

# 2008 Annual Report

A closeup  
on giving for  
our children  
and youth

Ayden Thompson



# As we enter a new era in critical care at CHEO, a little sunshine will go a long way!

In the summer of 2009, families bringing a sick or injured child to the emergency department at CHEO will be coming to a brand new, state of the art emergency facility that will be part of a new wing of the hospital. The Garry Cardiff Wing, named in honour of CHEO's former Chief Executive Officer, will be a three-story addition to the existing building.

A close up look reveals that the new wing will house an expanded ER; a new medical day unit for cancer and dialysis patients; the Pediatric Intensive Care Unit (PICU) for children and youth who are seriously ill; and the Neonatal Intensive Care Unit (NICU) for premature and seriously ill newborn babies. Expansion for all of these areas is paramount and most welcome. With all of this exciting medical technology, it is interesting to note that one of the most welcome features of the new wing will be more windows. Natural light makes the world of difference to the staff and families both psychologically and physically, and without it there can be significant problems with children's sleep-wake cycles in the ICU. Windows will make a big difference and our staff can't wait to let the sun shine in.

It is an exciting time for everyone at CHEO. Especially the doctors, nurses and staff who know that their new home, and the updated medical equipment that will be waiting for them when they move in, will improve all aspects of the critical care they provide to the children of eastern Ontario, western Quebec and beyond.

The hospital staff are the true difference makers at CHEO. When a parent puts their child's life in their hands, that faith is all the motivation they need to take every ounce of their medical knowledge, use every piece of medical equipment at their disposal and restore health and happiness to that family. Their passion comes from helping the child who doesn't

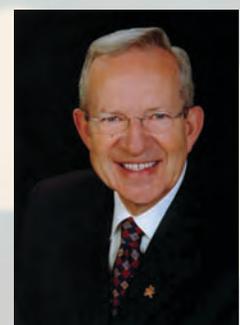
know why they are sick, and the parents who don't know what to do to make their child better. Our passion here at the Foundation is providing funds that help them do this incredibly important work.

The rays of sunlight that will stream into the windows of our new critical care wing are not unlike the donations we receive from our incredibly supportive community. A little bit can make a big difference in the life of a child. Our 2008 Annual Report tells us that CHEO, and the children and youth that we care for, continue to be a top priority in all of the communities CHEO serves. On behalf of the CHEO Foundation staff and Board of Directors we thank you.

The kids are counting on all of us to take us through this new era of critical care and beyond, and with your continued support, there is definitely more sunshine in their future.



David Gélinas  
Chair  
CHEO Foundation  
Board of Directors



Frederick M. Bartlett  
President and CEO  
CHEO Foundation

CHEO is a proud member of



Children's  
Miracle Network®

3

Peter Dubinski



4

Nayia Thompson

## Under 18 is not just a number.

The Children's Hospital of Eastern Ontario opened its doors in May of 1974 and offers a full spectrum of advanced pediatric services to children and youth from birth to 18 years living in eastern Ontario, western Quebec, Baffin Island and beyond.

On the heels of our 35th anniversary CHEO remains a unique, world class pediatric centre, dedicated to constantly improving services for, and providing world class care to children, youth and their families. As we prepare to celebrate a milestone birthday, age remains but a number for the over 2,000 employees and volunteers who dedicate their careers to caring for our children. As we constantly evolve and gain momentum in our delivery of care, the number of children who are touched by the hospital's vision, medical excellence and pediatric passion climbs alongside with us. Our goal remains to increase the number of children who leave CHEO in full health and decrease the number of children requiring medical intervention and long term follow up. These numbers are what drive our hospital.

In 2008, more than 6,200 patients were admitted to CHEO while 53,680 children and youth visited CHEO's Emergency department, 91,715 children and youth visited outpatient or ambulatory care clinics and 8,478 patients had out-patient/day surgery. These numbers speak for themselves. They are a reflection of today's medical reality; a constant and evolving picture

of our children's changing, delicate and exceptional medical needs.



