



**American
Red Cross**

of the National Capital Area

ANNUAL REPORT

2002 – 2003

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MISSION OF THE AMERICAN RED CROSS

The American Red Cross, a humanitarian organization led by volunteers and guided by its congressional charter and the fundamental principles of the International Red Cross Movement, provides relief to victims of disasters and helps people prevent, prepare for and respond to emergencies.

The American Red Cross of the National Capital Area engages the community in providing humanitarian services to the people of Washington, D.C., Montgomery County, Md., Fairfax County, Va., and the cities of Fairfax and Falls Church, Va.

PROGRAMS AND SERVICES

Armed Forces Emergency Services

By Congressional charter, the American Red Cross provides a vital link between military members and their families. With an office on Fort Belvoir in Fairfax County, Va., the Red Cross is well situated to provide this assistance.

Biomedical Services

The American Red Cross supplies more than half of the nation's blood supply. The National Capital Area Chapter helps meet the region's blood supply by hosting blood drives at various Chapter locations.

Community Services

The American Red Cross provides services to help community members in need. With its "Shoppers Program," the Montgomery County Office helps the elderly and homebound shop for groceries, providing a vital link to the outside world.

Disaster Services

The American Red Cross provides relief to the victims of disaster. Red Cross Disaster Action Team (DAT) members provide disaster victims with food, clothing, shelter and other essential needs through the use of client assistance cards. Disaster Mental Health workers help individuals cope with the psychological impact of disasters.

International Services

The American Red Cross promotes the principles of international humanitarian law and helps reunite families separated by conflict or learn the fate of loved ones.

Community Disaster Education

The American Red Cross strives to increase public awareness and educate members of the community about how to prevent, prepare for and cope with disasters.

Health and Safety Services

The American Red Cross provides lifesaving training to nearly 12 million people nationally and 70,000 people locally. Courses include instruction in cardiopulmonary resuscitation (CPR) and how to use an automated external defibrillator (AED), first aid, aquatic safety, baby sitters training and sports safety training.

Youth Services

American Red Cross Youth Services engage young people from kindergarten through college age in service and training programs designed to foster leadership skills, healthy lifestyle choices and community responsibility.

OFFICE LOCATIONS

Chapter Headquarters

2131 K Street, NW
Washington, DC 20037
(202) 728-6400
(202) 728-6649 (fax)

District of Columbia Office

2025 E Street, NW
Suite SE 1068
Washington, DC 20006
(202) 303-4509
(202) 303-0069 (fax)

Fairfax/Falls Church Office

1112 Herndon Parkway
Herndon, VA 20170
(703) 964-0004
(703) 964-0013 (fax)

South Fairfax/

Fort Belvoir Service Center

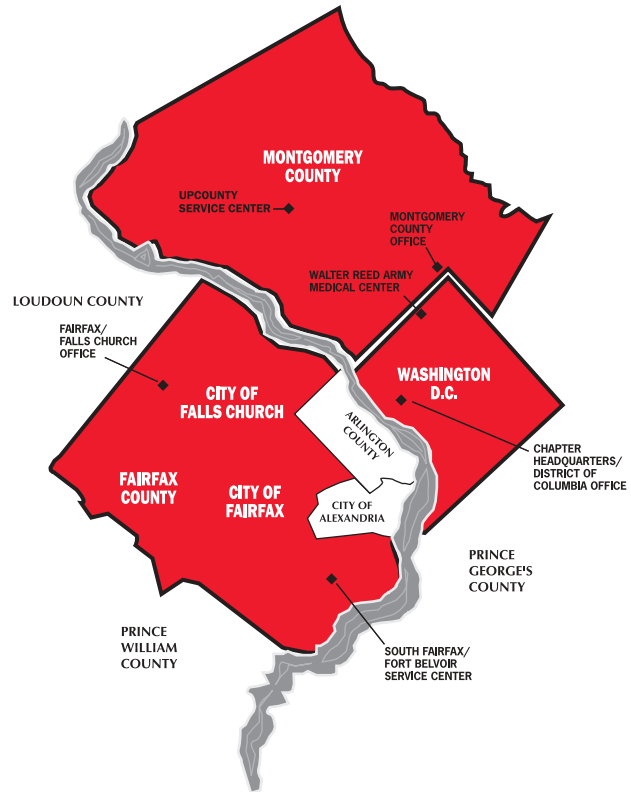
9716 Middleton Road
Fort Belvoir, VA 22060
(703) 805-2057
(703) 805-2455 (fax)

