



IN EVERY COMMUNITY, THERE IS WORK TO BE DONE. IN EVERY NATION, THERE ARE WOUNDS TO HEAL. IN EVERY HEART, THERE IS THE POWER TO DO IT.

COMMUNITY

Community – *true* community – is characterized by a sense of belonging, a shared determination to face challenges as a unit, to protect and strengthen our most vulnerable, to celebrate our successes and to recover from adversity together.

Community is often a physical place and – just as often – a dispersed group sharing common interests, common concerns and common dreams. At its heart, a community seeks to treat its members with respect and kindness, to work together to plan for a better future and to always nurture that most human of aspirations: hope.

That's our ideal of what makes a community, an ideal we try to achieve in everything we do. At home, the Canadian Red Cross is at work wherever a natural or man-made disaster threatens a community. From more than 200 permanent locations coast-to-coast, we also play a vital role in daily community life, delivering health and social programs, first aid, water safety, and disaster preparedness training aimed at personally and collectively protecting those communities.

Internationally, we are part of the worldwide community of the Red Cross and Crescent Movement, which provides relief, recovery and rebuilding from disaster and disease through Red Cross and Red Crescent National Societies in 189 countries.

Enabled by the precious support of our donors and partners, the Canadian Red Cross – every day and in every way possible – is dedicated to helping and protecting tens of millions of members of that largest of communities – humankind.



IN RESPONDING TO THE UNPRECEDENTED JUNE 2013 FLOODS IN SOUTHERN ALBERTA, THOUSANDS OF RED CROSS VOLUNTEERS AND STAFF HAVE PROVIDED ASSISTANCE TO ALMOST 70,000 PEOPLE.

