

“You cared
when no one
else did.”

Evelyn received help from the Red Cross
when a fire forced her from her home.



Canadian Red Cross



The Canadian Red Cross Society is a non-profit, humanitarian organization dedicated to improving the situation of the most vulnerable in Canada and throughout the world.

The Canadian Red Cross Society is a member of the International Red Cross and Red Crescent Movement (the Movement) which includes the International Committee of the Red Cross, 185 national Red Cross and Red Crescent Societies, and the International Federation of Red Cross and Red Crescent Societies.

With its national office in Ottawa, four zone offices (Atlantic, Quebec, Ontario, and Western), and regional offices within each zone, the Canadian Red Cross assists millions of people affected by disasters and conflicts in Canada and around the world through our Disaster and Conflict, Health and Injury Prevention, and Humanitarian Issues Programs as well as outreach programs tailored to meet the needs of individual communities across the country.

In keeping with the Fundamental Principles of the Movement, the Canadian Red Cross is committed to social justice and diversity and has served Canadians since 1896. Volunteer members govern the Society at all levels.

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.

Our Vision

The Canadian Red Cross is the leading humanitarian organization through which people voluntarily demonstrate their caring for others in need.

The Fundamental Principles of the International Red Cross and Red Crescent Movement *as proclaimed by the 20th International Conference of the Red Cross, Vienna, 1965*

Humanity

The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, co-operation, and lasting peace amongst all people.

Impartiality

It makes no discrimination as to nationality, race, religious beliefs, class, or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

Neutrality

In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious, or ideological nature.

Voluntary Service: Raleigh Dehaney is one of 30,000 Canadians who make a difference as a Canadian Red Cross volunteer.

Independence

The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

Voluntary Service

It is a voluntary relief movement not prompted in any manner by desire for gain.

Unity

There can only be one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

Universality

The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.



Photo: Monique de St. Croix

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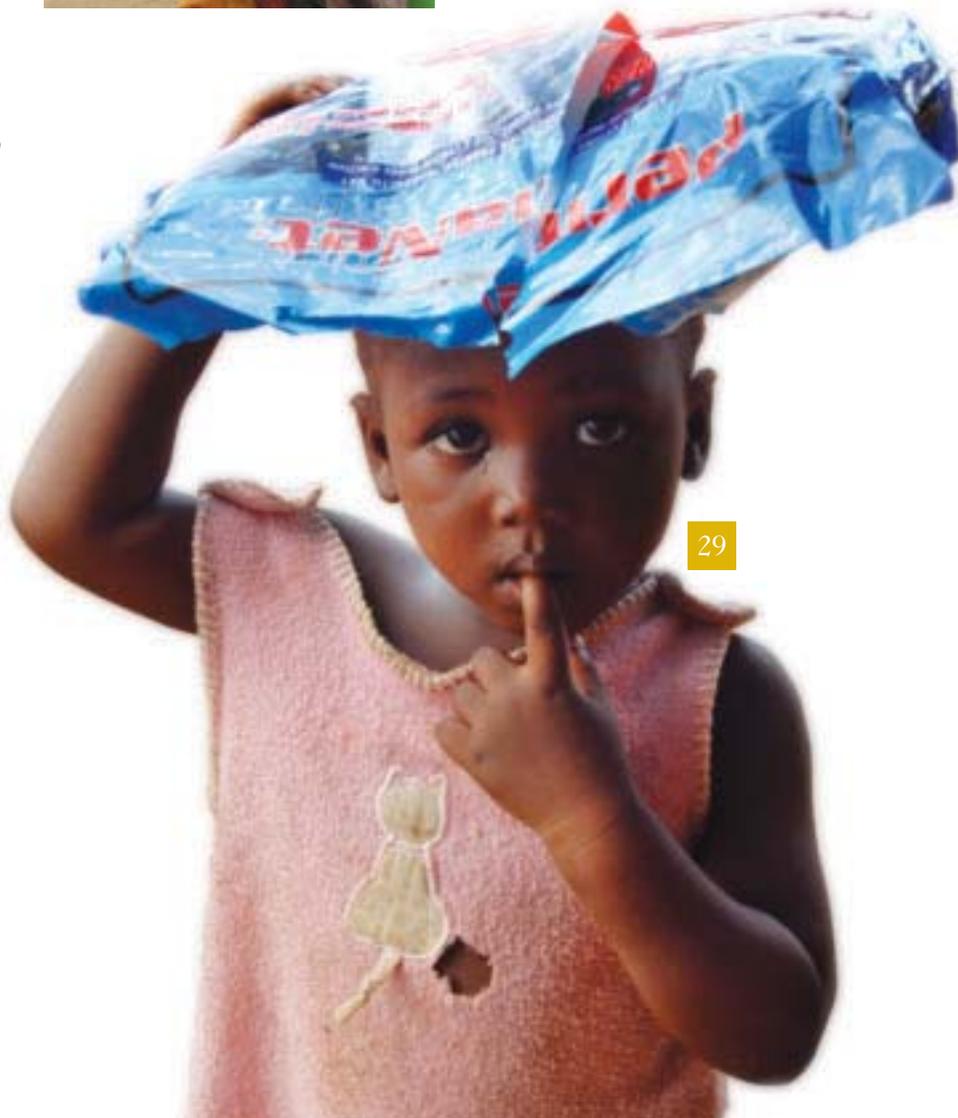


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President's Message

I am very proud of the volunteers and staff whose dedication and humanitarian efforts touch the lives of millions of people through the Canadian Red Cross in communities across our country and around the world. The engagement, talent, and enthusiasm of our youth volunteers are especially impressive and encouraging.



Canadian Red Cross President Jane McGowan with a child in Sierra Leone who received a malaria net as part of the distribution of 875,000 nets throughout the country in a week-long campaign against malaria.

I am also proud of the trust that Canadians have in the Canadian Red Cross and the generous contributions made by people and organizations to our efforts that help save lives and improve living conditions for millions. The Canadian Red Cross, in partnership with Canadian International

Development Agency (CIDA), is a leader in reducing malaria mortality rates in some of the worst affected countries in Africa. Last November, I travelled to Sierra Leone during a week when Canadian Red Cross delegates managed the distribution of 875,000 mosquito nets. I witnessed first-hand the impact of Canada's contribution and the appreciation of the mothers, fathers, and children who received the life-saving bed nets. This initiative is an excellent example of what we can achieve with co-operation, support, and humanitarian action.

The impact of Canadians' compassion is also reflected in the rehabilitation operations in the tsunami affected countries of Indonesia, Sri Lanka,

India, and the Maldives. In December, a delegation from the Canadian Red Cross Board of Governors assessed our reconstruction program in Indonesia and met people directly touched by Canadian donors.

The demonstration of support for our programs reflects strong public confidence in our role as the leader in disaster management, injury prevention, abuse prevention, and international programming.

Our work is anchored in the Fundamental Principles of the Red Cross Red Crescent Movement. The Principles help increase understanding, empathy, and awareness among divergent populations all over the world. This year marked a significant affirmation of those principles when the red crystal was approved as an additional emblem at the 29th International Conference of the Red Cross and Red Crescent. At the same time we celebrated the principle of Universality with the official recognition of the Magen David Adom of Israel and the Palestinian Red Crescent Society.

I would like to take this opportunity to bid adieu and thank Dr. Pierre Duplessis for nine years of dedication and commitment to the Canadian Red Cross. During his tenure as Secretary General, Dr. Duplessis' determination, wisdom, and humanity have helped navigate the Society through some very challenging times.

Lastly, I wish to say how honoured I am to work with the current Board of Governors. The insight, oversight, and commitment of these experienced and dedicated volunteers ensures that the Canadian Red Cross has the strategic direction and financial sustainability to continue its essential humanitarian work.

Jane McGowan
Jane E. McGowan, President

Secretary General's Message

This year saw Canadians, once again, responding generously to Red Cross appeals for funds to provide food, shelter, clean water, and health care to people living in areas affected by conflict and disaster. Our volunteers and staff also met the call for compassionate assistance and worked tirelessly to address the needs of vulnerable people.

The link between global and local humanitarian needs was clearly evident in the response to the crises in the Middle East that saw 880 Red Cross volunteers support over 5,000 Canadians evacuated from Lebanon by the Canadian government.

Borrowing the slogan *think globally, act locally*, we focused this year on preparedness — in particular with an eye to the threat of a global influenza pandemic. The Canadian Red Cross has developed contingency plans that will enable us to respond in the face of a health disaster that adversely affects our own human resource capabilities.

We also looked to strengthen partnerships with external organizations that would be part of any response. This includes a memorandum of understanding signed between the Canadian Red Cross and Public Safety Canada to prepare for a coordinated response to natural disasters, pandemics, terrorist incidents, internal disturbances, and other major emergencies. A similar agreement was renewed with the Canadian Medical Association to co-operate and plan for public health emergencies.



Photo: David Rossiter, Calgary Herald

Pierre Duplessis with Red Cross Aboriginal Outreach coordinator Pam Heavy Head on a reserve near Lethbridge, Alberta.

The Canadian Red Cross increased its capacity further this year by investing in business support to programs such as in the area of volunteer engagement. By introducing a national director of volunteer coordination we continue to strengthen a critical competency of the Society: our volunteers' capacity to deliver and contribute to our domestic programs.

While we focused on strengthening our response capabilities, our daily business remained helping vulnerable people locally. This year, more than 5,000 Red Cross volunteers helped almost 52,000 people affected by personal emergencies and disasters. Youth increasingly contributed to our mission through a range of programs; 1,550 trained as peer facilitators for our anti-bullying workshop, *Beyond the Hurt*, reaching more than 46,500 of their peers.

This year, sadly, saw the retirement of an individual who has contributed so much to the Canadian Red Cross over the past 31 years. Deputy Secretary General John Mulvihill was a man of action with a passion for bringing change to people's lives. We also saw the departure of Chief Financial Officer, Larry Mills, who was instrumental in increasing our financial stability and streamlining operations. I want to thank both John and Larry for their contributions to the Canadian Red Cross and for the legacy they handed to us.

I continue to be deeply inspired and buoyed by the dedication and humanitarian values demonstrated by Red Cross volunteers and staff.

I want to close by thanking our Board of Governors, volunteers, members, and staff for their unfailing support and the momentum they have created in the interest of people here in Canada and throughout the world who may find themselves in darkness; it is our aim that they find a beacon of light in the Red Cross.



Dr. Pierre Duplessis, Secretary General and Chief Executive Officer

Movement Relations

In 2006/07, the Canadian Red Cross continued to play an important governance role within the Red Cross and Red Crescent Movement, largely through one of its Honorary Vice Presidents, Janet Davidson, in her capacity as Vice Chair of the Standing Commission of the Red Cross and Red Crescent.

During the course of the year, the Society welcomed a number of international visitors to Canada, including Dr. Jakob Kellenberger, President of the International Committee of the Red Cross (ICRC), who met with Canadian government officials as well as members of the NGO community and the media.

In June 2006, the 29th International Conference of the Red Cross and Red Crescent convened representatives of the National Red Cross and Red Crescent Societies, the International Federation, and the ICRC, with representatives of the States party to the Geneva Conventions. The Conference amended the Statutes of the International Red Cross and Red Crescent Movement to incorporate the additional emblem of the red crystal, which now has the same status as the red cross and red crescent.

The Conference had been convened as a follow-up to the diplomatic conference of States in December 2005, which adopted the Third Additional Protocol to the Geneva Conventions, creating an additional protective emblem for the Movement, known as the red crystal.



Photo: © Int'l Fed./Jorge Perez

Mohammad Al Hadid, Chairman of the Standing Commission, together with Antonella Notari, ICRC spokesperson, in front of the new emblem — the red crystal.

As a consequence of the successful outcome of the Conference, the ICRC recognized the Palestine Red Crescent Society (PRCS) and the Israeli National Society, Magen David Adom (MDA). The International Federation of Red Cross and Red Crescent Societies admitted both National Societies.

The adoption of the red crystal reaffirmed the determination of the International Red Cross and Red Crescent Movement to consolidate its universality and thereby enhance its strength and credibility. By offering new possibilities for protection and identification to National Societies and States that wish to use the red crystal, the Third Protocol exemplifies the Movement's commitment to neutral and independent humanitarian action. Ultimately, the goal is to improve protection for all those who need it, be they beneficiaries of humanitarian aid or persons striving to deliver it.

Core Area: Disaster and Conflict

We provide relief when individuals and communities need support.

Strategic Goal:

Prepare for and respond to disasters and conflicts.

“There are no words to describe the mother’s reaction ... The cry of joy lasted forever, she couldn’t believe it ... I love my job! This is what I work for!”

~ Ontario Zone Restoring Family Links coordinator, Radmila Rokvic-Pilipovic, describing the experience of informing a mother that her missing children are alive and well.

When a disaster or conflict happens around the world, the Canadian Red Cross helps those who are affected in several ways: by contributing to a global response through our International Disaster Relief Fund; appealing to the Canadian public for donations; sending humanitarian workers to support relief and recovery efforts; establishing longer term bilateral support; and reconnecting families.

Outskirts of Goma. Family reunification, under the aegis of ICRC, of a former child soldier recently demobilized. The child signed up in 1996 when he was 15, as Kabila controled the east part of Democratic Republic of Congo. He hadn’t seen his family since that time.



Photo: © CICR/HEGER, Boris

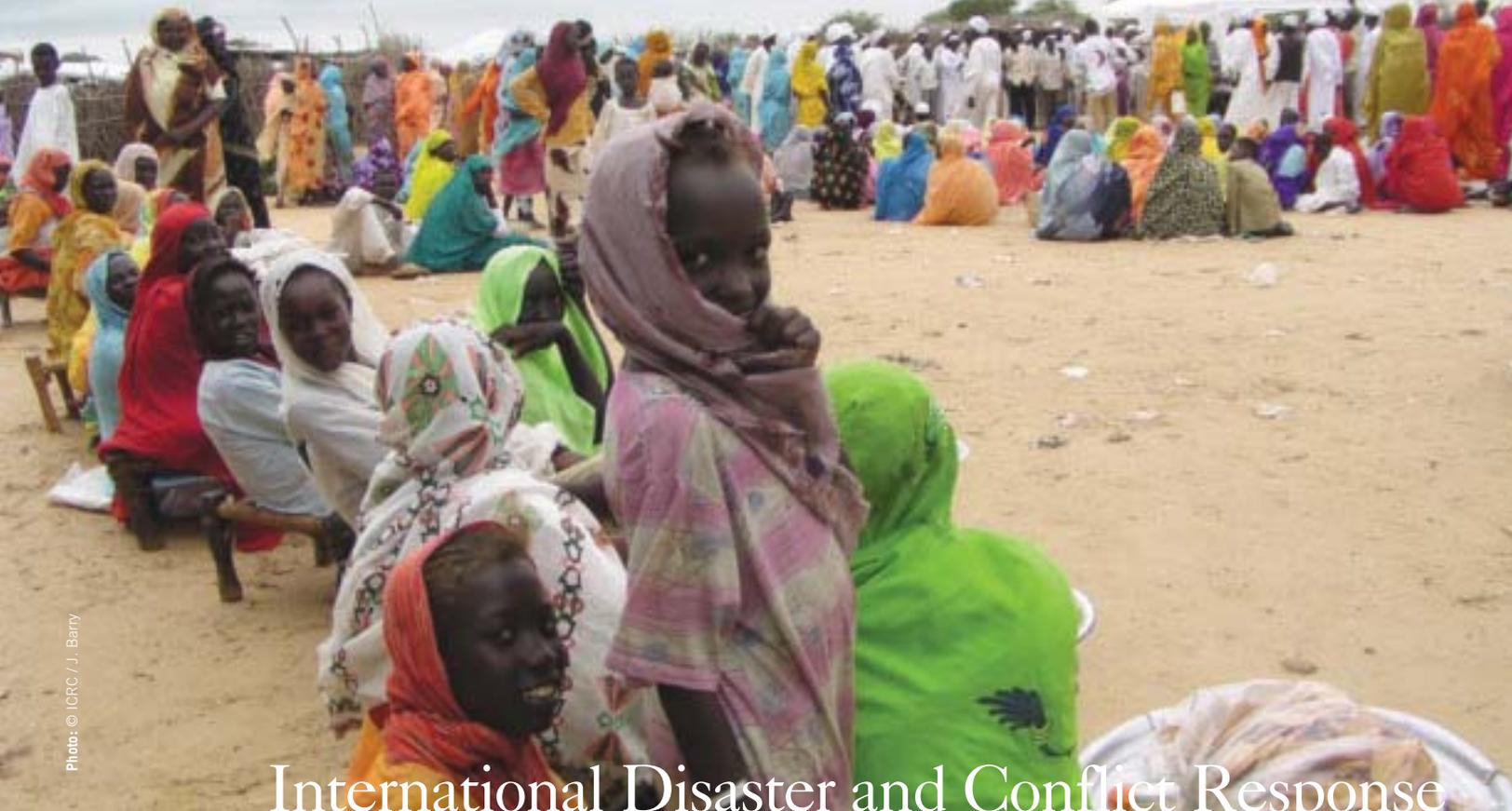


Photo: © ICRC / J. Barry

International Disaster and Conflict Response

*Sudan: ICRC
food distribution
in Gereida camp.*

Responding to disasters

In 1999, the Canadian Red Cross established the International Disaster Relief Fund (IDRF) to accelerate our response to large scale disasters. When a crisis occurs, funds can be accessed within 24 hours and help can be quickly sent to those who need it most. In 2006/07, the Canadian Red Cross contributed to the following appeals of the International Federation of Red Cross and Red Crescent Societies:

- Asia typhoon relief
- Indonesia earthquake
- Palestinian emergency
- Sudan crisis
- Angola cholera.

As well, the Canadian Red Cross appealed to the public to support activities for the following emergencies.

Campaign against Malaria: See page 31 for more on this campaign.

HIV/AIDS in Southern Africa: See page 30 for more on our work in this region.

Sudan Crisis: The security and humanitarian situation in Darfur continues to be desperate with some two million people displaced or depending entirely on assistance, and another two million residents also affected. Three Canadian Red Cross delegates have been working with the ICRC. See page 31 for more on our health work in Darfur.