Montgomery County Office

2020 East West Highway
Silver Spring, MD 20910
(301) 588-2515
(301) 588-8140 (fax)

Upcounty Service Center

200 Girard Street, Suite 204
Gaithersburg, MD 20877
(301) 628-0030
(301) 948-6065 (fax)



National Naval Medical Center

Bldg 8 Rm 2189,
8901 Wisconsin Ave.
Bethesda, MD 20889
(301) 295-1538
(301) 295-4658 (fax)

Walter Reed Army Medical Center

Building 2, 3rd Floor, #3E12
Washington, DC 20307
(202) 782-2080
(202) 782-6366 (fax)

EXECUTIVE COMMITTEE [2002-2003]

Art Howard

Chair
Retired - Washington Gas

Bill Hysell

Vice Chair/Chair
Strategic Planning Committee
Regional Vice-President
Comcast / Mid Atlantic

Jo'Ellen Gray Countee

Secretary
Public Affairs Specialist
DC Emergency Management Agency

Peter Jones

Treasurer
COO/CFO
M-Cubed Information Systems Inc

Wendell Johns

Asst Treasurer
VP for Multi Family
Affordable Housing
Fannie Mae

Bob Giffin

Chair, Volunteers Committee
Sr. Program Officer

Institute of Medicine

Richard Rismiller
Chair, Nominating Committee
Sr. VP - Secretary
Montgomery Insurance

Todd Stottlemeyer

Chair, Service Delivery
Managing Director
McGuireWoods, Capital Group

Joyce Shields

Chair, Personnel Committee
Vice President
HayGroup

Dennis Stough

Chair, Audit Committee
Sr. Vice President
SunTrust Bank

Leslie Mostow

Chair, Development Committee
Reznick, Fedder & Silverman

John Mason

Chair, Government Relations
Former Mayor, City of Fairfax

CHAPTER STAFF [2002-2003]

Linda C. Mathes

Chief Executive Officer

Lee Stebbins

Chief Operating Officer

P. Suzanne Hogan

Chief Marketing/
Communications Officer

Carl Miller

Chief Financial Officer

Anita Parker

Chief Development Officer

BOARD OF DIRECTORS [2002-2003]

Mark Aron

Retired
CSX Corporation

James Callahan

Registered Representative
ING Financial Services,
LLC

Janet Langhart Cohen

President
Langhart Communications

Jay Eisenberg

Partner
Shulman, Rogers, Gandal,
et al

Charles Epps, M.D.

Retired - Howard
University Hospital

Tom Foglesong

Program Director
EER-Systems, Inc.

Rita Giles, Ph.D.

Program Director
Fairfax County Public
Schools

Steve Hintersehr

Sr. Vice President
Business Banking Division
Chevy Chase Bank

Steven Jumper

Director, Public Affairs
Washington Gas

Sheila Marshall-Lewis

Small Grants Program
Manager
USEPA

Office of Environmental
Justice

Harry McVeigh

Manager, Downstream/
Chemical, Safety Health
Environment
ExxonMobil Corporation

Robert Nelson

President
Nelson & Company

Ramu Potarazu

President and Chief
Operating Officer
Intelsat Global Service
Corporation

Barbara Reinike

Manager, Community
Relations
Lockheed Martin
Corporation

Robert Robertson

Vice President
Century Pool Management

Michael Rogers

Executive Director
Metropolitan Council of
Governments

David Scott

VP Finance
Post-Newsweek Media,
Inc.

George Shafran

President
Geo P Shafran Associates,
Inc.

Alice Starr

Vice President
WEST*GROUP

Timothy Tong, Ph.D.

Dean Sch
Engineer/ Applied Sci
George Washington
University

Bertram Whitman

Student, George
Washington Univ.

Frank Williams

Chief Executive Officer
The Advisory Board
Company

EX-OFFICIO [2002-2003]

Jeff Cawley

FX/Falls Church Steering Committee

JD Morrissette

FX/Falls Church Steering Committee
Sr. VP/General Manager
Interstate Relocation Service
Interstate Van Lines

Debbi Yamanaka

Chair, FX/Falls Church Steering Committee
President
Arrow Mountain, LLC

Shirley Edwards, Vice Chairman

Liaison, C&P Blood Region Brd
Partner
Ernst & Young

Matt Walker

Chair, Mont. County Steering Committee

Ynocencio (Sonny) Naranjo

Mont. County Steering Committee
Congressional Consultant

Andrew Pegalis

Chair, Friends of the Red Cross
Sr. Account/Gen Counsel
Armfield, Harrison & Thomas Inc

Peter Wolk

Chair, Planned Giving Committee
Law Office of Peter C. Wolk

Lindsay Grant

Youth Services Committee

Marialice Williams, Esq.