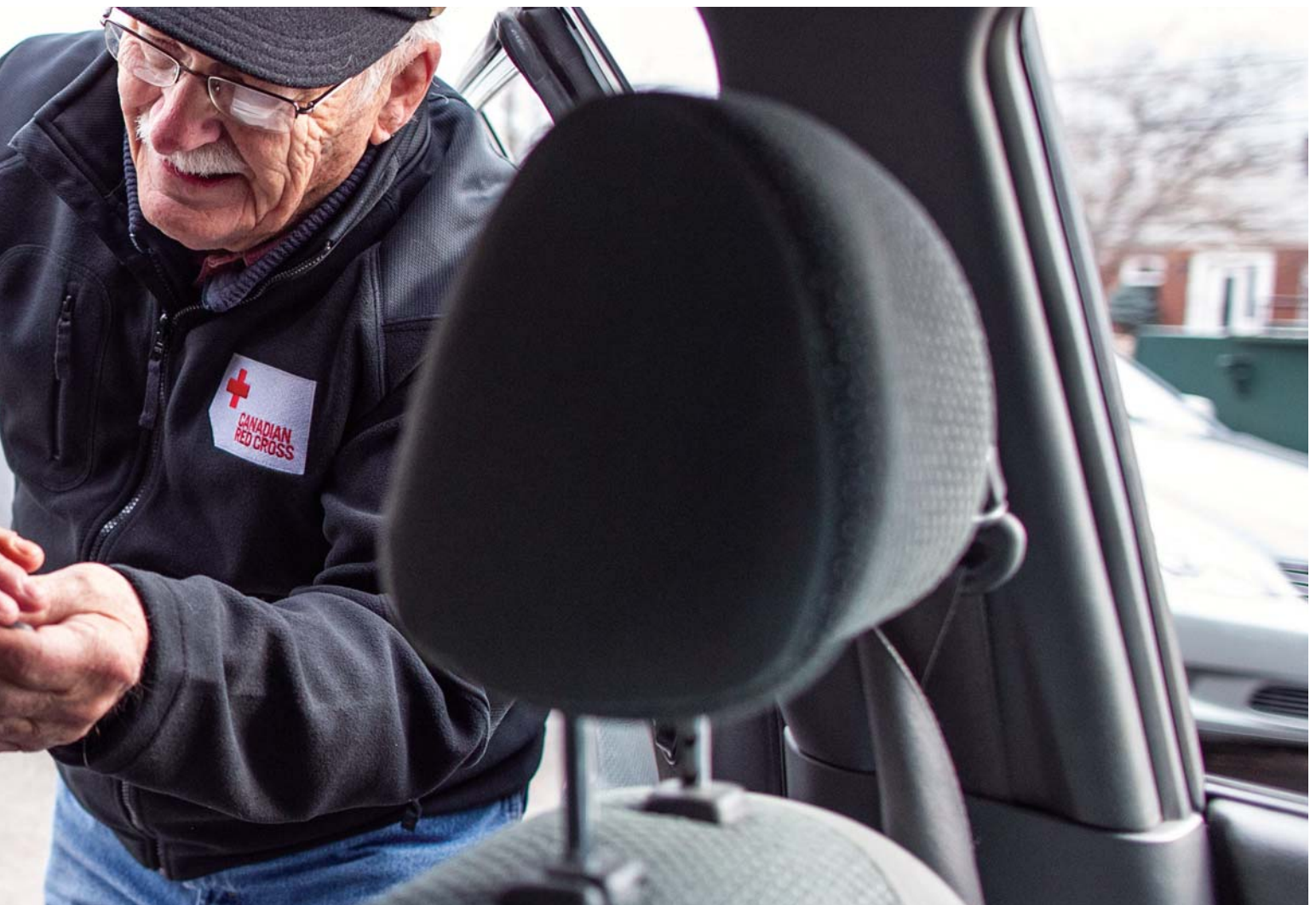


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NUTRITIONAL SUPPORT BY DELIVERING MEALS, ASSISTANCE WITH TRANSPORTATION AND MOBILITY SUPPORT THROUGH HEALTH EQUIPMENT LOANS ARE JUST SOME OF THE MANY COMMUNITY WELLNESS PROGRAMS FROM THE CANADIAN RED CROSS WHICH ARE ENHANCING THE QUALITY OF LIFE FOR SENIORS AND THOSE RECOVERING FROM ILLNESS OR INJURY.





MESSAGE FROM THE SECRETARY GENERAL

This past year, people and communities called upon the Canadian Red Cross in unprecedented numbers, not only internationally but right here at home. Thousands of Canadians received aid from us when their lives were changed by tragic events – Lac-Mégantic, L'Isle-Verte, flooding in Alberta and the ice storm in southern Ontario, Quebec and New Brunswick. Still more were provided essential support and comfort in their homes through our community health programs. Through all this our fundamental work continued, helping individuals and communities through training and preparedness. This year we trained over 600,000 people in first aid, making us the top provider in Canada of first aid training.

In responding to more large-scale and personal disasters than we ever have, we see a growing vulnerability in this country – whether it's due to increasingly severe weather patterns, an aging population or economic hardship. We know we must further expand our capacity to successfully meet the challenges ahead by working with volunteers, partners and entire communities to develop and maintain innovative community health and robust disaster response programs. To do so, we are forging or solidifying significant partnerships with numerous organizations and governments at home while reaching out to the global Red Cross family.

The more connections we have to each other and to our numerous communities, the greater our individual and collective capabilities are to be ready when disaster strikes or to provide effective services on an on-going basis to our most vulnerable.

Internationally, this process of building enduring relationships takes time but the pay-offs are immense. The much-needed hospital and health clinics we are building in Jacmel, Haiti came about through a unique multi-party relationship that has set the foundation for dramatically improved community health for generations to come. Our longstanding position of trust with the Canadian government allowed us to quickly provide aid in South Sudan as that crisis deepened and it allowed us to rapidly deploy a life-saving field hospital to the Philippines in the wake of Typhoon Haiyan.

Worldwide, the need for humanitarian assistance is incalculable. Despite positive economic news in many developing countries, we in more established nations cannot now – nor should we ever – become complacent. Political upheaval and civil unrest, the lingering ravages of major natural disasters and the impact of climate change will continue to directly threaten lives, livelihoods and entire communities.

Against these threats stands the community. At its strongest, a community is the best expression of who we are. And it is the best hope we have of protecting, inspiring and improving us all.

A handwritten signature in black ink, appearing to read 'C. Sauvé'.

Conrad Sauvé



MESSAGE FROM THE CHAIR

When the Canadian Red Cross goes before governments or donors or corporate partners, we bring a century-old reputation for important services expertly delivered. Underpinning this operational excellence in Canada and overseas are governance principles and a culture fully dedicated to supporting effective, long-term partnerships.

Lying between intent and result, planning and action must be the policies and frameworks which are rigorous enough to ensure reliability and accountability while being nimble enough to account for the ever-changing realities of our world.

The Board and Executive well understand that communities must be built to last on a rock solid foundation, with clear expectations and the transparent commitment of capital and human resources. It also requires that our house be absolutely in order. The governance principles and practices which our Board directs are achieving precisely these goals as validated by a governance mini review conducted during this term.

My second year as your Chair was also focused on making new frameworks to more fully engage volunteers and partners and build upon new governance bylaws we passed two years ago. Externally, such rigorous and credible stewardship serves us well when we approach partners and potential partners in the corporate, government and community agency sectors. Internally, we have revisited governance roles regionally to ensure we remain relevant and provide useful and engaging roles for our volunteers.

We are deeply committed to working collaboratively, starting within our own dispersed and multi-faceted organization. Moving people and ideas and skills from region to region based on need and expertise continues to allow us to take advantage of best practices. Such engagement plays a pivotal role in adapting to the many changes and needs of civil society.

On the global stage, I saw this collaborative approach first hand at the biennial Statutory Meetings of the Red Cross Red Crescent Movement in Sydney Australia. The Canadian delegation was an active participant in formalizing a global youth engagement strategy, helping to develop new principles and rules for humanitarian assistance while exploring new ways of working with other National Societies such as the Afghan and the Bangladesh Red Crescents.