War-affected Children: For a number of years, the Canadian Red Cross has supported a child advocacy and rehabilitation program in Sierra Leone. This successful program is now being delivered in Liberia for children, families, and communities seriously affected by the conflict. Activities include education, vocational training, and emotional wellness support.

Southern Africa Floods: Southern Africa experienced devastating floods that left an estimated 140,000 people displaced and living in temporary shelters. Six Canadian Red Cross medical delegates were deployed to Mozambique, and one delegate is working in Madagascar to assist those affected by the floods.

Asia Typhoon Relief: Typhoon Durián devastated the Philippines and Vietnam in November 2006. More than 650,000 people were affected, and 1,050 people were reported dead. In addition to immediate relief assistance of blankets, mats, and family hygiene kits, efforts are also underway to repair or reconstruct up to 15,000 homes and improve water and sanitation facilities in affected communities.

Crisis in the Middle East: The month-long conflict between Israel and Lebanon caused numerous casualties to civilians on both sides. There was also widespread destruction of roads, homes, hospitals, and workplaces. The Canadian Red Cross quickly mobilized resources to raise funds for food, shelter, clean water, and health care. As well, the ICRC helped to restore water supplies in southern Lebanon, and continued to support hospitals and medical facilities. In Israel, thousands of people were given emergency medical and humanitarian assistance by the Magen David Adom. See page 22 for more on the response in Canada.

Indonesia Earthquake: A 6.2 level earthquake struck Yogyakarta, a highly-populated area of Indonesia on the morning of May 27, 2006. More than 5,500 people were reported dead, an estimated 200,000 left homeless, and over 17,000 injured. The Canadian Red Cross sent a field coordinator from Banda Aceh to assist with the relief assessments and response.

South Asia Earthquake: Tens of thousands of people faced a second winter without permanent shelter following the devastating 2005 earthquake, which killed more than 73,000 people and made over 3.5 million homeless in northern Pakistan. Landslides and flooding have also left many quake survivors in an uncertain position. A Canadian Red Cross delegate headed up the International Federation's disaster recovery response mission.

Recovery programs

After the emergency relief period of an international disaster, the Canadian Red Cross also assists in the recovery and rehabilitation of survivors, such as in Pakistan and the tsunami-affected areas in Asia. Currently, the Canadian Red Cross has 15 field offices in 12 countries with over 250 national and Canadian staff members.

Pakistan: The Canadian Red Cross continues to deliver health care services to people affected by the 2005 earthquake in northern Pakistan. The Canadian Red Cross operates mobile clinics and has trained 160 traditional birth attendants and community-based first aid volunteers to benefit 85,000 people in the Allai Valley. This two-year community-based health project is funded by CIDA and individual donations. Other activities include reconstruction and capacity building of the Pakistan Red Crescent Society. These efforts are being supported by two Canadian Red Cross delegates. See page 18 for a profile of one delegate's work in the region.



Photo: Jakob Dall/Danish Red Cross

A little girl leans against the support of her family's tent near Balakot, Pakistan. A hygiene kit provided by the International Federation, including soap, towels, washing powder, and tooth brushes, sits in the background. Between October 2005 and July 2006, the International Federation distributed 200,000 hygiene kits to earthquake survivors, along with 321,000 quilts and 324,000 bed sheets.



Asia Tsunami Relief and Recovery

Since the December 2004 tsunami in southeast Asia, the Canadian Red Cross and the International Federation have made significant progress to help rebuild the lives of more than 1.7 million survivors in the affected region. We currently have bilateral missions in Indonesia, Sri Lanka, India, and the Maldives.

More than 100 Canadian Red Cross delegates have worked or continue to work in the areas of health, nursing, disaster preparedness, construction, engineering, water and sanitation, finance, and logistics.

Community development and sustainability are at the forefront of all Red Cross tsunami recovery programs. We have placed a strong emphasis on ensuring that rehabilitation activities — housing reconstruction, livelihood, and water and sanitation programs — are integrated. We also consult and communicate with beneficiaries on an ongoing basis to engage them in the process of recovery and rehabilitation. The Canadian Red Cross has committed to a full recovery in the region, and from the onset of the disaster has estimated this to take at least five years.

Young tsunami survivors enjoy each other's company in the community of Meunasha Mon, Indonesia.

To support people affected by the tsunami, Canadians donated \$372 million to the Canadian Red Cross. Of this amount, \$126 million has been spent on relief and recovery, and \$246 million is committed to ongoing and future projects. Many projects, such as housing reconstruction, micro credit programs, and creation of livelihoods, will take several years to complete. These expenditures will not appear in our bank statements as quickly as those that supported emergency activities.

For example, all of the money required to rebuild homes is not immediately given to contractors. It is given as the contractor meets different milestones of construction. By committing the money to these longer term projects now, we are ensuring that the funds will be available for the duration of each project. Any investment income earned on the fund remains in the fund and will directly help tsunami survivors.

“I feel very lucky to have this new home where I live with a baby I’ve adopted who had lost her parents in the tsunami. We are both very grateful to the Canadian Red Cross.”

~ Anita, a recipient of a Canadian Red Cross house in the district of Aceh Besar, Indonesia.

A tsunami-affected community in Banda Aceh with homes built by the Canadian Red Cross.



Recovery Highlights

Below are a few highlights of the Canadian Red Cross tsunami recovery program (2006/07). For a comprehensive look at our work in the region, visit www.redcross.ca.



Children in Ottawa, Canada, and Banda Aceh, Indonesia, exchanged drawings carrying messages of hope and friendship.

Indonesia

- More than 2,100 transitional and permanent homes have been built for over 9,200 survivors, with over 760 homes currently under construction.
- Clean water, drainage, and sanitation facilities have been provided for 16,000 people.
- Over 7,500 survivors have received training on hygiene and sanitation promotion.
- More than 110 voluntary community health workers have been provided with Participatory Hygiene and Sanitation Transformation training.

- An early warning system has been established and installed within 22 branches of the Indonesian Red Cross (PMI), and more than 120 PMI staff and volunteers have been trained on its use.



A training session on radio operation and maintenance for the early warning system in Banda Aceh.

Sri Lanka

- The Canadian Red Cross supported the Kilinochchi Hospital in northern Sri Lanka from July 2005–2006 with a surgical team and provided medical equipment to upgrade facilities.
- Construction is underway on 160 homes, with many near completion.
- A community health and wellness program has been implemented in Galle, Polonnaruwa, Anuradhapura, Vavuniya, and Colombo, with over 19,000 home visits already completed.
- The Canadian Red Cross *RespectED: Violence & Abuse Prevention* program is currently developing a child safety initiative, *Be Safe!*, to protect children from sexual, physical, and emotional abuse. See page 13 for more on this initiative.
- In collaboration with the World University Service of Canada, the Canadian Red Cross provided a \$11-million vocational training program for youth and women throughout the country, with 46 courses for 987 students currently underway and 85 courses already completed.

- With the Canadian Cooperative Association, over \$6 million has been provided in housing reconstruction, training programs, and micro-credit to cooperatives.
- Financed \$6 million for health infrastructure rehabilitation through the International Federation.



Canadian Red Cross delegate Dr. Robert Taylor, from Vancouver, leads an operating team at the Kilinochchi District Hospital in northern Sri Lanka.

In Sri Lanka, the escalating conflict has affected activities in the northern and eastern parts of the country. The Canadian Red Cross, along with the International Federation, ICRC, and other Red Cross and Red Crescent National Societies, has made adjustments to programs in order to respond to the situation. The Canadian Red Cross has supported several conflict-related relief activities to help thousands of internally displaced people and is prepared to contribute further as required.

India

- The Canadian Red Cross implemented an emotional wellness play program in 12 crèches, benefiting more than 600 children in Tamil Nadu, and child development training for 16 teachers and staff.
- Training has been provided to 400 community health volunteers and 260 disaster preparedness volunteers in 13 villages.
- The Canadian Red Cross supported the creation of more than 70 community development groups to address livelihoods, health, and disaster preparedness in four districts.

- Construction of 40 boats is underway in Thiruvapur.
- Three cyclone shelters and disaster management centres have been constructed.

The tsunami recovery program in Tamil Nadu covers more than one fourth of the state's coastline and will assist over 12,000 people in 40 villages.

Maldives

In partnership with the Australian Red Cross:

- cleared over 36,000 cubic metres of debris on 68 out of 74 of the most tsunami-affected islands
- completed construction on 75 waste management centres
- conducted 68 waste management training sessions involving more than 1,300 community members
- rebuilding community infrastructure on 44 islands.



Images of the island Guraidhoo in the Maldives before and after the Canadian Red Cross and Australian Red Cross removed waste and debris from the tsunami, which washed up on its shores.

East Africa

The Canadian Red Cross has provided support to the International Federation for strengthening the Malagasy Red Cross Society. This support will help lay the groundwork for a long-term program in community-based risk reduction and disaster preparedness in the Indian Ocean islands region. The Canadian Red Cross will be working in partnership with the International Federation and French Red Cross in Comoros, Mauritius, and Madagascar to continue delivering these programs.

Helping to protect children from abuse



Child protection delegate Gurvinder Singh has helped adapt a child abuse prevention program for delivery in Sri Lanka.

What started out as a summer job has turned into a career for Gurvinder Singh, the Canadian Red Cross child protection delegate in Sri Lanka. For the last six years, Gurvinder has been working with the Canadian Red Cross *RespectEd: Violence & Abuse Prevention* program. This program focuses on abuse prevention for children through community outreach and comprehensive strategies.

“Children deserve to be safe and it is our responsibility to make sure we do everything possible to prevent abuse,” said Gurvinder. “It seemed natural for the Canadian Red Cross to build on its expertise in child protection wherever we work.”

The success of the award-winning *RespectED* program and interest from countries around the world inspired the Canadian Red Cross to expand its work in this area internationally. In Sri Lanka, the risk of abuse and violence against children was heightened due to instability caused by the ongoing internal conflict, and the catastrophic tsunami of 2004.

The Canadian Red Cross child abuse prevention program in Sri Lanka is called *Be Safe!* and was launched country-wide in February 2007. Input from various partners was essential to the development of this program, and materials have all been adapted to be culturally appropriate for the Sri Lankan audience.

In managing this program in Sri Lanka, Gurvinder has overseen its design and developed materials that will be used to train teachers and other professionals working with children, parents, and community members.



Be Safe! participants learn about protecting themselves in a fun and safe way.

“Everyone has a role to play,” Gurvinder says. “The belief that abuse is inevitable is a myth. When we work together, violence against children can be prevented.”

*The adaptation of the *RespectEd* program included changing the Canadian mascot *Trusty*, to *Asha the elephant* as an educational tool.*



Reconnecting families separated by disasters or conflicts



Peru went through almost two decades of internal armed conflict. The fighting claimed 70,000 victims. These included 13,000 missing persons, such as Evita Orihuela García, who was reunited with her older brother after 21 years of separation.

Disasters and conflicts often separate families when they need each other most. As part of the Red Cross and Red Crescent Movement, the Canadian Red Cross helps to reconnect families through our *Restoring Family Links* program.

When people in Canada are evacuated as a result of a disaster, the Canadian Red Cross registers them and ensures that they have the means to contact their loved ones. When there is a crisis or disaster in another part of the world, the international network of Red Cross and Red Crescent Societies mobilizes to respond to immediate needs. Part of this response includes transmitting “safe and well” messages from the affected areas to loved ones around the world, tracing missing people, and providing support, information, and referral services.

When it is not possible to restore contact, the Red Cross continues the search, believing that families have a right to know the fate of a missing loved one — whatever it may be. This past year, the Canadian Red Cross collected detailed information on 20 people missing since the conflicts in the Balkans from family members now resettled in Canada.

Highlights of activities

- 786 new tracing and family message cases were completed in 2006/07, with over 900 open cases in total.
- While most cases are linked to recent events, among our cases this past year include two sets of close relatives separated since the Second World War.
- We assisted in capacity building of the family links program within the Indonesian Red Cross.
- The *Ante Mortem Data* project, an outreach campaign to families in Canada who have yet unresolved tracing cases linked to the conflicts in the Balkans, was successfully delivered.
- The Canadian Red Cross provided support, information, and referrals to families affected by the Lebanon conflict.

Restoring Family Links (RFL) Volunteer, Joanne Klumper, Manitoba

“I have volunteered in many roles and organizations over the years, but working as an RFL caseworker has proven to be my most exciting and rewarding experience. Each new case is both a history and a geography lesson. I am so touched by the sincere thanks received from clients I have tried to help, even when the search has not been successful. And, there is no better feeling in the world than to witness the joy and relief in a client's face when you tell them that their family member has been found!”

Long separation ends in *joyous reunion* in Toronto



Anna Rogers embraces long-lost son Andrzej Piekarski at Toronto's Pearson International Airport after being separated since the Second World War.

They spent 62 years apart, filled with longing and wondering. But on March 28, a mother and son separated during the Second World War were reunited with the help of the Canadian Red Cross *Restoring Family Links* program.

For 89-year-old Anna Rogers of Sunderland, Ontario, the moments waiting for her son, 64-year-old Andrzej Piekarski from Poland, at Toronto's Pearson International Airport felt almost as long as their many years apart.

"Where is he?" she asked, her nerves turning into tears as Red Cross Restoring Family Links coordinator Radmila Rokvic-Pilipovic held her hand and offered reassurance.

When Piekarski finally appeared, Rogers embraced her son and they held hands. "I thought maybe she wasn't alive," said Piekarski. "I lost hope of seeing her again."

During the war, Rogers was forced to leave her home country of Poland and was sent to a labour camp in Vienna, Austria. She left her then infant son with her mother-in-law as her husband and several other relatives had already died in the war. Rogers never thought she would be separated from her son for so long.

When her camp was liberated at the end of the war, Rogers moved to Great Britain and sent for her son in Poland, but to no avail. Rogers spent many years trying to write to her son and eventually immigrated to Canada.

Piekarski recently contacted the Polish Red Cross to ask for help in searching for his mother. Several Red Cross National Societies were involved in bringing the pair back together.

"It was the best gift for names day I've ever received."

Last fall, on the eve of Piekarski's name day, the day in Poland dedicated to the saint he is named for, Rogers and Piekarski spoke to each other for the first time on the phone. Piekarski said when he answered, he immediately knew it was his mother.

"It was the best gift for names day I've ever received," he said.

Canadian Red Cross Delegates: a *passion* to improve the world

Canadian Red Cross overseas personnel, known as delegates, help the most vulnerable around the world. They make important contributions to international operations in conflict, disaster, rehabilitation, and development.

Contrary to popular belief, Red Cross delegates are not limited to the medical profession. They fill many technical and specialist roles including emergency response, health, livelihoods, psychosocial support, construction, water and sanitation, logistics, finance, protection, and organizational development.

In 2006/07, Canadian delegates were deployed around the world on 91 assignments.

