

TAKE CARE



CANADIAN RED CROSS ANNUAL REPORT 2012-2013



FACTS AT A GLANCE 2012-2013

FIRST AID, SWIMMING AND WATER SAFETY

- 1.7 million Canadians took Red Cross First Aid or Swimming and Water Safety courses
- 23,000 active instructors in first aid, swimming and lifeguarding

HEALTH AND SOCIAL PROGRAMS

- 145,175 – Number of clients
- 3,058,385 – Number of client service hours
- 269,279 – Number of rides provided by transportation services
- 224,820 – Number of meals provided by Meals on Wheels
- 249,402 – Number of articles loaned through the Health Equipment Loan Program



EMERGENCIES AND RECOVERY TEAM

- 2 Field offices operating in 29 countries around the world
- \$ 14,083,077 in support to global emergency response
- 49 emergency relief and recovery operations in 37 countries



- **\$331,030** in relief supplies
- **2** Basic Health Care Emergency Response Unit deployments
- **18** staff on the Advance Delegation Team ready to be deployed
- **154** missions

RESTORING FAMILY LINKS (RFL)

- **1,000+** active cases
- **312** new cases opened
- **362** families provided with positive answers to RFL inquiries
- **95** volunteers across Canada



EMERGENCIES AND DISASTERS IN CANADA

- 18,769 people directly assisted
- 5,499 trained disaster response volunteers
- 2,289 disaster responses in Canada

- Over 65,000 hours that Canadian Red Cross volunteers dedicated to disasters
- 25,324 Canadians trained in disaster preparedness



DETENTION MONITORING

- 54 visits to detention facilities holding immigration detainees
- 184 volunteers across Canada

VIOLENCE, BULLYING AND ABUSE PREVENTION

- 569,028 children, youth and adults attended workshops in Canada
- 3,330 active youth facilitators
- 1,202 active adult prevention educators
- 21 National Societies working with Canadian Red Cross to create safe environments
- 87,020 children, youth and adults attended workshops in other countries

HUMANITARIAN ISSUES AND INTERNATIONAL HUMANITARIAN LAW

- 12,298 youth reached through 369 events
- 34 teachers reached through 2 training workshops on Exploring Humanitarian Law (EHL)

GENERAL INFORMATION

- 1 National office
- 22 Regions
- 38 Branches
- 2,600 Staff
- 20,000 Volunteers

TAKE CARE

These two simple words are, by no means, a new theme for the Canadian Red Cross. They have been, are and will always be at the heart of everything we do. Whether it's training over a half a million Canadians a year in water safety and first aid, or being a strong anti-bullying advocate supporting youth rallies in Manitoba, or comforting a Quebec family after a devastating house fire, or operating a shelter in BC for evacuees from a forest fire, or staffing a centre loaning medical equipment in New Brunswick, or providing famine relief in the Horn of Africa, the volunteers and staff of the Canadian Red Cross spend each and every day taking care.

“Take care” is also our advice to all Canadians. Acquiring the skills, motivation and commitment to protect yourself, your loved ones, your neighbours and complete strangers can provide lifelong reassurance and, often, make the difference between resilience and tragedy.

In our view, the basis for taking care, the starting point for everything, is the individual and the extent to which a community cares for its members. Community by community, we seek to create strong, resilient and prepared citizens who, collectively, make up equally strong, resilient and prepared towns, cities and countries.

Humanity has yet to figure out how to avoid natural and man-made disasters. But we do know how to prepare for widespread or individual distress and to provide humanitarian relief, comfort and hope. And we do know how to help the vulnerable – regardless of who or where they are. We know how to take care.

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In 2012, millions of Canadians and citizens of other countries benefitted from the actions of the Canadian Red Cross. From sending trained volunteers to help people affected by hurricane Sandy, floods in New Brunswick and Thunder Bay, to sending our emergency hospital to help cholera patients in Mozambique or Sierra Leone, our response capability has made a difference to people coping with natural and public health disasters.

