

CHEO

FOUNDATION
FONDATION



Fulfilling their dreams



Patrick Milindi



2012 ANNUAL REPORT

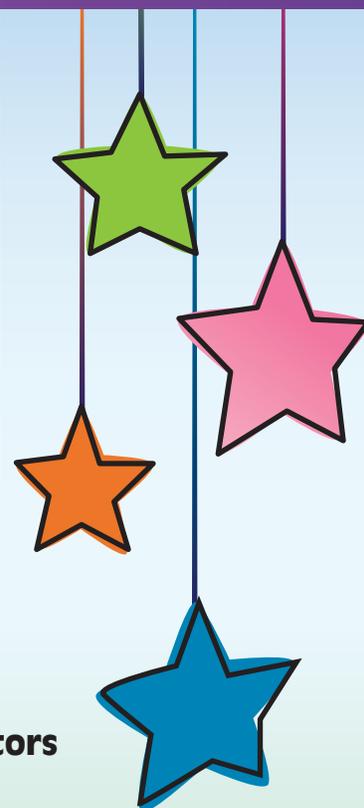
CHEO Foundation President and Chair message



Kevin Keohane
President and CEO
CHEO Foundation



Gary Dunne
Chair
CHEO Foundation Board of Directors



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.

Dreams can come true

Every night at CHEO, 100 or so children and youth, many with a parent at their side, settle in for a night of sleep that is hopefully filled with sweet dreams; dreams that act as a reprieve from whatever medical challenges have them spending days at CHEO, instead of being at home or school. Their parents all have a common dream... and it is a simple one. They dream that their child will soon be healthy, and for a return to normal family life where their children can learn, play and grow.

These dreams fuel the passion of everyone who works here at the CHEO Foundation, CHEO, and the CHEO Research Institute, and we consider ourselves so very fortunate that these dreams are shared by the kind and generous people in our region. Community support continues to impact life at both the Hospital and the Research Institute.

Perhaps nothing illustrates the depth and strength of community support for CHEO as dramatically as the approximately 250 special events that raise money for the hospital throughout the year. Many of them celebrate their achievement and show their pride by presenting the proceeds from their events during the annual CHEO Telethon on CTV. When the Telethon wrapped up in 2012 the final tally on the tote board was an astonishing \$6,448,260. These numbers and the incredible volunteer support that enables the success of the CHEO Telethon weekend are true indicators of the special place CHEO holds in the hearts of the people in eastern Ontario and western Quebec.

Meeting the mental health needs of our patients and their families continues to be a priority for the hospital. This past year local mental health service providers announced "The Bridges Project," a new service that will bridge the serious service gap for youth suffering from a mental health crisis and in need of intensive treatment in the community that has not been available until now. The Bridges Project brings together CHEO, Ottawa Public Health, the Royal Ottawa Health Care Group and the Youth Services Bureau who are joining forces for the first time. We also continue to see great success with the Youth Transition Program. This is a new shared care model for young clients struggling with health care transitions and is aimed at youths aged 16 to 24 with complex mental health conditions. The program has brought together nine local primary and specialized mental health and addiction services for children and adults to develop new pathways intended to create a smooth transition to adult mental health services. To date, the program has assisted approximately 140 youth.

On Sunday, May 6, 2012 thousands of participants joined together to show CHEO's oncology patients that as a team we can make a difference. Thanks to outstanding fundraising efforts, the **CN Cycle for CHEO** raised an astounding **\$652,499**. Thank you to our title sponsor CN, corporate sponsors, volunteers and everyone who took part in making this another successful event!

The CHEO Research Institute continues to make discoveries for healthier kids in our community and beyond. Clinical investigators and basic scientists alike have made great strides in pediatric research areas including: rare genetic disorders, lung disease, cancer, diabetes, bone health, obesity, mental health, concussion and much more. Your support helps to bolster the profile of research at CHEO and we are attracting and retaining world-class talent as a result.

