dollars)

	2012	2011
Externally Restricted - General	\$ 62,913	\$ 46,203
Externally Restricted - Haiti	42,041	66,427
Internally Restricted - General	43,544	34,008
Internally Restricted - Tsunami	14,053	18,882
Total	\$ 162,551	\$ 165,520

Gross investment income earned is reported as follows:

	2012	2011
Investment income - General	\$ 1,971	\$ 4,170
Investment income - Tsunami	1,342	1,242
Total investment income earned	\$ 3,313	\$ 5,412

Haiti investment income of \$4,537 (2011 – \$3,228) 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:

				2012
	General	Haiti	Tsunami	Total
<i>(in thousands of dollars)</i>				
Opening balance	\$ 79,773	\$ 94,873	\$ 12,800	\$ 187,446
Donations and grants received	106,111	633	-	106,744
Interest earned and deferred	3,428	4,537	-	7,965
Recognized as revenue	(92,931)	(40,147)	(11,018)	(144,096)
Closing balance	96,381	59,896	1,782	158,059
Less long-term portion	-	(37,362)	-	(37,362)
Short-term portion	\$ 96,381	\$ 22,534	\$ 1,782	\$ 120,697

				2011
	General	Haiti	Tsunami	Total
<i>(in thousands of dollars)</i>				
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)
Short-term portion	\$ 79,773	\$ 39,399	\$ 12,800	\$ 131,972

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

The Canadian Red Cross Society

COST OF FUNDRAISING

Five-year Comparison (unaudited)

<i>(in thousands of dollars)</i>	5-year Total	2012	2011	2010	2009	2008
Fundraising revenue	\$ 175,202	\$ 41,210	\$ 34,965	\$ 32,783	\$ 33,482	\$ 32,762
Bequest revenue	29,729	4,592	5,449	6,056	7,963	5,669
Donations in program revenue	30,800	8,748	7,253	4,096	6,954	3,749
Deferred revenue donations	333,003	57,332	60,932	142,593	44,705	27,441
Total fundraising and donations revenue	568,734	111,882	108,599	185,528	93,104	69,621
Total fundraising expenses	108,331	24,172	26,113	22,970	17,434	17,642
Surplus	\$ 460,403	\$ 87,710	\$ 82,486	\$ 162,558	\$ 75,670	\$ 51,979
Percentage of cost of total fundraising	19.0%	21.6%	24.0%	12.4%	18.7%	25.3%
Lotteries and gaming revenue	\$ 31,826	\$ 5,702	\$ 6,055	\$ 6,390	\$ 6,712	\$ 6,967
Lotteries and gaming expenses	21,146	3,831	4,116	4,241	4,426	4,532
Percentage of cost of Fundraising excluding Lotteries and Gaming	16.2%	19.2%	21.5%	10.5%	15.1%	20.9%

Source documents originated from Notes 7 and 10 or our annual financial statements. Notes and schedules to the financial statements are available on the Red Cross website at www.redcross.ca



Founded 1896
Incorporated 1909

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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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