Mid-Atlantic Reg Committee
Risk Mitigation Strategists

CHAIRMAN'S ADVISORY COUNCIL [2002-2003]

Norm Augustine

Retired, Chairman/CEO
Lockheed Martin Corporation

CE Andrews

Arthur Andersen & Co.

Linda Broyhill

James Cobey, M.D.

Andrea Eaton

Lois England

Lee Folger

Folger Nolan Fleming Douglas, Inc

Peola McCaskill, R.N.

Judith Ostronic

National Chair Biomedical Services
National Headquarters

Michael Ryan

TDEC

Will Soza

President & CEO
Soza & Company, Ltd

Earl Stafford

Chairman/CEO

Henry Strong

President
JMW Settlements, Inc.

Hank Strong

President
Hattie M Strong Foundation

William Usher

President/CEO
CORE Software Technology

HONORARY BOARD MEMBERS [2002-2003]

The Honorable Tom Davis

Congressman
Virginia 11th Congressional District

Douglas Duncan

County Executive
Montgomery County, MD

Dan Gardner

Mayor, City of Falls Church

The Honorable Katherine Hanley

Chairman
Fairfax County Board of Supervisors

Dr. Charlene Drew Jarvis

President
Southeastern University

The Honorable Robert Lederer

Mayor
City of Fairfax

The Honorable Jim Moran

Congressman
Virginia 8th Congressional District

The Honorable Connie Morella

Former Congresswoman
Maryland's 8th District

The Honorable Eleanor Holmes Norton

Congresswoman
District of Columbia

The Honorable Anthony Williams

Mayor
District of Columbia

The Honorable Frank Wolf

Congressman
Virginia 10th Congressional District

FY 2003 YEAR IN REVIEW

Montgomery County merger

On July 1, 2002, the National Capital Chapter and the Montgomery County Chapter of the American Red Cross merged to form the American Red Cross of the National Capital Area. Merging two strong Red Cross chapters increased accessibility to and involvement in the Red Cross while decreasing overhead costs, communication challenges and coordination issues.

Sniper attacks

The Washington area was gripped with fear when snipers randomly shot 13 people, killing ten during three weeks in October. Red Cross volunteers provided mass care support to law enforcement agents investigating the shootings. "Facing Fear," a Red Cross curriculum was introduced in area schools to help children discuss their fears and deal with their feelings in a constructive manner.

Council of Government's (COG) annual meeting

At the Council of Government's (COG) annual meeting in December, Linda C. Mathes, CEO of the American Red Cross of the National Capital Area, issued a challenge to nearly 250 government, business and non-profit leaders: Become partners in preparedness by preparing for disaster now both personally and professionally.

The Emergency Preparedness Toolkit

Following the tragic events of Sept. 11, 2001, the Harvard Business School Alumni, Community Services Initiative, came to the Chapter with a desire to become involved in local preparedness initiatives. The collaboration resulted in the development of the Emergency Preparedness Toolkit for Small to Medium-Sized Organizations, a step-by-step guide to help businesses become better prepared for disasters. The Tool Kit includes instructions on how to create emergency plans and organize disaster supplies. In FY 2003, 2,000 Tool Kits were distributed to metro area businesses and 29 training workshops held.

Super Typhoon Pongsona

Super Typhoon Pongsona devastated the U.S. territory of Guam on Dec. 8, 2002, pummeling the island with 180 mph winds, displacing families and causing severe damage. With a price tag of \$19.6 million, Pongsona was the most expensive disaster relief operation for the American Red Cross last year. Locally, Chapter volunteer George Nunez traveled halfway around the world over the holidays to help Guam residents recover in the aftermath of this violent storm.

New ERV's

Three new Emergency Response Vehicles joined the Chapter's fleet in February. Volunteers Aaron Adkins, Jack Bowles, Chris Streight, Jonas Morris, Anthony Wells and J.C. Carpenter traveled to Florida to pick up the new ERV's, which are mainly used to provide mobile feeding to disaster victims and emergency workers. The three ERV's are owned by The American National Red Cross; the Chapter houses and maintains them. The new ERV's arrived just in time to be used for distributing meals and comfort kits at several local shelters established after a Presidents' Day Weekend storm dumped record amounts of snow on the Washington metro area. The ERV's are also "on call" to respond to national disasters. One was deployed to Tennessee in May for a disaster relief operation following deadly tornadoes.

