



SICKKIDS FOUNDATION

Healthier children. A better world.

Thanks to you,
SickKids is an
international leader
in children's health
research and care.

a simple wish

HEALTHIER CHILDREN. A BETTER WORLD.

SickKids has been led by a progression of leaders in child health research and care for over 130 years. Their efforts have been matched by philanthropic champions every step of the way. To ensure that the legacy of excellence for which SickKids is known carries on, we need our community to remain an integral partner.

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Ben, age 3
CANCER PATIENT
(Acute Lymphocytic Leukemia)

a shared vision

LETTER TO THE COMMUNITY

Together, we can improve the health of our children.

dear friends,

In September 2005, we launched the largest fundraising campaign for a hospital in Canada, with a goal of raising \$500 million by 2011. As we have said before, this goal is achievable and it is necessary. To be successful in reaching this goal requires the continued support of our community, and requires each and every one of us to commit to the belief that our children deserve the right to a healthy future.

SickKids staff are a dedicated, passionate group of people. They are leaders in every sense of the word. Their actions and their sense of purpose are focused on improving the quality of health care provided to our children and focused on accelerating research into the cause and the elimination of childhood diseases.

It is important to remember that the science that leads to new medical understanding takes time. It

takes 10, 15, 20 years to nurture and refine ideas along the continuum of discovery to practice – the same time it takes a parent to nurture a child to become a young adult.

Our responsibility as a community is to be a committed partner in the work that is being done to improve child health. While there are other issues requiring support, such as the health needs of an aging population, we believe there is a greater need to focus on advancing child health research and care, because children are our future.

There is new leadership at the hospital and research institute with a clear vision for where the staff's medical expertise and scientific acumen can have the most impact. Recognizing SickKids' place as one of the very best children's hospitals in the world and its

aspiration to be the best, philanthropic gifts are needed to match in dimension the full potential of their vision.

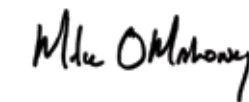
You are an integral member of the SickKids family. What you are making possible is state-of-the-art research labs appropriate for our world-renowned scientists. You are making it possible for our doctors and nurses to use the latest technology and the best equipment. You are providing the resources so that the best in the world are inspired to practice at SickKids, and equally important, you are providing the resources that enable them to mentor the next generation of clinical and research leaders.

We can't stress enough that your continued support is vital to meet the health care needs of today's children,

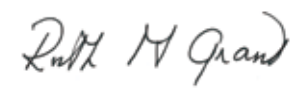
and to ensure we get a head start on the health care issues facing the children of tomorrow.

Please continue to rise to the challenge of investing in the best science and treatment, and in so doing, contribute generously to our collective efforts for improving the health of our children.

Sincerely,



MICHAEL O'MAHONEY
President
SickKids Foundation



RUTH GRANT
Chair, Board of Directors
SickKids Foundation



you made
it possible

SickKids is a testament to what can be accomplished when a community comes together with a shared purpose, and no shared purpose can possibly be greater than improving the health of our children.

a legacy of excellence

THE HOSPITAL FOR SICK CHILDREN

“I believe the health of our nation, indeed the health of the world, is a reflection of the health of our children.”

Mary Jo Haddad, PRESIDENT & CEO, THE HOSPITAL FOR SICK CHILDREN

Excellence. Collaboration. Integrity. Innovation. These are four strong words that represent the values that guide the work being done at SickKids. They are values that were identified over the course of the past year, when SickKids undertook a rigorous strategic planning exercise to position the hospital for the future and to engage the SickKids family and external partners. They aren't new values; rather, they are values that have been renewed and emphasized.

As part of the strategic planning process, a new mission was adopted that recognizes SickKids' role as an innovator in child health, one that leads and partners with others to improve the health of children through the integration of care, education and research. The hospital is focused on providing the best in complex and specialized health care for children, creating groundbreaking scientific and clinical advancements, and sharing its knowledge and expertise worldwide. One main objective is championing the development of an accessible, comprehensive and sustainable child health-care system.

Breakthroughs are happening every day at SickKids, but not for every child. While the children who are treated at SickKids receive unparalleled care, there continues to be a need for increased knowledge in childhood diseases. SickKids is already recognized as being a world expert in the fields of cancer, genetics, neurosciences, cardiac care, critical care and transplantation. However, even more needs to be done to support these areas so that we can strengthen and enhance their value in advancing medical understanding and treatment.

This is an exciting time to be associated with The Hospital for Sick Children. With the completion of the new strategic directions, there is a renewed commitment to build on the hospital's legacy of excellence. We believe that, with the backing of philanthropy, not only can the new goals of the hospital be achieved, they can be surpassed.

Eleni, age 6 months,
NICU PATIENT (GASTROSCHISIS)



you made
it possible

This year we made a grant of \$62.5 million to The Hospital for Sick Children – one of the largest charitable donations to a hospital anywhere in Canada.

only the best

EDUCATING THE DOCTORS, NURSES
AND SCIENTISTS OF TOMORROW

“The opportunity to work in a scientific and clinical environment in which absolutely everybody is committed to helping sick children in whatever way they can inspires me every single day.”

