

caring for our future means
CARING FOR OUR CHILDREN

annualreport**2013**



Hodan Osman and CHEO nurse Emilie Giroux



Jacob Stubbing



CHEO FOUNDATION PRESIDENT AND CHAIR MESSAGE



KEVIN KEOHANE
PRESIDENT AND CEO
CHEO FOUNDATION

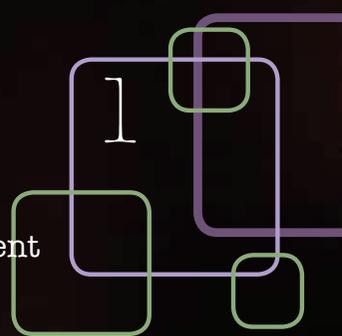
VICKI CLEMENT
CHAIR
CHEO FOUNDATION
BOARD OF DIRECTORS





“We look back
on another year
with **sincere**
gratitude and
optimism.”

Kevin Keohane and Vicki Clement



As we look back on another year when the people of our region made it abundantly clear that pediatric health care remains a top priority, we do so with sincere gratitude, and an ever-growing sense of optimism. Our region's future development will be fuelled by our greatest natural resource: our incredible children and youth. Our strong community-wide belief that all children deserve the very best care available only strengthens the resolve of the health care professionals at CHEO and the CHEO Research Institute.

Melek Kayigi and his mom
Eugenie Uwamaliya



CHEO is a proud member of



**Children's
Miracle Network**

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.

Everyone on the CHEO Foundation team recognizes the incredible contribution of so many people in our community and we consider it a privilege to work alongside you in support of this vision. Whether you're a donor, corporate sponsor, event organizer, member of a service club or a volunteer, you have chosen to make a difference in the lives of children and young families. We are honoured that you have entrusted us with your support and we are so thankful for your efforts to help fulfill some of CHEO's most urgent needs.

We hope that you will be proud to know that your support allows us to purchase the different types of highly specialized medical equipment needed to care for patients ranging in size from our tiniest babies to our tallest teens. Your support also ensures that CHEO's staff receives the up-to-date training and skills-development needed to offer the very best care to CHEO's patients. Your support also funds a wide range of ground-breaking research projects that are leading to advances in many areas of care. We encourage you to be proud of making a difference for families who need care today. You are helping to shape the future of pediatric health care in eastern Ontario, western Quebec and beyond.

A great example of how community support is making a difference at CHEO can be found in the renovations that were made to the hospital's cancer ward known internally as "4 North." At nearly 40 years of age and under constant use by families who can spend many months living within the unit, 4 North was overdue for a much-needed revitalization. Support from our community enabled us to invest nearly \$700,000 to upgrade the patient rooms with fresh paint, new flooring, new washrooms including hands-free sinks, new furniture, televisions and window coverings to provide a much improved décor. This project also included the renovation of the playroom and the addition of new, fun features to make a child's stay in hospital more tolerable for the entire family.

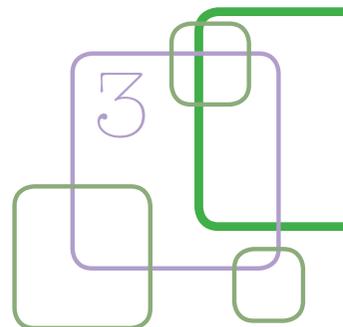
This past year we introduced our legacy giving program called "Forever CHEO" which enables donors to help future generations of children and families who will need to rely on CHEO. Donors making a gift to CHEO in their estates will have the option to have the full amount of their gift preserved with the interest going to CHEO annually. Donors can take pride in knowing that their hard-earned life savings will be preserved in perpetuity within the "Forever CHEO" endowment fund and interest from their gift will benefit CHEO patients each and every year... forever. It is a deeply meaningful way to ensure your love for children lives on and that CHEO remains strong for future generations.

The future is always as close as one breath away, extends beyond anyone's imagination, and is patently uncertain. One thing we do know is that as our communities continue to grow the demand for CHEO's family-centred care will grow right along with them. With this in mind, we can't help but feel blessed to live, work and play in a region where people believe that giving our kids the best chance to succeed, means giving them the best health care available.

On behalf of everyone here at the CHEO Foundation, the doctors, nurses, researchers and staff at CHEO and the CHEO Research Institute, and especially all the patients they serve, we offer you our warmest thanks. As a critical partner in our mission, we are proud to share the financial successes contained in this annual report to our community.

