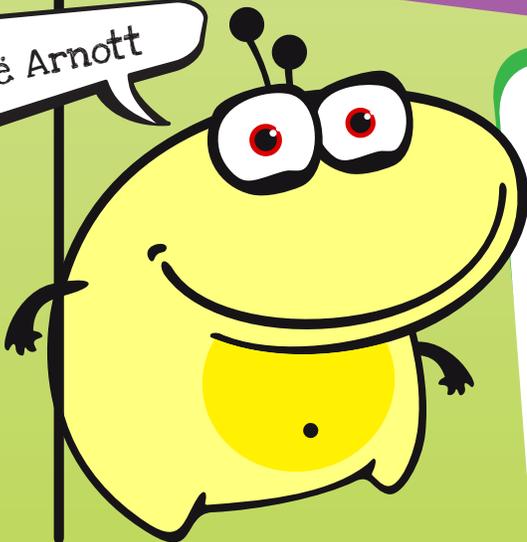




2011 Annual Report



Zoë Arnott



Their smiles are
the Foundation
for care and
discoveries

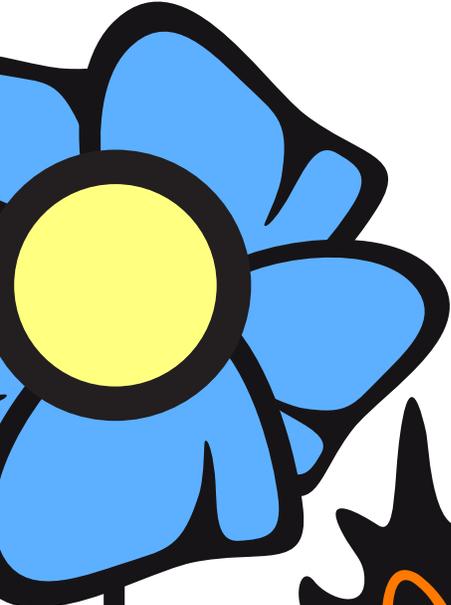
CHEO Foundation President and Chair message



Chantal Tourigny
Chair
CHEO Foundation Board of Directors



Frederick M. Bartlett
President and CEO
CHEO Foundation



Searching for the smile

When a child spends an extended period of time in hospital due to medical challenges, one of the most welcome sights a parent can see is a smile on the face of their son or daughter. The playrooms here at CHEO provide a space where children can escape the rigours of their treatment, and do what kids do best; play, laugh and smile. While on throughout the rest of the hospital that will help current CHEO patients get back to their normal lives, and make sure fewer children need to come to CHEO in the future. Improved service and leading edge research are critical elements in the advancement of pediatric health care. Both were well served in 2011 in the hospital and the CHEO Research Institute.

After successfully using a "Lean" approach in CHEO's Emergency Department to reduce wait times, last year CHEO began another "Lean" journey in their perioperative area. As a result, the hospital saw an increased use of operating rooms by 4.5 percent, a new and improved surgical booking process and a 15 percent improvement in the start time of the first surgery/procedure of the day. In April 2011, in accordance with the Excellent Care for All Act, CHEO publicly released its Quality Improvement Plan for the fiscal year. Each hospital set its own targets based on strengths it would like to build on, and areas it would like to improve. Targets in CHEO's Quality Improvement Plan included hand hygiene, Emergency Department wait times and patient satisfaction. These are just a few examples of CHEO's commitment to improving health care for our children and youth.

The CHEO Research Institute is making great strides in many areas including cancer, juvenile diabetes, childhood obesity, youth mental health, neonatal pain research, pediatric bone health, concussion research in children and more. Donor dollars continue to fuel ground-breaking discoveries today for healthier kids tomorrow. For more information about the CHEO Research Institute please visit www.cheori.org.

This high level of care and research could not be reached without the support of the people of eastern Ontario and western Quebec and support for the CHEO Foundation has never been better than in 2011. Once again our supporters came through with record donations and over 250 special events were held for CHEO. The Y101 Radiothon and Astral radiothons raised \$106,598 and \$201,146 respectively. The CN Cycle for CHEO raised its biggest total ever at \$621,147 and the final tote board for the 2011 CHEO Telethon on CTV came in at a record setting \$6,335,595!

It is with the warmest gratitude that we acknowledge our supporters who invest their hard-earned money and time to make all of the care and discoveries possible. Without them, we would not be able to publish a report that shines such a positive light on the future of pediatric health care here at CHEO.