It was a wonderful year, and as we look to the future and embrace the changes that are coming to our children's hospital, the Foundation must also explore new possibilities. Whether it's adjustments to how we run current events and programs, or new initiatives like *Forever CHEO* that reminds people that leaving a gift in Will allows the caring and compassion they showed for our children during their life to continue in perpetuity after they are gone.

Our warmest thanks to all of our supporters who help keep dreams alive and make dreams come true for CHEO's patients and their families.

Kevin Keohane

Gary Dunne





Alyssa Shouldice

CHEO President message



Alex Munter
President and CEO
CHEO

The last 10 years at CHEO can be characterized by growth. Our program funding nearly doubled, as have the number of physicians. We've added two new wings and half a dozen major regional or provincial programs. And we've quadrupled the size of our research infrastructure.

This would not have been possible without the unbelievable and unwavering commitment of this community. Thank you.

We have always prided ourselves on the quality of the care – and caring – we provide to the children and youth in this community. But we are committed to being the best CHEO that we can be and we know there is much more we can do to better connect care for our patients and to be the most responsible stewards of every resource. I'd like to share a few new initiatives from the last year to illustrate the journey we are taking on your behalf:

Mental Health

In October local mental health service providers announced "The Bridges Project" a new service that will bridge the serious service gap for youth suffering from a mental health crisis and in need of intensive treatment in the community that has not been available until now. More than 150 teenagers in the Ottawa community fall into this gap in the mental health system every year.

The Bridges Project sees CHEO, Ottawa Public Health, the Royal Ottawa Health Care Group and the Youth

The **CHEO Telethon** on CTV provides an opportunity for the Foundation staff to thank our very generous community for their unwavering support. CHEO patients and their families invite us into their homes every year and give us a glimpse of their health challenges and successes. These heartwarming stories of patients and staff inspired our Ottawa community to raise an impressive grand total of **\$6,448,260**. Sincere thanks to all the families for sharing their stories and a huge thank you to our loving community who continue to hold CHEO near and dear to their hearts.

Services Bureau join forces for the first time. By pooling all our unique expertise and resources, we will address service gaps and offer an intensive treatment program for teenagers in crisis, outside the hospital setting.

Continuous Improvement

A few years ago we began using a “Lean” approach to successfully reduce wait times in CHEO’s Emergency department as well as our operating rooms. “Lean” is a system which formally and continuously reviews processes and identifies ways to improve quality while removing inefficiency.

It only made sense to carry forward this success. This past year CHEO set its “Lean” sites on its Medical Day Unit, Oncology and Dialysis clinics for a major project that helps us treat more patients while maintaining and improving patient safety.

Families have already remarked on the results – waiting less time and seeing their primary physician more often. We’ll roll out “Lean” more broadly in the organization next year.

Transitions

CHEO has launched a new pilot program to facilitate the transition of adolescents from pediatric to adult health services. Adolescence is a time of intense change, and the lack of

a transitional process can impact the ability of the adult service providers to treat these young adults, which in turn can lead to stressful and difficult situations for the youth and their families.

The philosophy of CHEO’s “On My Way” transition program is that children and youth with chronic health conditions can acquire skills and knowledge, while in the pediatric health system, which will assist them in successfully managing their own care now and in the future.

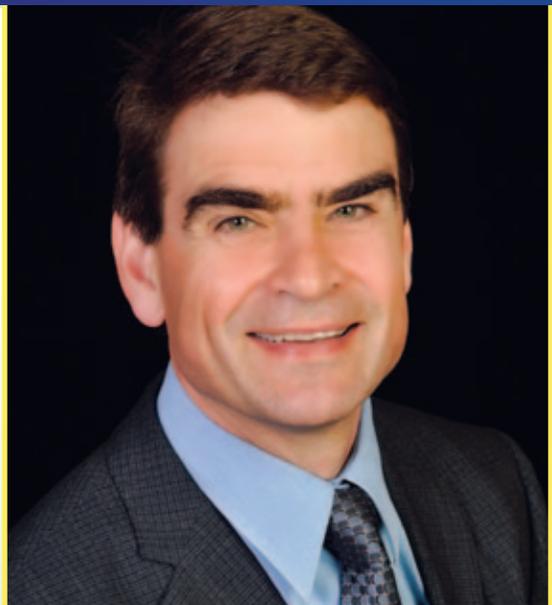
In the last fiscal year, CHEO rolled out the pilot program in one clinic, and hopes to roll out the program more broadly next year.