Kevin Keohane

Vicki Clement





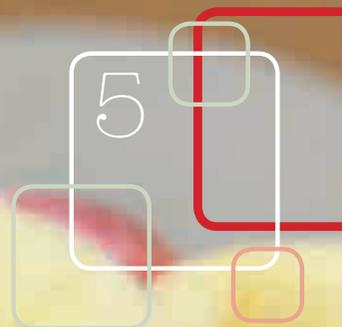
CHEO PRESIDENT MESSAGE

Last year we asked the community to finish this sentence: “When it comes to health care and your child, imagine if...”

This year, thanks to your help and generosity, we stopped imagining and started turning those “what ifs” into reality with CHEOnext – our action plan for changing how health care is delivered to the children and youth of this community.

“We’ve made **many changes** — some big, others small. But combined they are starting to have a **big impact.**”

Alex Munter



The early results look promising: patient satisfaction is up, quality is up, fundraising is up, research is up, we’re seeing our first paperless patients and we’re working together as one team like never before.

We’ve made many changes -- some big, others small. But combined they are starting to have a big impact.

ALEX MUNTER
PRESIDENT AND CEO
CHEO



INFORMATION AT YOUR FINGERTIPS

In the fall we were excited to “go live” with the first phase of our electronic health records, known as Epic. This was a massive undertaking necessitating, for example, the conversion of two million laboratory records. This is part of an even bigger project to convert the entire hospital to a single paperless system – a best practice successfully implemented by such respected hospitals as Cleveland Clinic, Johns Hopkins and The Children’s Hospital of Philadelphia.

Epic improves the patient experience, better connects care and puts powerful tools in the hands of our providers. For example, test results will be available more quickly and patient appointments can be better coordinated (eliminating multiple trips). Eventually, families will be able to access their own information online, and share it with family physicians or other health partners in the community.

SMALL CHANGES, BIG IMPACT

CHEO has started to adopt “Lean” practices in several areas of the hospital, including the 4 North, 4 East and 4 West inpatient units. The Lean approach was perfected in the manufacturing industry and adopted more recently by leaders in the health sector to improve care and streamline workflow.

We have been enabling staff to devise sustainable solutions to everyday issues that stand in our way – and to ultimately enhance the patient experience. Quality improvement “tickets” are one important tool. These tickets flag something on the unit that needs fixing and can be submitted by anyone (including parents and patients). For example, a parent posted a ticket regarding the lack of hangers in the closets, forcing families to use wall hooks meant for medical teams and equipment. One of our nurses took charge and arranged for hangers – and the all-important cleaning of hangers! Simple change, yes but with hundreds of tickets successfully completed this year they have a combined impact. The results? On 4 North, for instance, the average length of stay has successfully decreased and the quality and safety indicators have increased. When families were asked if they could “feel” a difference, there was a resounding “YES!”

THE RE-CREATION OF 4 NORTH

Thanks to the generous donations of our amazing community, our 4 North unit has been renovated becoming a more colorful,

child-friendly, and welcoming place. This is especially important because a well-designed environment can help lighten the load for our parents and promote faster healing for our patients.

CONNECTING CARE FOR OUR MOST FRAGILE PATIENTS

In November, our neonatal transport team received \$3.1 million from the Ontario government to transport newborns from across northeastern, southeastern and eastern Ontario. This allows us to provide our most fragile patients with exceptional care and be more available to respond to life-threatening emergencies. CHEO’s care changes young lives in our region and beyond – nowhere is that more evident than on the ambulances and helicopters that carry our teams of dedicated professionals who give these infants the best possible start in life, improving their lifelong health and reducing long-term costs for the health care system.

OUR INNOVATION CHANGES YOUNG LIVES AROUND THE WORLD

To help families make difficult decisions, CHEO published the first comprehensive electronic library of pediatric patient decision aids in the world. Patient decision aids are standardized, evidenced-based tools which help families become more involved in decision making. They enable better information sharing between families and the health care team, create more realistic expectations and a better match between families’ preferences and treatment choices.

TOMORROW STARTS HERE

Twenty years from now, there will be approximately 70,000 more kids in our community than there are today, stretching our already-limited resources so it is important that CHEO continue to innovate.

This year CHEO was recognized as number one in the province for pediatric patient satisfaction – a distinction we only want to build upon.

We’ll make our changes at a reasonable pace – purposeful, but realistic – so our focus always remains on our patients and we improve on the high quality of care you’ve come to expect from us.