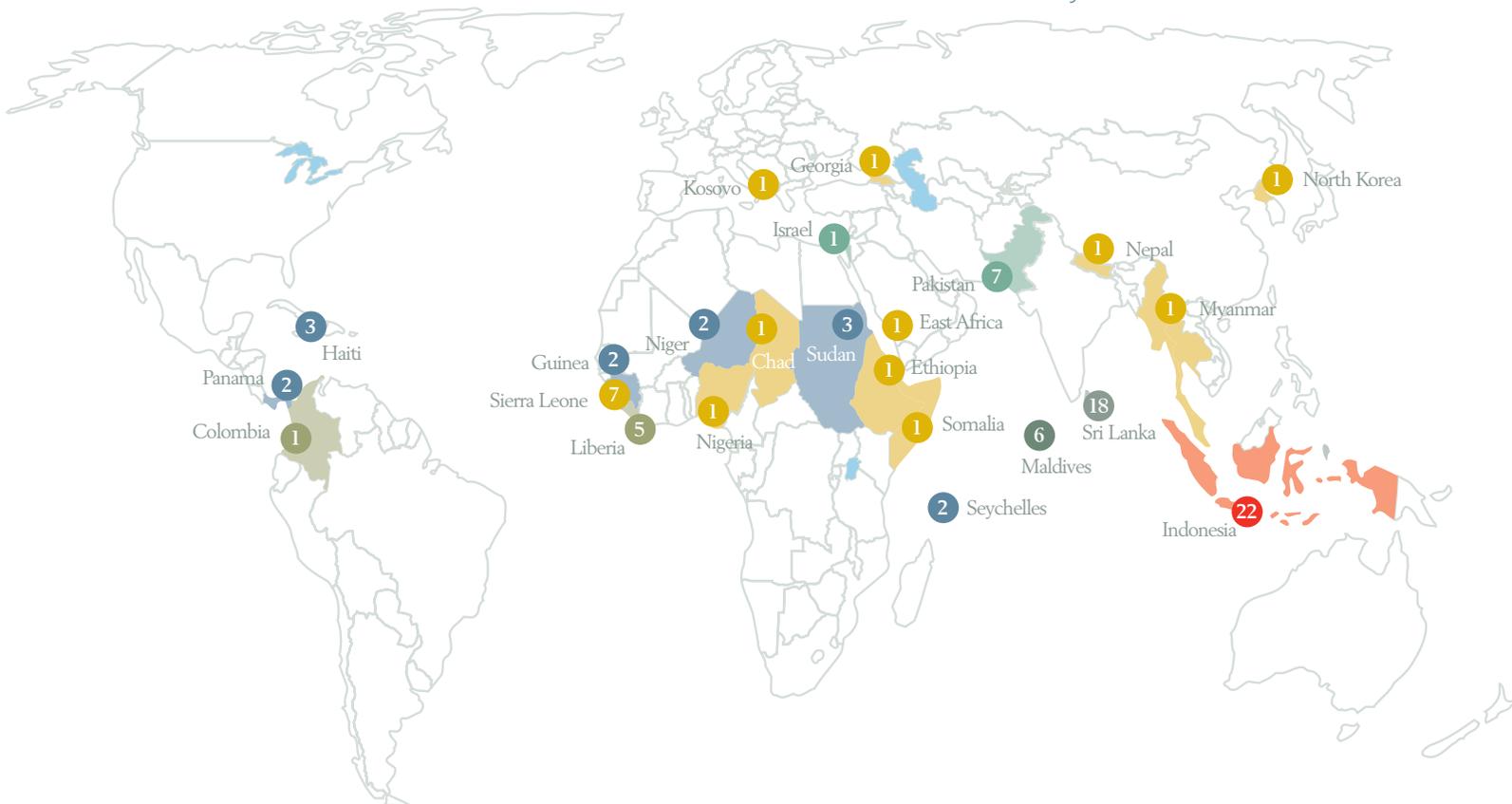


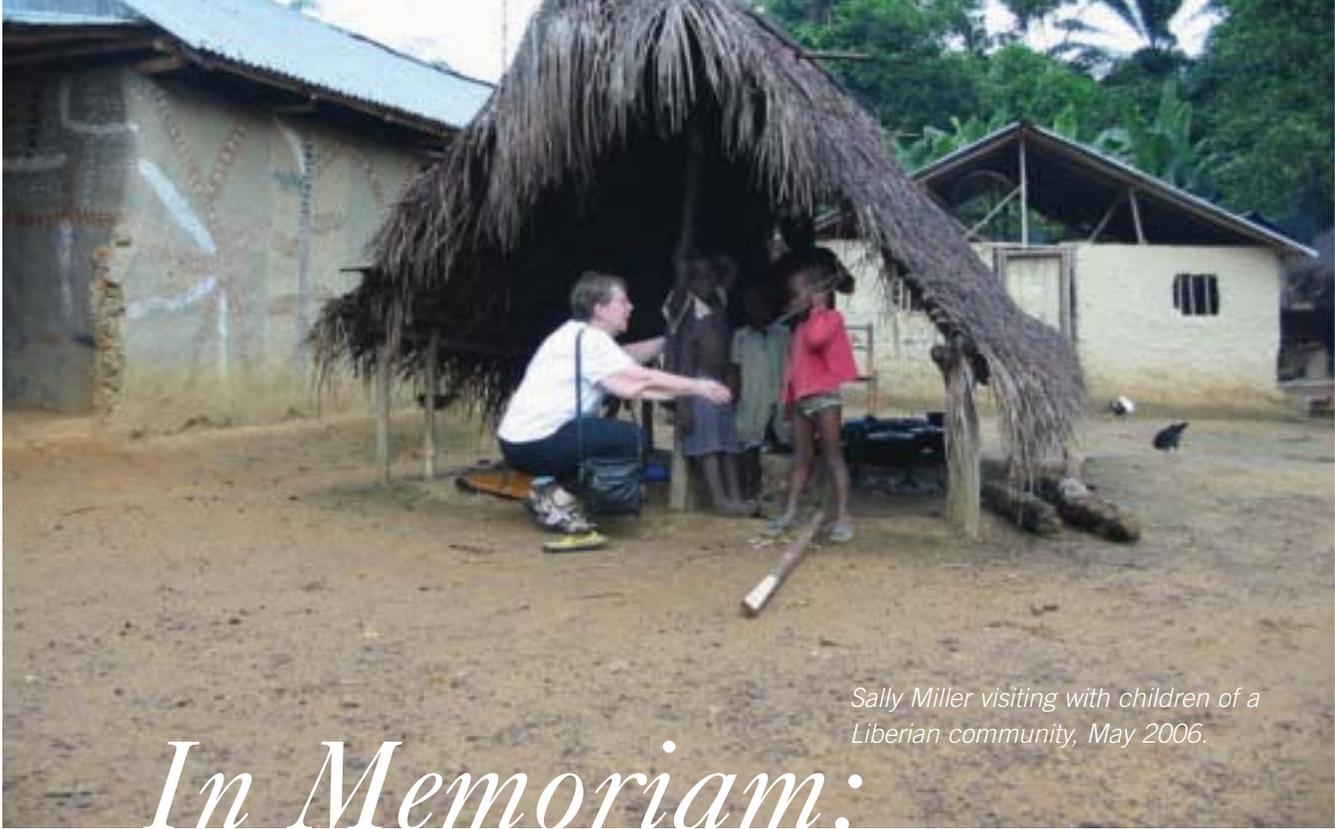
Canadian ICRC cooperation delegate Bruce McRae of Edmonton, with local business men in Afghanistan.



Photo: Jenna Clarke

Canadian Red Cross construction delegates Laxman Chhetry of Mississauga, and Gay Raj Acharya from Edmonton, in front of an apartment complex under construction in Sri Lanka, which is being funded by Canadian donations.





Sally Miller visiting with children of a Liberian community, May 2006.

In Memoriam:

Sally Miller: An inspiration to those around her

Sally Miller, a much beloved Canadian Red Cross delegate who worked in crisis spots around the world, died of natural causes in June 2006 while doing humanitarian work in Liberia.

The nurse from Fredericton, New Brunswick, began her Red Cross work as part of a medical team working in refugee camps along the Thai-Cambodian border in 1979.

She worked in Haiti in the early 1990s helping local Red Cross branches establish support for Haitian returnees. In 1994, Sally served in the Democratic Republic of Congo (DRC), providing assistance to Angolan refugees in the province of Bas-Zaïre, where she helped open nine health stations. She went on to manage programs in two refugee camps in Uganda before returning to the DRC. Miller then headed the delegation in Guinea, where she was responsible for supporting 100,000 refugees living in six camps. She began working in Liberia in 2003.

Through two bouts of cancer, Sally never complained. Her dedication to humanitarian work earned her the Queen's Jubilee award in 2003.

“Her death has left great sorrow in the hearts of many people around the world,” said Patricia Strong, Canadian Red Cross Africa program manager. “Sally’s dedication to humanitarian work and to improving the lives of vulnerable people was evident in all she did, and she greatly inspired those around her. It was impossible not to be moved by her courage, compassion, and kindness.”

“Sally’s dedication to humanitarian work and to improving the lives of vulnerable people was evident in all she did ...”

A day in a *delegate's diary*



A new mother holds her infant son, just delivered with Marg's help.

Marg Lacmuth was based out of the small community of Chinari in northern Pakistan. This village of 90 households was completely destroyed during the 2005 earthquake. As the earthquake struck during the morning, many school children and women were killed or severely injured when schools, homes, and shops collapsed. All families in the community lost their homes and are now living in temporary shelters or tents.



More than 1,000 students were trained in proper health and hygiene practices to help prevent diseases.



Marg soaks casts off an infant's legs in preparation for new casts to help realign leg deformities.



A treatment camp for those affected by an outbreak of cholera.



Marg instructs local staff on suturing methods.

I arrived in Chinari in July 2006 to work as the nurse manager in the Basic Health Unit (BHU) that was completely destroyed during the earthquake. Following the earthquake, the Japanese Red Cross set up a tented BHU, providing emergency health care for up to 40,000 people. At that time, many of the former BHU staff had disappeared, so Red Cross personnel filled in for the local Ministry of Health (MoH) staff.

When the emergency phase ended, the Red Cross continued helping this population during the rehabilitation phase, and supported the return of MoH staff — caring for approximately 100 people each day.

A typical day might go as follows:

- 08:00** The midwife and I open the BHU and set up for a training class in suturing. We are hopeful that at least six staff will attend so have purchased adequate raw chicken for practice.
-
- 09:00** Several MoH staff arrive. As the doctor is not present this morning, the vaccinator takes over this role, and starts conducting consultations for the patients who have lined up outside. The roles of staff change according to need, so I am soon assisting the water-carrier with wound dressings, while the Red Cross midwife conducts antenatal consultations.
-
- 10:00** The remaining staff arrive, so I go to the pharmacy to fill the weekly drug order. This task is interrupted with the arrival of an emergency case – a young man has been electrocuted while working on a power line. Once he has been stabilized and transferred to the nearest hospital, I return to the pharmacy.
-
- 11:30** A young girl needing a burn dressing arrives. Her care was given to me when I first arrived, as no one had experience with burn patients, and her wounds and skin graft sites were infected. Four months later, she is smiling, as her wounds are either closed or healing well. She proudly shows me how she can raise her right arm over her head. This is a moment of intense job satisfaction: seeing an eight-year-old child go from being racked with pain, to one who enters the building smiling and wanting to show off her accomplishments. It is also satisfying on another level: a local staff member has taken an interest in learning about wound dressings, and can now care for burn victims.
-
- 13:00** More emergencies, more dressing changes, and more teaching.
-
- 14:00** Five staff members eagerly await the suturing class. The class is a big hit, with role playing (an injured chicken), and lots of practice. This is another moment of job satisfaction, as the local staff who are the poorest paid, often try the hardest to learn new skills.
-
- 15:00** The BHU closes, and it is down to the camp office to work on plans for another day and respond to emergencies that arrive with little or no notice. Although the days can be hectic, and the living conditions comparable to an extended “roughing it” camping experience, the results are rewarding, and allow us to continue our mission with hope.

Calgarian Marg Lacmuth, R.N., has completed four international Red Cross missions.



At Montreal's Pierre Elliott Trudeau airport, volunteers listen carefully as the supervisor shares a few guidelines before meeting evacuees from the Middle East.

Disaster Management in Canada

“You will never know the difference you have made in my life.”

~ Anne received Red Cross assistance after being forced from her home by a fire.

The Canadian Red Cross helps people affected by emergencies and disasters — situations ranging from a house fire to a flood that disrupts an entire region of the country. Following a disaster, the Red Cross works with governments and other humanitarian organizations to provide for people's basic needs — food, clothing, shelter, first aid, emotional support, and family reunification.

Responding to emergencies across the country

Helping those caught in emergencies was a central focus of our work last year. Across Canada, more than 5,000 volunteers helped close to 52,000 people affected by disasters — both small and large.



First Nations art given to the Sudbury Red Cross in thanks.

In northern Ontario, staff and volunteers from multiple Canadian Red Cross branches responded to several emergency evacuations prompted by flooding and fires. At the peak of flooding in the spring, Red Cross personnel helped 1,500 evacuees by managing shelters, providing food, personal care items, and clothing vouchers, as well as reuniting family members.

Red Cross disaster management personnel mobilized again in September when fires raged throughout northern Ontario, threatening a number of Aboriginal communities and forcing more than 900 residents from their homes.

In Quebec, forest fires were responsible for the evacuation of the Mistissini reserve twice over the summer of 2006. Red Cross volunteers immediately responded to help the evacuees and supported the Municipality of Chibougamau's efforts by deploying the Rapid Response Mobile Units. In total, more than 150 volunteers aided in this response by managing emergency shelters and offering comfort and basic necessities.

The response provided a unique opportunity for volunteers to strengthen relationships with the Aboriginal community. "Relationships were forged and barriers fell while families from the reserve stayed in Chibougamau," said Anne-Marie Awashish of the Mistissini Reserve Band Council. "These families truly appreciated what the Red Cross did for them."



Forest fires forced the evacuation of the Mistissini reserve twice over the summer of 2006.

Violence in the Middle East

In July 2006, violence escalated in the Middle East claiming more than a thousand lives and leaving close to one million homeless. Red Cross and Red Crescent personnel worked tirelessly to deliver aid to people impacted in Israel, Gaza, Lebanon, Syria, and elsewhere.

Thousands of Canadians in the area were told to evacuate and the Canadian Red Cross played an important role in receiving the evacuees as they returned to Canada. Red Cross volunteers were on hand at the Ottawa airport in the middle of the night to greet Prime Minister Harper's plane, which transported Canadians out of Lebanon in the first round of evacuations. In the following days, more than 880 Red Cross volunteers worked with their respective provincial governments at airports and train stations across the country to welcome and support more than 5,100 evacuees.

The Red Cross also appealed to Canadians for financial support to assist the tens of thousands of civilians affected by the conflict. For example, residents in Grande Prairie, Alberta, partnered with the Red Cross to host a highly successful gala, raising nearly \$125,000 in support of the Canadian Red Cross Middle East Crisis Appeal. Canadian donations helped meet urgent needs including medical care and support to the health system, as well as food, clean water, and temporary shelter.

Remembering the Saguenay Flood

In just a few hours in July 1996, heavy downpours hit northeastern Quebec causing severe flooding in the Saguenay, Charlevoix, and Côte-Nord regions. This led to one of the largest evacuations in Quebec's history and one of the largest operations in the history of the Canadian Red Cross.

On the 10th anniversary of the Saguenay flood, the Red Cross developed a report of its activities relating to the event that will forever be engraved on the collective memory of all Quebecers. Since 1996, 1,700 volunteers have provided Red Cross assistance to 18,880 people. The assistance program was carried out in six phases, all complementary to the help provided by the Quebec government.



Volunteers who took part in the Red Cross Saguenay Flood operations commemorate the 10th anniversary of the disaster in a ceremony on July 20, 2006.

The generosity of donors from Quebec, Canada, and elsewhere in the world enabled the Red Cross to give \$27 million to the people affected by the disaster. The *Don de la solidarité* fund's balance of \$935,000 is now available for the survivors of future disasters in Quebec.

Preparing for emergencies

This past year, disaster preparedness was a major focus of the Canadian Red Cross, from coast to coast.

Business continuity planning in Canada

What happens to businesses when a power shortage, burst water main or fire shuts down a building? Any company finds such a disruption hard to cope with, but when you're the Red Cross, there are other considerations. Are people hurt or out of their homes? Do we need to provide assistance? What about our non-disaster work — how does it get done when we are also affected?

To answer these questions and to protect essential services, we have embarked on some important work to develop business continuity plans. This work will allow us to effectively respond to situations that affect our personnel, our facilities, and our support services to ensure we are able to continue delivering services to the most vulnerable in our community.

Throughout the year, we supported capacity building and emergency preparedness within the voluntary sector. The Canadian Red Cross led a project that outlined how the sector could support government public health and emergency management officials respond to a health care emergency such as an influenza pandemic. The project resulted in two reference guides: *Maintaining the Passion: Sustaining the Emergency Response Episodic Volunteer* and *Voluntary Sector Framework for Health Emergencies*, both available at www.redcross.ca.

When preparing for future possible disruptions to one's core business, a key consideration is preparing for the impact of an influenza

pandemic on one's operations. The Red Cross has been working throughout its national and regional operations to develop both an internal plan and an external response plan. As part of the planning, disaster management participated in a pandemic exercise organized by the Public Health Agency of Canada and introduced a multi-disciplinary pandemic working group to focus on preparedness across all Red Cross programs. Finally, we developed the *Prevention of Disease Transmission, Pandemic Influenza Preparedness and Personal Preparedness* workshop for volunteers and staff.

Secretary General adopts role as Special Envoy on Avian and Human Pandemic Influenza

This past year, Canadian Red Cross Secretary General, Pierre Duplessis, was invited to serve as Special Envoy on Avian and Human Pandemic Influenza by the International Federation. In this role, Dr. Duplessis advocated for increased planning and financial resources to improve the international community's readiness in the event of a potential health disaster that could affect millions of people around the world.

Canadian Red Cross Secretary General Pierre Duplessis assumed the role of Special Envoy on Avian and Human Pandemic Influenza this past year.



Three significant opportunities for the International Federation to promote this critical issue were at the 59th World Health Assembly in Geneva in May, the Vienna Senior Officials Meeting on Avian and Pandemic Influenza organized by the European Commission in June, and at the Fourth World Conference on Avian Influenza and Preparedness for the Human Pandemic and Pledging Conference in Bamako, Mali, in December.

Dr. Duplessis also led the development of a humanitarian consortium in fighting Human and Avian Influenza composed of the International Federation, CARE International, Save the Children USA, OXFAM, and World Vision International. The aim is to bring together key organizations that have operational presence in high-risk countries, experience and interest in avian influenza risk reduction and prevention, and human influenza program activities. The consortium continues to focus on identifying gaps in service delivery, strengthening program coordination, and increasing coordination in the field of pandemic preparedness.

Volunteer and personal emergency preparedness training enhanced

The Red Cross made volunteer and emergency preparedness training more accessible this year by developing two online courses. The online training enhances our capacity to deliver training and service to remote areas of the country while reducing the costs to train volunteers.

Thanks to our corporate sponsorship from State Farm Insurance and The Weather Network, the *Expect the Unexpected™* disaster education program was delivered to more than one million Canadian youth in schools, conferences, homes, and organized youth groups.

We also expanded our outreach in disaster preparedness by partnering with Public Safety Canada offering expertise in the development of the *72hrs ... Is your family prepared?* guide launched during Emergency Preparedness Week in May 2006.

New Red Cross B.C. Disaster Response Centre: ready when disaster strikes

Public reaction to the B.C. forest fires of 2003 and the Asia tsunami of 2004 overwhelmed the Lower Mainland call centre in B.C., highlighting the need to increase capacity and replace old technology and equipment. The provincial government, the corporate sector, and charitable foundations all rallied to donate funds, equipment, and services worth \$3.5 million to make the disaster centre a reality.



Launch day of new Disaster Response Centre, Vancouver, B.C.

The new Red Cross B.C. Disaster Response Centre is a fully integrated facility capable of providing response to local, national, and international disasters at short notice. Officially launched in February 2006, the centre has distinct features that make the Red Cross more effective, including the TELUS Red Cross Call Centre. The call centre now has the capacity to handle 10,000 calls per day — twice the former capacity — to help people impacted by disaster.



Ontario Zone teaches Girl Guides about emergency preparedness

Girl Guides in Ontario now have a new membership benefit. In September 2006, the Girl Guides of Ontario introduced its emergency preparedness challenge developed in collaboration with Emergency Management Ontario and Canadian Red Cross Disaster Management. Through discussion, games, drama, visual art, and visits from emergency management professionals, girls learn about emergency preparedness, natural emergencies, and skills that could help save lives. Participants achieve a badge by completing the challenge.

Services delivered in new way in Atlantic Canada

The Atlantic Zone of the Canadian Red Cross took a new direction in delivering disaster management and other services this year. The new service centre approach means that visitors have “one-stop” access to all Red Cross services. A number of service centres were opened throughout the region with the goal of having all offices configured in this way by 2008.

Increased volunteer training as well as customized response vehicles, trailers, and supplies ensure we are well-equipped to deal with future disasters in this area.