Freda Miller, SENIOR SCIENTIST

In a sense our greatest teachers are our children. Their innocence and their joy of life and learning are unencumbered by experience. A child's enthusiasm is infectious and everyone is motivated to do what they can to ensure that enthusiasm is protected. In a children's hospital, it isn't just about managing a child's physical health. It is just as much about protecting their spirit.

Children's development can be irreparably impeded by medical interventions that don't take into account their growing bodies. It is critical in training the next generation of healthcare professionals that they understand the difference between adult and paediatric health care. They must understand children come in different sizes and must consider what this means to medication levels, equipment, and surgical interventions. They must have a solid grounding in the diseases that are unique to children and the diseases children have in common with adults that manifest differently. They must understand that from the point in time children are diagnosed through to the end of their treatment, their bodies and minds continue to grow and develop. Their continuing development significantly impacts the care and treatment children need for combating an illness or injury.

SickKids, as a research teaching hospital, has a major responsibility to educate the future generations of healthcare providers, to promote the delivery of superb clinical care and to encourage cutting-edge research. Each of these efforts is supported by philanthropy.

Our donors fund chairs, fellows and clinical students. They fund continuing education programs and distinguished lecture series. Through the Education Fund, on-going life-long training is enhanced which helps attract and retain the best professionals in health care. Philanthropy ensures trainees pursuing research careers receive the highest quality of training, encompassing all components of research performed at the SickKids Research Institute.

The Foundation provides funds to encourage caregivers to pursue higher education and training with the end goal of treating children with the highest quality of health care. We support the training of staff to allow children to be children regardless of their health issues. We make sure that caring and compassion are hallmarks of SickKids professionals.

you made it possible

This past year we supported the education and training of 573 paediatric subspecialty trainees from 48 countries and 956 research trainees – doing our part to ensure they become the gifted leaders of tomorrow.

the point of discovery

SICKKIDS RESEARCH INSTITUTE

“We are going to be a world-leading centre for children’s health research where research drives clinical changes and clinical questions drive research.”

Janet Rossant, CHIEF OF RESEARCH, SICKKIDS RESEARCH INSTITUTE

Our research institute seeks to take what is learned in the laboratory all the way through to how children in our hospital are treated and diagnosed, and to take what is learned and make it relevant to children’s health in the broadest sense.

Right now, we have the opportunity to position SickKids higher on the international stage as a world-leading research institute with the capacity to make a greater contribution to important issues of child health. What is critical is a stable source of funding. Funding that begins with private gifts from the community.

In the past two years, SickKids research and clinical staff have received dozens of awards and honours. Each is an outstanding achievement. Honours included two recipients of the Michael Smith Prize in Health Research – considered Canada’s most prestigious award in health research; three new Fellows of the Academy of the Canadian Academy of Health Sciences – one of the highest honours for individuals in the Canadian health sciences community; three new fellows elected to the Royal Society of Canada – the highest honour that can be attained by scholars, artists and scientists in Canada. This truly is a celebration of excellence. As supporters of SickKids, you too can take pride in how philanthropy is supporting the people who continue to build the hospital and research institute’s reputation for excellence.

This past year alone your donations contributed to researchers at SickKids adding important discoveries to its legacy of research excellence. Our researchers found children who survive cancer have almost twice the rate of educational and social problems compared to children without a history of cancer. They discovered a protein that plays a major role in neuropathic pain. They found a novel molecule that may prevent many types of HIV from infecting different kinds of cells. They discovered a gene involved in heart arrhythmia.

Private gifts fund research at its most critical point in time – at the very earliest stage in the life of an idea where financing from government and granting agencies is virtually non-existent. In a sense philanthropic support is giving a gentle push to a good idea that needs to prove it has value for more investment and investigation.

Additional philanthropy is critical to build the private funds available to our scientists – especially if SickKids is to continue to be one of the world’s treasured research hospitals.

Dylan, age 4 months, NICU PATIENT (GASTROSCHISIS) WITH HIS GRANDMOTHER



you made
it possible

We were able to provide world-renowned research teams at SickKids with the state-of-the-art research laboratory space they deserve.

at home

NATIONAL GRANTS

“As a result of support from SickKids Foundation, the Children and Youth Home Care Network has emerged as an important widely recognized authority on child and youth home care.”

Dr. Louise Lemieux-Charles and Dr. Robert G. Peterson

Thanks to the vision of the men and women who established SickKids Foundation in 1972, this Foundation is as much a leader in improving children’s health as our hospital and research institute. For over 34 years, we have led the country in making private grants in child health and supporting the priorities of The Hospital for Sick Children.