CHEO is committed to improving access to safe, quality care and providing an exceptional experience for every patient and family. Last year we embarked on a comprehensive strategic review to help us determine how we can best serve our community in the future. We’ll be solidifying these directions and charting a clear path forward in the coming months. I look forward to introducing you all to the next generation of CHEO.

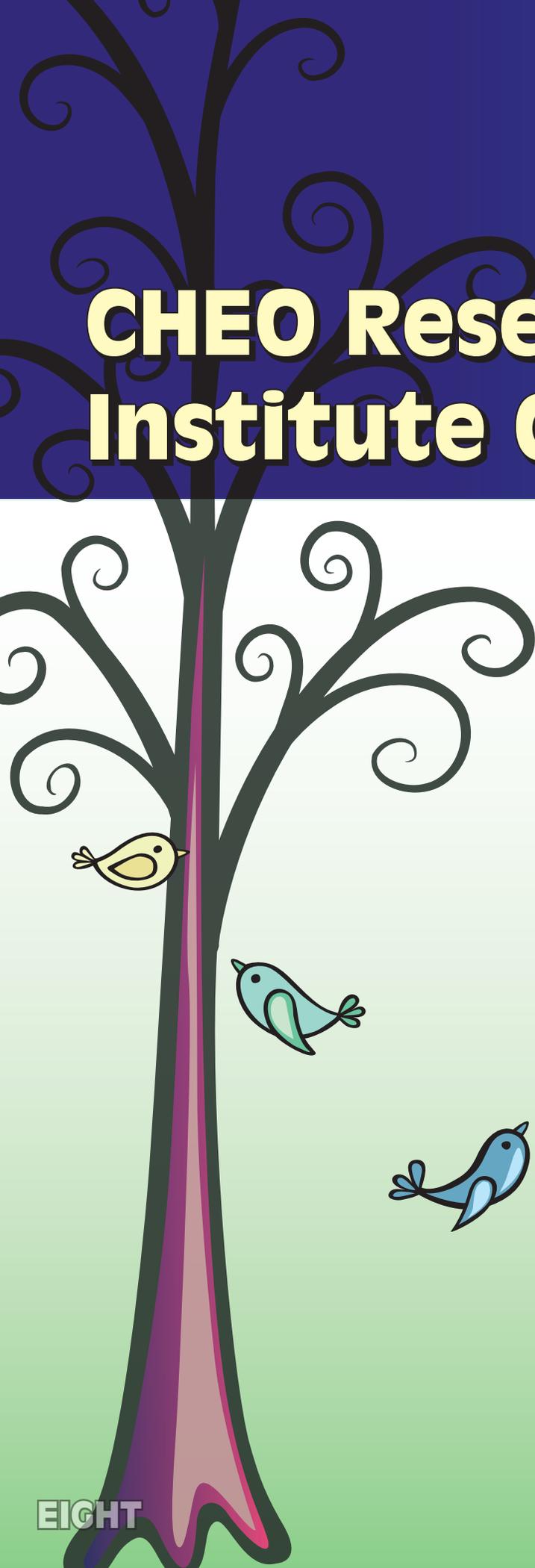
Please know how committed we are to making the most responsible use of every dollar you donate – focused with absolute clarity on the children, youth and families of this community.