On behalf of all the children and youth who rely on CHEO, we thank our caring and giving community. Your unwavering support will help fund the hospital programs, lifesaving research and specialized equipment that will keep CHEO strong... and that will keep us all smiling!

Frederick M. Bartlett

Chantal Tourigny



Where discoveries happen every day



When I arrived at CHEO in November, I was not at all surprised to find myself in an organization that delivers quality care to the families of this community. But it was wonderful to see, first hand, the passion, persistence and innovation with which CHEO faces a challenge.

The last year was the most challenging year in CHEO's history. We saw more children and youth in Emergency than ever before, conducted more surgeries, admitted more to hospital, and saw a record number of patients in our clinics.

I can't tell you how proud I am of the men and women on the CHEO team – the nurses, doctors, allied health and administrative staff, trainees and volunteers who pulled together and worked so hard to care for the families in this community.

We will face many challenges in health care in the years to come. Even though the population is aging, the actual number of children and youth in our region will grow. In fact, the government predicts that the population of children and youth 0 – 19 in Ottawa will grow 38 percent between 2010 and 2036 – significantly higher than the provincial average.

We'll need to make sure the unique needs of pediatric health centers like CHEO don't get lost in the shuffle. This is particularly important in the context of Ontario health reform.

There has been much media coverage of the recent report from the Commission on the Reform of Ontario's Public Services – or the "Drummond Report," as it is more commonly called.

Many of the recommendations from the report herald good news for hospitals. As the province invests more in primary care providers, specialty clinics and community resources, it will relieve some of the pressure on our Emergency Department and other clinical programs. Also, we should be pleased with the emphasis placed on mental health – it is a great indicator of how far society has come in the last few years on understanding the issue.

CHEO's priority will be to advocate for system changes that help children, youth and families - changes that will give families more options, help them get care closer to home, and help them more easily navigate the system.

Even though the catalyst for health reform in Ontario may be the challenging fiscal environment, we are optimistic that through innovative thinking we can create a health system that enables more patient-centric care – where patients get the type of care they need, in the way they need it; and where they are more engaged in their own care through a regular and informed two-way dialogue with their care providers.



Teagan Fournier

Jacob Crossman and Molly Penny



Cont'd

As a society, we also have the opportunity to think longer-term than the challenges of today's aging population. Healthier, stronger children mean healthier, stronger adults. And that means a stronger foundation for Canada in every sense – economy, culture, health... you name it.

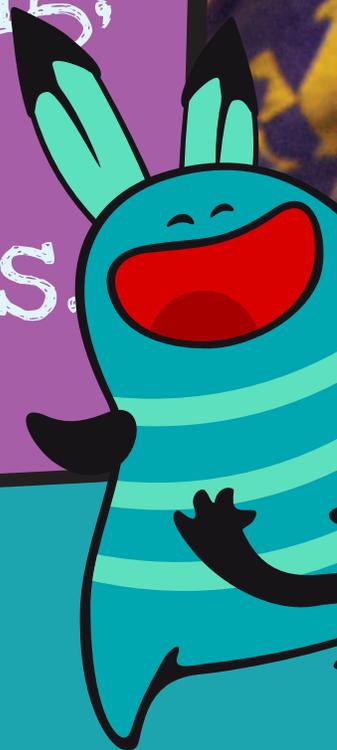
The doctors and nurses at CHEO help change the entire trajectory of young people's lives, every day. Tomorrow starts right here. And you help make this work possible. You help protect our future.