We thank you for your commitment to this journey because it simply would not be possible without you. Together we can change young lives in the community, and around the world.

Alex Munter



TELETHON

The CHEO Telethon on CTV is our biggest and most beloved fundraising activity. It is a live broadcast spread over two days where CHEO's own experts and staff, some 600 volunteers, numerous local personalities and artists donate their time to help make the telethon an emotion-filled event where children are the stars of the show – both on and off camera. It is their resilience and candour that inspired donors to call in and donate during the telethon weekend, and all year long, bringing in an incredible amount of **\$6,749,150!** We are grateful for each family that shared their story with the community and for each person that donated to support the lifesaving work that takes place every single day at CHEO.

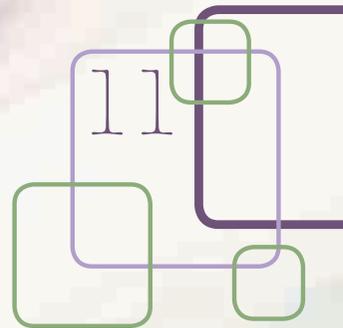


“**Research** from our esteemed scientists **will impact** the way therapies are developed to **treat** a variety of **pediatric ailments.**”

Dr. Martin Osmond

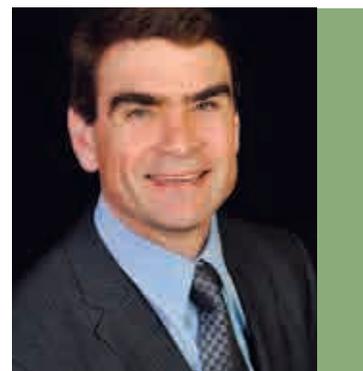
CHEO RESEARCH INSTITUTE CEO MESSAGE

One might say that Ottawa’s best kept secret is the incredible momentum behind the CHEO Research Institute, but rather I think the best kept secret is that research happens everywhere at CHEO. This past year we’ve hosted many donor tours of our traditional labs but really, almost all physicians, allied health professionals, nurses and staff either conduct or support research at CHEO. We have an incredible team that’s dedicated to making *discoveries today for healthier kids tomorrow*, because children are our future.



I'd categorize our discoveries into two camps - both equally important - on one hand, discoveries that make an immediate impact by transforming health care; and on the other hand, discoveries that promise to make a significant impact on serious childhood diseases in the future.

DR. MARTIN OSMOND
CEO AND SCIENTIFIC
DIRECTOR
CHEO RESEARCH
INSTITUTE



Our clinical researchers are driven to solve problems they see everyday. Take for example, Dr. Donna Johnston in the oncology division. She was concerned that kids undergoing chemotherapy often have a decreased appetite, which can greatly impact their response to treatment. So, she is proactively leading a nationwide study to test whether a hormone found naturally in the body might stimulate appetite in cancer patients. She wants to make a measurable difference in cancer care.

We've had so many home runs in 2013 that make an immediate impact on health outcomes. For instance, Dr. Stuart Harman and team discovered that a topical analgesic cream gives kids a pain free experience when using skin glue to repair cuts, and now this is standard treatment in CHEO's Emergency department. Dr. Robert Klaassen discovered how to measure the quality of life for kids suffering with a rare blood condition, and now CHEO will use this tool to help optimize their health care. Dr. Travis Saunders in our Healthy Active Living and Obesity research group discovered that frequent breaks in sedentary behavior makes kids healthier. Dr. Benchimol proved that the flu vaccine is safe for patients with inflammatory bowel disease; the list goes on. Research at CHEO changes health outcomes at the bed side – today.

In the future, research from our esteemed scientists in CHEO's labs will impact the way therapies are developed to treat a variety of pediatric ailments including rare genetic

diseases, cancer, and diabetes. For instance, Dr. Robert Korneluk and team discovered that combining two experimental immunotherapies kills tumours more accurately and rapidly than either agent on its own. Drs. Kym Boycott and Alex MacKenzie have identified more than 66 novel rare disease genes to date, and now as part of the CARE for RARE research program they are already developing and testing eight potential new treatments for rare diseases like spinal muscular atrophy and myotonic dystrophy.

Dr. Robert Sreaton is investigating a pathway that could improve the insulin producing function of beta cells in patients with early diabetes. Our scientists attract trainees from across North America because the depth and breadth of bench science at CHEO receives international acclaim.