Message from the Secretary General

We continue our vital recovery work a year after the devastating wildfires in and around Slave Lake, Alberta, and through the completion of construction of more than 7,500 shelters in Haiti. At the same time, day in and day out, we are providing services and programs which affect lives in quieter but no less important ways. First Aid, CPR, and swimming instruction, home support services, and bullying prevention programs are protecting Canadians across the country while programs such as maternal and child health in Central America and Africa are delivering dramatic results. The 'Facts at a Glance' section in this report provides additional tangible evidence of our impact.

In addition to these and many more offerings, we channelled effort last year towards preparedness by sharpening our strategies, concentrating on volunteer engagement and developing more collaborative relationships with communities, other Red Cross partners, corporations and governments.

There may have been no better time for this focus on planning than 2012. Every indication is that our investment in emergency response and community health will be drawn upon to its full extent in the future both domestically and internationally. We have long talked about the growing challenge of urbanization, but usually in the context of the developing world where infrastructure is often fragile. What is starkly evident, however, is that in less than three years we have witnessed four major events that required Red Cross in the developed world to serve people and communities at unprecedented levels – the New Zealand Earthquake, the Australian brush fires, the earthquake and tsunami in Japan and Hurricane Sandy in the United States and Caribbean.

The magnitude of such events means one thing: we have to be ready in ways we had not previously imagined, with techniques and planning and the capacity to mobilize people and resources on a scale we had not experienced. We also have to be ready to deal with events whose duration and effects on people last longer and require more support.

Will any amount of planning truly matter in the face of these natural events, any one of which could have happened in Canada? Unequivocally, the answer is 'yes', as we plainly saw in our collective efforts to cope with the effects of Hurricane Sandy, the largest natural disaster in our hemisphere last year which left thousands of people without homes or in dire need of other basic necessities.

In every province, governments are looking for innovative ways to improve delivery of social and health-related services with Canada's aging population and we are strengthening our capacity to be a solution provider. This past year in Ontario, we launched Red Cross Care Partners, a new corporation which represents a unique model allowing two strong organizations to come together to expand services to the people of Ontario. This, along with the continued growth of our Community Support Services and Health Equipment Loan programs in Ontario, Atlantic Canada and Western Canada, are clear demonstrations of the Canadian Red Cross's ability to be innovative and adaptable in this fast-paced and ever-changing world.

As we have painfully seen in Syria and in Mali, the nature of armed conflict has become more complex with civilian populations at serious risk. Our fundamental principles of neutrality and impartiality have again proven to often be the difference between life and death as the Red Cross and Red Crescent continue to provide relief and medical care in these areas and numerous other countries. Canadians should be justifiably proud that, through their contributions, they are able to support this necessary and dangerous work.

At home, we will continue to focus on building strategic relationships with individual donors, public authorities and corporations to help ensure we have the resources available to provide the humanitarian assistance which Canadians have come to expect and rely upon.

I am proud to say that Canada's rank in the global Red Cross Red Crescent Movement continues to strengthen. As one of the top contributing National Societies in the world – both financially and in the number of delegates we send overseas for disaster response and community projects - our expertise is sought for events or situations which demand resourcefulness, courage and plain hard work.

From coast-to-coast-to-coast in Canada and around the world, 2012-2013 saw the Canadian Red Cross grow even stronger, enabled by a truly extraordinary cadre of volunteers and staff and by the equally extraordinary generosity of Canadians.

Take care,



Conrad Sauvé



After my first year as Chair of the Board, I am extremely pleased to see how the Canadian Red Cross is adapting to changes in the domestic and international environments with responses that are innovative, well-reasoned, and carefully planned. Further, I am proud of the role our Board of Directors has played in guiding this deliberate and farsighted approach.

Message from the Chair

Each year, the Board and staff, backstopped by our lengthy history, tradition and experience, go about the important task of enhancing the ways we deliver humanitarian assistance with the goal of achieving routine and continuous improvement. This past year was no exception as we undertook a number of initiatives to support and refine what we do and how we do it.