Alex Munter

CHEO Research Institute CEO message



Dr. Martin Osmond
CEO and Scientific Director
CHEO Research Institute



In 2012 our radio partners, Astral Media and Y101 raised **\$185,221** and **\$108,000** respectively during **Astral Media's CHEO Kids' Radiothon for CHEO** and **Y101's Country Cares Challenge for CHEO**. Our kids and families shared their touching stories and the total pledges reflected how these loyal radio listeners cared. Thank you to our supportive radio partners and to our wonderful families who share their experiences so openly.

It's been proven time and again that the best hospitals are those backed by evidence-based research, which is why I am so proud to lead the 250+ researchers at CHEO! We have such a diverse group of dedicated clinical investigators and basic scientists alike who all work toward one goal – to make discoveries today for healthier kids tomorrow.

Each day we hunt for answers to the healthcare questions we face at the bed side, as we're fuelled by unwavering caring and concern for the well-being of our patients. The most satisfying part of working at the CHEO Research Institute is that our discoveries make a positive impact on children and youth in our community and beyond.

The CHEO Research Institute is not the largest by size or funding metrics, but when compared to other research facilities around the world, we're ranked in the top six per cent world-wide for the impact of our published work. I'm so proud of the quality of our scientists and the importance of their work.

I wish I had enough space to tell you about every superstar who works in the labs, with patients, or in administration at the CHEO Research Institute. It takes a proverbial village and a significant investment of time and resources to make research work. Thanks to the tremendous support of our community and their trust in the CHEO Foundation – whether by committing to its Big Steps campaign

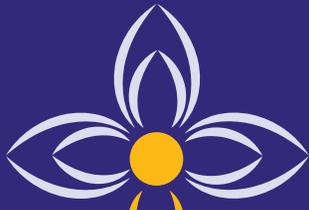
or providing funding for our research operations – you continually back research at CHEO and we are so grateful.

Not long ago, I reported that our NeuroRare Research group was identifying the cause of rare genetic disorders at the rate of one disease per week! We are still working along this continuum thanks to your support. Our other key themes of research include cancer, childhood obesity, mental health and emergency medicine. Did you know that a large proportion of the children visiting the CHEO Emergency Department are exposed to an ongoing research project? Research is literally everywhere at CHEO!

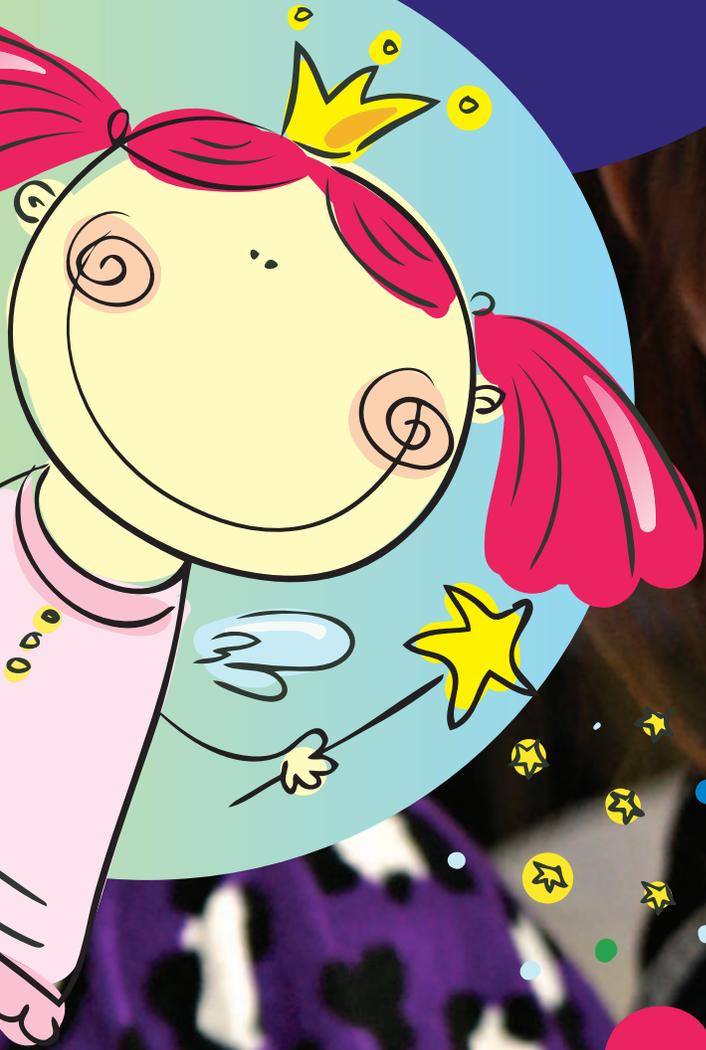
We dream of finding cures to problems that affect the health and well-being of children both in our community and beyond. I encourage you to follow our ongoing success by visiting the CHEO Research Institute online at www.cheori.org/news.