Girl Guides in Ontario offer new emergency preparedness badge.

VOLUNTEER PROFILE

Volunteer finds meaningful way to give back

When Tim Steele retired at 57, he knew he wanted to give back to his community.

“I wrote a book about my family history, I spent a lot of time at my cottage, but essentially, I wanted to give something back,” said Tim, who then began volunteering with the Canadian Red Cross disaster management team in Toronto.

“I fell in love with it,” he said. “I started spending 70 hours a week running around this city helping people.”

In his current role as disaster management chairperson, Tim is instrumental in consulting with staff on how to recruit and retain great disaster response volunteers, and improve partnerships with other organizations in the field of disaster management.

“We are very good at what we do,” said Tim. “But we can be even better, and that takes work. It takes leadership on all levels.”

Tim is committed to offering this kind of leadership, whether it's in his new role as disaster management chairperson, or as a Red Cross-trained first aider. In late February, he saved the life of his neighbour, who began choking and collapsed. Tim quickly performed CPR and rescue breathing, reviving the 78-year-old victim. Although he downplays his efforts, he does admit that the impact of his Red Cross First Aid training is similar to that of his volunteer role. “What a feeling to be able to help someone in a desperate situation — that's pretty special.”



Tim Steele with Toronto Mayor David Miller proclaiming March as Red Cross Month.

Core Area: Humanitarian Values

We protect lives and ensure respect for the human being.

Strategic Goal:

Increase awareness of, respect for, and promote action on humanitarian values and International Humanitarian Law.

“I will use what I have learned here and I will make a difference.”

~ Global Issues Symposium for Youth participant, an event that exposes students to critical global issues and teaches them how to become active citizens of the world.

Afghanistan, Kabul. A mother and daughter wait to be seen at an ICRC limb-fitting and rehabilitation centre.

The Red Cross champions values that encourage respect for other human beings and a willingness to work together to find solutions to challenges faced by communities. All Canadian Red Cross programs are based on humanitarian values, which are the foundation of the Red Cross and Red Crescent Movement.

Within a multicultural Canada, the Red Cross promotes understanding and respect for diversity in a number of ways. Our strategies also include examining our internal capacities; we have conducted two studies focused on the diversity of our human resources and on our capacity to offer services to newcomer and refugee populations. Final analysis of the data is currently underway with the goal of better serving these groups.



Developing humanitarian leadership

How would your life change if mines littered the ground, disease affected every family, and guns were more common than textbooks?

This is one of the questions we put to Canadian youth in our humanitarian leadership programs. The Canadian Red Cross challenges youth to be active global citizens and to use their power to make a difference locally and globally.

Through a network of high school and university students, close to 1,000 workshops and events were organized in the past year across Canada. Themes ranged from HIV/AIDS, issues facing migrants and refugee populations, children affected by conflict, and the legacy of landmines and explosive remnants of war. While the goal is to raise awareness of these issues, fundraising is often chosen as an avenue for youth to take action. Youth in one such initiative raised over \$40,000 for HIV/AIDS programs in Zimbabwe.

To support efforts like these, the Canadian Red Cross is expanding an innovative public engagement approach — led by youth for youth — developed over the past five years by our Vancouver (Lower Mainland Region) office. Known as YouthTAP, or Youth Training, Action, Power, this approach focuses on building the skills of youth interested in organizing awareness raising events in their schools and communities.



An integral part of the YouthTAP program is the annual *Global Issues Symposium for Youth*, which hosted 90 high school students from across British Columbia in a four-day camp. The students are exposed to critical global issues and learn how to take action, becoming active citizens of the world.

Adam Johnston, first junior Canadian Red Cross delegate/Humanitarian Issues volunteer and Jamilah Joseph, Humanitarian Issues coordinator, mobilize Canadian youth on global issues.

Photo: Monique de St. Croix

We also launched a new orientation program this year: *Introduction to the Red Cross and Red Crescent Movement*. More than 70 course facilitators across Canada were trained in this orientation and subsequently delivered it to all new staff and volunteers.

VOLUNTEER PROFILE

Miss Vancouver makes a difference for youth

The *Global Issues Symposium for Youth* held annually in Vancouver is only possible because of the work of dedicated volunteer leaders. A full-time university student, a local coffee shop barista, and Miss Vancouver, Christy Mori, is one of a few of the volunteers who make this event a reality.



Volunteer Christy Mori helped with the Global Issues Symposium for Youth in Vancouver.

Christy's passion to change the world stems from her own experience as a participant at the Red Cross symposium at the age of 15. "After my experience at the symposium, I wanted to help in some way," said Christy. One of her first acts of change was leading a humanitarian aid club at her high school, which raised funds to help build a school in Uganda. Four years later, Christy still volunteers with other motivated young adults who want to spread knowledge of humanitarian issues and values.

The symposium's theme this year was "Experience Reality." Participants gained knowledge through experiential learning and developed empathy through simulations. Topics included refugees, landmines, child soldiers, International Humanitarian Law, fair trade, food security, and HIV/AIDS.



Promoting respect for International Humanitarian Law

In 2006, the Canadian Red Cross continued to promote respect for International Humanitarian Law (IHL) and understanding of the role of the Red Cross and Red Crescent Movement during situations of armed conflict and internal disturbances. One of these projects included contributing to training courses organized by the Canadian Armed Forces Peace Support Training Centre and the Pearson Peacekeeping Centre.

Covering Conflict: A Journalist's Guide to the Laws of War

On December 1, 2006, Red Cross International Services in Toronto held a workshop for journalists. *Covering Conflict: A Journalist's Guide to the Laws of War* examined the importance of IHL and the Red Cross role in conflict zones. The keynote speaker was Roy Gutman, renowned American journalist, Pulitzer Prize winner and Chairman of the "Crimes of War" project. Representatives from media outlets, academia, government, and non-profit agencies participated in panel discussions on protection, ethics, responsibilities for journalists, and the relevance of IHL in today's conflicts. The event was made possible thanks to funding from CIDA.

Helping improve conditions for immigration detainees

Immigration detainees may be asylum seekers, refugees or survivors of armed conflict and torture. Some have been victimized through human smuggling and trafficking operations. Many do not speak English or French, or know their rights in Canada.

The Canadian Red Cross promotes the basic rights of people detained under the *Immigration and Refugee Protection Act* as part of our broader mandate to protect vulnerable people in Canada and around the world.

Red Cross monitoring teams regularly visit facilities where immigration detainees are held in British Columbia, Quebec, and Ontario to promote humane treatment in accordance with international and domestic standards. As a neutral and independent body, the Canadian Red Cross raises issues and concerns about detention conditions directly with the detaining authority and does not publicly disclose findings.

Highlights of activities:

- A memorandum of understanding was signed on November 3, 2006, with the Canada Border Services Agency, giving monitoring teams from the Red Cross access to all federal immigration holding centres.
- Monitoring activities were expanded to include the Kingston Immigration Holding Centre, which opened in March 2006.
- The Red Cross co-hosted a national roundtable followed by regional meetings with the United Nations High Commissioner for Refugees to discuss the protection of refugees in Canada and alternatives to detention.
- We hosted a delegation from the Swedish Red Cross as part of its preparations to develop a detention monitoring program in Sweden.
- A consultation is underway with Canadian Red Cross stakeholders to develop a national policy and procedural manual to govern our monitoring activities across the country.

Core Area: Health and Injury Prevention

We reduce suffering, save lives, and build safe and healthy communities for individuals at vulnerable times in their lives.

Strategic Goal:

Improve health status and maintain dignity; prevent unintentional and intentional injury.

“The malaria bed-net campaign is expected to save the lives of more than 5,000 Sierra Leonean children in the first year alone.”



~ The Canadian Red Cross contributed to child survival through integrated child health campaigns, which paired nationwide child immunization campaigns with the distribution of mosquito nets in Sierra Leone.

The Canadian Red Cross is guided by global commitments expressed in the UN Millennium Development Goals. The goals focusing on health target to reduce the mortality of children under age five, reduce maternal mortality, and reverse the spread of HIV/AIDS, malaria, and tuberculosis by 2015.

A young girl receives a malaria net from the Canadian Red Cross in Sierra Leone.

Contributing to improved health in Central America and Haiti

Building on the successes of our work in Central America since 1998, the Canadian Red Cross has secured five years of additional funding from the Government of Canada to scale up our integrated community health projects in Nicaragua and Honduras.

The Canadian Red Cross is supporting the Nicaraguan Red Cross and the Ministry of Health to extend child and maternal health services, health and hygiene promotion, and education to 261 communities across 12 municipalities reaching over 100,000 people. In Honduras, the project will reach 80,000 people in 200 communities spanning seven municipalities.

Haiti has the highest infant, child, and maternal morbidity and mortality rates in the western hemisphere, and among the highest in the world. The Canadian Red Cross has launched a community-based sanitation and hygiene promotion project to benefit 15,000 people in the region of Nippes, where less than 20 percent of the population has access to adequate sanitation facilities.

A peer education session on HIV/AIDS in India.



Responding to HIV/AIDS in China and India

There is a massive need in China for public HIV/AIDS education. A survey in 2003 found that 17 percent of Chinese citizens had never heard of HIV/AIDS, and 77 percent did not know that HIV transmission could be prevented by using condoms.

Over the past two years, the Canadian Red Cross has supported an HIV/AIDS program in the Sichuan province of China. The program includes outreach and peer education among intravenous drug users and commercial sex workers by focusing on strategies such as condom use, harm reduction, and voluntary testing. About 78,000 people have directly benefited from the program. The Canadian Red Cross is currently working with local partners and the Chinese Red Cross to develop a program leading to long-term sustainable results.

In India, over 35 percent of new infections are happening among young people aged 15–24. Almost two-thirds of those infected with HIV in Asia live in India. Last year, the Canadian Red Cross supported a youth peer education (YPE) program with the Indian Red Cross. This program aims to create greater awareness of HIV/AIDS and sexual health issues among young people through peer education, life skills, counselling, and health promotional activities. YPE has been implemented in 20 schools and 20 colleges in the target districts of Karnataka.

HIV/AIDS in Southern Africa

The Canadian Red Cross is supporting the appeal for donations issued by the International Federation of the Red Cross and Red Crescent Societies for \$342 million. These funds will greatly expand existing community-based care programs over the next five years in Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe.

Rolling back malaria in Africa

Every 30 seconds an African child dies as a result of malaria, a disease that is curable and preventable. In 2006, the Canadian Red Cross continued to contribute to child survival through integrated child health campaigns, which pairs nationwide child immunization campaigns with the distribution of mosquito nets.

In Sierra Leone, the Canadian Red Cross together with the Sierra Leone Red Cross distributed 875,000 nets to households with children. We reached nearly a million children under the age of five over the course of one week in November. Community social mobilization and education by more than 4,000 Sierra Leone Red Cross volunteers at 900 distribution points throughout the country ensured that even the most remote and isolated communities were reached during the campaign. Ongoing follow-up visits to households by Sierra Leone Red Cross volunteers will ensure proper usage of the nets.

Working with Liberian communities to identify health risks

With funding from CIDA, the Canadian Red Cross supported the Liberian National Red Cross (LNRCS) to conduct vulnerability and capacity assessments in 965 communities. Liberians identified their primary concerns as malaria, water-borne diseases, and acute respiratory infections as significant threats to their children. The Canadian Red Cross hopes to work with the LNRCS and its partners to support the implementation of community health programs.

Health for conflict-affected communities in Colombia

When formal health systems collapse in conflict situations, the Canadian Red Cross partners with the ICRC to ensure essential health services are available, and builds basic community capacity. In Colombia, our integrated partnership with the

ICRC aims to improve the access and quality of life-saving, curative, and preventive health care for affected civilians and internally displaced people. We are currently targeting the areas around Cali in the west, and Bucaramanga in the central north.

A lack of promotion and prevention activities, due to the ongoing insecurity, has led to reduced access to health services and to a susceptibility to epidemics due to low vaccination coverage. Over 24,000 internally displaced people have been educated and referred for vaccinations. More than 7,900 individuals have been assisted with reproductive health services. We work closely with the Colombian Ministry of Health to assist with its training and capacity building. Since 2004, the project has covered almost half of the Colombian territory.

Committed to helping in west Darfur, Sudan

Since late 2004, the Canadian Red Cross has been working with the ICRC to provide primary health care to isolated populations in west Darfur, Sudan. Our community-based health clinic in the area of Seleia and mobile clinics offer medical attention for illness and injuries, as well as immunization programs, maternal and child health care, and malaria prevention initiatives. Victims of the violence in west Darfur have also been treated or referred.

This program is run in partnership with the Sudanese Ministry of Health, whose staff work with the Canadian Red Cross and ICRC delegates. While the program faced challenges this past year due to the deteriorating security situation, Red Cross delegates continued to build the capacity of local Ministry of Health staff, and ensured that basic health services were delivered.



Aminasa and Abdulai Bah and their eight-month-old twin girls in Freetown, Sierra Leone.

Family in Sierra Leone grateful for Canadian Red Cross mosquito net

Aminasa and Abdulai Bah live in a small structure built of metal and wood scraps in Freetown, Sierra Leone. In their one-room home, they care for their eight-month-old twin girls, Jarai and Jariu.

From 1991 to 2002, their west African nation was terrorized by a brutal civil war. Today, malaria-carrying mosquitoes are one of the biggest threats to their children.

“Thank you Canada for protecting my family from malaria, and offering them a chance to survive and grow.”

This vulnerable family, like most others in Sierra Leone, suffers from repeated episodes of malaria, leaving them too weak to work and care for their children several times a year. Due to the cost, medical treatment is often not an option.

“I was sick last month with fever and chills, yet we cannot buy a new mosquito net, or visit the doctor — we must eat. It makes for difficult choices. When I heard about the campaign on the radio, and the free distribution of nets, I felt

a sense of relief,” says Aminasa. Aminasa took her twin girls for the campaign’s four-step child survival intervention: Vitamin A supplement, measles vaccine, deworming tablet, and a Canadian Red Cross mosquito net.

“Thank you Canada for protecting my family from malaria, and offering them a chance to survive and grow,” says Aminasa.

The bed-net portion of the campaign was funded by CIDA and Canadian donations, and is expected to save the lives of more than 5,000 Sierra Leonean children in the first year alone.

The Canadian Red Cross *Campaign Against Malaria* has delivered more than 2.5 million free nets to six countries in Africa. This campaign plays a vital role in achieving the Millennium Development Goal of reducing child mortality by two-thirds by 2015.

The nets are distributed to families free of charge. The cost of purchasing and distributing a net as well as training families on its proper use and follow-up is only \$7.



Aminasa Bah places her daughters under the mosquito net received from the Canadian Red Cross.



In Canada

The year 2006 marked the 60th anniversary of the Canadian Red Cross Swimming and Water Safety programs. When the Red Cross began its programs in 1946, eight of every 100,000 Canadians were victims of drowning. Today, drowning claims the lives of fewer than 1.3 Canadians per 100,000 population.

In Canada, the Red Cross works to reduce preventable injuries through training and public education programs.

Water Safety Services

“I just knew what to do,” said eight-year-old Kenny Morgan when asked about saving a young girl from drowning this past summer. Having taken Red Cross swimming lessons for years, Kenny recognized signs that his five-year-old friend Lauren was in trouble. “I saw bubbles underneath her toy and dived under with my goggles. I went under and grabbed her by the stomach ... then put her on the boogie board and pushed her back.” Kenny’s mother credits the swimming training he received through the Red Cross program.



Celebrating 60 years of Red Cross swimming and water safety

The year 2006 marked the 60th anniversary of Red Cross swimming and water safety programs in Canada. From the first lesson in Prince Edward Island to national programs reaching more than one million children annually, the Red Cross has been the leader in providing swimming and water safety programs to Canadians since 1946.

Celebrations throughout the year commemorated the impact that the Red Cross has had on the safety of Canadians over the last 60 years in, on and around the water.

Safety promotion campaigns target those most at risk

The Canadian Red Cross promotes the importance of water safety to parents and caregivers, particularly during National Water Safety Week. Every year about 400 Canadians drown, with males of all ages accounting for 81 percent of water-related fatalities.

Other education campaigns that took place over the summer included Healthy Safe Summer Days sponsored by Ombrelle and Nestlé, and National Lifejacket Day sponsored by Mustang Survival and the Cook-Rees Memorial Fund.

Strength in numbers

The success of our water safety programs and special events is due in a large part to our partners. This past year we strengthened a number of partnerships across Canada.

Major players in the aquatic world joined forces with the Red Cross to promote fitness and the benefits of swimming to the Canadian public. Swimming Canada, Synchro Canada and the Red Cross signed partnership agreements to implement more initiatives including the promotion of safety messages and the value of *Red Cross Swim* programs. In turn, *Red Cross Swim* instructors will identify pupils who show potential as future competitive swimmers.



Charmaine Crook, Olympic track and field medalist, Pierre Lafontaine, CEO and Head Coach of Swimming Canada, and Dr. Pierre Duplessis (right), Canadian Red Cross Secretary General, at the partnership launch.

Water Safety ambassador

After swimming around Vancouver Island for 94 days in 2005 to promote water safety, Rob Dyke became the first Red Cross Water Safety ambassador. In addition to producing a water safety leadership video, Rob continued to share important water safety messages across the country.

VOLUNTEER PROFILE

Volunteer recognized

A chiropractor by profession, Louise-Julie Brassard has been an active volunteer with the Quebec Division of the Red Cross since 1991. At 16, she started as a Water Safety instructor and then became a volunteer member of the First Aid team where she specialized in Emergency Disaster Services. This past year, she received the Young Volunteer — Claude-Masson Award for the Saguenay/Lac-Saint-Jean region, recognizing exceptional commitment of volunteers.

Louise-Julie Brassard's varied volunteer experience with Red Cross spans water safety to disaster services.



Louise-Julie was recently on the national committee for the revision of *Red Cross Swim* programs. She has also volunteered extensively with the Red Cross during disasters including the Saguenay flood, New York 9/11 operations, Hurricanes Charley and Frances, and the Summit of the Americas.