As my term as Chair comes to a conclusion, I am comforted to know that we are creating and promoting governance structures that both guide and take advantage of the wonderful talents available to us. My deepest thanks to all fellow Board members, our CEO Conrad Sauvé, volunteers, staff and donors. Each has contributed mightily to our collective success as one of the most respected and effective humanitarian organizations in Canada and the world.

Alan Dean

1. WARMING SHELTERS

During the unprecedented December cold which caused lengthy power outages across Ontario, Quebec and New Brunswick, the Canadian Red Cross helped operate warming shelters throughout the provinces, providing a safe place to stay, meals, hygiene kits and blankets to those in need.

2. LAC-MÉGANTIC, QUEBEC

When the deadliest Canadian rail disaster in 150 years claimed the lives of 47 people and destroyed half of Lac-Mégantic's downtown core, the Canadian Red Cross mobilized teams of volunteers from across the province and deployed emergency equipment as part of a \$14 million relief and recovery effort.

3. L'ISLE-VERTE, QUEBEC

After the tragic nursing home fire in L'Isle-Verte, the Canadian Red Cross mobilized its teams to meet the basic needs of the people affected by the disaster. The money collected will also be used to support local schools and the community of L'Isle-Verte by organizing public events and activities.

4. MATERNAL, NEWBORN AND CHILD HEALTH

Our Maternal, Newborn and Child Health programs reached more than one million mothers and children in 2013, one third of these in Mali. The Canadian Red Cross and partners work to strengthen health systems where most needed, and reduce life-threatening diseases that are largely preventable, using practical, proven and cost effective interventions.

5. DAYS OF PINK

In addition to supporting "Days of Pink" Days throughout Canada, the Canadian Red Cross reached over half a million Canadians – primarily young people – with anti-bullying education programs.

6. FIRST AID APP

As a complement to hands-on training, the Canadian Red Cross's new first aid app increases people's skills and confidence to intervene in health-threatening injuries and emergencies from severe bleeding to broken bones to heart attacks.

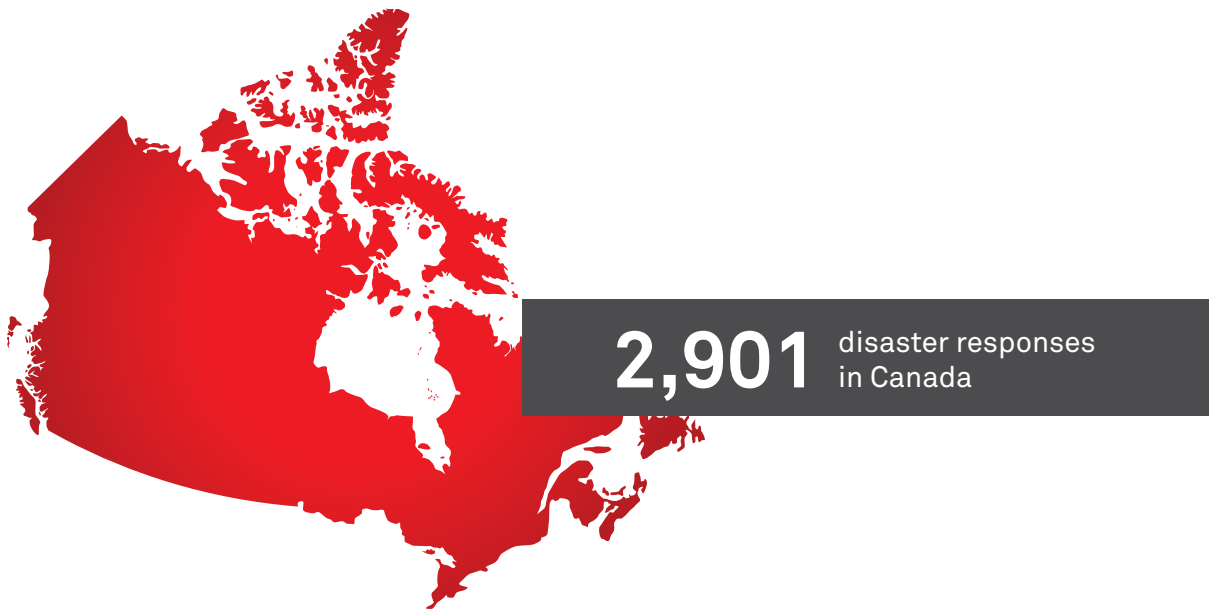




THE CANADIAN RED CROSS DEPLOYED ITS EMERGENCY FIELD HOSPITAL TO ORMOC IN THE PHILIPPINES FOLLOWING TYPHOON HAIYAN, WHERE IT TREATED 1226 PATIENTS, CONDUCTED 114 SURGERIES AND DELIVERED OVER 400 BABIES. THE HOSPITAL WAS THEN HANDED OVER TO THE PHILIPPINE RED CROSS FOLLOWING TRAINING AND SUPPORT.