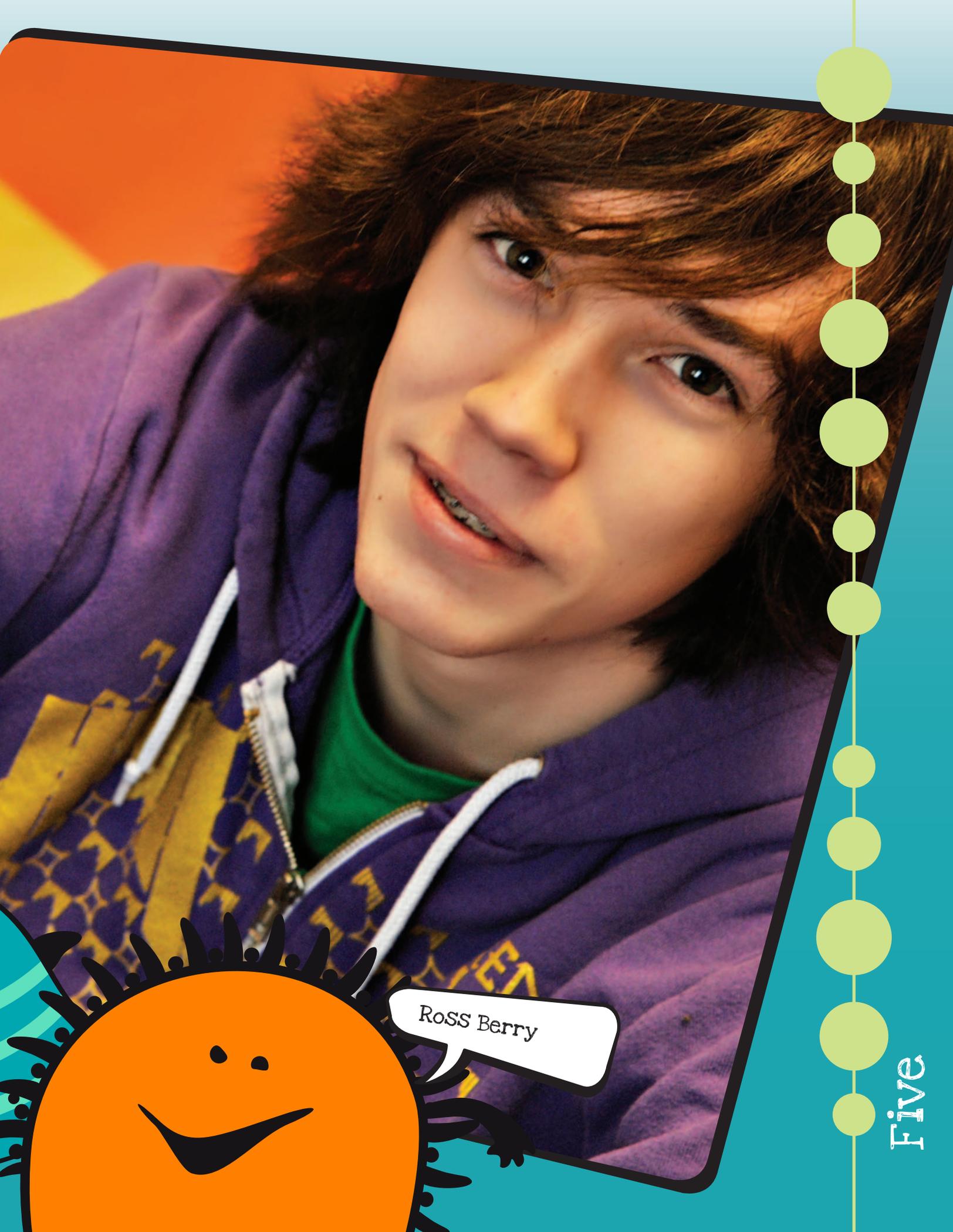
On behalf of all CHEO patients and staff, I offer a very sincere and heartfelt thank you. It was your support that made the dream of a children's hospital in Ottawa a reality, and it is your support that will solidify our future.