Success achieved at all levels of Red Cross Swim programs

More than a year after the implementation of *Red Cross Swim*, an updated swimming and water safety program, all of the major stakeholders involved were surveyed on their satisfaction. From the preschool level to the instructor development program, Canadians said that the Red Cross did an excellent job in listening to their needs and implementing changes as a result.



Healthy Safe Summer events were held in over 200 communities across Canada. Over 40,000 Canadians entered the online contest to win a Healthy Safe Summer prize pack sponsored by Nestlé and L'Oréal Ombrelle.

New guidelines for CPR and first aid

New guidelines for cardiopulmonary resuscitation (CPR) and first aid were released in 2006 by the International Liaison Committee on Resuscitation, a body that reviews CPR and first aid every five years. In response to these guidelines, the Canadian Red Cross revised our First Aid and CPR programs to incorporate the new international standards. This was the largest first aid revision in the program's history and included major changes like new CPR ratios and the inclusion of automated external defibrillator (AED) training among others. With the changes, learning to save a life is now even easier.

To ensure the outstanding quality of our programs, First Aid instructors across the country attended skill upgrade clinics to learn how to teach the revised program.

At-risk kids learn to swim in Regina

Three years ago, the Red Cross in southern Saskatchewan teamed up with the City of Regina and the Regina Aboriginal Family Services "Come and Learn" Head Start program, to develop a water safety program for aboriginal children four years of age. So far, more than 200 pre-schoolers have participated in the ten-week swimming lesson program at the Lawson Aquatic Centre. In recognition of this unique injury prevention partnership, a Red Cross Humanitarian Service Award was presented to Aboriginal Family Services in 2006.

First Aid

We believe one of the best ways people can prepare for emergencies is by learning first aid. The Canadian Red Cross provides this vital service and equips people with the knowledge and skills to respond to emergencies in the workplace, their homes, and their communities.

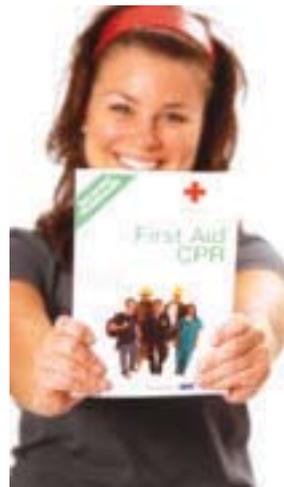


Photo: Monique de St.Croix

Revised Red Cross First Aid program makes it even easier to save a life.

First aid campaign creates buzz

If you look down a flight of stairs and see someone lying on the floor, not moving, do you know what to do?

This was the premise of a controversial first aid promotional campaign in Toronto last September, timed to correspond with World First Aid Day and the launch of the revised Red Cross First Aid program. Life-size decals of a person in distress were placed at the bottom of a flight of stairs in select movie theatres in Toronto, accompanied by

a sign that said, “Know what to do — www.redcross.ca.” The decals were so compelling and true to life, some onlookers couldn’t tell the difference until they were up close, ready to help.

Red Cross staff and volunteers were on hand to distribute promotional material and respond to any questions from the public. The campaign garnered interest from across the country and prompted media coverage and inquiries from the U.S., Mexico, and France.

This life-size decal and messaging were part of an innovative first aid campaign.



Babysitter heroes recognized

Babysitting isn't kid stuff to 12-year-old McKenna Norgaard. McKenna is one of nine young people across Canada who received a Canadian Red Cross Babysitter Award sponsored by the Hudson's Bay Company (Hbc) in 2006. All the nominees have used their Red Cross Babysitting training in some way: some have saved lives; others learned valuable skills enabling them to become better caregivers. Babysitting Heroes receive a Canadian Red Cross citation as well as a \$500 gift card from Hbc.

Red Cross posters distributed to doctors

As part of the ongoing relationship between the Canadian Medical Association (CMA) and the Canadian Red Cross, the CMA is distributing child care first aid posters to over 38,000 physician offices across Canada.

The poster conveys information and tips for assisting choking children. Information on signing up for Red Cross First Aid training is also included, providing national outreach for Red Cross First Aid Programs.

Training our troops

The Canadian Red Cross provides advanced first aid training to the military. We have trained more than 100 instructors to deliver first aid instruction on every Canadian Forces Base in Canada.



Photo: Sun Media Corp.

McKenna Norgaard, one of nine Red Cross/Hbc babysitter heroes across Canada.

Volunteers on scene at the First World Outgames in Montreal

The First World Outgames took place in Montreal from July 26 to August 5, 2006. This international sporting, cultural, and gay and lesbian rights event united 12,000 athletes from 110 countries. Organizers called upon 130 Red Cross volunteer first aiders to ensure the safety of the athletes and spectators taking part in the event. Logistically, this event was larger than the 1976 Olympics.



First Aid volunteers in Quebec at the First World Outgames.

RespectED: Violence & Abuse Prevention

“No violence against children is justifiable: all violence against children is preventable.”

~ Paulo Sérgio Pinheiro,
United Nations Global Study on
Violence Against Children 2006.

Trusty, the central character in the c.a.r.e. program, teaches personal safety messages to children aged five to nine.





Students of Huron Heights Secondary who were trained as Beyond the Hurt youth facilitators, joined by advisor and teacher Linda Houston.

The Canadian Red Cross has been helping to break the cycle of abuse, harassment, and interpersonal violence for over 20 years. *RespectED: Violence & Abuse Prevention* programs promote safe and supportive relationships, and healthy communities through education and partnerships.

The delivery of these important programs grew by 23 percent last year. In the upcoming year, the Canadian Red Cross is targeting the following programs for development and expansion.

Tackling bullying in schools

We've all seen it in schools: the person who is called names as he or she walks down the hall, the boy getting shoved into lockers between classes, or the girl who is having ugly emails sent out about her.

The Canadian Red Cross *Beyond the Hurt* program is a bullying prevention program with a difference. Peer facilitation is what sets this program apart. Older peers, typically in grades 10–12, are trained to deliver presentations to youth, with the support of a trained adult in their school. In schools across the country, more than 1,550 youth have been trained as peer facilitators reaching more than 46,500 youth.

PREVNet, a national centre of research excellence, is partnering with the Canadian Red Cross to research and evaluate the impact of *Beyond the Hurt*.

Community Profile

Beyond the Hurt: Leaders in Canada

Teachers are starting to see a difference in kids who receive *Beyond the Hurt* training. At Huron Heights Secondary School in Newmarket, Ontario, faculty have reported significant positive changes: the school's hallways feel safer, students have stopped using hateful language toward each other, the facility no longer has the highest suspension rate in its board, and the school now has a positive image within the community. Since the program's inception, *Beyond the Hurt* facilitators at Huron Heights Secondary have reached over 2,000 students.

Promoting healing in Aboriginal communities

Working in close collaboration with Aboriginal communities, the Red Cross has developed *Walking the Prevention Circle*. This intensive capacity-building workshop empowers participants to begin the transition from the cycle of violence to the circle of healing — a journey that begins with awareness and moves toward prevention.

This program has expanded in the past year thanks to a three-year grant from the National Crime Prevention Centre. In total, 73 Aboriginal communities in Quebec and Atlantic Canada will participate in a capacity-building model with the goal of future *RespectED* programming becoming available in each community.

"We have to emphasize to our young generation that violence cannot be tolerated ... through this project, we have the opportunity to work at full capacity to address this serious issue."

Participant, Elsipogtog, N.B.

Teaching young kids how to prevent sexual abuse

Keeping children safe is one of the most important things we do as parents, educators, or other caring adults. To do this, we must equip them with the knowledge and skills they need to avoid risky situations, and give them an understanding of their right to protect their own body.

Challenge Abuse through Respect Education or *c.a.r.e.* is a personal safety program and kit for children ages five to nine that deals with sexual abuse prevention. Last year, Canadian children learned — through games, activities, puppetry, and age-appropriate, non-threatening lessons — that abuse is never their fault and that they have a right to say no.

The kit is now in its third printing and available in French. So far, 2,500 kits have been used in communities across Canada.

In Saskatchewan, more than 30 health care providers are now trained to present *c.a.r.e.* in their communities in partnership with Aboriginal Head Start.

Puppets lend drama to a community abuse prevention program

An innovative pilot project in Saskatoon is using theatre to help children understand abuse and demonstrate how to keep themselves safe.

I'm the Boss of Me tells the story of two young children who have been abused. It deals with some of the emotions abused children go through when experiencing and revealing abuse. The interaction between Tala, Carrie, Vince, and Jason (puppets animated by teacher candidates from the University of Saskatchewan, College of Education), gives children valuable information about abuse in an interactive, accessible format. Through this performance, audiences learn to value courage and the importance of asking for help.

The program is a collaboration between Red Cross RespectED, the Saskatoon Sexual Assault and Information Centre, Saskatoon Communities for Children, and the University of Saskatchewan, College of Education.



Teacher candidates from the University of Saskatchewan animate their puppets for an attentive audience of Grade 4 students from Queen Elizabeth School.

Going global with the prevention message

In our tsunami recovery work, the Canadian Red Cross identified the need to address child sexual abuse in Sri Lanka where 20 percent of boys and 10 percent of girls are sexually abused each year.

In response to this need, Canadian Red Cross RespectED launched *Be Safe!*, an adaptation of *c.a.r.e.*, as a pilot project in Sri Lanka after consultation with over 75 groups including children and parents. Twenty master trainers were trained to deliver *Be Safe!* in Sinhalese, Tamil, and English. These trainers will now train teachers who will deliver this program in their schools and communities. See page 13 for more on this program.

Taking the abuse out of sport

Everyone deserves to grow up free from abuse, neglect, harassment, and violence. Unfortunately, every day thousands of young people are harmed by people they know and often trust. This happens at home, school and, all too often, in organized sports.

RespectED continues to be significantly involved with risk management in the sporting world. Through *Respect in Sport's* online program, RespectED has educated coaches in Manitoba, British Columbia, Saskatchewan, and Ontario on how to protect children and youth in the unique context of the sport environment.

Coaches across Canada have also been trained as part of our ongoing partnership with Hockey Canada.

In addition, RespectED supported the Sheldon Kennedy *Why I Didn't Say Anything* national book tour with readings and speaking engagements in cities across Canada, raising awareness on how to create safe environments for children and youth.

Reaching out through social marketing

Building awareness through campaigns, articles, media, and presentations has become increasingly important in ending the cycle of harm. In October, Child Abuse Prevention Month, we reached nine million people through an online safety campaign called *Protect Your Kids Online*.



**oh my gawd, parents are watching, let's meet in real life. The Protect Your Kids Online campaign reached nine million people with cyber-safety tips.*

VOLUNTEER PROFILE

Volunteer helps prevent abuse

Isabelle Herzig became a RespectED prevention educator in B.C.'s Southern Interior region in 2000, and facilitates presentations of both child abuse prevention and relationship abuse prevention education. In the past six years, she has educated more than 8,000 children and youth in the west Kootenay area. Since 2004, Isabelle has also worked with the Kootenay Ice, Spokane Chiefs, and Tri-City Americans of the Western Hockey League to reach an increasingly diverse audience with the message that abuse and harassment can be stopped.



A variety of health equipment is available for people affected by illness, injury or disability.

Photo: Monique de St.Croix

Community Services across Canada

The Canadian Red Cross provides services in response to specific community needs across the country. A few of these programs are highlighted below. To learn more about our community services, visit www.redcross.ca.

“When my husband was ill, I made one phone call to the Red Cross and was able to get all the equipment he needed. It made him a lot more comfortable and gave the whole family a little more peace of mind.”

~ Recipient of Red Cross medical equipment

Health Equipment Loan Programs (HELP)

For more than 50 years the Canadian Red Cross has been enhancing the quality of life of people affected by illness, injury, or disability by giving them access to a range of health and medical equipment. HELP varies across the country according to types of health and medical equipment provided, duration of loans, access procedures, and types of service.

In September 2006, HELP personnel gathered in Halifax, Nova Scotia, for the first HELP conference. The conference focused on issues such as service delivery models, contract management, disinfection standards, and volunteer support. The conference was the first step in building a HELP team that can share best practices across the country.

Currently, these programs are offered in British Columbia, Alberta, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island.

Community Health Services receives accreditation in Ontario

For more than 70 years, the Canadian Red Cross has been providing in-home community services to help individuals in Ontario live as independently as possible. The services, now expanded to Atlantic Canada, enhance people's well-being and dignity. Clients include the frail or elderly, children at risk, people with disabilities, and palliative patients.

In Ontario, *Community Health Services* (CHS) continues to be the largest non-profit provider of homemaking/personal support services in the province — with more than 3,000 workers providing almost three million hours of client service annually.

In May 2006, CHS was granted accreditation from the Canadian Council on Health Service Accreditation (CCHSA). The CCHSA commended CHS on a number of accomplishments including its community support worker resource manual, an enhanced scheduling project, the therapeutic relationships course curriculum, and collaboration with clients and caregivers. The CCHSA is a national, non-profit, independent organization committed to raising the bar on health care by way of a rigorous and thorough accreditation process. Canadian Red Cross CHS is committed to maintaining the highest standards for its programs, services, and personnel to enable individuals to remain living in their homes independently, safely, and with dignity.

Mobile Food Bank serves those at risk in Toronto

The Red Cross *Mobile Food Bank* is an innovative collaboration with the Daily Bread Food Bank that provides a home delivery service of nutritious food boxes to vulnerable individuals in Toronto. Clients of the mobile food bank are unable to access other food banks due to mental or physical challenges.



Volunteer Balaranjan Pragatheesh prepares food packages for delivery by Toronto Region's mobile food bank.

This program is the city's only mobile food bank and has experienced a significant increase in demand for service delivery over the past year; the number of clients served has almost doubled. Hampers are now delivered bi-weekly rather than monthly, and drivers and new vehicles have been added to meet the demand.

Housing crisis accentuates need for southern Alberta program

With house prices soaring and vacancy rates plummeting in Calgary and other Alberta municipalities, the *Community Housing* program in southern Alberta is increasingly important to a growing population of homeless people and those at risk of becoming homeless. In 2006, case workers and coordinators helped more than 8,000 people with shelter and basic needs.

The staff and volunteers in *Community Housing* actively advocate for affordable solutions to the housing crisis in Alberta by participating in community meetings and partnering with other agencies. The housing crisis in Alberta continues to be a serious issue and until a time comes where there is some relief, the *Community Housing* program will provide necessary financial assistance and other support to those facing this crisis.

Reaching out to youth

The Canadian Red Cross is a proud partner of the Community Youth Network in St. John's, Newfoundland, and its *Street Reach* program. With a Red Cross emergency response vehicle serving as a highly visible mobile base of operations, volunteers listen to homeless youth, provide light refreshments and referrals to assist with issues including addiction, affordable housing, prostitution, health care, and poverty. Red Cross volunteers provide the logistical support for the vehicle and its operation.

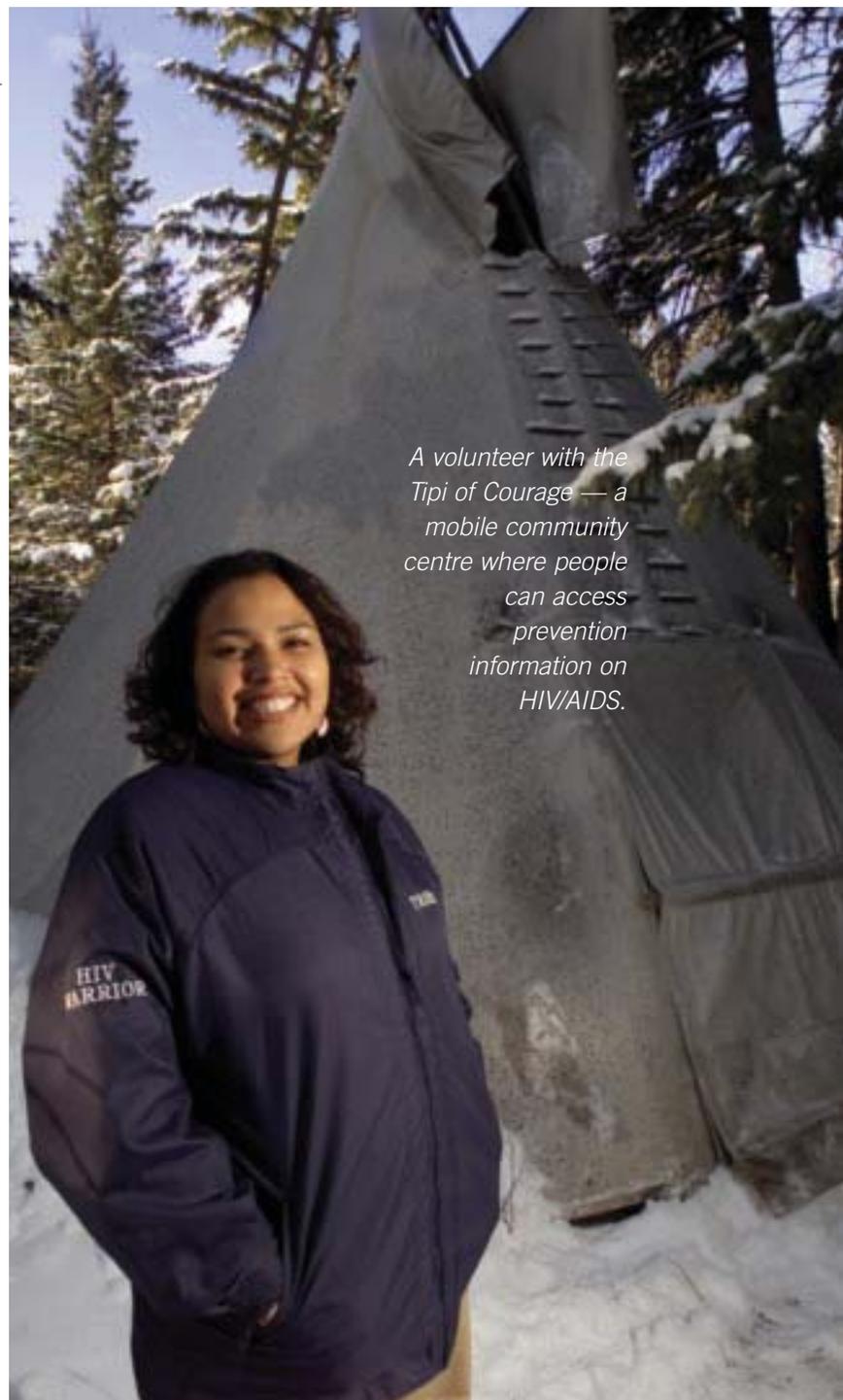


Volunteers reach out to homeless youth in Newfoundland.