THE YEAR IN NUMBERS

EMERGENCIES AND DISASTERS IN CANADA



126,201 hours that Canadian Red Cross volunteers dedicated to disasters

88,999 people directly assisted

54,922 Canadians trained in disaster preparedness

6,386 trained disaster response volunteers

INTERNATIONAL OPERATIONS



EMERGENCIES AND RECOVERY ACTIVITIES

\$27,255,309

provided in support to global emergency response

64

emergency operations

3

field hospital deployments supported

HEALTH: MOTHER, NEWBORN AND CHILD; DISASTER PREPAREDNESS AND VIOLENCE PREVENTION

19,398,807

beneficiaries

69,314

National Society volunteers

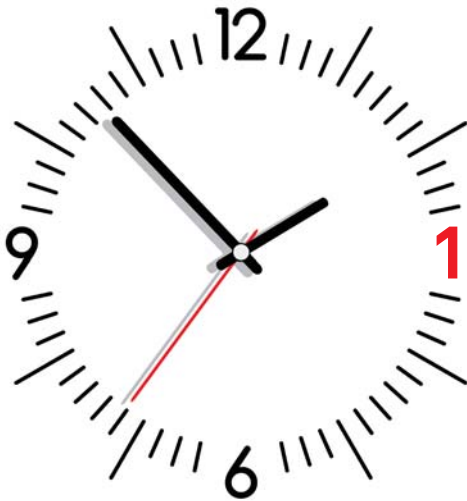
551

communities supported

33

projects in **25** countries

HEALTH AND SOCIAL PROGRAMS



1,696,279 number of Home Services hours

349,070 number of meals provided

258,616 number of articles loaned through the Health Equipment Loan Program

256,140 number of rides provided by transportation services

VIOLENCE, BULLYING AND ABUSE PREVENTION

645,503 children, youth and adults attended RespectED workshops in Canada

86,366 children, youth and adults attended RespectED workshops in other countries

2,426 active RespectED youth facilitators

781 active RespectED adult prevention educators

21 National Societies working with the Canadian Red Cross to create safe environments

DETENTION MONITORING

Promotes the basic rights of people detained under the *Immigration and Refugee Protection Act*

49

visits to detention
facilities holding
immigration detainees

124

volunteers across Canada

FIRST AID

609,367

Canadians took Red Cross First Aid courses

2,935

active instructors in First Aid

SWIMMING AND WATER SAFETY

20,596

active instructors in swimming and water safety

1,218,317

Canadians took Red Cross Swimming and Water Safety courses

HUMANITARIAN ISSUES AND INTERNATIONAL HUMANITARIAN LAW

A set of rules which seeks to limit the effects of armed conflict

17,876 youths reached through **540** events

42 teachers reached through **3** training workshops on Exploring Humanitarian Law (EHL)

RESTORING FAMILY LINKS (RFL)

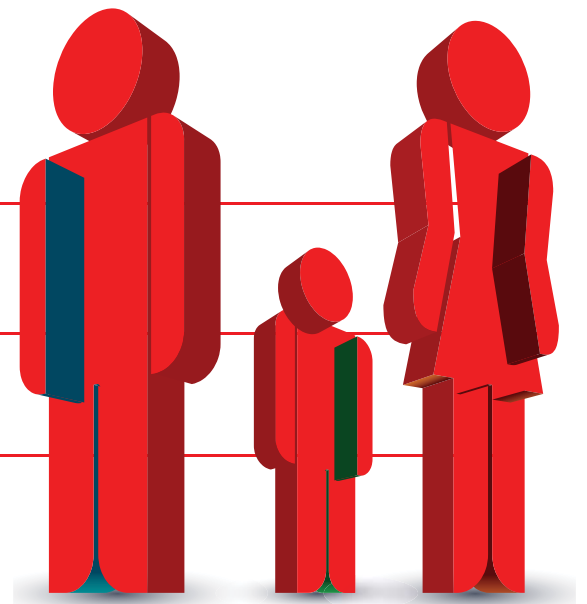
Helps people to re-establish contact with family when contact has been lost due to conflict, disaster and migration

465 cases resolved

426 new cases opened

214 active cases

62 volunteers across Canada



GOVERNANCE AND LEADERSHIP

CORPORATE OFFICERS

FROM LEFT TO RIGHT

Conrad Sauvé
Secretary General
and Chief Executive Officer

Jimmy Mui
Chief Financial Officer

Samuel Schwisberg
General Counsel, Corporate Secretary

Ann Clancy
Chief of Staff/Interim Director General,
Ontario

Almin Surani
Chief Information Officer

John L. Byrne
Director General, Disaster Management

Susan Johnson
Director General, International Operations

Leslie Dunning
Director General,
Violence and Abuse Prevention

Louise Castonguay
Director General, Atlantic Canada

Michel Léveillé
Director General, Quebec
and National Fund Development

Sue Phillips
Director General, Western Canada

Pam Aung Thin
National Director, Public Affairs
and Government Relations

Tracey Pope
National Director, Human Resources
and Volunteer Services

Lori Holloway
National Director, Community Health
and Wellness

Amy Mapara
Deputy Chief of Staff





**THE CANADIAN RED CROSS
BOARD OF DIRECTORS AND
SECRETARY GENERAL**

ABOVE, FROM LEFT TO RIGHT

Dennis Chow
Colleen Schneider
Peter Sloly
Gordon Shead
Gavin Giles
Ella West

Alan Dean, Chair
Sara John Fowler, Vice-chair
Conrad Sauvé, Secretary General
and Chief Executive Officer