I am particularly proud of the volunteer engagement survey we conducted last year, both for the extremely high level of response we received and the encouraging results it yielded. For the first time, this detailed, cross-country questionnaire sought to gauge volunteer perceptions, collecting views from almost 3,000 volunteers. This feedback will help us ensure that the Canadian Red Cross is fully capitalizing on the talents and contributions of volunteers in operational and governance roles across Canada and that our processes for identifying, engaging, training, recognizing and retaining volunteers are leading-edge.

The results of this survey and the very constructive commentary we received have set a baseline for how we engage volunteers so that we may track our progress over time through subsequent surveys and adjust the way we do things as the need arises.

I was fortunate to begin my term as Chair last year on the heels of the Members unanimously adopting a new organizational by-law, necessitated by the new Canada Not-for-Profit Corporations Act. This initiative was only the beginning of a process that saw the Canadian Red Cross secure its Articles of Continuation under the new law in late June, 2012, and develop a new governance framework. The framework was quickly and efficiently developed by staff and the Board, followed by a tremendous effort by volunteers to develop and adopt Rules of Practice within a single year.

It is worth noting that, according to the Canadian Bar Association, less than 5% of not-for-profit organizations have become fully compliant with the new law and now face the challenge of achieving compliance more than half way into the three-year deadline. Not only did the Red Cross achieve full compliance well in advance of that deadline, it has moved beyond that point to reform its processes at all levels.

We understand the need for dynamism for we know that Canada and the world are places of continual change. But in the face of that change, we also understand that stability, a strong corporate memory and continuity are of paramount importance to the Canadian Red Cross. Further, we recognize that this continuity must extend to our Board of Directors. This is no automatic achievement. At the end of last fiscal year, we welcomed nine new Board members, more than half of our panel, which necessitated intensive orientation sessions to ensure a broad understanding of how we operate and what challenges lie ahead for our organization.

The Board's oversight role helps set the strategic direction of the organization. Ultimately, senior executives have the responsibility and authority to deliver on these strategies. Clearly, it is understood that the Board's early involvement in assessing those plans adds true value by providing the oversight, the governance, the budgetary considerations and the serious second thought which help ensure the viability of those plans. I am extremely pleased by the very real sense of team evident throughout the Canadian Red Cross, nowhere more so than with staff and the Board as they consistently work together to implement reasoned and achievable programs with the absolute maximum impact and the absolute minimum of surprises.

As with so many things in life, good communication is a key to success and the path to understanding. It is a priority for me to ensure that Board members witness first-hand the results of their decision-making. Through their exposure to the day-to-day work of the Red Cross across Canada, Board members have gained pragmatic insight into the operational realities of our many and varied programs. In addition, several Board members have had the opportunity to observe our tremendous work in international contexts including Haiti where they saw the diligence, care and the sense of pride with which our delegates and the Haitian Red Cross are going about recovery and rebuilding.

Good governance is absolutely foundational to our success; it is the cornerstone of the trust we build and maintain with donors, with volunteers, with funding agencies, and with governments. This focus on fiscal and operational integrity contributed greatly to the signing of a strategic partnership for international humanitarian assistance with the federal government last year and finalizing the establishment of Red Cross Care Partners.

By any measure, 2012-13 was a year of outstanding achievement. However, such accomplishment also creates the obligation for all of us to clear this high bar every year. With the continuing commitment, discipline and conscientiousness of volunteers and staff, we intend to do just that.