Serving the Aboriginal population

A significant focus for the Red Cross in western Canada is working with Aboriginal populations to reduce injuries and improve lives. In southern Alberta, the Tipi of Courage program is addressing the spread of HIV/AIDS among Aboriginal communities through traditional teachings and current health education.

Photo: Monique St.Croix



A volunteer with the Tipi of Courage — a mobile community centre where people can access prevention information on HIV/AIDS.

VOLUNTEER PROFILE

Volunteer experiences power of humanity Friendship, strength of community, and the power of humanity are all things Albert Quon has experienced in his volunteer work with the Red Cross.

Albert began volunteering for the Red Cross over 30 years ago after he and his wife attended an annual meeting in the 1970s. He was so moved by the presentation of Red Cross services, he decided to become a volunteer in his home town of Swan River, Manitoba. "I like what the Red Cross stands for: safety and help worldwide without barriers of race, religion, or geography," says Quon.



*Volunteer
Albert Quon
helps wherever
he is needed.*

Quon has filled a variety of roles over the past three decades. Currently, he oversees Red Cross home safety programs for seniors and a babysitting course for local schools. In all roles, he has gained personal satisfaction from helping his neighbours, witnessing the strength of community, and gaining friendships with new people.

“I like what the Red Cross stands for: safety and help worldwide without barriers of race, religion, or geography.”



*Volunteer Des Dillon, president of the
Newfoundland and Labrador region.*

40 years of service with no end in sight

For Des Dillon, what started as involvement with the Junior Red Cross program led to master instructor training in the Water Safety program and since then, a life-long commitment to the Red Cross. For more than 40 years, Des has been an invaluable help in the areas of injury prevention, disaster management, and governance. He has also been on national and international assignments as a Red Cross delegate. A recipient of numerous provincial and national awards for his volunteerism, Des is currently president of the Newfoundland and Labrador region.

Core Area: Organizational Capacity

We mobilize sufficient support and resources to carry out our humanitarian mission.

Strategic Goal:

Strengthen the financial health of the organization and increase opportunities for active participation of volunteers.

Our Partners in Action

At the Canadian Red Cross, we can only carry out our life-saving work thanks to the generosity of our partners and supporters — individuals, corporations, and other agencies that share our vision. Thanks to the commitment of Canadians, our mission to improve the lives of vulnerable people through the power of humanity is brought to life.

Thank you to our partners and supporters during disasters

Through ongoing partnerships with major corporations, the Canadian Red Cross is better able to deliver its programs and respond to disasters in Canada.

National corporate partners

- Wal-Mart Canada
- RONA
- State Farm Insurance (see page 24 for State Farm support of *Expect the Unexpected*)
- Petro-Canada

National corporate supporters

- Air Canada
- The Canadian Bankers Association
- The Weather Network

Partnership agreements

- *Matters of Emergency Management* with Public Safety and Emergency Preparedness Canada: new partnership will ensure that both the Red Cross and government are prepared for a coordinated response to natural disasters, pandemics, terrorist incidents, internal disturbances, or other major emergency.
- Canadian Medical Association: renewed agreement to co-operate more closely and plan for public health emergencies.



A teddy bear named "Compassion" is the new campaign mascot for fund development activities in Atlantic Canada.

- Peace Support Training Centre and the Canadian Red Cross, Ontario: new partnership will help sensitize Canadian military to the role of the ICRC and prepare them for effective interaction with the ICRC while in theatre. As part of this agreement, Red Cross personnel will deliver Civil-Military Co-operation and United Nations Military Observer courses.

New international disaster corporate partner

Sun Life Financial's two-year commitment as an international partner has helped the Canadian Red Cross respond to natural disasters and emergencies around the world. These funds are crucial in deploying relief efforts for various disasters immediately after they strike. The Red Cross is committed to playing a long-term role developing, rehabilitating, and rebuilding in areas where major disasters occur, such as the tsunami-affected area of Asia.

The Canadian Red Cross has had a long and beneficial relationship with the Canadian International Development Agency (CIDA) for more than 30 years. With continued generous financial support from CIDA, we have been able to deliver humanitarian relief, reconstruction, and rehabilitation around the world.

Partners in injury prevention

The Canadian Red Cross expanded injury prevention outreach thanks to a number of partnerships:

- Nestlé and Ombrelle sponsorship of the *Healthy Safe Summers campaign*
- Hudson's Bay Company (Hbc) Babysitter Hero Awards
- 3M Nexcare and OHS Canada promotion of Red Cross First Aid programs
- Canadian Health & Lifestyle Magazine promotion of *Child Care First Aid*.

For Susan MacKenzie, volunteering with a cause she cares about isn't work, it's a way of life.



VOLUNTEER PROFILE

Volunteering as a way of life

The Disaster Management and Fund Development teams in southern Alberta would not be the same without Susan MacKenzie. Susan has been with the Red Cross since January 1, 2005, when she wanted to help after the tsunami. Since then, she's been instrumental in fundraising during the day and responding to disasters whenever help is needed. She truly is a superhero to all of the staff and volunteers in the Calgary office. Susan has 30 years experience as a volunteer with different organizations, but now that she's retired, volunteering is a focal point for her. "The Red Cross is more than just an organization for which I volunteer. To me, it's family." Susan encourages both prospective volunteers and her family to get involved. "Volunteering completes who I am as a person."

Donor Profiles

Bonnie Kearns leaves a legacy

When Bonnie first approached her local Red Cross branch, she quickly realized she had found her niche. Today, Bonnie is an international health delegate for the Canadian Red Cross and is able to combine her love of adventure, strong humanitarian spirit and formal education as a nurse. She also assists with local Red Cross relief efforts such as the *Personal Disaster Assistance* program in her hometown of Sarnia, Ontario, which helps people affected by smaller-scale personal disasters such as house fires.

Bonnie's love of the Red Cross has convinced her to leave her mark financially. She is now a member of the Red Cross Legacy Club, as she has chosen to leave a gift to the Red Cross in her will. For Bonnie, the decision is based on her desire to know that the great work of the Red Cross will continue, even if she is no longer able to assist. She knows from experience how even the smallest of donations can make a huge difference in the work of the Red Cross.

Tsunami prompts gift of life insurance

The tsunami that hit George Ferdinands' former home country of Sri Lanka in 2004, prompted him to support the Red Cross through a gift of life insurance to help those facing tragic circumstances in the future.



Young donor starts new birthday tradition

Cédrique Shum-Tim, 9, started a new birthday tradition of collecting donations for the Red Cross in lieu of birthday gifts after the devastating Asia tsunami in 2004. He continues this tradition and raised \$1,200 this past birthday.



*Volunteer and donor
Bonnie Kearns*



*Cédrique with Louise Langlois,
Red Cross director, Fund
Development, Quebec.*

Financial Corporate Governance Report

The accompanying financial statements of The Canadian Red Cross Society and the Asian Earthquake and Tsunami Fund for the year ending March 31, 2007 are the responsibility of the management of The Canadian Red Cross Society.

These financial statements have been prepared in accordance with the significant accounting policies described in note two to the financial statements.

The preparation of financial statements for internal management and external stakeholders is an essential management control mechanism in place and in operation throughout the reporting period.

Management has established the necessary internal control systems to ensure that financial transactions, assets, liabilities, and fund balances are complete and accurate. In addition, internal controls are in place to ensure that the Society's assets are safeguarded. These systems and controls are in compliance with the Society's Executive Obligations and Limitations policies.

These annual audited statements communicate how the Board of Governors and management have exercised their role as stewards of the resources of the Society.

The Society's Board of Governors is responsible, through the Society's National Audit and Finance Committee, for the annual audited financial statements. The National Audit and Finance Committee is chaired by a member of the Board and includes four other members at large of the Board. The committee also is comprised of external members who are experts in financial and investment matters.

The National Audit and Finance Committee also plays an active role with management to provide oversight and recommendations to the Board in the following areas:

- Material transactions and commitments made by the Society;
- Evaluation and monitoring of the external and internal audit function;
- Review of financial reports during the year.

The Board also relies on the recommendations of the Trust Funds Advisory Committee and the Pension Committee for the oversight of trust funds and the pension plan. These committees ensure that principles of good trust fund and pension governance are in place and in operation. These committees are chaired by members of the Board at large.

The Ontario Community Health Services Advisory Committee provides financial and operational oversight for the Society's largest program. This committee provides regular reports and recommendations to the Board on key strategic, operating, and financial issues. This committee is comprised of current and former Board members and experts in financial and healthcare issues.

The financial statements have been audited by Deloitte & Touche LLP. The audit report outlines the scope of their audit and its opinion on the Society's financial statements. The National Audit and Finance Committee meets with the auditors to review the results of the annual audit.



André Harel
Chair
National Audit and Finance Committee

Chief Financial Officer's Report

FOR THE YEAR ENDING MARCH 31, 2007

Basis of Presentation

This report describes The Canadian Red Cross Society's programs, operating environment, principal factors affecting the results of operations, and their impact on the Society's liquidity and capital resources. Key accounting policies applied by the Society are also highlighted. These policies have been established in accordance with Canadian Generally Accepted Accounting Standards. This report should be read in conjunction with the Society's and the Asian Earthquake and Tsunami Fund's audited financial statements for the year ended March 31, 2007.

Background

The Society operates a widespread organization across Canada and internationally, supported by over 4,800 employees. Domestic activities accounted for 72 percent of total program expenditures and international operations accounted for the other 28 percent.

The Society's core operating areas are:

- Disaster and Conflict
- Humanitarian Values
- Health and Injury Prevention
- Organizational Capacity.

In order to support its 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 including
Community Health Services
- Western Zone
- International Operations including
Humanitarian Values.

The Canadian Red Cross corporate offices are based in Ottawa and provide 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 is exposed to indemnification risks for the large majority of these contracts to ensure that the grants or funds have been properly spent.

The large indemnification risks are with the following contracting agencies:

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

The Society has significant 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, maintain appropriate controls to ensure that contractual obligations are respected.

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

Large transactions and non-budgeted expenditures are also reviewed and approved by the National Audit and Finance Committee.

The Society also maintains a Project Management Office (PMO), which monitors the scope, costs, and scheduling of projects. In addition, the Society has a Planning and Quality Management unit that oversees planning and quality management.

The Society maintains adequate insurance coverage for third party liability on services it provides to Canadians. The Society also maintains fiduciary liability insurance relating to its pension plan and investment funds from disaster appeals.

While management is positive about the future outlook of its programs, the Society is exposed to certain risks and uncertainties such as:

- 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.

- Cost overruns

The Society has exposure to cost overruns if government funding does not match the cost of delivering the services associated with the various programs under contract.

The Society is able to manage costs on international programs as it typically only spends the funds previously received from donors. It can also access resources from its Canadian Disaster Relief Fund or International Disaster Relief Fund to supplement disaster appeals.

Key Operating Risks and Uncertainties

Donor Support

The Society relies on donations from direct appeals. The continued support of individual donors through direct marketing appeals, gaming events, or other special events provides the most significant support to the delivery of the Society's humanitarian programs.

The Society raised net donations of \$21.5 million during the fiscal year, which included \$6.1 million of net restricted and unrestricted bequests.

These bequests provide the resources needed to support the Society's capital and infrastructure expenditures, thus ensuring a legacy of ongoing community support to Canadians.

Any major decrease in donor support would have a considerable impact on the ability of the Society to deliver humanitarian services to Canadians in need.

Government Support

The Society's ability to maintain its service capabilities is highly contingent on government funding. As auxiliary to government, the Society provides a wide range of community health care services on a grant or fee-for-service basis.

The Society receives a significant portion of its revenues from provincial governments. Staff and benefit expenses account for most of the costs of delivering 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 42 percent of the Society's total operating revenues (excluding appeals).

Dependence on Gaming Revenues

The Society operates numerous gaming and lottery events across Canada. The three major lotteries held during the year were in Ontario, Saskatchewan, and the Atlantic provinces. Lotteries accounted for just over \$2.0 million or 10% net fundraising revenues. Any material change in the gaming regulations in these jurisdictions could have a material impact on the Society's operating budget.

Unionized Workforce

The Society has unionized employees in its Community Health Support Program in Ontario. Over 3,000 unionized employees are represented by the Service Employees International Union. In addition, the New Brunswick Community Health Support operation has employees represented by the Canadian Union of Public Employees. Administrative staff in the Quebec Zone office are also unionized.

The collective agreement with the Ontario bargaining unit has been renewed for a period of three years from April 1, 2005, to July 31, 2008. In late November 2005, the union and management reached a three-year agreement for the New Brunswick operation.

Significant Developments

Quality Management and Effectiveness Initiative

In the fall of 2005, the Board of Governors mandated that the Society focus its resources on the following programs:

- Disaster Services
- International Operations
- Fund Development.

At the same time, the Quality Management and Effectiveness Office (QMEO) was created to oversee the Society's operations planning and resources allocation processes.

Last fiscal year, QMEO was involved in an operations review of the Ontario Zone and National Office that led to various changes. These changes included the merger of the administrative functions of the Ontario Community Health Services with the Ontario Zone. The review of the Ontario Zone and National Office identified other similar initiatives to streamline program delivery and reduce administrative expenses. Implementation of the recommendations is expected to continue throughout 2007.

A restructuring charge of \$0.3 million (\$1.9 million in 2005/06) represented one-off costs of implementing the changes of the Quality Management and Effectiveness Office initiatives. Disclosure of the provision is provided in note 16 of the audited financial statements.

Disaster Services

The Society continued to be active in both its domestic and international disaster relief operations. Currently, the Canadian Red Cross has 15 field offices in 12 countries with over 250 staff employed to deliver programs and services.

- Domestic Appeals

The Society continued to respond to the needs of communities across Canada.

- More than 5,000 volunteers helped over 52,000 people deal with small and large disasters including helping the communities affected by floods in Northern Ontario, and fires in both Ontario and Quebec.

- International Appeals

During the year, the Society has continued to be very active in a number of international appeals.

- Asia Tsunami
 - The Society continued its bilateral rehabilitation programs in the tsunami-affected regions of Indonesia, Sri Lanka, India, and the Maldives.
 - This past year, the Society received \$3 million in contributions related to the Tsunami Appeal and spent \$35 million on Tsunami programs. The Society also earned \$6.7 million in investment income related to the Tsunami Fund. This amount has been restricted for use only in the tsunami-affected region.
 - Up to the end of March 31, 2007, the Society had spent just under \$130 million of the total \$300 million received. Including pledges from third party's matching programs, and investment income, the Society has committed over \$375 million to be spent in the tsunami-affected region of southeast Asia.

Critical Accounting Policies

There were no changes to the accounting policies of the Society during the fiscal year 2006/07.

Critical Accounting Estimates

The Society uses certain accounting estimates that involve subjective and complex judgements. The most important ones include:

- Revenue recognition
 - The Society's main revenues are subject to contracts with provincial governments and authorized providers. Revenue is recorded when the services or goods have been surrendered or delivered.
 - For international programs financed by restricted or deferred revenues, revenue is earned when expenditures are incurred.
- Asset impairment
 - Provisions on advances or credits advanced to suppliers are not deemed material, as most contracts are with provincial governments.
 - Obsolete or slow moving allowances on stocks from first aid and water safety programs are evaluated periodically.
 - The Society's pension asset valuation was reviewed at year-end, and resulted in a further charge of \$0.1 million (see note 8 of the audited financial statements).

Results from Operations

Financial Reserves Policy

The Society effectively budgets its operations on a break-even basis and uses unrestricted excess revenue over expenses to maintain adequate financial reserves and develop its humanitarian programs.

Excess of Revenue over Expenses

The excess of revenue over expenses for the year was \$13.1 million compared to \$15.3 million last year. Total revenue was \$270 million compared to \$299 million the previous year. The main reason for the decrease in gross revenue was lower receipts from public appeals.

Excess revenue over expenses was \$2.2 million less than the previous year due to the reduction of cost recovery from international operations.

Of the \$13.1 million excess revenue over expenses, \$6.7 million represents restricted Tsunami Fund investment income and \$5.2 million is non-operating, non-recurring income.

Organizational Capacity

The Society's net revenue from fundraising decreased from \$28.7 million in 2006 to \$21.5 million in 2007 (See note 9 to the audited financial statements). Several key factors affected the variance in net fundraising:

- Special events and other fundraising activities were \$7.5 million lower due to some events in Ontario not taking place as planned, and due to lower disaster appeal cost recoveries.
- Direct marketing donations increased by \$0.8 million as a result of ongoing investments in donor acquisition.
- Net Bequests remained constant year-over-year at \$6.1 million.
- Lotteries decreased by \$0.5 million mostly due to increased competition in the marketplace.

Other income and expenses increased from \$8.2 million to \$9.1 million, as a result of:

- Higher investment income that went from \$12.1 million in 2006 to \$13.9 million in 2007
- Program development expenses that increased from \$3.9 million in 2006 to \$4.8 million in 2007.

Core Programs

Core program revenue increased by four percent from \$193 million in 2006 to \$201 million in 2007. The total contribution from core programs increased by \$2.2 million from the previous year.

Higher program contributions came primarily from:

- Lower spending of \$0.4 million in Disaster Services activities
- Improved contributions from Community Initiatives of \$1.8 million and Community Health Services of \$0.8 million
- Reduced contributions from the First Aid program, which were \$0.6 million lower than 2006.

Program Management and Support Services

Total program management and support services expenses decreased from \$28.8 million in 2006 to \$26.8 million in 2007. The ratio of management and support costs to total revenue remained consistent year-over-year, averaging 10 percent.

Capital Expenditures

During the year the Society spent a total of \$7.8 million on fixed asset additions and \$4.8 million on projects relating to programs.