Alex Munter
President and CEO, CHEO

CHEO Foundation

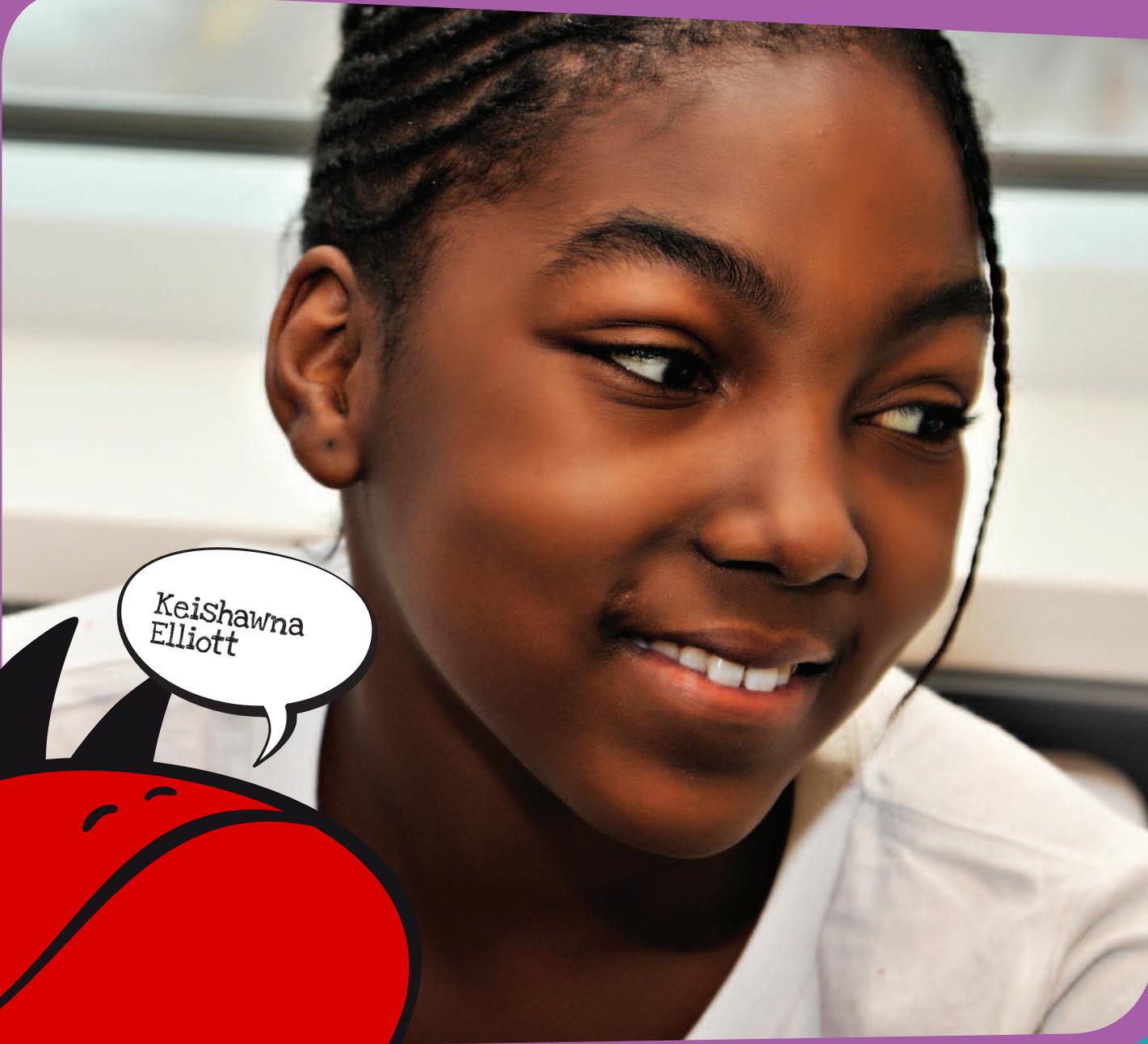
Our mission: To further the physical, mental and social well-being of children and their families in eastern Ontario and western Quebec by raising, managing and disbursing funds.





Ross Berry





Keishawna
Elliott



Thank you - a
conversational
expression of
gratitude.

Thanks - an acknowledgment of appreciation.



For CHEO Foundation staff, using the phrase thank you is extremely important. Some describe it as an honour, others call it a privilege. We have so many people to thank in our community for a multitude of reasons.

Generous donors prove year after year that supporting children's healthcare is extremely important. Patient families continue to let us into their lives to share their CHEO experiences and help inspire people to give. Corporations and organizations give their products and services without wanting anything in return. Ensuring our children's hospital is leading-edge in patient care and research is their priority and for that we are eternally grateful.

Foundation staff members have a very unique role in the hospital. Not only do we build relationships with our giving public and the organizers of over 250 special events held each year on our behalf, we have the opportunity to develop relationships with many CHEO patients. These children and youth teach us on a daily basis that it is the little things that count. We all know how important it is to fund new equipment and ensure the hospital is expanding to meet growing needs but the little added touches are also important. It's the bright, friendly colours on the walls, the decals of ladybugs in the waiting rooms, having a volunteer read a child a book as they wait for an appointment, and having a room just for teens to watch their age appropriate shows or play their video games. To top it all off, the doctors, nurses and caregivers always have a smile and a friendly hug when needed.

Our supporters help make this hospital a well-rounded institution and every year the total at the annual telethon is a telling tale. It's that support that allows the hospital staff to keep CHEO in high standing. The Hospital, the CHEO Research Institute and the Foundation collaborate to distribute funds where the needs are greatest. These areas include:

- Research, including start up grants
- Staff education
- New equipment
- Family emergency needs
- Enhancements to the pediatric nature of CHEO

For your financial support, for telling your story, for giving so generously in so many ways, we extend our heartfelt thanks...not because we feel we have to but because we want to. On behalf of the children and youth that rely on CHEO, thank you for building beautiful relationships with us.

Just a few more small steps...