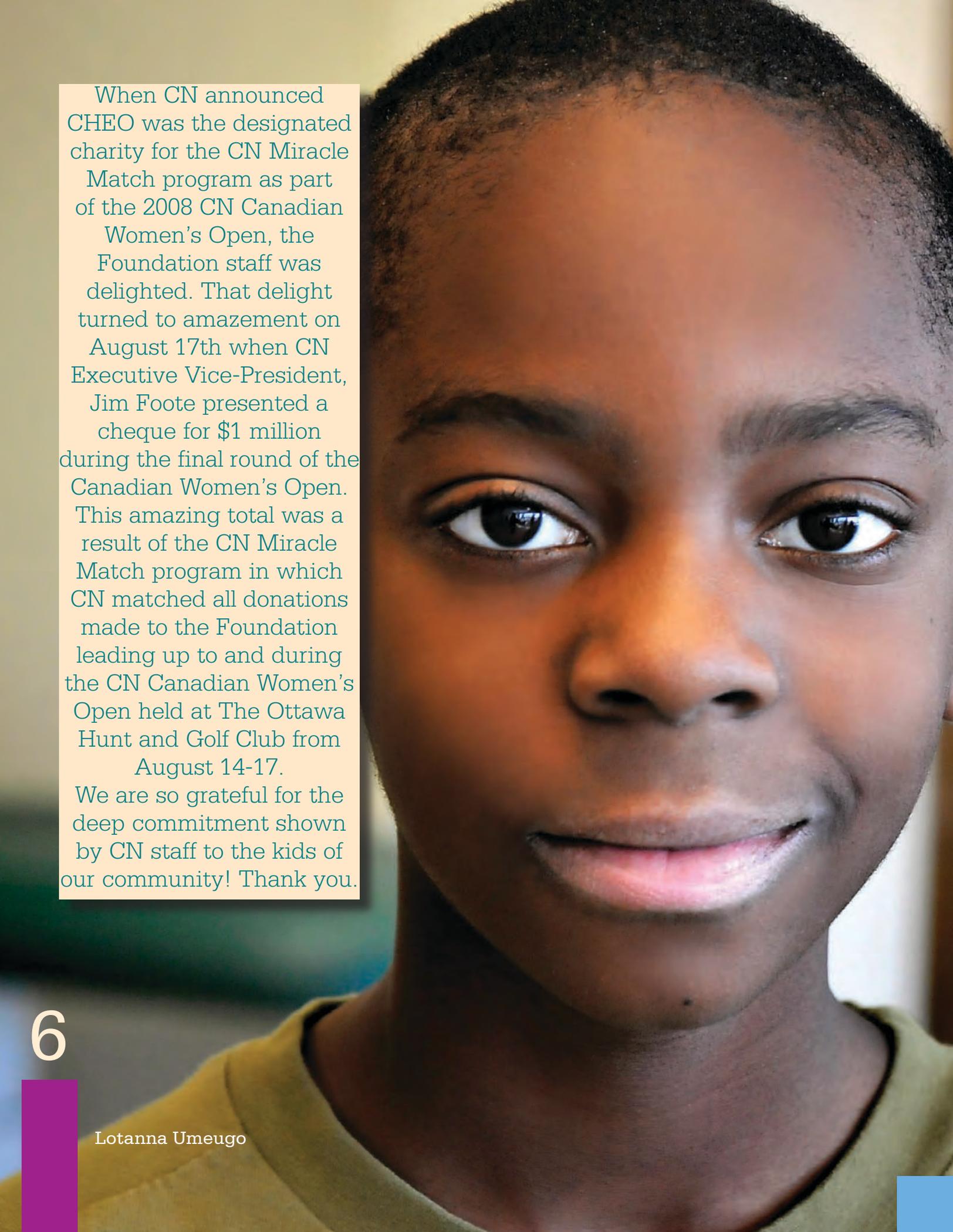
Ayden and Nayia

CHEO is home to 167 inpatient beds – 20 are in Neonatal Intensive Care, 10 in Pediatric Intensive Care, 31 are in Psychiatry and 106 on inpatient wards. CHEO has six patient service units, including 63 different outpatient or ambulatory care clinics.

Being number one in health care delivery is not just a number, it is a goal. Each day, the CHEO team strives to raise the bar of excellence through our family centered care approach and our supporting partners. CHEO's Research Institute, in association with the

University of Ottawa is a world leader in research, dedicated to critical areas such as pediatric cancer, infectious diseases and mental health to name a few. CHEO is home to the Provincial Centre for Excellence in Child and Youth Mental Health, the Ontario Newborn Screening Lab and more recently the Ontario Perinatal Surveillance System.

Together we boast a limitless number of possibilities in the discovery and provision of world class health care delivery.