Sincerely,



Alan Dean

GOVERNANCE AND LEADERSHIP

CORPORATE OFFICERS



Conrad Sauvé
Secretary General and
Chief Executive Officer



Ann Clancy
Chief of Staff



Kelly McBride
Chief Financial Officer



Samuel Schwisberg
General Counsel,
Corporate Secretary



Leslie Dunning
Director General,
Violence and Abuse
Prevention



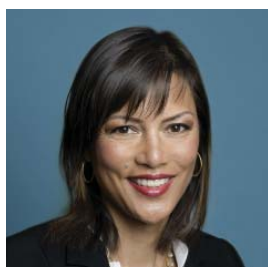
John L. Byrne
Director General,
Disaster Management



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 Council



Louise Castonguay
Director General,
Atlantic Council



Sue Phillips
Director General,
Western Council



MEMBERS OF THE CANADIAN RED CROSS BOARD OF DIRECTORS 2013

From left to right:

Ms. Colleen Schneider
 Mr. Peter Collens
 Ms. Kathleen Mahoney
 Mr. Gordon Shead
 Mr. Dennis Chow
 Mr. Edward Tanaka
 Mr. Alan Dean (Chair)
 Mr. Conrad Sauvé
 Mr. Lloyd Posno
 Ms. Ella West
 Mr. Michel Brunet
 Mr. Gavin Giles
 Ms. Sara John Fowler (Vice-Chair)
 Mr. Peter Stoly
 Mr. Alan Pearson
 Ms. Mylène Turcotte

CORPORATE OFFICERS

Patron

Her Majesty Queen Elizabeth 11

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 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
 Mr. Mario Dionne

Council Designate Members

(members at the June 2012 Annual Meeting)

Atlantic Council

Geoff Moon
 Rick Graham
 Ella Kelly
 Brodie MacLean
 Peter Nestman

Québec Council

Gilles Blondeau
 Vincent Bolduc
 Michèle Lacombe
 Mishell Potvin
 Denise Vandembroucke
 Jean-Claude Bellavance

Ontario Council

Dennis Chow
 Stéphane Gallant
 Lynn Greiner
 Jane Ann Newson
 Barb Trant
 Tracey Ogilvie-McDonald

Western Council

Scott Osmachenko
 Gordon Shead
 Jackie Specken
 Sandra MacArthur
 Cassandra Consiglio

REPORT OF THE CHIEF FINANCIAL OFFICER

For the year ended March 31, 2013

Brief introduction to the Society

The Canadian Red Cross Society (the “Society”) is part of the largest humanitarian network in the world. It is a member of the Red Cross/Red Crescent Movement, which is comprised of the International Committee of the Red Cross, International Federation of Red Cross and Red Crescent Societies and 187 National Societies around the world. The Society operates across Canada and internationally, supported by both volunteers and staff comprising a total strength of almost 20,000 volunteers and staff in Canada alone. In Canada the mandate of the Society is carried out in five operational units (Atlantic Canada, Quebec, Ontario, Western Canada and International Operations) and the head office in Ottawa.

Strategic focus

Strategy 2015, the Society’s strategic plan, identifies six areas of excellence for services offered in Canada and internationally. They are:

- i) disaster management,
- ii) community resilience and capacity building,
- iii) health and social programs,
- iv) violence and abuse prevention,
- v) injury prevention,
- vi) humanitarian issues and International Humanitarian Law.

The Society’s finances are aligned to ensure that resources are allocated to support activities and operations that allow the Society to achieve its strategic goals and thus fulfill its mandate.

Results from operations

For the year ended March 31, 2013, the Society’s excess of expenses over revenues was \$9.4 million (2012 – revenues over expenses \$0.6 million). These results from operations reflect a \$2.4 million (2012 - \$0.6 million) positive variance to budget.

2012-2013 has been a significant year for the Society. As one of its major activities, it offers important community health services in many provinces across Canada. On October 1, 2012, in response to emerging needs and funder expectations in Ontario, the personal support and home care services in that province merged with CarePartners, a nursing and therapy company, to form a new for-profit entity named Red Cross Care Partners (“RCCP”). The Canadian Red Cross maintains 50% ownership of RCCP. Additional costs were experienced due to the transfer of operations, however as an entity that offers personal support and home care as well as nursing and therapy, RCCP is now better positioned to take advantage of the expected changes in home care policy in Ontario, as well as better integrate services for clients. In addition, certain costs previously borne by the Society will now be part of RCCP.