2011 saw the CHEO Foundation take some huge steps towards the \$25 million goal in our BIG STEPS campaign. When we closed the books at year end, the finish line was incredibly close and we look to be celebrating the completion of the BIG STEPS Campaign early in 2012!

During the year numerous supporters came on board with gifts that have brought us this close. Their generosity and commitment has accelerated our climb to the top of the staircase that is CHEO's BIG STEPS Campaign.

Thanks to these donors CHEO was able to acquire much needed state-of-the-art equipment. A new monitoring system which improves patient safety and medical outcomes and a new ultrasound suite with additional rooms that will reduce wait time for exams are just a few examples .

Funds from the CHEO's BIG STEPS campaign also helped open a new facility at The Ottawa Hospital designed to enable researchers to answer the big questions that can truly change medical practice and make a difference for patients. On December 14th The Centre for Practice-Changing Research opened its doors. The Centre is a two storey building that provides space for approximately 335 clinicians, researchers and staff from The Ottawa Hospital and CHEO. Affiliated with the University of Ottawa, the building is connected to all three institutions at the Smyth Road academic health sciences centre, and will enhance patient care and help recruit and retain the best and brightest clinicians and researchers.

Our ambitious goal of \$25 million is now a certain reality thanks to all the incredible BIG STEPS supporters and for this we are humbled and incredibly grateful. CHEO's BIG STEPS Campaign is just another example of the very special relationship that exists between our children's hospital and the people in our very generous and giving community. The children and youth that come through CHEO's doors are the true inspiration for the doctors, nurses and staff who care for them. The commitment shown by the people of our region further fuels their passion and that can only mean better health care for our kids... and that's what CHEO's BIG STEPS Campaign is all about.

Kelly-Ann
Pétrin



Matthew and Sarah Maia



Nine



Robert Jacob
Toll and
Marjorie Barr
RN



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

Exavier and
Quinton Harrison

Eleven

Board of Directors

Executive Committee

Vicki Clement
Gary Dunne
David Gélinas
Roy MacLean
Chantal Tourigny

Board Members

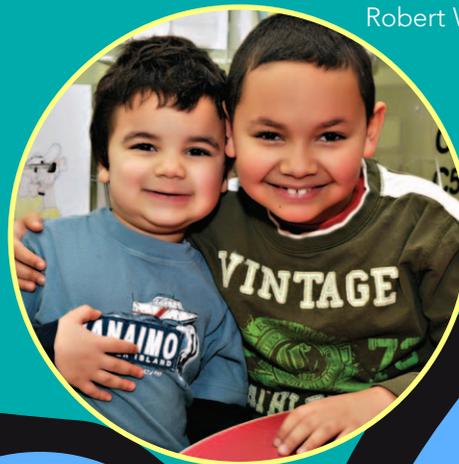
Ken Ages
Sandy Clement
Vicki Clement
Duncan Dee
Louis Desjardins
Gary Dunne
Liseanne Forand
David Gélinas
Gilles Lalonde
Joanne Lefebvre
Roy MacLean
Robin Madigan
Mahesh Mani
Geoffrey O'Brian
Pierre Riel
Richard Sachs
Mary Taggart
Chantal Tourigny
John Witherspoon

Ex-Officio

Frederick Bartlett
Peter Berry
Alex Munter
Dr. Martin Osmond
Vanessa Pleasance
Jason Shinder

Governors

Dennis Campbell
David Cork
Ian Hendry
Robert E. Houston, OC
Fred Martin
Suzanne Pinel
Elizabeth Roscoe
Peter Rowan-Legg
Robert Thomas
Barry Turner
Robert Wener



Children's Hospital of Eastern Ontario Foundation

Incorporated under the laws of Ontario

Balance Sheet

As at December 31

	General Fund \$	Restricted Fund \$	Endowment Fund \$	Total 2011 \$	Total 2010 \$
ASSETS					
Current					
Cash and cash equivalents	6,342,181	—	—	6,342,181	5,388,558
Short-term investments	766,692	642,667	—	1,409,359	2,437,141
Interest and other receivables	844,401	—	—	844,401	659,365
Prepaid expenses	177,399	—	—	177,399	242,762
Total current assets	8,130,673	642,667	—	8,773,340	8,727,826
Long-term investments	3,341,051	8,224,452	31,624,298	43,189,801	45,121,584
Property and equipment, net	28,188	—	—	28,188	35,213
Other assets	89,077	—	—	89,077	75,534
Total assets	11,588,989	8,867,119	31,624,298	52,080,406	53,960,157
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued charges	1,394,770	—	—	1,394,770	1,680,254
Deferred revenue	1,646,084	—	—	1,646,084	1,597,469
Total current liabilities	3,040,854	—	—	3,040,854	3,277,723
Fund balances					
Donor restricted	—	8,867,119	8,123,520	16,990,639	19,563,210
Internally restricted	8,519,947	—	21,658,074	30,178,021	29,110,573
Unrestricted	—	—	1,842,704	1,842,704	1,973,438
Invested in property and equipment	28,188	—	—	28,188	35,213
Total fund balances	8,548,135	8,867,119	31,624,298	49,039,552	50,682,434
	11,588,989	8,867,119	31,624,298	52,080,406	53,960,157