When CN announced CHEO was the designated charity for the CN Miracle Match program as part of the 2008 CN Canadian Women's Open, the Foundation staff was delighted. That delight turned to amazement on August 17th when CN Executive Vice-President, Jim Foote presented a cheque for \$1 million during the final round of the Canadian Women's Open. This amazing total was a result of the CN Miracle Match program in which CN matched all donations made to the Foundation leading up to and during the CN Canadian Women's Open held at The Ottawa Hunt and Golf Club from August 14-17.

We are so grateful for the deep commitment shown by CN staff to the kids of our community! Thank you.

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Lotanna Umeugo

# The Children's Hospital Foundation

Our mission: To further the physical, mental and social well-being of children and their families in eastern Ontario and western Quebec by raising, managing and disbursing funds.

Trust. That's what you'll see in the eyes of the children featured in these pages. Over the years, the doctors and nurses at CHEO have earned the trust of thousands of worried parents as they put their little one's medical well being in their hands. At the Foundation we know that our donors put a high level of trust in us to use their donations in ways that are most beneficial to your children's hospital. It's a trust we hold in very high regard.

In an uncertain financial environment the importance of our mission statement becomes even clearer. At CHEO money is needed to provide the advanced tools, technologies, and medical research to treat our children and youth now and in the future. We recognize that people have numerous financial commitments. We are fortunate that so many choose to make CHEO part of these commitments. That's why we work closely with the hospital to ensure that their generous donations are being channeled to areas with the greatest needs. Last year the CHEO Telethon raised an outstanding total of \$5,984,176. That amount could not have been realized without a community that cares. From backyard bbqs to lemonade stands, sports tournaments and everything in between, funds are raised on our behalf by numerous companies, individuals and organizations who take time out of their busy lives to plan, co-ordinate and execute one

or more special events. The annual Tour Nortel event continues to grow each and every year and last year brought in a record \$685,146. Whether we hold a spring cycling event, a teddy bears' picnic or various lotteries we can trust that our community will come out to show their support.

Thanks to this support we can provide funding in the following areas:

Research start up grants      Equipment  
Staff education                      Family emergency needs  
Enhancements to the pediatric nature of CHEO

The Hospital and the Foundation boards collaborate to distribute funds where the needs are greatest.

Saying thank you just doesn't seem enough to express our gratitude for the undying support shown during our 2008 CTV Telethon for CHEO. The grand total of \$5,984,176 was announced at the end of the 24 hour broadcast and there were tears of joy. Over the 24 hour period many families welcomed us into their homes to share their victories and even their challenges and allowed us to cry and cheer right along with them. To the families that opened their private lives to us we say thank you and to all those who made a pledge we are moved by your support.

The Foundation commits approximately \$900,000 per year to the CHEO Research Institute for distribution to researchers starting new projects. Being a part of a teaching hospital means that CHEO's patients have access to new discoveries. People are more aware of the importance of research and how it fits into the bigger picture of child health and positive outcomes.

Once again, everyone at the Foundation would like to thank the incredible people of eastern Ontario, western Quebec and beyond, for the overwhelming support you show for CHEO. Your generosity is inspiring and will go a long way in what we trust will be a brighter future for our children and youth.

# Ethical Fundraising and Financial Accountability

## A. Donors' Rights

1. All donors are entitled to receive an official receipt for income tax purposes for the amount of the donation. Donors of non-monetary eligible gifts (or gifts-in-kind) are entitled to receive an official receipt that reflects the fair market value of the gift, according to Canada Revenue Agency guidelines. The Children's Hospital of Eastern Ontario Foundation ("Foundation") Board may establish a minimum amount for the automatic issuance of receipts, in which case smaller donations will be receipted only upon request.
2. All fundraising solicitations by or on behalf of the Foundation will disclose the Foundation's name and the purpose for which funds are requested. Printed solicitations (however transmitted) will also include its address or other contact information.
3. Donors and prospective donors are entitled to the following, promptly upon request:
  - the Foundation's most recent Annual Report and financial statements as approved by the Board;
  - the Foundation's registration number (BN) as assigned by Canada Revenue Agency;
  - any information contained in the public portion of the Foundation's most recent Charity Information Return (form T3010) as submitted to Canada Revenue Agency;
  - a list of the names of the members of the Board;
  - a copy of this Ethical Fundraising and Financial Accountability Code; and
  - a copy of the Foundation's "Donor Bill of Rights".
4. Donors and prospective donors are entitled to know, upon request, whether an individual soliciting funds on behalf of the Foundation is a volunteer, an employee, or a consultant.
5. Donors will be encouraged to seek independent advice if the Foundation has any reason to believe that a proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.
6. Donors' requests to remain anonymous will be respected.
7. The privacy of donors will be respected. Any donor records that are maintained by the Foundation will be kept confidential to the greatest extent possible. Donor records will be kept confidential unless consent to release the information is provided in writing by the donor or if the Foundation is required by law to release the information. All staff and related suppliers must sign Confidentiality Agreements. Donors have the right to see their own donor record, and to challenge its accuracy.