Edward Tanaka
Peter Collens
Mylène Turcotte
Alan Pearson
Kathleen Mahoney
Lloyd Posno

Absent: Mathieu Bouchard

THE 2013-14 HONORARY CHAIRS AND COUNCIL DESIGNATE MEMBERS*

PATRON

Her Majesty Queen Elizabeth II

HONORARY CHAIR

His Excellency the Governor General
of Canada

**HONORARY VICE-CHAIRS
(Appointed)**

The Right Honourable
Prime Minister of Canada

The Honourable Leader
of the Opposition

HONORARY VICE-CHAIRS

The Honourable Robert L. Barnes
Janet Davidson
Armand de Mestral
Gene Durnin
Darrell D. Jones
Huguette Labelle
Jon Turpin
Myrle Vokey
George Weber
Kate Wood
Jane McGowan
Mario Dionne

ATLANTIC

Pam Miller
Trisha Gallant-Leblanc
Brody MacLean
Rick Graham
Geoff Moon
Erin Kielly

ONTARIO

Jamie Dzikowski
Bruce Brogden
Amanda Kennedy
Harvey Wyers
Lori Barnhart
Diane Girard

QUEBEC

Carol Bédard
Philippe Boisvert
Marco Gagnon
Yves Hébert
Michèle Lacombe
Jean-Louis Carignan

WESTERN

Rick Riley
Cassandra Consiglio
Gordon Shead
Colleen Schneider

* As of the June 2013 annual meeting

REPORT OF THE CHIEF FINANCIAL OFFICER

**FOR THE YEAR ENDED
MARCH 31, 2014**

RESULTS FROM OPERATIONS

The organization continued to build on its strong financial position with favourable results in the 2013-14 fiscal year. For the year ended March 31, 2014, the organization had a net deficiency of revenue over expenses of \$7.5 million (2013 – \$9.4 million). With the exclusion of net expenses relating to Tsunami operations, the organization had an excess of revenue over expenses of \$3.4 million (2013 – deficiency of \$3.2 million).

During the 2013-14 fiscal year, through the generosity of donors, the Canadian Red Cross received significant donations in support of its aid and relief efforts in the aftermath of several disaster events in Canada and internationally. This year, the organization's ongoing investment in fundraising activities aimed at producing more predictable and sustainable revenue streams yielded strong results, particularly in the area of direct marketing.

The Canadian Red Cross provides integrated health and home care services in Ontario through its 50% ownership of Red Cross Care Partners ("RCCP"). 2013-14 marked the first full year of operations of this for-profit entity. The Board and Management continue to actively monitor the performance of RCCP, particularly with a view towards improving operational efficiency and financial performance in light of anticipated changes in home care policy in Ontario. At the same time, we continue to pursue opportunities for growth in community health in other regions, with notable success in Atlantic Canada.

The organization continues to expend funds on recovery programming in affected countries following the Asian Earthquake and Tsunami in 2004. These funds represent interest income earned on donations received in respect of this disaster. It is important to note that interest income is recognized as revenue in the year earned and as an expense in the year that it is spent. As a result, this ongoing expenditure of funds on Tsunami related recovery programs creates an overall net deficiency of revenue over expenses for the organization. This year, the organization spent \$11.1 million (2013 - \$6.9 million) of this interest on Tsunami related recovery programs.

The Canadian Red Cross provides integrated health programs for communities in Haiti, in particular in Jacmel, following the 2010 earthquake. Separate audited financial statements for both the Asian Earthquake and Tsunami Fund and the Haiti Earthquake Fund are available on the Society's website www.redcross.ca.

Fundraising programs remain an important area for the organization, with the objective of building a sustainable revenue base to support growth in our programs and services. Investments made in fundraising typically yield results in future years, creating fluctuations in the year-over-year percentage of cost of fundraising as shown in the Annual Report on page 21. This fluctuation is further affected by unpredictable variations in the number and size of appeals in a given year. We continue to closely monitor our fundraising strategies and the results of investments in this key revenue area. Prudent management of money entrusted to us by Canadians is and will always be a governing principle of the Canadian Red Cross.