In 2004/2005, following the Asian Earthquake and Tsunami, the Society experienced an outpouring of support from Canadians. The Society is committed to using all interest income earned from these donations, which to date amounts to \$27 million, to continue recovery programming in countries affected by the tsunami. The interest income is recognized as revenue in the year earned and as an expense in the year that it is spent (see Note 12 of the Financial Statements), thus creating an operational deficit in the year spent. This year, the Society expended \$6.4m of this interest on Tsunami related recovery programs. The other major recovery program underway is related to the 2010 earthquake in Haiti. Programming is focused on an integrated health program for communities in and around Jacmel, Haiti. Deferred revenue related to the Haiti appeal is \$44 million (2012 -\$60 million). Separate audited financial statements for both the Asian Earthquake and Tsunami Fund and the Haiti Earthquake Fund are available on the Society’s website www.redcross.ca.

The Society has put an emphasis on fundraising to carry out its mission and mandate. With the goal of ensuring a sustainable long-term revenue base for the Society, additional resources have been added to the fundraising function in order to pursue the growth agenda. This year the Society experienced a shortfall against budget as it invested in new strategies, however, the Society is realizing year on year growth in this area - \$48 million in revenue vs. \$46 million in 2012. Cost of Fundraising data is disclosed with the Summary Financial Statements included in the Annual Report on page 19. The Society is continuing to develop and monitor this critical revenue area.

The Society is frequently the recipient of major unbudgeted donations. This year the Society received a particularly large anonymous donation of \$4.2M to support our disaster management work in Canada, which is greatly appreciated.

Quality, Risk Management and Planning

The delivery of quality programs and services is central to the work of the Society. In addition to its own processes in this area, many of the Society's programs have contractual obligations with funders that also require program reviews or audits.

Some of the Society's operations have an inherent level of risk, in particular response to disasters in Canada and throughout the world. The risk management process is both national and international in scope 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. Regular monitoring is conducted to identify potential and emerging risks arising from major strategic decisions, key initiatives and external factors. Major programs are monitored by executive management and any large transactions and non-budgeted expenditures over \$ 2.5 million dollars are reviewed and approved by the Board of Directors. The Society is further developing risk management tools to enhance overall risk monitoring.

Annual program and operational unit planning to identify priorities and opportunities is aligned to the budgeting process. The Society has largely completed the first cycle of program and operational review and will now implement an integrated planning model with a rolling three year timeframe. Programs and support services will review strategy and program plans together under this model.

Looking forward

The Society is in a strong financial position and will continue to emphasize a high quality and sustainable approach to each of the programs and projects within our mission. The focus 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.

The complete financial report, including the notes to the financials and the independent auditor's report can be found at www.redcross.ca.



Kelly McBride
Chief Financial Officer

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 consolidated financial statements, which comprise the summary consolidated statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the summary consolidated statements of operations for the years ended March 31, 2013 and March 31, 2012, and related notes are derived from the audited consolidated financial statements of the Canadian Red Cross Society (the "Society") for the years ended March 31, 2013 and March 31, 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated June 6, 2013. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations applied in the preparation of the audited consolidated financial statements of the Society. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Society.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the established criteria disclosed in Note 1 to the summary consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated 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 consolidated financial statements derived from the audited consolidated financial statements of the Society for the years ended March 31, 2013 and March 31, 2012 are a fair summary of those consolidated financial statements in accordance with the established criteria disclosed in Note 1 to the summary consolidated financial statements.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

June 6, 2013

FINANCIALS

THE CANADIAN RED CROSS SOCIETY

Summary Consolidated Statements of Financial Position

as at March 31, 2013, March 31, 2012 and April 1, 2011
(in thousands of dollars)