Financial Position and Liquidity (relative to March 31, 2006, balances)

The total assets of the Society decreased from \$447 million in 2006 to \$428 million in 2007. The reduction of \$19 million was due mainly to reductions in long-term investments.

The Society's overall cash balances increased from \$157 million in 2006 to \$178 million at the end of March 2007.

Working Capital

Total trade accounts receivable was \$19 million at year-end. These receivables mainly represent credits provided to the Ontario Community Access Centres and the Government of New Brunswick related to the coordination of homemaking services. The Society also provides credits to its authorized providers in water safety and first aid programs. Finally, the Society provides credits to the International Federation of the Red Cross and Red Crescent Societies and the International Committee of the Red Cross.

The Tsunami accounts receivable of \$76 million represents the matching program contribution from CIDA. The receivable outstanding at year-end will be recovered as program expenditures are incurred.

Inventories and prepaid expenses increased from \$4.4 million in 2006 to \$4.8 million in 2007. The increase is mostly due to project advances to be reimbursed out of restricted funds.

Accounts payable and accrued liabilities increased from \$19 million in 2006 to \$24 million in 2007 as a result of year-end Tsunami program accruals.

Net Capital Assets

Net capital assets increased from \$38 million to \$41 million. The increase of over \$3 million was due to fixed asset additions of \$7.8 million offset by amortization expenses incurred during the year.

Investments

Long-term investments decreased from \$147 million in 2006 to \$108 million at the end of March 31, 2007. At the end of the year, the long-term investment portfolio consisted of about \$95 million in fixed income and \$13 million invested in equities.

Deferred Revenue

The Tsunami Deferred Revenue Account decreased from \$268 million in 2006 to \$233 million in 2007. Other deferred revenue decreased from \$53 million in 2006 to \$49 million in 2007.

Other Long-term Obligations

The Society's bank financing balances decreased from \$2.8 million as of March 31, 2006, to \$2.6 million for the same period in 2007.

Post retirement health benefits remained essentially the same at \$17 million as of March 31, 2007.

Reserves

The Society's net equity balance increased from \$76.9 million in 2006 to \$90 million in 2007, as a result of excess revenue over expenses of \$13 million.

The activity of each reserve account is described below.

Investments in Capital Assets

Capital assets increased by \$0.7 million as a result of the purchase of fixed assets after amortization of \$4.2 million.

Restricted for Endowment Purposes

There was no change during the year.

Internally Restricted Reserves

Internally restricted reserves increased by \$4.2 million in 2007 to \$32.3 million. The increase related mostly to restricted Tsunami investment income of \$6.7 million. Internally restricted reserves at the end of the year were made up of \$13.4 million relating to Tsunami programs and \$18.9 million restricted to capital and program development expenditures.

Unrestricted Reserves

Unrestricted reserves showed a net increase of \$8 million in 2007, due to excess of revenue over expenses of \$13 million less allocation to internally restricted reserves of \$4.2 million and capital appropriations of \$0.7 million.

Contingencies and Commitments

The Society had no material contingencies outstanding at year-end. Various disputes are outstanding but no material financial exposure exists to the Society.

There were no major changes in the leasing commitments from the prior year.



Michel Piché
Chief Financial Officer
May 7, 2007



Auditors' Report

To the Board of Governors of The Canadian Red Cross Society

We have audited the statement of financial position of The Canadian Red Cross Society as at March 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Society derives revenue from fundraising contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which might have been required had we been able to satisfy ourselves with respect to the completeness of fundraising revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of The Canadian Red Cross Society as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants

May 11, 2007

The Canadian Red Cross Society

FINANCIAL STATEMENTS

March 31, 2007

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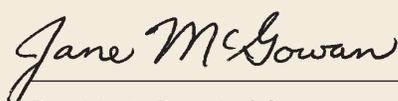
Statement of Financial Position

AS AT MARCH 31, 2007

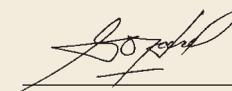
(in thousands of dollars)

	2007	2006
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	47,648	35,087
Externally restricted – General	13,082	3,450
Externally restricted – Tsunami Fund	84,633	90,836
Internally restricted	32,315	28,095
Accounts receivable – Trade and other	18,777	18,446
Accounts receivable – Tsunami	76,418	80,678
Inventory and prepaid	4,758	4,423
	277,631	261,015
Long-Term Investments (Note 3)	108,302	147,165
Capital Assets (Note 4)	41,497	38,499
Accrued Pension Benefit Asset (Note 8)	256	314
	427,686	446,993
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	24,079	19,089
Deferred revenue – General (Note 5)	48,717	52,803
Deferred revenue – Tsunami (Note 5)	161,051	171,514
Current portion of mortgages and capital lease obligation payable (Note 7)	109	220
	233,956	243,626
Deferred Revenue – Tsunami (Note 5)	71,551	96,695
Deferred Contributions Related to Capital Assets (Note 6)	12,610	10,066
Mortgage and Capital Lease Obligations Payable (Note 7)	2,492	2,600
Accrued Employee Benefits Liability (Note 8)	17,039	17,036
	337,648	370,023
COMMITMENTS (NOTE 12)		
NET ASSETS		
Invested in capital assets	26,286	25,613
Restricted for endowment purposes	1,116	1,116
Internally restricted	32,315	28,095
Unrestricted	30,321	22,146
	90,038	76,970
	427,686	446,993

On behalf of the Board,



President, Board of Governors



Chair, National Audit and Finance Committee

Statement of Operations

YEAR ENDED MARCH 31, 2007 – SEE SCHEDULE A

(in thousands of dollars)

	2007	2006
	\$	\$
NET REVENUE		
Organizational Capacity		
Fundraising – General (Note 9)	21,510	28,733
Other revenue and expenses	9,086	8,261
	30,596	36,994
Core Programs		
International Programs and Humanitarian Issues	2,576	1,768
Disaster Services	(2,592)	(2,153)
Health and Injury Prevention	9,345	7,548
	9,329	7,163
Program management and support services	(26,857)	(28,836)
Excess of Revenue over Expenses	13,068	15,321

Statement of Changes in Net Assets

YEAR ENDED MARCH 31, 2007

(in thousands of dollars)

	Invested in capital assets	Restricted for endowment purposes	Internally restricted	Unrestricted	Total	
					2007	2006
	\$	\$	\$	\$	\$	\$
NET ASSETS, BEGINNING OF YEAR	25,613	1,116	28,095	22,146	76,970	61,649
Excess of revenue over expenses	–	–	–	13,068	13,068	15,321
Investment in capital assets (1)	673	–	–	(673)	–	–
Internally imposed restrictions (2)	–	–	4,220	(4,220)	–	–
NET ASSETS, END OF YEAR	26,286	1,116	32,315	30,321	90,038	76,970

¹ Net changes in investment in capital assets is comprised of the following:

	2007	2006
	\$	\$
Amortization of capital assets	(4,184)	(3,748)
Amortization of deferred contributions related to capital assets	1,447	1,679
Purchase of capital assets	7,781	8,623
Mortgage repayments (borrowings – net)	219	2,767
Increase of deferred contributions related to capital assets	(3,991)	(2,770)
Disposals of capital assets	(440)	(1,663)
Gain (loss) on disposals of capital assets	(159)	1,660
	673	6,548

² Net changes in internally restricted net assets:

	2007	2006
	\$	\$
Bequest revenues – net (Note 9)	6,086	6,107
Tsunami investment income	6,709	6,261
Development project expenditures (Schedule A)	(4,803)	(3,893)
Capital assets related expenditures	(3,772)	(10,692)
	4,220	(2,217)

Statement of Cash Flows

YEAR ENDED MARCH 31, 2007

(in thousands of dollars)

	2007	2006
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Operating		
Excess of revenues over expenses	13,068	15,321
Items not affecting cash		
Increase in employee future benefits	61	1,527
Amortization of deferred capital contributions	(1,447)	(1,679)
Amortization of capital assets	4,184	3,748
Loss (gain) on disposal of capital assets	159	(1,660)
	16,025	17,257
Changes in non-cash operating working capital items		
Accounts receivable – Trade and other	(331)	5,858
Accounts receivable – Tsunami	4,260	(28,508)
Inventory and prepaid	(335)	(176)
Accounts payable and accrued liabilities	4,990	(3,839)
Deferred revenue – General and Tsunami	(39,693)	63,611
	(15,084)	54,203
Investing		
Reduction of (additions to) long-term investments	38,863	(96,316)
Additions to capital assets	(7,781)	(8,623)
	31,082	(104,939)
Financing		
Deferred contributions related to capital assets	3,991	2,770
Proceeds on disposition of capital assets	440	1,663
Mortgage and capital lease obligations repayments	(219)	(2,767)
	4,212	1,666
Net Cash inflow (outflow)	20,210	(49,070)
Cash and cash equivalents, beginning of year	157,468	206,538
Cash and cash equivalents, end of year	177,678	157,468
Represented by:		
Unrestricted	47,648	35,087
Externally restricted	97,715	94,286
Internally restricted	32,315	28,095
	177,678	157,468

Notes to the Financial Statements

YEAR ENDED MARCH 31, 2007

(in thousands of dollars)

1. Purpose of the Organization

The Canadian Red Cross Society (the "Society") is a not-for-profit volunteer-based humanitarian organization dedicated to helping people in Canada and around the world with situations that threaten their survival and safety, their security and well-being, or their human dignity. The Society relies on continuing support from various levels of governments, corporations and fundraising from other donors.

The Society, which is incorporated without share capital under the laws of Canada, is a registered Canadian charity and, as such, is exempt from income taxes.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and include the following significant accounting policies:

Basis of Presentation

The financial statements of the Society reflect the assets, liabilities, revenues and expenses of the operations of the Society including, the International Program, the Ontario Community Health Services Program and the four geographic Zones representing Canada's regions.

The Organizational Capacity and Core Programs reflect the net contribution before considering the Society's common management and administration expenditures. Schedule A provides a detailed summary of the fundraising and program contributions before Society common management and administration costs and expenditures.

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to present fairly the results for the years presented. Actual results could differ from these estimates.

Revenue Recognition

The Society receives donations from annual fundraising campaigns for operating purposes and from special campaigns for disaster relief programs in Canada and various foreign countries.

The Society follows the deferral method of accounting.

Unrestricted donations are recognized as revenue when received. Restricted donations, other than endowments, are deferred and recognized as revenue in the year in which the related expenses are recognized. Other revenues are recognized when the goods or services have been rendered.

Externally restricted donations and government funding relating to depreciable capital assets are deferred and amortized over the life of the related capital asset. Externally restricted contributions used to purchase land are recorded as a direct increase in the net assets invested in capital assets. Externally restricted contributions that have not been expended are recorded as deferred revenue on the balance sheet.

Donated capital assets and contributions received towards the acquisition of capital assets are deferred and amortized to income on the same basis as the related depreciable capital assets are amortized.

The Society restricts the use of portions of its unrestricted net assets for specific future uses. When incurred, related expenses are charged to operations and the balance of internally restricted net assets is reduced accordingly.

Endowment contributions are recognized as direct increases in net assets restricted for endowment purposes.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Cash and Cash Equivalents

Cash and cash equivalents represents externally restricted, internally restricted and unrestricted cash and equivalents and mature within 3 months.

Externally restricted cash and cash equivalents are restricted for specified purposes and are not available for the Society's general operations.

Internally restricted cash represents money set aside to fund specific activities identified by management and approved by the Board of Governors. The funds are not available for the Society's general operations.

Unrestricted cash represents funds available for the Society's general operations.

Investments

Short-term investments are recorded at cost which approximates market value. Long-term investments are recorded at cost less writedowns, if required, for other than temporary declines in value.

Donated Services

The Society benefits greatly from donated services in the form of volunteer work for various activities. The value of donated services is not recognized in the financial statements because of the difficulty of measurement.

Inventory

Inventory includes current materials and supplies necessary for the conduct of the Society's operations. Inventory is valued at the lower of cost and replacement value using the moving average method.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at estimated fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives as follows:

Buildings	20 to 40 years
Furniture, office and healthcare equipment	3 to 5 years
Vehicles	2 to 5 years
Computer hardware and software	2 to 3 years

Post-Retirement Benefits

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of discount rate, retirement ages of employees and expected health care costs. Plan obligations are discounted using current market interest rates and plan assets are presented at fair market value. The Society amortizes past service costs and cumulative unrecognized net actuarial gains and losses, in excess of 10% of the greater of the projected benefit obligation or the market-related value of plan assets, over the expected average remaining service lifetime (EARSL) of the active employee group covered by the plans. The EARSL has been determined to be 16 years. The Society measures its accrued benefits obligations for accounting purposes as at March 31 of each year.

3. Investments

	2007		2006	
	Carrying Value	Market Value	Carrying Value	Market Value
	\$	\$	\$	\$
Fixed income	95,033	95,119	127,887	127,004
Equities	13,269	17,602	19,278	25,060
Total	108,302	112,721	147,165	152,064

Fixed income investments are comprised of Government of Canada and corporate bonds with maturity dates from 2008 to 2036, earning interest from 2.75% to 9.25%.

\$71,551 (2006 – \$96,695) of the total investments relates to Tsunami.

Investment income earned is reported as follows:

	2007	2006
	\$	\$
Total investment income earned	14,413	10,934
Less amount deferred	–	2
Total investment income recognized as revenue	14,413	10,932

4. Capital Assets

	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	8,940	–	8,940	9,269
Buildings	44,820	19,825	24,995	22,869
Furniture, office, healthcare equipment	6,951	2,061	4,890	3,460
Vehicles	6,806	4,627	2,179	2,224
Computer hardware and software	889	396	493	677
	68,406	26,909	41,497	38,499

5. 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:

	2007		2006	
	General	Tsunami	General	Tsunami
	\$	\$	\$	\$
Opening balance	52,803	268,209	35,203	222,198
Donations received	17,661	2,928	66,265	88,880
Interest deferred	–	–	2	–
Recognized as revenue	(21,747)	(38,535)	(48,667)	(42,869) ¹
	48,717	232,602	52,803	268,209
Less long-term portion	–	(71,551)	–	(96,965)
Closing balance	48,717	161,051	52,803	171,514

¹ Tsunami deferred revenue is recognized as part of international programming revenue in the detailed statement of operations in Schedule A.

During the year the Alberta Ministry of Gaming contributed \$250 to assist people affected by the Middle East conflict in Lebanon.

6. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized amount of donations and grants received and used for the purchase of capital assets. The changes in the deferred contributions balance for the year are as follows:

	2007	2006
	\$	\$
Balance, beginning of year	10,066	8,975
Cash contributions received and used during the year	3,991	2,770
Amortization of deferred capital contributions	(1,447)	(1,679)
Balance, end of year	12,610	10,066

7. Mortgage And Capital Lease Obligation Payable

The acquisition of premises in Burnaby (B.C.) was partially financed by a mortgage. A summary of the account is as follows:

	2007	2006
	\$	\$
Burnaby	2,588	2,679
Capital lease obligation	13	141
Total mortgage and capital lease obligation	2,601	2,820
Less current portion	109	220
Mortgage and capital lease obligation payable	2,492	2,600

The Burnaby mortgage bears interest at 5.93% and is repayable in fixed blended monthly amounts of approximately \$21. The principal is being amortized over 20 years ending August 1, 2023 and the terms of the mortgage are fixed until August 1, 2008. The fair value of this mortgage is estimated at \$2,588 (2006 – \$2,679).

The acquisition of computer servers was financed with a capital lease. The capital lease obligation is payable in blended monthly payments of approximately \$13 and bears interest at a rate of 5.298%. The obligation will be fully paid in April 2007. The fair value of this capital lease is estimated at \$13 (2006 – \$141).

Principal repayments in each of the next five fiscal years assuming the mortgage is renewed on the same terms are as follows:

	\$
2008	109
2009	102
2010	108
2011	114
2012	120
Thereafter	2,048
	2,601

8. Employee Future Benefits

The Society has a defined contribution and a defined benefit plan. The Society's contribution to its employees' defined contribution pension plan was approximately \$1,744 (2006 – \$1,640).

The Society discontinued in 1998 the defined benefit option of its pension plan for those employees who remained with the Society after the September 28, 1998 transfer of the blood operations. Employees joining the Society thereafter became members of the defined contribution plan. With respect to past

services for the pre-1998 employees, members were given the option to convert their entitlements to a defined contribution basis or to have an annuity purchased on their behalf. Certain members' elections with respect to the conversion of past service benefits accrued to September 30, 1998 have not been finalized; therefore no annuities have been purchased. The Society remains responsible for the frozen benefits accrued under the defined benefit option of the Plan up to September 30, 1998.

In June 2000, as part of a mediated pension settlement, the Society was ordered to administer a late enrolment program. An amount of \$4,800 was set aside to fund these past enrolment obligations (escrow amount) but any liabilities in excess of \$4,800 were to be the Society's responsibility. The Society has at the balance sheet date adjudicated substantially all the claims.

In June 2003, the Society concluded the transfer of pension plan assets and the related pension obligations to the Canadian Blood Services and Héma-Québec for those employees who transferred to the two organizations in 1998.

The Society also sponsors life and health care benefits for its retired employees (Other Benefit Plans). These benefits are not funded.

The last actuarial valuation was performed in September, 2004.

The information about the employee benefit plans is presented in the tables below:

	Pension Defined Benefit Plan		Other Benefit Plans	
	2007	2006	2007	2006
	\$	\$	\$	\$
Fair value of plan assets	11,610	11,347	–	–
Accrued benefit obligation	4,590	4,650	10,263	12,938
Surplus (deficit)	7,020	6,697	(10,263)	(12,938)
Unamortized net actuarial gain	(2,122)	(2,104)	(6,776)	(4,098)
Valuation allowance	(4,642)	(4,279)	–	–
Accrued benefit asset (liability)	256	314	(17,039)	(17,036)

During the year, the valuation allowance relating to the pension benefit plan was reviewed and was considered reasonable.

Plan assets are held by Manulife. Based on the fair value of the plan assets at March 31, 2007, the assets of the Plan were composed 100% in short-term securities and cash (2006 – 21% in equity, 74% in fixed income, and 5% in short-term securities and cash).