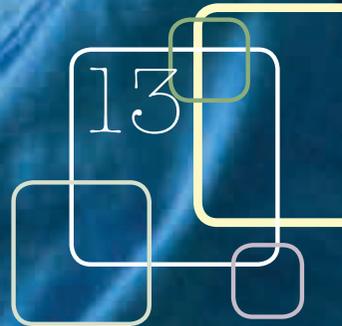
According to Research Infosource, we have been the fastest growing hospital-based research institute in Canada over the last three years and the third-ranked pediatric research hospital in Canada! Much of our success has come from the hardworking commitment of our researchers, trainees, staff and volunteers. But I want to give a special nod to the community at large as this success would not have been possible without your generous support. Your unwavering belief in research at CHEO makes us unstoppable. We will continue to change young lives today – and in the future.

Thank you for your support.

Dr. Martin Osmond

RADIOTHONS

Despite the loud, fun and incredibly talented on-air personalities that organize two wildly popular radiothons that benefit the CHEO Foundation, the real stars are the children and families that share their stories on air. At times inspiring, at times heartbreaking, those two days are filled with love and a true sense of community. In 2013, our dedicated radio partners helped us raise **\$190,915** during the Astral Media CHEO Kids Radiothon, and **\$123,890** during the Y101 Country Cares Challenge for CHEO, and for that, we want to once again grab the mic and say a very loud – and heartfelt – thank you! These funds will help us purchase some of the specialized equipment that our hospital needs to keep providing the best care possible for its patients.



CN CYCLE

Every year, the Ottawa-area community gathers on a spring Sunday morning to cycle, walk or roll with the goal of raising funds to help kids with cancer. On May 5, 2013, as cyclists meandered through our vibrant city's streets, cheered on by well-wishers, we raised the incredible sum of **\$726,410** to benefit the CHEO Foundation, Candlelighters and Ronald McDonald House. This type of unfaltering support shows us how much our community cares about its kids and about the importance of supporting those who are fighting with all their might to stay healthy and strong as they wage their battle against cancer. Thank you Ottawa!



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. These financial statements have been prepared by management in accordance with Part III of the CPA Canada Handbook – Accounting Standards for not-for-profit Organizations, which sets out generally accepted accounting principles [“GAAP”] for not-for-profit organizations in Canada.

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

STATEMENT OF FINANCIAL POSITION

Children's Hospital of Eastern Ontario Foundation

Incorporated under the laws of Ontario

As at December 31

	2013	2012
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	5,672,790	5,777,729
Short-term investments	2,807,481	4,076,669
Interest and other receivables	1,101,001	776,610
Prepaid expenses	207,087	228,921
Total current assets	9,788,359	10,859,929
Long-term investments	51,648,107	43,533,397
Capital assets, net	81,811	57,166
Other assets	96,851	91,144
	61,615,128	54,541,636
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued charges	2,093,544	1,785,873
Total current liabilities	2,093,544	1,785,873
Fund balances		
General Fund	16,688,829	8,645,551
Restricted Fund	5,251,565	7,974,842
Endowment Fund	37,581,190	36,135,370
Total fund balances	59,521,584	52,755,763
	61,615,128	54,541,636

On behalf of the Board:



Vicki Clement
Chair



Mahesh Mani
Treasurer

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Children's Hospital of Eastern Ontario Foundation	General Fund	
For the year ended December 31	2013	2012
	\$	\$
REVENUE		
Lotteries	8,969,186	8,173,364
Fundraising	6,062,249	6,281,955
Investment income	5,709,376	2,035,671
Bequests	2,270,679	1,528,633
Direct mail	727,293	741,317
Capital campaign and major gifts	237,054	—
Parking and Miscellaneous revenue	3,846,620	2,738,331
	27,822,457	21,499,271
EXPENSES		
Direct fundraising and lotteries expenses	8,616,144	7,737,575
Revenue, net of direct fundraising expenses	19,206,313	13,761,696
INDIRECT EXPENSES		
Other fundraising expenses	1,709,760	1,830,338
Administrative expenses	997,694	920,145
Excess of revenue over expenses before grants	16,498,859	11,011,213
Grants to Children's Hospital of Eastern Ontario		
Capital and programs	2,408,252	1,703,422
Contribution of services	31,550	30,644
Excess (deficiency) of revenue over expenses and grants for the year	14,059,057	9,277,147
Fund balances, beginning of year	8,645,551	8,355,951
Interfund transfers	(6,015,779)	(8,987,547)
Fund balances, end of year	16,688,829	8,645,551