	March 31 2013	March 31 2012	April 1 2011
CURRENT ASSETS			
Cash and cash equivalents	\$ 62,161	\$ 74,810	\$ 109,667
Accounts receivable - trade and other	15,642	21,343	21,612
Inventory and prepaid	30,078	21,129	9,286
Advances on construction contracts	-	1,366	1,399
	107,881	118,648	141,964
LONG-TERM INVESTMENTS (Note 2)	114,421	162,551	165,520
CAPITAL ASSETS	50,584	47,228	47,188
INTANGIBLE ASSETS	2,850	-	-
GOODWILL	1,947	-	-
ACCRUED DEFINED BENEFIT PENSION PLAN ASSET	6,970	6,754	6,399
TOTAL ASSETS	\$ 284,653	\$ 335,181	\$ 361,071
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$21,543	\$25,569	\$26,288
Government remittances payable	478	508	285
Deferred revenue - short-term (Note 3)	89,543	121,147	131,972
	111,564	147,224	158,545
DEFERRED REVENUE - LONG-TERM (Note 3)	27,473	37,362	55,474
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	9,268	9,576	10,031
DEFERRED GAIN	4,719	-	-
ACCRUED OTHER BENEFIT PLANS LIABILITY	16,690	16,652	16,698
TOTAL LIABILITIES	169,714	210,814	240,748
COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES			
NET ASSETS			
Invested in capital assets	41,316	37,652	37,157
Invested in RCCP	3,954	-	-
Restricted for endowment purposes	1,221	1,205	1,216
Internally restricted - General	47,531	47,531	47,531
Internally restricted - Tsunami interest	20,867	27,096	25,792
Unrestricted	50	10,883	8,627
TOTAL NET ASSETS	114,939	124,367	120,323
TOTAL LIABILITIES AND NET ASSETS	\$ 284,653	\$ 335,181	\$ 361,071

On Behalf Of The Board



Chair



Chair, National Audit and Finance Committee

See accompanying notes to the summary consolidated financial statements.

THE CANADIAN RED CROSS SOCIETY

Summary Consolidated Statements of Operations

years ended March 31, 2013 and 2012
(in thousands of dollars)

	Budget 2013	Actual 2013	Actual 2012
	(Unaudited)		
Revenue			
Organizational capacity			
Fundraising	\$ 52,094	\$ 48,117	\$ 45,802
Investment income	2,280	3,646	6,783
Other	-	500	54
	54,374	52,263	52,639
Core programs	285,731	270,141	320,219
Support services	10,294	8,934	12,074
Disaster appeals	44	6,972	5,588
Total Revenues	350,443	338,310	390,520
Expenses			
Organizational capacity			
Fundraising	26,094	25,591	24,172
Investment expense	190	323	279
Other	537	544	711
	26,821	26,458	25,162
Core programs			
International programs	83,153	71,802	103,221
Disaster management	12,662	13,742	16,004
Health and injury prevention	194,007	182,921	193,799
Program management and volunteer resources	4,084	4,219	3,951
	293,906	272,684	316,975
Support services	41,501	41,624	38,720
Disaster appeals	44	6,972	5,588
Total Expenses	362,272	347,738	386,445
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (11,829)	\$ (9,428)	\$ 4,075

See accompanying notes to the summary consolidated financial statements.

THE CANADIAN RED CROSS SOCIETY

Notes to the Summary Consolidated Financial Statements

years ended March 31, 2013 and 2012
(in thousands of dollars)

1. BASIS OF PRESENTATION

The summary consolidated 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

	March 31, 2013		March 31, 2012		April 1, 2011	
	Fair Value and Carrying Value	Cost	Fair Value and Carrying Value	Cost	Fair Value and Carrying Value	Cost
Investments						
Fixed income	\$ 100,365	\$ 97,592	\$ 144,708	\$ 140,500	\$ 153,477	\$ 153,067
Equities	14,056	12,540	17,843	16,297	12,043	10,183
Total investments	\$ 114,421	\$ 110,132	\$ 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 2013 to 2049, earning interest from 2.25% to 10.35%.