8. Under no circumstances will the Foundation exchange, rent, or otherwise share its fundraising list with other individuals or organizations.
9. Donors and prospective donors will be treated with respect. Every effort will be made to honour their requests to:
  - limit the frequency of solicitations;
  - not to be solicited by telephone or other technology; and
  - not receive printed material concerning the Foundation or CHEO.
10. The Foundation will respond promptly to a complaint from a donor or a prospective donor about any matter that is addressed in this Code. The President and Chief Executive Officer will attempt to satisfy the complainant's concerns in the first instance. A complainant who remains dissatisfied will be informed that he/she may appeal in writing to the Foundation Board and will be advised in writing of the disposition of the appeal.



Manolo Ethier

## B. Fundraising Practices

1. Fundraising solicitations on behalf of the Foundation will:
  - be truthful;
  - accurately describe the Foundation and CHEO's activities and the intended use of donated funds; and,
  - respect the dignity and privacy of those who benefit from Hospital activities.
2. Volunteers, employees and consultants who solicit or receive funds on behalf of the Foundation shall:
  - adhere to the provisions of this Ethical Fundraising and Financial Accountability Code;
  - act with fairness, integrity, and in accordance with all applicable laws;
  - adhere to the provisions of applicable professional codes of ethics, standards of practice, etc.;
  - cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure;
  - disclose immediately to the Foundation any actual or apparent conflict of interest; and
  - not accept donations for purposes that are inconsistent with the Foundation or CHEO's objects or mission.



# Code

3. Paid fundraisers, whether staff or consultants, will be compensated by a salary, retainer or fee, and will not be paid finders' fees, commissions or other payments based on either the number of gifts received or the value of funds raised. Compensation policies for fundraisers, including performance-based compensation practices (such as salary increases or bonuses) will be consistent with the Foundation's policies and practices that apply to non-fundraising personnel.
4. The Foundation Board will be informed at least annually of the number, type and disposition of complaints received from donors or prospective donors about matters that are addressed in this Ethical Fundraising and Financial Accountability Code.

## C. Financial Accountability

1. The Foundation's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of provincial and federal regulators.
2. All donations will be used to support the Foundation's objects, as registered with Canada Revenue Agency.
3. All restricted or designated donations will be used for the purposes for which they are given. If necessary, due to program or organizational changes, alternative uses will be discussed where possible with the donor or the donor's legal designate. If no agreement can be reached with the donor or his/her legal designate about alternative uses for a restricted or designated donation, the Foundation will return the unexpended portion of the donation. If the donor is deceased or legally incompetent, the donation will be used in a manner that is as consistent as possible with the donor's original intent.
4. Annual financial reports will:
  - be factual and accurate in all material respects;
  - disclose:
    - the total amount of fundraising revenues (receipted and non-receipted);
    - the total amount of fundraising expenses (including salaries and overhead costs);
    - the total amount of donations that are receipted for income tax purposes (excluding bequests, endowed donations that cannot be expended for at least 10 years, and gifts from other charities);
    - the total amount of expenditures on charitable activities (including gifts to other charities);

- identify government grants and contributions separately from other donations; and
- be prepared in accordance with generally accepted accounting principles and standards established by the Canadian Institute of Chartered Accountants, in all material respects.

5. No more will be spent on administration and fundraising than is required to ensure effective management and resource development. In any event, the Foundation will meet or exceed Canada Revenue Agency's requirement for expenditures on charitable activities.
6. The cost-effectiveness of the Foundation's fundraising program will be reviewed regularly by the Board.

It is with great delight that we report the grand totals of last year's radiothons held for CHEO. The Bear's *Have a Heart for CHEO* brought in \$230,960, and the Y101 *Country Cares Challenge for CHEO* raised \$159,220. Those totals mean success! Our CHEO families may be dealing with difficult diagnoses but they are still willing to take time out of their busy lives to share their experiences. All the DJ's show compassion and warmth as they relay these stories to their listeners. Radiothon days are emotional but at the end our community comes through with their support and for that we are most grateful.