Code Orange alert

The U.S. Department of Homeland Security raised the national terrorism threat level from "yellow" to "orange" on Feb. 7, warning of a high risk of unspecified potential terrorist attacks, particularly in New York and Washington, D.C. The Chapter immediately initiated a response plan, gearing up volunteers and strategically placing vehicles and supplies on both sides of the Potomac River to provide disaster relief in the event of an attack. The Chapter also played an important role in providing information to the public during this unsettling time, remaining in the news throughout the following week as the media reported on how to create a family emergency plan and build a disaster supply kit.

Winter storm response

Nearly two dozen Red Cross volunteers braved record amounts of snow and sleet on Feb. 16 to assist local governments with relief operations following a Presidents' Day Weekend snowstorm of historic proportions. The Chapter provided assistance and supplies as needed, including supplying a District shelter with cots, snacks and meals, and providing blankets and toiletry items to about 300 bus travelers stranded at the Greyhound station in the District. While storm-related relief efforts were continuing, Disaster Action Team (DAT) volunteers additionally responded to fires in both Fairfax and Montgomery counties providing assistance to displaced families.

Together We Prepare campaign

The American Red Cross launched a bold new disaster preparedness campaign in March. "Together We Prepare" challenges all individuals and organizations to become better prepared for both natural and man-made disasters by following five simple steps: make a plan, build a kit, get trained, volunteer and give blood. By taking these five actions, community members will know what to do in the event of an emergency and will be better able to help others.

Upcounty Service Center

The American Red Cross of the National Capital Area celebrated the grand opening of the Upcounty Service Center in Gaithersburg on March 29 with a ribbon-cutting ceremony, community safety activities and community disaster education presentations. The new service center provides Montgomery County residents increased accessibility to Red Cross programs and services, offering a convenient location for residents in the northern part of the county to participate in Red Cross classes and volunteer opportunities.

Tractor stand-off

A North Carolina man drove a tractor into a pond near Constitution Avenue in March, threatening to have explosives and causing a three-day stand-off with law enforcement agents that shut down major streets in the District. Disaster Action Team volunteers worked around the clock operating a canteen service to feed local and federal law enforcement agents at the scene.

War with Iraq

When the United States entered into war with Iraq during the spring of 2003, Red Cross volunteers mobilized at home to support the troops and their families. Volunteers presented "Get to Know Us Before You Need Us" information sessions to local service members before their deployments to the Middle East. The Fort Belvoir office, which handles Armed Forces Emergency Services (AFES) messages for the Chapter, saw an increase in calls from family members seeking to send news of births, deaths and family illnesses to loved ones in the military.

Metro partnership PHOTOS

The American Red Cross teamed up with the Washington Metro Area Transit Authority, Department of Homeland Security and the Federal Transit Authority to help individuals and families in the Washington metro area know how to respond should an emergency occur while commuting to and from work in a transit environment. At an April press conference, officials from all agencies urged people to incorporate their daily commutes into their disaster plans.

Montgomery County teacher first aid training

Nearly 200 teachers from Montgomery County learned valuable life-saving skills in May during the launch of a national pilot program spearheaded by the U.S. Department of Education, in collaboration with the American Red Cross and the American Red Cross of the National Capital Area. The pilot program provides first aid training to teachers, school staff and middle school students. Fifty volunteer instructors from the American Red Cross of the National Capital Area provided the training to the teachers, which included instruction on how to handle unconscious victims and how to administer proper bandages and splints.

National Capital Area volunteers respond to numerous tornadoes

The American Red Cross mobilized after a record number of tornadoes carved a devastating path through the Midwest and Tennessee in May, sending volunteers to numerous disaster sites. Dozens of volunteers from the National Capital Area Chapter joined volunteers from across the country to provide disaster relief.

DC office moves to E Street

On May 1, the District of Columbia Office of the American Red Cross of the National Capital Area moved from our K Street Headquarters to a new office at 2025 E Street NW. The office is located in the new American Red Cross National Headquarters building.