The significant actuarial assumptions adopted in measuring the Society's accrued benefit obligations are as follows:

	Pension Defined Benefit Plan		Other Benefit Plans	
	2007	2006	2007	2006
Discount rate	5.00%	5.00%	5.25%	5.25%
Expected long-term rate of return on plan assets	4.75%	5.00%	–	–
Rate of compensation increase	2.55%	3.00%	3.00%	3.00%
Post-retirement indexation	2.19%	2.63%	–	–
Pre-retirement indexation	2.19%	2.63%	–	–

Other information about the Society's benefit plans is as follows:

	Pension Defined Benefit Plan		Other Benefit Plans	
	2007	2006	2007	2006
	\$	\$	\$	\$
Employees and employer contributions	110	117	655	601
Benefits paid	191	300	655	601

For measurement purposes of the Other Benefit Plans, a 9.0% (2006 – 9.0%) annual rate of increase in the per capita cost of covered hospital benefits was assumed and the rate was assumed to decrease linearly to 4.5% over 9 years and remain at 4.5% thereafter. The per capita cost of drugs was assumed to increase 10% and remain at 5% over 9 years and remain at 5% thereafter. The per capita cost of dental and other benefits was assumed to increase at 4.5% per annum. The impact of a 1% increase or decrease in the rate assumption would be \$113.

9. Fundraising Revenue And Expenditures

Fundraising revenue and expenditures are as follows:

	2007	2006
	\$	\$
Revenue		
Bequests	6,753	6,924
Direct marketing	14,550	13,077
Lotteries and gaming	7,002	8,906
Special events and other fundraising	10,907	17,363
Total fundraising revenue	39,212	46,270
Direct expenditures		
Bequests	667	817
Direct marketing	5,891	5,219
Lotteries and gaming	4,964	6,345
Special events and other fundraising	6,180	5,156
Total fundraising expenditures	17,702	17,537
Net revenue	21,510	28,733

10. Internally Restricted Funds

During the year, the following items were appropriated to the internally restricted funds:

- Tsunami interest of \$6,709 (cumulative \$13,429)
- \$6,086 in bequest for the Society's capital expenditures

In addition during the year the Society used \$8,575 in internally restricted bequests to fund capital acquisitions and project expenditures.

11. Financial Instruments

Fair Values

The carrying values of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

Refer to Notes 3 and 7 for fair values related to the Society's other financial instruments.

Foreign Exchange Risk

The Society operates internationally, giving rise to exposure to market risks from changes in interest rates and foreign exchange rates. Foreign exchange risk is not material.

Credit Risk

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Society's accounts receivable represents credit provided for the Society's programs. The Society extends credit to its authorized providers and funding agencies. The Society's Community Health Programs represent over 80% of the total accounts receivable. The credit is provided mainly to provincial governments and accordingly presents minimal credit risk to the Society.

The maximum credit exposure of the Society is represented by the fair value of the investments and amounts receivable as presented in the statement of financial position.

Interest Rate Risk

Interest rate risk refers to adverse consequences of interest rate changes on the Society cash flows, financial position, investment income and interest expense. The Society's mortgages and fixed income investments are exposed to interest rate changes. The impact of adverse changes in rates is not considered material.

New Accounting Standards for the March 31, 2008 Year-End

In January 2005, The CICA issued new accounting standards on financial instruments and hedges that will require the Society to account for most financial assets and liabilities at fair value. These new standards will be effective for the Society on April 1, 2007. The impact of the implementation of these new standards on the Society's financial statements will result in remeasuring financial assets and

liabilities, as appropriate, at fair value and report certain gains and losses either as direct entries to the Statement of Changes in Net Assets for the period or the Statement of Operations for the period. The entries made directly to the Statement of Changes in Net Assets may include unrealized gains and losses on financial assets classified as available for sale, unrealized foreign currency translation amounts, net of hedging arising from self-sustaining foreign operations, and changes in the fair value of the effective portion of cash flow hedging instruments.

12. Lease Commitments

The Society has entered into various operating leases for buildings and equipment. The minimum annual lease payments for the next five fiscal years are as follows:

	\$
2008	2,281
2009	1,701
2010	975
2011	602
2012	48

13. Related Entity

The Red Cross International Aid Trust Fund of Canada (“the Trust”) administered by the Society has not been consolidated in these financial statements. The Trust was created on July 6, 2000 to hold funds received from the Canadian International Development Agency (CIDA) until their disbursement to international relief projects.

The Society received funds for 10 projects (9 projects in 2006) in the year where revenues and expenses of \$6,486 (2006 – \$10,379) were incurred. At year-end, the Society owes the Trust \$1,691 (2006 – \$1,838); this amount is included in accounts payable.

The Trust’s year-end is December 31, 2006. During 2006, it had revenues of \$36,538 (2005 – \$39,512) and expenses of \$36,538 (2005 – \$39,512). At December 31, 2006, the Trust had assets of \$11,228 (2005 – \$14,918) and liabilities of \$11,228 (2005 – \$14,918).

14. Guarantees

The Society received contributions from CIDA and other funding agencies that are subject to restrictions as to the use of the funds. The Society's accounting records, as well as those of member institutions subcontracted to execute the projects, are subject to audit by CIDA and other funding agencies to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

In the normal course of operations, the Society provides indemnification agreements with various counterparties in transactions such as service agreements, software licenses, leases, and purchases of goods. Under these agreements, the Society agrees to indemnify the counterparty against loss or liability arising from the acts or omissions of the Society in relation to the agreement. The nature of the indemnification agreements prevents the Society from making a reasonable estimate of the maximum potential amount that the Society would be required to pay such counterparties.

15. Restructuring Provision

In October 2005, the Board approved the Society's quality management and effectiveness initiatives. The Board decided to focus on priority programs being disaster services, international and fund development. Immediate measures were planned to realign the operations and support services with this new direction.

The Society has made a provision for involuntary terminations, real estate integration costs and other costs of \$344 (2006 – \$1,877). This amount is included in accounts payable and accrued liabilities.

During the period the provision had the following movement:

	Opening	Charges	Current Year Charges	Closing
	\$	\$	\$	\$
Staff Related	1,672	(891)	309	1,090
Relocation Costs	80	(78)	98	100
Other	125	(62)	(63)	–
	1,877	(1,031)	344	1,190

Detailed Statement of Operations

YEAR ENDED MARCH 31, 2007

(in thousands of dollars)

	2007			2006		
	Revenue	Expenses	Net	Revenue	Expenses	Net
	\$	\$	\$	\$	\$	\$
Organizational Capacity						
Fundraising General (Note 9)	39,212	17,702	21,510	46,270	17,537	28,733
Other income and expenses:						
Development projects	1,742	6,545	(4,803)	1,337	5,230	(3,893)
Gain (loss) on sale of capital assets	–	159	(159)	1,660	–	1,660
Investment income (Note 3)	14,413	365	14,048	10,932	438	10,494
Total other income and expenses	16,155	7,069	9,086	13,929	5,668	8,261
Total – Organizational Capacity	55,367	24,771	30,596	60,199	23,205	36,994
Core Programs						
International:						
Programming	54,719	51,537	3,182	56,139	53,616	2,523
Humanitarian Issues Program	1,402	1,587	(185)	1,606	2,088	(482)
Other	8	429	(421)	42	315	(273)
Total International	56,129	53,553	2,576	57,787	56,019	1,768
Disaster Services	2,938	5,530	(2,592)	4,309	6,462	(2,153)
Health and Injury Prevention:						
IP Secretariat				44	328	(284)
Water Safety				4,093	2,973	1,120
On Board Partnership Water Safety	3,334	2,684	650	161	215	(54)
First Aid	10,330	7,349	2,981	4,298	3,516	782
Respect Ed	2,017	2,600	(583)	8,873	5,293	3,580
Community Initiatives	2,017	2,600	(583)	1,780	2,217	(437)
Community Health Services	23,638	20,886	2,752	20,967	20,053	914
Community Health Services	102,334	98,789	3,545	94,612	91,903	2,709
Total – Health and Injury Prevention	141,653	132,308	9,345	130,530	122,982	7,548
Total – Core Programs	200,720	191,391	9,329	192,626	185,463	7,163

(CONTINUED FROM PREVIOUS PAGE)

	2007			2006		
	Revenue	Expenses	Net	Revenue	Expenses	Net
	\$	\$	\$	\$	\$	\$
Program Management and Support Services						
Volunteer resources	283	1,137	(854)	367	1,699	(1,332)
Amortization of capital assets	1,447	4,184	(2,737)	1,679	3,747	(2,068)
Rental and facilities	2,293	6,940	(4,647)	2,858	5,614	(2,756)
Management, corporate obligations and support services	259	18,534	(18,275)	1,456	22,259	(20,803)
Restructuring provision (Note 15)	–	344	(344)	–	1,877	(1,877)
Total – Program Management and Support Services	4,282	31,139	(26,857)	6,360	35,196	(28,836)
Disaster Appeals						
Domestic	866	866	–	135	135	–
International – General	9,063	9,063	–	39,948	39,948	–
Total – Disaster Appeals	9,929	9,929	–	40,083	40,083	–
Excess of Revenue Over Expenses			13,068			15,321

The Canadian Red Cross Society Asian Earthquake and Tsunami Fund

FINANCIAL INFORMATION

March 31, 2007

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Auditors' Report

To the Board of Governors of The Canadian Red Cross Society

We have audited the statement of net funds available for beneficiaries of The Canadian Red Cross Society – Asian Earthquake and Tsunami Fund as at March 31, 2007 and the statement of changes in net funds available for beneficiaries for the year then ended. This financial information is the responsibility of the Society's management. Our responsibility is to express an opinion on this financial information based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial information presentation.

In common with many charitable organizations, the Society derives revenue from fundraising contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to fundraising contributions, net funds available for beneficiaries and current assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of fundraising contributions referred to in the preceding paragraph, this financial information presents fairly, in all material respects, the net funds available for beneficiaries of The Canadian Red Cross Society – Asian Earthquake and Tsunami Fund as at March 31, 2007 and the changes in net funds available for beneficiaries for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants

May 11, 2007

Statement of Net Funds Available for Beneficiaries

AS AT MARCH 31, 2007

(in thousands of dollars)

	2007	2006
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents		
Externally restricted	84,633	90,836
Internally restricted income from investments	13,429	6,720
Accounts receivable	76,418	80,678
	174,480	178,234
Long-term investments (Note 4)	71,551	96,695
Net funds available for beneficiaries	246,031	274,929

On behalf of the Board,



President, Board of Governors



Chair, National Audit and Finance Committee

Statement of Changes in Net Funds Available for Beneficiaries

YEAR ENDED MARCH 31, 2007

(in thousands of dollars)

	2007	2006
	\$	\$
Increase in funds		
Contributions (Note 3)	2,928	7,821
Federal government matching (Note 3)	–	81,059
Investment income	6,709	6,261
	9,637	95,141
Decrease in funds		
Emergency relief and disaster management	3,047	31,382
Health	2,167	1,917
Livelihoods	1,475	520
Reconstruction	26,297	2,288
Humanitarian values and restoring family links	68	983
Organizational development	934	645
Water and sanitation	859	136
Community support	139	428
	34,986	38,299
Supporting services		
Fundraising support (Note 5)	–	1,594
Direct programming support (Note 5)	3,549	2,976
	3,549	4,570
Total decrease in funds	38,535	42,869
Increase (decrease) in net funds	(28,898)	52,272
Net funds available for Beneficiaries, beginning of year	274,929	222,657
Net funds available for Beneficiaries, end of year	246,031	274,929

Notes to the Financial Information

YEAR ENDED MARCH 31, 2007

(in thousands of dollars)

1. Purpose and Authority of the Asian Earthquake and Tsunami Fund

The scope and purpose of the Canadian Red Cross Society – Asian Earthquake and Tsunami Fund (the “Fund”) was approved by the Board of Governors of The Canadian Red Cross Society (the “Society”) on February 26, 2005.

As a result of the decisions made by the Board of Governors, the Fund is used exclusively to meet the immediate and long-term recovery needs of the people affected by the Asian Earthquake and Tsunami that occurred on December 26, 2004 and all investment income is restricted to the Fund. Donor-expressed designations that are more specific than the overall Fund purpose (for example, contributions for use in specific countries), will be strictly honoured and used in accordance with those designations. The Board of Governors approved the segregation of the Fund into the following Trusts:

- a) Undesignated General
- b) Canadian International Development Agency (CIDA) Matching Grant
- c) Sri Lanka
- d) Indonesia
- e) India
- f) Thailand
- g) Government of Alberta Fund

2. Significant Accounting Policies

The financial information has been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Basis of presentation

The accompanying financial information reflects the net funds available for beneficiaries and the changes in net funds available for beneficiaries of the Fund. The Fund is maintained as a separate set of accounts by the Society, and includes only those financial activities associated with the Society’s response to the Asian Earthquake and Tsunami.

The Fund is an unincorporated operating segment of the Society. Accordingly, this financial information may not be indicative of the financial activity that would have been achieved if the Fund operated as an unaffiliated organization.

The net funds available for beneficiaries as at March 31, 2007 are presented as deferred revenue, and as internally restricted net assets for the investment income portion, in accordance with Canadian generally accepted accounting principles, in the financial statements of the Canadian Red Cross Society.

Donated services

The Fund benefits greatly from donated services in the form of volunteer work for various activities. The value of donated services is not recognized in the financial information because of the difficulty of measurement.

Revenue recognition

Corporate and government contributions are recognized as revenue at the earlier of the date of receipt or the date the contribution becomes receivable under the terms of the applicable funding agreement. Donations from individuals are recognized as revenue when received.

Long-term investments

Investments with a duration to maturity greater than one year from March 31, 2007 are presented as long-term investments recorded at cost less write-downs, if required, for other than temporary declines in value.

3. Contributions

Contributions consist of donations from the following sources:

	2007	2006
	\$	\$
Fundraising contributions		
Individual donors eligible for CIDA Matching	177	–
Corporate, provincial government and other	2,751	7,821
	2,928	7,821
CIDA Matching	–	81,059
	2,928	88,880

The Canadian International Development Agency (CIDA) has agreed to provide cumulative matching grants equivalent to the total donations received from individual donors up to January 11, 2005. The grants will be provided based upon approved programming proposals. As at March 31, 2007, the Fund submitted programming proposals for \$132,479 (2006 – \$132,479) and was approved for \$122,479 (2006 – \$56,370) and the balance is pending approval from CIDA.

4. Long-Term Investments

	2007		2006	
	Carrying Value	Market Value	Carrying Value	Market Value
	\$	\$	\$	\$
Fixed income	71,551	71,263	96,695	95,547

Fixed income investments are comprised of governments and corporate bonds with maturity dates from 2008 to 2036, bearing interest from 2.75% to 9.25%.

5. Support Services and Related Entity Transactions

From the inception date to March 31, 2007, the Society provided complete administrative and other support to the Fund in the form of fundraising support and direct programming support.

Fundraising support

Fundraising Support represents costs incurred to solicit contributions, including direct response mailings; donation acknowledgements and receipts; donated advertising; donation processing; bank and credit card fees related to donations; supplemental audit fees; logistics and accounting support; equipment; set-up and maintenance costs for call centres and toll-free numbers; and systems for tracking beneficiary assistance. These costs in aggregate represent 2.75% (2006 – 2.82%) of funds received.

Direct programming support

Direct programming support represents the necessary direct supporting activities of the disaster response, recovery and reconstruction including relief supplies, field visits, assessments and missions by staff and support services.

Leadership



*Members of the Canadian Red Cross Board of Governors, Vancouver, 2006.
First row, left to right: Ted Tanaka, vice-president, Jane McGowan, president, Mario Dionne, vice-president
Second row, left to right: Bill Shead, Michel Loignon, André Harel, Amit Mehra
Third row, left to right: Mary Jane Dawson, Alan Dean, Gwen Medcalf, Louise Bishoff, Kate Wood, immediate past president*

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Deputy Secretary General, Governance and Chief of Staff

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Deputy Secretary General, Operations

François Couillard

Chief Financial and Corporate Services Officer

Michel Piché

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General Manager: John Byrne
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Region

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Prince Edward Island
Nova Scotia
New Brunswick

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Judith Bayliss
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Regional Director

Rhonda Kenney
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Zone Council President: Jean-Denis Lavigne
 General Manager: Conrad Sauvé
 6, pl. du Commerce, Ile-des-Soeurs, Quebec H3E 1P4

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Montreal	Alain Morand	Sylvie Chalifour
Centre	Jean-Claude Bellavance	Donald Harvey
East-West	Thérèse Croft	Donald Harvey
North	Diane Desmeules	Sylvie Chalifour
South	Richard Dupuis	Sylvie Chalifour

Ontario Zone

Zone Council President: Gwen Medcalf
 General Manager: Claude Tremblay
 5700 Cancross Court, Mississauga, Ontario L5R 3E9

Region	Regional President	Regional Director
Central Lakes	Lynn Greiner	Carrie Harrison
Toronto	Norbert Woo	Bob English
West Central	Peter Zulauf	Janie Fraser
Eastern	Michel Charon	Gordon Kennedy
Northern	Mike Shantz	Patricia Tiffany
Southwest	Diane Girard	Maxine Jackman

Western Zone

Zone Council Chair: Sara John Fowler
 General Manager: Leslie Dunning
 100-1305-11 Avenue SW, Calgary, Alberta T3C 3P6

Region	Regional President	Regional Director
Northern B.C. — Yukon	Alvina Berggren	Chris Bone
B.C. Lower Mainland	Shelley Milne	Susan Borthwick
B.C. Southern Interior	Clare Kooistra	John Richey
B.C. Coastal	Bruce Curtis	Kimberley Nemrava
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Southern Alberta	Steve Donaldson	Shirley Diaz
North/Central Saskatchewan	Elaine McDonald	Chriss Gates
Southern Saskatchewan	Brad Hebert	Cindy Fuchs
Manitoba	Donna Sale	Jane Hunt

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.

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ISSN 1488-6337

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06/2007

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An electronic version of this document is available on the Canadian Red Cross Web site: www.redcross.ca.

Ce document est également publié en français.

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