# Statement of Management's Responsibility for Financial Statements

The accompanying financial statements of the Children's Hospital of Eastern Ontario Foundation are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. In 2007, the CHEO Foundation adopted the provisions of Section 3855 – Financial Instruments – of the accounting handbook issued by the Canadian Institute of Chartered Accountants.

The Foundation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, accurate, and complete, in all material respects, and that the Foundation's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance Committee, whose members are appointed by the Board.

The Finance Committee meets with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Finance Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the members in the Annual Report.



Frederick M. Bartlett  
President and CEO



Dan Holland  
Vice President,  
Finance

## Board of Directors (as of April 22, 2008)

### Executive Committee

Carol Devenny  
Gary Dunne  
David Gélinas  
Chantal Tourigny  
Michelle Valberg  
Robert Wener

David Gélinas  
Maureen Graham  
Barbara Hanna  
Bruce Hartley  
Joanne Lefebvre  
Roy MacLean  
Arlie Mierins  
Geoffrey O'Brian  
Deneen Perrin  
Chantal Tourigny  
Michelle Valberg  
Louise Wendling  
Robert Wener  
John Witherspoon

### Ex-Officio

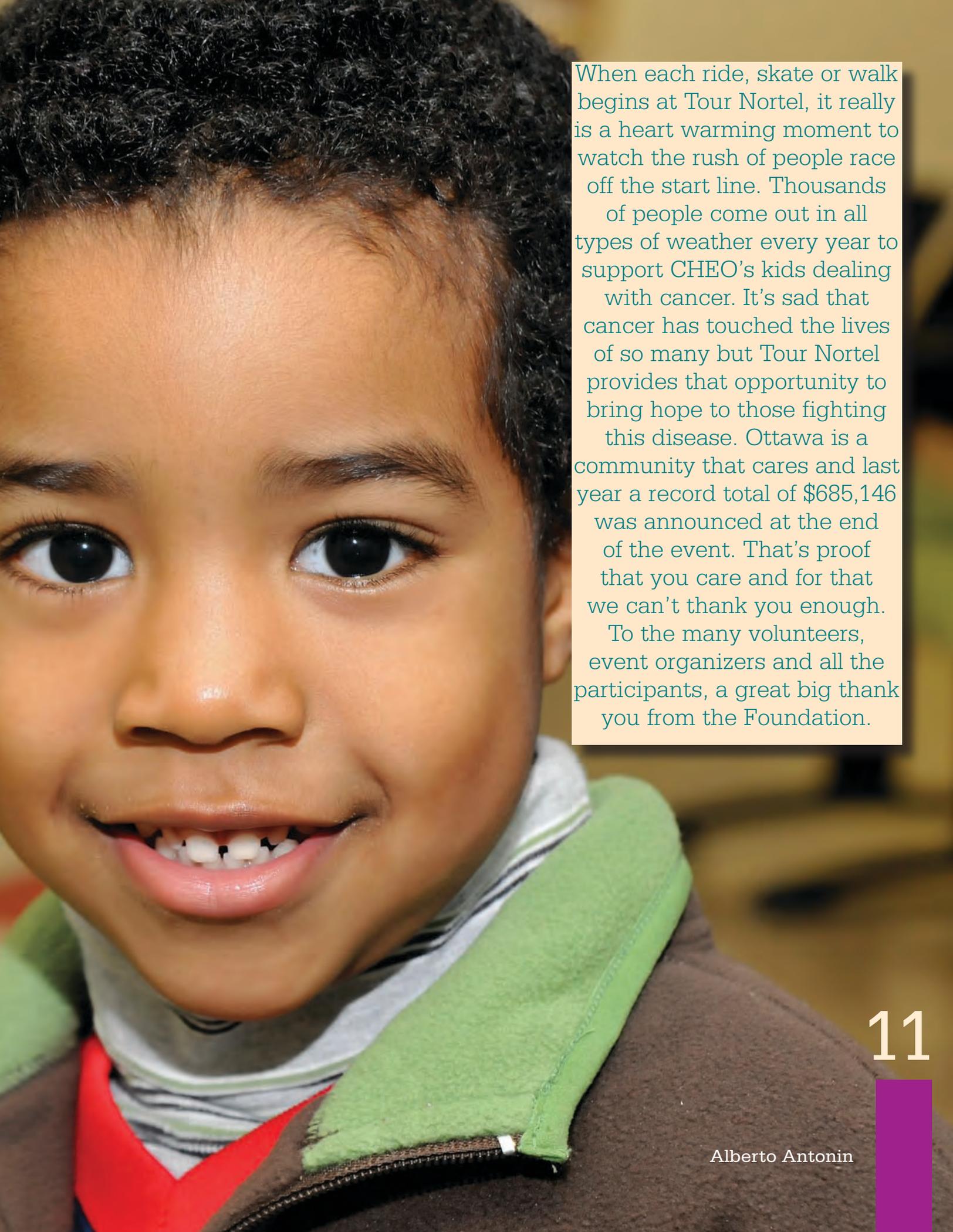
Frederick Bartlett  
Michel Bilodeau  
Christopher Lawton  
Dr. Alex MacKenzie  
Brian Radburn  
Brian Vézina