QUALITY, RISK MANAGEMENT AND PLANNING

Staff and volunteers at the Canadian Red Cross take great pride in delivering high quality services to our beneficiaries. The skills and expertise they provide are complemented by internal processes which monitor and give oversight to the efficiency and effectiveness of service delivery. Moreover, many of our programs are reviewed or audited externally under contractual agreements with major funders. This year, we proudly received accreditation for our Ontario community health programs, reflecting our strong commitment to quality.

The Canadian Red Cross performs ongoing monitoring of current, potential and emerging risks as part of a comprehensive enterprise risk management program. With oversight by the Board, risk management is an integral part of our strategic decisions and operational plans.

We continue to refine our integrated planning process. This year, we aligned our operational planning with the development of rolling three-year budgets. By adopting a multi-year approach, we are able to strike the necessary balance between having flexibility to adapt to change in the short-term while maintaining a view beyond a one-year planning horizon. Additionally, we finalized the organization's net assets policy, which provided the Board and management with an enhanced perspective upon which to contemplate strategic investments in growing our programs and services.

LOOKING FORWARD

With a solid and expanding regular donor base, growing public awareness of the very broad range of important activities we undertake here and abroad, the governance and fiscal transparency processes we have instituted, and the strengthening of relationships with multiple government organizations, the Canadian Red Cross and its supporters are ready to meet the challenges the future will undoubtedly bring.



Jimmy Mui
Chief Financial Officer

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
The Canadian Red Cross Society

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at March 31, 2014, the summary consolidated statement of operations for the year then ended, and related notes are derived from the audited consolidated financial statements of the Canadian Red Cross Society (the "Society") for the year ended March 31, 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated June 11, 2014.

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

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

OPINION

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Society for the year ended March 31, 2014 are a fair summary of those consolidated financial statements in accordance with the established criteria disclosed in Note 1 to the summary consolidated financial statements.

The signature of Deloitte LLP is written in a cursive, handwritten style.

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

June 11, 2014

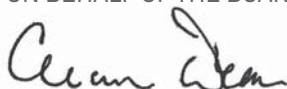
FINANCIALS

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31, 2014
(in thousands of dollars)

| | 2014 | 2013 |
|---|----------------|----------------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 186,133 | 62,161 |
| Accounts receivable | 22,609 | 15,642 |
| Inventory and prepaid expenses | 25,780 | 30,078 |
| | 234,522 | 107,881 |
| Long-term investments (Note 2) | 39,609 | 114,421 |
| Capital assets | 52,358 | 50,584 |
| Intangible assets | 1,480 | 2,850 |
| Goodwill | 1,947 | 1,947 |
| Accrued defined benefit pension plan asset | 7,252 | 6,970 |
| TOTAL ASSETS | 337,168 | 284,653 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | 24,847 | 21,543 |
| Government remittances payable | 1,353 | 478 |
| Deferred revenue – short-term (Note 3) | 152,174 | 89,543 |
| Current portion of mortgage payable | 28 | – |
| | 178,402 | 111,564 |
| Deferred revenue — long-term (Note 3) | 18,607 | 27,473 |
| Deferred contributions related to capital assets | 10,886 | 9,268 |
| Deferred gain | 3,873 | 4,719 |
| Mortgage payable | 915 | – |
| Accrued other benefit plans liability | 17,055 | 16,690 |
| TOTAL LIABILITIES | 229,738 | 169,714 |
| COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES | | |
| NET ASSETS | | |
| Invested in capital assets | 40,529 | 41,316 |
| Invested in RCCP | 3,954 | 3,954 |
| Restricted for endowment purposes | 1,284 | 1,221 |
| Internally restricted – General | 47,531 | 47,531 |
| Internally restricted – Tsunami interest | 10,552 | 21,495 |
| Unrestricted | 3,580 | (578) |
| TOTAL NET ASSETS | 107,430 | 114,939 |
| TOTAL LIABILITIES AND NET ASSETS | 337,168 | 284,653 |

ON BEHALF OF THE BOARD



Chair



Chair, National Audit and Finance Committee

See accompanying notes to the summary consolidated financial statements.

SUMMARY CONSOLIDATED STATEMENT OF OPERATIONS

year ended March 31, 2014
(in thousands of dollars)