Dr. Martin Osmond





FOREVERCHEO



TEN

What is Forever CHEO?

It is a way to ensure that CHEO will always be here to provide excellent care, life-saving research and invaluable support to children and their families every day.

When you leave a gift in your Will to CHEO you have the option of designating it to address immediate needs within the Hospital, the Research Institute or the Forever CHEO Endowment Fund. This fund will preserve the full amount of your gift and disperse the interest to CHEO annually. Since the fund will live on in perpetuity, so will your gift to future generations of children at CHEO. This is a way to leave a permanent and meaningful mark on your community.

For more information about making a gift in Will or about Forever CHEO, please contact Megan Doyle Ray at megandoyle@cheofoundation.com or (613) 738-3694.

Ruth and Bill Hamilton's Forever CHEO Legacy

Ruth and Bill Hamilton were two hard working ordinary Canadians who achieved many extraordinary things during their lifetime. Although they never had children of their own together, they left a permanent mark on many young lives of the patients and their families at CHEO.

When Ruth Hamilton died in 2011, she had already established an endowment fund with the CHEO Foundation in the name of her late husband, the Honourable William McLean Hamilton. She chose to make The Honourable Bill and Ruth Hamilton Endowment Fund's purpose "to alleviate the pain and suffering of children that are physically handicapped." The annual interest generated from this fund has helped many children, youth and families for 12 years during Ruth's lifetime and will continue to do so in perpetuity. Given Ruth's commitment to children with specialized needs it was important to her that she also include CHEO in her Will. Bill and Ruth Hamilton left \$1.2 million to CHEO, the largest such gift in our history. It is always inspiring and interesting to understand the motivation behind such gifts. We would like to share with you the story behind Bill and Ruth's personal motivation to support the children at CHEO.

The first motivation was most likely because of the challenges that her husband Bill Hamilton faced during his lifetime. Bill Hamilton was born in 1919 in Montreal with a serious physical handicap that greatly limited what he was able to do physically. Bill did not let this slow him down and largely due to his father's "can do" attitude he grew into a very determined, hard-working young man. He served as a Montreal City Councillor and then in 1952 was elected to Parliament and became a cabinet minister in the Diefenbaker government and later Post-Master General. This is where he met Ruth who was working as a secretary on Parliament Hill across the hall from his office. They married in 1954 and began a life-long partnership.

The second motivation may have been that Ruth had an infant daughter from her first marriage to a World War II veteran who was killed on an air training flight in 1946. This child died at only three months of age from, what we now know as, Sudden Infant Death Syndrome. The loss of her only child created a huge void for Ruth which was never filled. Although Ruth never had the opportunity to raise her own children and care for them, she found a way to express her love for children by giving generously and caring for others through her support of the children at CHEO.

This generous legacy gift from the Hamiltons will provide continuous support for CHEO's Rehabilitation Department. It has already allowed for a number of important improvements, including the addition of a virtual reality system for rehabilitation and important rehabilitation research at CHEO's Research Institute.