### Governors

Dennis Campbell  
David Cork  
Ian Hendry  
Robert E. Houston  
Fred Martin  
Dr. Stanley Mercer  
Mervin Mirsky  
Suzanne Pinel  
Elizabeth Roscoe  
Peter Rowan-Legg  
Robert Thomas  
Barry Turner

## 10 Board Members

Christopher Ashwood  
John Bergeron  
Louis Desjardins  
Carol Devenny  
Gary Dunne



When each ride, skate or walk begins at Tour Nortel, it really is a heart warming moment to watch the rush of people race off the start line. Thousands of people come out in all types of weather every year to support CHEO's kids dealing with cancer. It's sad that cancer has touched the lives of so many but Tour Nortel provides that opportunity to bring hope to those fighting this disease. Ottawa is a community that cares and last year a record total of \$685,146 was announced at the end of the event. That's proof that you care and for that we can't thank you enough. To the many volunteers, event organizers and all the participants, a great big thank you from the Foundation.



It's the water cooler topic every year...CHEO's spectacular Minto Dream Home and 2008 was no exception! With so many sponsors exceeding their previous year's contribution it's no wonder this lottery is a region favourite. It is a delight for Foundation staff to award so many prizes to happy winners but we are truly thankful that the entire community is helping us show our children and youth just how much we care. Thank you to our corporate community and thousands of ticket buyers.

# Financial Statements as of December 31, 2008

## Balance sheet

Children's Hospital of Eastern Ontario Foundation      Incorporated under the laws of Ontario

As at December 31	General Fund \$	Restricted Fund \$	Endowment Fund \$	Total 2008 \$	Total 2007 \$
<b>ASSETS</b>					
<b>Current</b>					
Cash	6,146,088	—	—	6,146,088	3,019,312
Short term investments	499,522	369,526	—	869,048	6,908,246
Interest and other receivables	437,407	—	—	437,407	462,536
Prepays	277,166	—	—	277,166	378,266
<b>Total current assets</b>	<b>7,360,183</b>	<b>369,526</b>	<b>—</b>	<b>7,729,709</b>	<b>10,768,360</b>
Long term investments	1,665,854	6,262,368	23,532,230	31,460,452	37,825,914
Net property and equipment	56,364	—	—	56,364	80,179
Other assets	52,727	—	—	52,727	35,357
	<b>9,135,128</b>	<b>6,631,894</b>	<b>23,532,230</b>	<b>39,299,252</b>	<b>48,709,810</b>

## LIABILITIES AND FUND BALANCES

### Current

Accounts payable and accrued charges	802,747	—	—	802,747	866,641
Deferred revenue	2,062,064	—	—	2,062,064	1,931,918
<b>Total current liabilities</b>	<b>2,864,811</b>	<b>—</b>	<b>—</b>	<b>2,864,811</b>	<b>2,798,559</b>

## FUND BALANCES

Donor restricted	—	6,631,894	5,753,630	12,385,524	19,199,438
Internally restricted	—	—	16,152,523	16,152,523	17,015,841
Unrestricted	6,213,953	—	1,626,077	7,840,030	9,615,793
Invested in property and equipment	56,364	—	—	56,364	80,179
<b>Total fund balances</b>	<b>6,270,317</b>	<b>6,631,894</b>	<b>23,532,230</b>	<b>36,434,441</b>	<b>45,911,251</b>
	<b>9,135,128</b>	<b>6,631,894</b>	<b>23,532,230</b>	<b>39,299,252</b>	<b>48,709,810</b>