Restricted Fund		Endowment Fund		Total	
2013	2012	2013	2012	2013	2012
\$	\$	\$	\$	\$	\$
—	—	—	—	8,969,186	8,173,364
878,981	1,231,854	—	—	6,941,230	7,513,809
606,080	253,938	569,414	560,893	6,884,870	2,850,502
—	—	703,638	404,126	2,974,317	1,932,759
—	—	—	—	727,293	741,317
1,643,994	1,490,813	7,146	—	1,888,194	1,490,813
—	—	—	—	3,846,620	2,738,331
3,129,055	2,976,605	1,280,198	965,019	32,231,710	25,440,895
30,683	60,712	—	—	8,646,827	7,798,287
3,098,372	2,915,893	1,280,198	965,019	23,584,883	17,642,608
397,911	343,120	—	—	2,107,671	2,173,458
—	—	—	—	997,694	920,145
2,700,461	2,572,773	1,280,198	965,019	20,479,518	14,549,005
11,273,895	10,744,812	—	—	13,682,147	12,448,234
—	—	—	—	31,550	30,644
(8,573,434)	(8,172,039)	1,280,198	965,019	6,765,821	2,070,127
7,974,842	9,622,358	36,135,370	32,707,327	52,755,763	50,685,636
5,850,157	6,524,523	165,622	2,463,024	—	—
5,251,565	7,974,842	37,581,190	36,135,370	59,521,584	52,755,763

STATEMENT OF CASH FLOW

Children's Hospital of Eastern Ontario Foundation

Year ended December 31	2013	2012
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses before grants	20,479,518	14,549,005
Grants to Children's Hospital of Eastern Ontario	(13,713,697)	(12,478,878)
Items not affecting cash		
Amortization	17,666	13,611
Unrealized gain in investments	(5,143,427)	(1,632,551)
Loss (gain) on disposal of investments	(351,808)	129,488
	1,288,252	580,675
Net change in non-cash balances related to operations	(593)	405,305
Cash provided by operating activities	1,287,659	985,980
INVESTING ACTIVITIES		
Purchase of investments, net	(1,350,286)	(15,091)
Additions to capital assets	(42,312)	(42,589)
Cash used in investing activities	(1,392,598)	(57,680)
Net change in cash and cash equivalents during the year	(104,939)	928,300
Cash and cash equivalents, beginning of year	5,777,729	4,849,429
Cash and cash equivalents, end of year	5,672,790	5,777,729



BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Vicki Clement
Gary Dunne
Roy MacLean
Mahesh Mani
Chantal Tourigny

BOARD MEMBERS

Ken Ages
Sandy Clement
Vicki Clement
Duncan Dee
Gary Dunne

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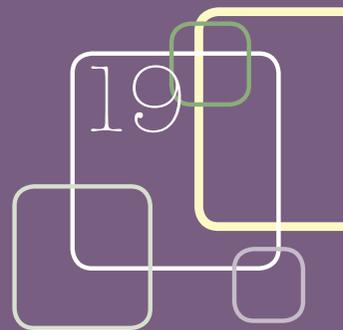
Dennis Campbell
David Cork
David Gélinas
Ian Hendry
Robert E. Houston, QC
Fred Martin
Suzanne Pinel
Elizabeth Roscoe
Peter Rowan-Legg
Robert Thomas
Barry Turner
Robert Wener

HARNESSING THE POWER OF VOLUNTEERS TO BETTER HELP CHEO KIDS

The CHEO Foundation is fortunate to be able to count on the generous financial support of the community, and for that, we are infinitely grateful. We are proud of the work we do and take responsible governance very seriously, which is why we make sure that your donations go to directly improving the health – and quality of life – of the children and youth in our community.

One of the ways in which we make the best use of donations received is by harnessing the power of volunteers. Volunteers provide various expertise and life experiences that all come in handy when we are organizing an event or need someone to manage a kiosk, help us sell our wares, answer the phones at the CHEO Telethon on CTV or direct the crowds at CN Cycle for CHEO. Each volunteer has his or her own reasons for helping out but they all have one thing in common: a big heart! Without every single one of them, we could not do our work as resourcefully.

By making this gift of the heart, our community shows us it cares deeply about CHEO. We therefore want to take this opportunity to, once again, thank all our volunteers: Please know that your contributions of time – **over 6,160 volunteer hours over the past year** – and efforts are immeasurable and everlasting!



DONOR BILL OF RIGHTS

Ava Davoudi

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)



MICHELLE VALBERG
VALBERG IMAGING

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