| | Budget 2014 | Actual 2014 | Actual 2013 |
|---|-------------------|----------------|----------------|
| | \$ (Unaudited) | \$ | \$ |
| REVENUE | | | |
| Organizational capacity | | | |
| Fundraising | 53,532 | 55,251 | 48,117 |
| Investment income (Note 2) | 3,030 | 4,202 | 2,959 |
| Other | 97 | 195 | 500 |
| | 56,659 | 59,648 | 51,576 |
| Core programs | 246,385 | 257,807 | 268,553 |
| Support services | 7,178 | 16,192 | 8,934 |
| Disaster appeals | 46 | 27,299 | 6,972 |
| TOTAL REVENUES | 310,268 | 360,946 | 336,035 |
| EXPENSES | | | |
| Organizational capacity | | | |
| Fundraising | 27,904 | 27,799 | 25,591 |
| Investment expense | 149 | 166 | 323 |
| Other | 855 | 691 | 544 |
| | 28,908 | 28,656 | 26,458 |
| Core programs | | | |
| International programs | 68,785 | 62,593 | 64,026 |
| Disaster management | 13,927 | 18,980 | 13,742 |
| Health and injury prevention | 155,374 | 169,761 | 182,921 |
| Program management and volunteer resources | 4,223 | 4,158 | 4,219 |
| | 242,309 | 255,492 | 264,908 |
| Support services | 38,440 | 46,065 | 40,896 |
| Disaster appeals | 46 | 27,299 | 6,972 |
| TOTAL EXPENSES | 309,703 | 357,512 | 339,234 |
| Excess (deficiency) of revenue over expenses before Net Tsunami expenses | 565 | 3,434 | (3,199) |
| Net Tsunami expenses | (10,828) | (10,943) | (6,229) |
| DEFICIENCY OF REVENUE OVER EXPENSES | (10,263) | (7,509) | (9,428) |

See accompanying notes to the summary consolidated financial statements.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014
(in thousands of dollars)

1. BASIS OF PRESENTATION

The summary consolidated financial statements are derived from the complete set of financial statements of the Society and they meet the recognition and measurement principles of Canadian accounting standards for not-for-profit organizations.

2. LONG-TERM INVESTMENTS

| | 2014 | | 2013 | |
|--------------|-------------------------------------|---------------|-------------------------------------|---------|
| | Fair value and carrying value | Cost | Fair value and carrying value | Cost |
| | \$ | \$ | \$ | \$ |
| INVESTMENTS | | | | |
| Fixed income | 22,261 | 21,483 | 100,365 | 97,592 |
| Equities | 17,348 | 16,060 | 14,056 | 12,540 |
| | 39,609 | 37,903 | 114,421 | 110,132 |

The fair values of long-term investments are based on quoted market prices.

Fixed income investments are comprised of Government of Canada and corporate bonds with maturity dates ranging from 2014 to 2049, earning interest from 1.00% to 7.00% (2013 - ranging from 2013 to 2049, earning interest from 2.25% to 10.35%).

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

| | 2014 | 2013 |
|---------------------------------|---------------|---------|
| | \$ | \$ |
| Externally restricted — General | — | 42,203 |
| Externally restricted — Haiti | — | 31,112 |
| Internally restricted — General | 39,609 | 31,051 |
| Internally restricted — Tsunami | — | 10,055 |
| | 39,609 | 114,421 |

Gross investment income earned is reported as follows:

| | 2014 | 2013 |
|-----------------------------|--------------|-------|
| | \$ | \$ |
| Investment income — General | 4,202 | 2,959 |
| Investment income — Tsunami | 247 | 719 |
| | 4,449 | 3,678 |

Investment income earned from the Haiti fund of \$584 (2013 - \$1,796) is externally restricted and allocated to Haiti deferred revenue.

Investment income earned from the General fund of \$838 (2013 - \$2,272) is externally restricted and allocated to General deferred revenue.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. DEFERRED REVENUE

Deferred revenue is comprised of amounts restricted for the funding of expenses to be incurred in the future. The movement of the deferred revenue is as follows:

| | 2014 | | | | 2013 | | | |
|-------------------------------|----------------|---------------|----------|----------------|---------------|---------------|----------|----------------|
| | General | Haiti | Tsunami | Total | General | Haiti | Tsunami | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening balance | 73,299 | 43,717 | – | 117,016 | 96,831 | 59,896 | 1,782 | 158,509 |
| Donations and grants received | 194,100 | 625 | – | 194,725 | 67,511 | 115 | – | 67,626 |
| Interest earned and deferred | 838 | 584 | – | 1,422 | 2,272 | 1,796 | – | 4,068 |
| Recognized as revenue | (127,374) | (15,008) | – | (142,382) | (93,315) | (18,090) | (1,782) | (113,187) |
| CLOSING BALANCE | 140,863 | 29,918 | – | 170,781 | 73,299 | 43,717 | – | 117,016 |
| Deferred revenue — short-term | 140,863 | 11,311 | – | 152,174 | 73,299 | 16,244 | – | 89,543 |
| Deferred revenue — long-term | – | 18,607 | – | 18,607 | – | 27,473 | – | 27,473 |