Bill and Ruth Hamilton have created something that will be Forever CHEO and for that we are eternally grateful.



Main: Victoria Woodhead. Bottom: L to R - Tristan Penner,
Cameron Dee, Ava Momento

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.

These financial statements are the first financial statements which the Foundation has prepared in accordance with Part III of the CICA Handbook – Accounting, which constitutes generally accepted accounting principles for not-for-profit organizations in Canada ("GAAP"). In preparing its opening balance sheet as at January 1, 2011 (the "Transition Date"), the Foundation has applied CICA 1501, First-time Adoption for Not-for-profit Organizations.

The accounting policies that the Foundation has used in the preparation of its opening balance sheet have resulted in certain adjustments to balances which were presented in the balance sheet prepared in accordance with Part V of the CICA Handbook – Accounting ("previous GAAP"). These adjustments were recorded directly to the Foundation's net assets at the Transition Date.

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.



Kevin Keohane
President and CEO



Dan Holland
Vice President,
Finance



Balance Sheet



Children's Hospital of Eastern Ontario Foundation

Incorporated under the laws of Ontario

As at January 1,

As at December 31	2012	2011	2011
	\$	\$	\$

ASSETS

Current

Cash and cash equivalents	5,777,729	4,849,429	4,466,843
Short-term investments	4,076,669	2,902,111	3,358,856
Interest and other receivables	776,610	844,401	659,365
Prepaid expenses	228,921	177,399	242,762
Total current assets	10,859,929	8,773,340	8,727,826

Long-term investments	43,533,397	43,189,801	45,121,584
Capital assets, net	57,165	28,188	35,213
Other assets	91,144	89,077	75,534
	54,541,635	52,080,406	53,960,157

LIABILITIES AND FUND BALANCES

Current liabilities

Accounts payable and accrued charges	1,785,872	1,394,770	1,680,254
Total current liabilities	1,785,872	1,394,770	1,680,254

Commitments

Fund balances

General Fund	8,645,551	8,355,951	9,904,728
Restricted Fund	7,974,842	9,622,358	11,588,434
Endowment Fund	36,135,370	32,707,327	30,786,741
Total fund balances	52,755,763	50,685,636	52,279,903
	54,541,635	52,080,406	53,960,157

On behalf of the Board:


Gary Dunne
Chair


Mahesh Mani
Treasurer

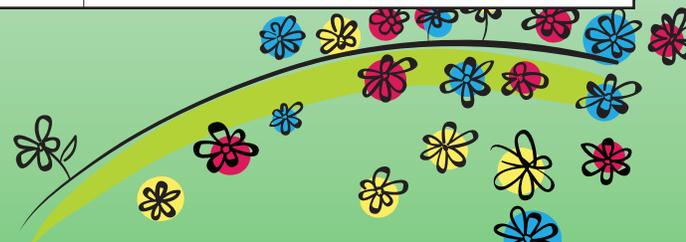
Statement of Operations and Changes in Fund

Children's Hospital of Eastern Ontario Foundation For the year ended December 31	General Fund	
	2012 \$	2011 \$
REVENUE		
Lotteries	8,173,364	8,481,097
Fundraising	6,281,955	6,038,008
Investment income	2,035,671	(1,071,496)
Bequests	1,528,633	767,887
Direct mail	741,317	787,480
Capital campaign	—	—
Parking and Miscellaneous revenue	2,738,331	107,156
	21,499,271	15,110,132
EXPENSES		
Direct fundraising expenses	7,737,575	6,707,023
Revenue, net of direct fundraising expenses	13,761,696	8,403,109
INDIRECT EXPENSES		
Other fundraising expenses	1,830,338	1,559,785
Administrative expenses	920,145	848,259
Excess of revenue over expenses before grants	11,011,213	5,995,065
Grants to Children's Hospital of Eastern Ontario		
Capital and programs	1,703,422	153,519
Contribution of services	30,644	29,694
Excess of revenue over expenses and grants for the year	9,277,147	5,811,852
Fund balances, beginning of year	8,355,951	9,904,728
Interfund transfers	(8,987,547)	(7,360,629)
Fund balances, end of year	8,645,551	8,355,951