American Red Cross of the
National Capital Area

Statement of Financial Position

| | as of June 30, 2003 | | as of June 30, 2002 | | Change |
|---|---------------------|------|---------------------|------|---------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | \$786,526 | 5% | \$361,988 | 2% | \$424,538 |
| Investments - Short Term | 13,340,285 | 72% | 14,038,805 | 76% | (\$698,520) |
| Receivables | 857,917 | 5% | 958,753 | 5% | (\$100,836) |
| Inventories | 37,458 | 0% | 37,975 | 0% | (\$517) |
| Other | 348,525 | 2% | 212,849 | 1% | \$135,676 |
| Total Current Assets | 15,370,711 | 83% | 15,610,370 | 84% | (\$239,659) |
| Non-current Assets | 3,248,979 | 17% | 2,931,153 | 16% | \$317,826 |
| TOTAL ASSETS | <u>\$18,619,690</u> | 100% | <u>\$18,541,523</u> | 100% | \$78,167 |
| LIABILITIES AND NET ASSETS | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable and Accrued Liabilities | \$592,357 | 3% | \$813,987 | 4% | (\$221,630) |
| Other | 0 | 0% | 0 | 0% | \$0 |
| Total Current Liabilities | 592,357 | 3% | 813,987 | 4% | (\$221,630) |
| Non-current Liabilities | 0 | 0% | 0 | 0% | \$0 |
| Total Liabilities | \$592,357 | 3% | \$813,987 | 4% | (\$221,630) |
| Net Assets | | | | | |
| Unrestricted-General | 252,431 | 1% | 1,668,504 | 8% | (\$1,416,073) |
| Unrestricted-Designated | 14,429,013 | 77% | 12,188,740 | 66% | \$2,240,273 |
| Temporarily Restricted | 723,668 | 4% | 1,250,926 | 7% | (\$527,258) |
| Permanently Restricted | 2,622,221 | 14% | 2,619,366 | 14% | \$2,855 |
| Total Net Assets | \$18,027,333 | 97% | \$17,727,536 | 96% | \$299,797 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$18,619,690</u> | 100% | <u>\$18,541,523</u> | 100% | \$78,167 |

National Capital Chapter
American Red Cross

Statement of Activities

| | for the years ended | | |
|---|---------------------|---------------|---------------|
| | June 30, 2003 | June 30, 2002 | Change |
| OPERATING ACTIVITIES | | | |
| CONTRIBUTIONS, REVENUES and GAINS | | | |
| United Way designations | \$113,579 | \$275,737 | (\$162,158) |
| Combined Federal Campaigns | 932,005 | 532,794 | \$399,211 |
| Monetary and in-kind contributions | 3,664,043 | 4,006,061 | (\$342,018) |
| Products and services | 1,253,211 | 908,386 | \$344,825 |
| National Institutes of Health contracts | 2,310,072 | 2,136,419 | \$173,653 |
| Interest income and other | 914,673 | 738,689 | \$175,984 |
| Total Operating Income | \$9,187,583 | \$8,598,086 | \$589,497 |
| EXPENSES and LOSSES | | | |
| Services to Chapters | \$296,692 | \$0 | \$296,692 |
| Armed Forces Emergency Services | 554,322 | 488,988 | \$65,334 |
| Disaster Services | 1,768,531 | 1,059,082 | \$709,449 |
| NIH/NMDDP Contracts | 2,230,179 | 2,312,051 | (\$81,872) |
| Health Services | 2,491,601 | 1,448,241 | \$1,043,360 |
| Youth & Community Services | 1,282,791 | 1,293,076 | (\$10,285) |
| International Services | 387,535 | 332,097 | \$55,438 |
| Total Program Services | 9,011,651 | 6,933,535 | \$2,078,116 |
| Membership and Fundraising | 1,208,926 | 1,067,545 | \$141,381 |
| Management and General | 620,592 | 440,852 | \$179,740 |
| Total Supporting Services | 1,829,518 | 1,508,397 | \$321,121 |
| Total Expenses | \$10,841,169 | \$8,441,932 | \$2,399,237 |
| INCREASE in NET ASSETS from OPERATIONS | (\$1,653,586) | \$156,154 | (\$1,809,740) |
| NON-OPERATING ACTIVITIES | | | |
| Realized/Unrealized Investment Gains | 64,398 | (1,477,336) | \$1,541,734 |
| Transfers of Net Assets to other Entity | 0 | (12,133) | \$12,133 |
| Cumulative Effect of Accounting Changes | 0 | 0 | \$0 |
| INCREASE in NET ASSETS from NON-OPERATIONS | 64,398 | (1,489,469) | \$1,553,867 |
| CHANGE in NET ASSETS | (\$1,589,188) | (\$1,333,315) | (\$255,873) |
| Net Assets Beginning of Year | 19,616,521 | 19,060,851 | \$555,670 |
| NET ASSETS - ENDING | \$18,027,333 | \$17,727,536 | \$299,797 |