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

4. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

COST OF FUNDRAISING — FIVE-YEAR COMPARISON

(Unaudited)
(in thousands of dollars)

| | 5 Year Total | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|----------------|----------------|--------|---------|---------|---------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Fundraising revenue | 201,216 | 49,825 | 42,433 | 41,210 | 34,965 | 32,783 |
| Bequest revenue | 27,207 | 5,426 | 5,684 | 4,592 | 5,449 | 6,056 |
| Donations in program revenue | 45,943 | 9,023 | 16,823 | 8,748 | 7,253 | 4,096 |
| Deferred revenue donations | 387,296 | 114,144 | 12,295 | 57,332 | 60,932 | 142,593 |
| Total fundraising and donations revenue | 661,662 | 178,418 | 77,235 | 111,882 | 108,599 | 185,528 |
| Total fundraising expenses | 126,645 | 27,799 | 25,591 | 24,172 | 26,113 | 22,970 |
| SURPLUS | 535,017 | 150,619 | 51,644 | 87,710 | 82,486 | 162,558 |
| Percentage of cost of total fundraising | 19.1% | 15.6% | 33.1% | 21.6% | 24.0% | 12.4% |
| Lotteries and gaming revenue | 27,547 | 4,016 | 5,384 | 5,702 | 6,055 | 6,390 |
| Lotteries and gaming expenses | 18,897 | 2,920 | 3,879 | 3,831 | 4,116 | 4,241 |
| PERCENTAGE OF COST OF FUNDRAISING EXCLUDING LOTTERIES AND GAMING | 17.0% | 14.3% | 30.2% | 19.2% | 21.5% | 10.5% |

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



FOUNDED 1896 INCORPORATED 1909

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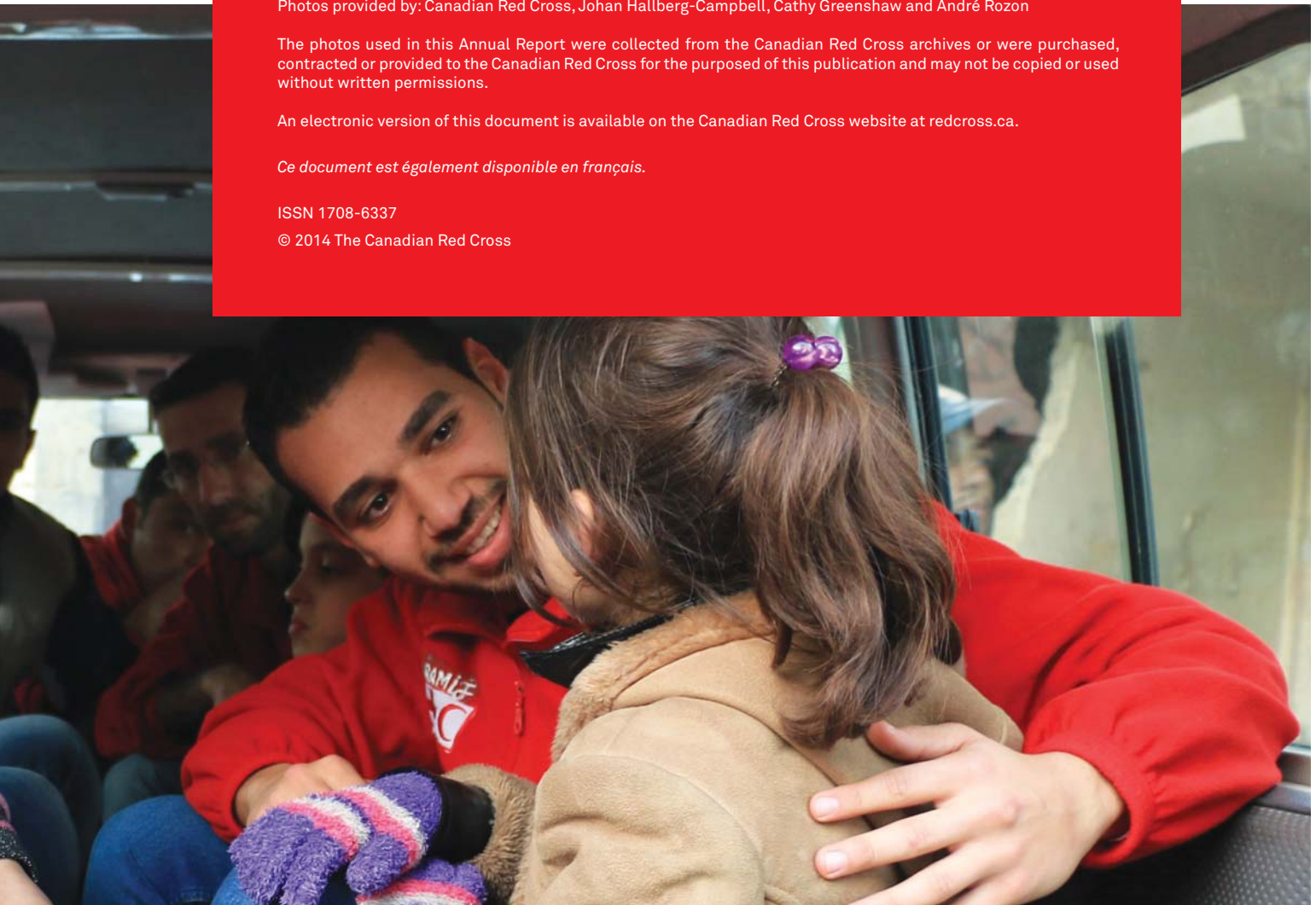
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