Balances

Restricted Fund		Endowment Fund		Total	
2012	2011	2012	2011	2012	2011
\$	\$	\$	\$	\$	\$
—	—	—	—	8,173,364	8,481,097
1,231,854	1,036,751	—	—	7,513,809	7,074,759
253,938	189,472	560,893	(650,931)	2,850,502	(1,532,955)
—	—	404,126	332,837	1,932,759	1,100,724
—	—	—	—	741,317	787,480
1,490,813	2,325,648	—	—	1,490,813	2,325,648
—	—	—	—	2,738,331	107,156
2,976,605	3,551,871	965,019	(318,094)	25,440,895	18,343,909
60,712	45,753	—	—	7,798,287	6,752,776
2,915,893	3,506,118	965,019	(318,094)	17,642,608	11,591,133
343,120	246,929	—	—	2,173,458	1,806,714
—	—	—	—	920,145	848,259
2,572,773	3,259,189	965,019	(318,094)	14,549,005	8,936,160
10,744,812	10,347,214	—	—	12,448,234	10,500,733
—	—	—	—	30,644	29,694
(8,172,039)	(7,088,025)	965,019	(318,094)	2,070,127	(1,594,267)
9,622,358	11,588,434	32,707,327	30,786,741	50,685,636	52,279,903
6,524,523	5,121,949	2,463,024	2,238,680	—	—
7,974,842	9,622,358	36,135,370	32,707,327	52,755,763	50,685,636





Madison Primeau



Statement of Cash Flows

Children's Hospital of Eastern Ontario Foundation

Year ended December 31

2012
\$

2011
\$

OPERATING ACTIVITIES

Excess (deficiency) of revenue over expenses before grant	14,549,005	8,936,160
Grants to Children's Hospital of Eastern Ontario	(12,478,878)	(10,530,427)
Items not affecting cash		
Amortization	13,611	8,891
Unrealized loss/(gain) in investments	(1,632,551)	3,747,493
Loss (gain) on disposal of investments	129,488	(893,131)

Net change in non-cash working capital balances related to operations	405,304	(418,700)
---	----------------	-----------

Cash provided by operating activities	985,979	850,286
--	----------------	---------

INVESTING ACTIVITIES

Sale (purchase) of investments, net	(14,820)	(465,834)
Additions to property and equipment	(42,859)	(1,866)

Cash used in investing activities	(57,679)	(467,700)
--	-----------------	-----------

Net change in cash and cash equivalents during the year	928,300	382,586
--	----------------	---------

Cash and cash equivalents, beginning of year	4,849,429	4,466,843
--	------------------	-----------

Cash and cash equivalents, end of year	5,777,729	4,849,429
---	------------------	-----------



Keishawna Elliott

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
- Richard Gray
- Gilles Lalonde
- Joanne Lefebvre
- Roy MacLean
- Robin Madigan
- Mahesh Mani
- Geoffrey O'Brian
- Peter O'Leary
- Deneen Perrin
- Pierre Riel
- Richard Sachs
- Mary Taggart
- Chantal Tourigny
- John Witherspoon
- Kirk Wrinn

Ex-Officio

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

Governors

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



Christina Houston and her son Sam



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:

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.

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.

To have access to the CHEO Foundation's most recent financial statements.

To be assured their gifts will be used for the purposes for which they were given.

To receive appropriate acknowledgement and recognition.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

To be informed whether those seeking donations are volunteers, employees of the CHEO Foundation, or hired solicitors.

To have the opportunity for their names to be deleted from mailing lists.

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)



CHEO is a proud member of



Children's
Miracle Network
Réseau
Enfants-Santé



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