On behalf of the Board

*David Gélinas*

David Gélinas  
Director

*Carol Devenny*

Carol Devenny  
Director

# Statement of operations

Children's Hospital of Eastern Ontario Foundation Incorporated under the laws of Ontario

Year ended December 31	General Fund \$	Restricted Fund \$	Endowment Fund \$	Total 2008 \$	Total 2007 \$
<b>REVENUE</b>					
Lotteries	7,430,515	—	—	7,430,515	9,649,436
Fundraising	5,799,127	2,140,844	—	7,939,971	7,249,280
Investment income	2,655,750	144,110	48,897	2,848,757	1,147,322
Bequests	494,742	—	809,307	1,304,049	1,524,298
Direct mail	313,606	—	—	313,606	321,972
Capital campaign	—	1,580,746	—	1,580,746	781,514
Miscellaneous revenue	241,212	—	—	241,212	197,260
	<b>16,934,952</b>	<b>3,865,700</b>	<b>858,204</b>	<b>21,658,856</b>	<b>20,871,082</b>
<b>EXPENSES</b>					
Direct fundraising expenses	6,459,918	429,508	—	6,889,426	7,578,922
<b>Revenues, net of direct fundraising expenses</b>	<b>10,475,034</b>	<b>3,436,192</b>	<b>858,204</b>	<b>14,769,430</b>	<b>13,292,160</b>
<b>INDIRECT EXPENSES</b>					
Other fundraising expenses	1,326,153	172,771	—	1,498,924	1,453,325
Administrative expenses	814,555	—	—	814,555	721,032
Impairment loss on equity investments	733,049	805,583	2,727,345	4,265,977	—
	<b>2,873,757</b>	<b>978,354</b>	<b>2,727,345</b>	<b>6,579,456</b>	<b>2,174,357</b>
<b>Excess of revenues over expenses before distributions</b>	<b>7,601,277</b>	<b>2,457,838</b>	<b>(1,869,141)</b>	<b>8,189,974</b>	<b>11,117,803</b>

William MacDonald



Ella and her dad David Courteau-Lenoir



Morgan MacIntyre



Isla MacIntosh

## Statement of changes in net assets

<u>Children's Hospital of Eastern Ontario Foundation</u>		<u>Incorporated under the laws of Ontario</u>			
Year ended December 31	2008			2007	
	General Fund	Restricted Fund	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	7,713,745	13,225,407	24,972,099	45,911,251	40,903,742
Excess of revenues over expenses	7,601,277	2,457,838	(1,869,141)	8,189,974	11,117,803
Distributions to Children's Hospital of Eastern Ontario and outside agencies:					
Capital and programs	(108,399)	(12,583,264)	—	(12,691,663)	(5,608,389)
Contribution of services	(31,123)	—	—	(31,123)	(26,043)
Net change in fund balances for the year	<b>7,461,755</b>	<b>(10,125,426)</b>	<b>(1,869,141)</b>	<b>(4,532,812)</b>	5,483,371
Interfund transfers	(8,065,192)	4,713,886	3,351,306	—	—
Net unrealized loss	(839,991)	(1,181,973)	(2,922,034)	(4,943,998)	(475,862)
<b>Balance, end of year</b>	<b>6,270,317</b>	<b>6,631,894</b>	<b>23,532,230</b>	<b>36,434,441</b>	45,911,251

# Statement of Management's Responsibility for Financial Statements

To assure that our donors and prospective donors can have full confidence in the CHEO Foundation and the Children's Hospital of Eastern Ontario, we declare that all donors have the following rights:

1. To be informed of the CHEO Foundation's mission, of the way we intend to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of the CHEO Foundation's governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.
3. To have access to the CHEO Foundation's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the CHEO Foundation, or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.



Wade Reith

Developed by:  
American Association of Fund Raising Counsel (AAFRC)  
Association of Health Care Philanthropy (AHP) Council for Advancements and Support of Education (CASE)  
National Society of Fund Raising Executives (NSFRE)



## Thank you

Michelle Valberg generously donates her time and materials to create beautiful pictures of CHEO children for use in the Foundation's Annual Report and fundraising materials. For more information about Michelle's photography visit her web site: [www.valbergimaging.com](http://www.valbergimaging.com).