Long term investments are externally and internally restricted as follows:

	March 31 2013	March 31 2012	April 1 2011
Externally Restricted - General	\$ 42,203	\$ 62,913	\$ 46,203
Externally Restricted - Haiti	31,112	42,041	66,427
Internally Restricted - General	31,051	43,544	34,008
Internally Restricted - Tsunami	10,055	14,053	18,882
Total	\$ 114,421	\$ 162,551	\$ 165,520

Gross investment income earned is reported as follows:

	March 31 2013	March 31 2012
Investment income - General	\$ 2,853	\$ 4,934
Investment income - Tsunami	793	1,849
Total	\$ 3,646	\$ 6,783

Investment income earned from the Haiti fund of \$1,796 (2012 - \$4,537) is externally restricted and allocated to Haiti deferred revenue.

Investment income earned from the General fund of \$2,272 (2012 - \$3,428) is internally restricted and allocated to General deferred revenue.

THE CANADIAN RED CROSS SOCIETY

Notes to the Summary Consolidated Financial Statements (continued)

years ended March 31, 2013 and 2012
(in thousands of dollars)

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:

	March 31, 2013				March 31, 2012				April 1, 2011			
	General	Haiti	Tsunami	Total	General	Haiti	Tsunami	Total	General	Haiti	Tsunami	Total
Opening balance	\$ 96,831	\$ 59,896	\$ 1,782	\$ 158,509	\$ 79,773	\$ 94,873	\$ 12,800	\$ 187,446	\$ 51,187	\$ 123,719	\$ 29,326	\$ 204,232
Donations and grants received	67,511	115	-	67,626	106,561	633	-	107,194	144,937	54,778	-	199,715
Interest earned and deferred	2,272	1,796	-	4,068	3,428	4,537	-	7,965	-	3,228	-	3,228
Recognized as revenue	(93,315)	(18,090)	(1,782)	(113,187)	(92,931)	(40,147)	(11,018)	(144,096)	(116,351)	(86,852)	(16,526)	(219,729)
Closing balance	73,299	43,717	-	117,016	96,831	59,896	1,782	158,509	79,773	94,873	12,800	187,446
Less: Long-term portion	-	(27,473)	-	(27,473)	-	(37,362)	-	(37,362)	-	(55,474)	-	(55,474)
Short-term portion	\$ 73,299	\$ 16,244	-	\$ 89,543	\$ 96,831	\$ 22,534	\$ 1,782	\$ 121,147	\$ 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 international programming revenue.

THE CANADIAN RED CROSS SOCIETY

Cost of Fundraising

Five-year Comparison (Unaudited)
(in thousands of dollars)

	5 Year Total	2013	2012	2011	2010	2009
Fundraising revenue	\$ 184,873	\$ 42,433	\$ 41,210	\$ 34,965	\$ 32,783	\$ 33,482
Bequest revenue	29,744	5,684	4,592	5,449	6,056	7,963
Donations in program revenue	43,874	16,823	8,748	7,253	4,096	6,954
Deferred revenue donations	317,857	12,295	57,332	60,932	142,593	44,705
Total fundraising and donations revenue	576,348	77,235	111,882	108,599	185,528	93,104
Total fundraising expenses	116,280	25,591	24,172	26,113	22,970	17,434
Surplus	\$ 460,068	\$ 51,644	\$ 87,710	\$ 82,486	\$ 162,558	\$ 75,670
Percentage of cost of total fundraising	20.2%	33.1%	21.6%	24.0%	12.4%	18.7%
Lotteries and gaming revenue	\$ 30,243	\$ 5,384	\$ 5,702	\$ 6,055	\$ 6,390	\$ 6,712
Lotteries and gaming expenses	20,493	3,879	3,831	4,116	4,241	4,426
Percentage of cost of Fundraising excluding Lotteries and Gaming	17.5%	30.2%	19.2%	21.5%	10.5%	15.1%

Source documents originated from Notes 9 and 14 of the annual consolidated financial statements. Notes and schedules to the consolidated financial statements are available on the Red Cross website at www.redcross.ca





CANADIAN RED CROSS

Founded 1896
Incorporated 1909

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