On behalf of the Board:

Director

Director

Chantal Touigny *Vicki Clement*

Children's Hospital of Eastern Ontario Foundation

Statement of Operations

For the year ended December 31

	General Fund \$	Restricted Fund \$	Endowment Fund \$	Total 2011 \$	Total 2010 \$
REVENUE					
Lotteries	8,481,097	—	—	8,481,097	8,198,754
Fundraising	6,335,874	1,036,751	—	7,372,625	7,446,998
Investment income	1,874,703	189,472	150,363	2,214,538	2,349,933
Bequests	767,887	—	332,837	1,100,724	1,364,211
Direct mail	292,646	—	—	292,646	316,141
Capital campaign	—	2,325,648	—	2,325,648	2,650,970
Miscellaneous revenue	255,509	—	—	255,509	158,361
	18,007,716	3,551,871	483,200	22,042,787	22,485,368
EXPENSES					
Direct fundraising expenses	6,707,023	45,753	—	6,752,776	6,911,527
Revenue, net of direct fundraising expenses	11,300,693	3,506,118	483,200	15,290,011	15,573,841
INDIRECT EXPENSES					
Other fundraising expenses	1,559,785	246,929	—	1,806,714	1,695,611
Administrative expenses	848,259	—	—	848,259	856,296
	2,408,044	246,929	—	2,654,973	2,551,907
Excess of revenue over expense before distributions	8,892,649	3,259,189	483,200	12,635,038	13,021,934



Shelyna Turpin
Mélodie Matte
Tristen Hurdis



Children's Hospital of Eastern Ontario Foundation Statement of Changes in Fund Balances

For the year ended December 31

	General Fund \$	Restricted Fund \$	Endowment Fund \$	Total 2011 \$	Total 2010 \$
Balance, beginning of year	7,852,558	11,510,801	31,319,075	50,682,434	45,238,363
Excess of revenue over expenses before distributions	8,892,649	3,259,189	483,200	12,635,038	13,021,934
Distributions to Children's Hospital of Eastern Ontario and outside agencies:					
Capital and programs	(153,519)	(10,347,214)	—	(10,500,733)	(9,400,826)
Contribution of services	(29,694)	—	—	(29,694)	(29,736)
Net change in fund balances for the year	8,709,436	(7,088,025)	483,200	2,104,611	3,591,372
Interfund transfers	(7,360,629)	5,121,949	2,238,680	—	—
Net change in unrealized (loss) gain on investments	(653,230)	(677,606)	(2,416,657)	(3,747,493)	1,852,699
Balance, end of year	8,548,135	8,867,119	31,624,298	49,039,552	50,682,434

Children's Hospital of Eastern Ontario Foundation

Statement of Cash Flows

For the year ended December 31

	2011 \$	2010 \$
OPERATING ACTIVITIES		
Excess of revenue over expenses before distributions	12,635,038	13,021,934
Items not affecting cash:		
Amortization	8,891	21,309
Loss (gain) on disposal of investments	(893,131)	(1,197,272)
Net change in non-cash working capital balances related to operations	(370,085)	332,200
Cash provided by operating activities	11,380,713	12,178,171
FINANCING AND INVESTING ACTIVITIES		
Sale (purchase) of investments, net	105,203	(3,434,789)
Additions to property and equipment	(1,866)	(24,573)
Distributions	(10,530,427)	(9,430,562)
Cash used in financing and investing activities	(10,427,090)	(12,889,924)
Net change in cash during the year	953,623	(711,753)
Cash and cash equivalents, beginning of year	5,388,558	6,100,311
Cash and cash equivalents, end of year	6,342,181	5,388,558



Victor Fuenmayor

Donor bill of rights

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.

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)



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.

CHEO is a proud member of



**Children's
Miracle Network**

Thanks!