What makes SickKids Foundation stand apart from other hospital charities is our national mandate to fund research across the country in areas that are under studied but requiring attention. On a national basis we have been able to support research skills development through new investigator awards; through the Paediatric Scientist Development Program; and through the Canadian Child Health Clinician Scientist Program. We have been able to build the capacity for paediatric research in all geographic regions of Canada and to support knowledge generation and community action in two areas of significant concern: understanding the intricacies of child and youth home care, and the impact of complementary and alternative health care on children and youth. What has been made possible in the past five years through philanthropy and granting strategically is impressive.

Home and community care for children, youth and families is an area for which research was virtually non-existent and, as the shift of care to the home increased, answers were needed with increasing urgency. We provided funding for the development of a national network – the Children and Youth Homecare Network is the only nationally-based organization dedicated to home care issues for children. We supported 14 research projects across Canada, including two on the ethics of homecare; we made eight masters, doctoral and post-doctoral awards; and we supported advocacy activities through the Canadian Institute of Child Health. We organized three national forums and funded six national and regional conferences.

This year the National Grants Program received unprecedented acclaim with the establishment of The Rotman Prize in Home Care. Created by SickKids Foundation and made possible through a generous donation by Janis Rotman, The Rotman Award for Paediatric Home Care Innovation is the first Canadian award of its kind. It is also, at \$100,000, the largest annual recognition for best practice/excellence to a non-profit organization.

In the area of complementary and alternative health care, the impact of strategic grants is equally impressive. The purpose of focusing on this area is to ensure the safe and effective use of complementary and alternative health care in children and youth. Since 2000 we have funded 22 research projects, eight masters’ awards, two cross-training projects and two conferences, and hosted or co-hosted two forums and a national research symposium. A uniqueness of this program is the bringing together of “conventional” and “non-conventional” therapists to address this greatly understudied area.

The challenge now is to determine the next key issues in child health that require strategic funding. A task force convened in September 2005 selected the top Canadian children’s health priorities upon which the Foundation should focus: youth health issues and paediatric health policy/health systems research. Each area has promise for significantly improving the overall health of Canadian children, but we will need community support to enable us to tackle them.

Brandon, age 14, CYSTIC FIBROSIS PATIENT
(AWAITING A DOUBLE-LUNG TRANSPLANT)



you made
it possible

Through our National Grants Program we invest in strategic initiatives that benefit child and youth health in Canada and complement the priorities of SickKids.

the world's children

OUR GLOBAL RESPONSIBILITY

The time has come for us to look beyond our borders to help secure a higher quality of health care for all children.

SickKids is a magnet for the world's best doctors who seek an expanded education in paediatric medicine. In 2005, people traveled from 48 countries to learn from our world-class experts in a hospital equipped with the best in medical equipment. By spending time here they benefit from our hospital's integration of world-class research, education and care. However, there is often an inequity in the quality of health care they are able to provide when they return home.

Approximately 30 per cent of these international fellows are from developing countries and, through them, we have an opportunity to improve the standard of health care being provided to the children in their home communities. It will only be possible with the support of generous benefactors who can see, as we do, the need to look beyond our country's borders to make a philanthropic commitment to improve the health of children – everywhere.

The world has become a global community where the health of all children matters. It is no longer enough for SickKids to simply train the doctors of developing countries and to raise the level of their expertise. In this day and age of unprecedented epidemics, frightening levels of poverty and shortages of healthcare workers, it is important to ensure that the standard of care our international fellows have acquired can be delivered and sustained in their home communities.

Great impact can be achieved by providing our international fellows from developing countries continued access to world-class medical support. This can be achieved through telemedicine, visiting medical teams, continuing education opportunities, global research exchange and an alumni network to encourage an ongoing relationship with SickKids. Through philanthropy, we will be able to fund the necessary infrastructure to ensure better health outcomes for children in their community.

We have Canadians living in other countries around the world who continue to give to SickKids because they understand and appreciate the impact our research and medical advances are having on the health of children. We are appealing to everyone who has an interest in global child health to help share the SickKids standard of paediatric medicine with less fortunate communities around the world through the international fellows we have trained.

Philanthropy expands and enhances the quality of children's health care.

you made
it possible

By continuing to support our international fellows after they return home to developing countries, we can help them provide a higher standard of health care to children in their communities.

towards the future

SICKKIDS ENDOWMENT FUND

Medical miracles are the result of a shared commitment of clinicians who treat patients, researchers who conduct endless experiments searching for new knowledge, and people in our community who are willing to invest in these pursuits.

SickKids Foundation is the only hospital charity in Canada with a significant endowment fund – it is used to fund the ideas and dreams of our researchers and clinicians with the potential to lead to the next important breakthrough in children’s health research and care. Our endowment is a critical factor in the overall success of SickKids.

Investment income from unrestricted endowments provides funds that cover the everyday expenses of running one of the world’s greatest research institutes. More importantly, the endowment provides our researchers and clinicians with the confidence that there will be the necessary funds to support their next great idea about how to advance medicine or perhaps a grant to support the strong belief that a particular research question needs answering.

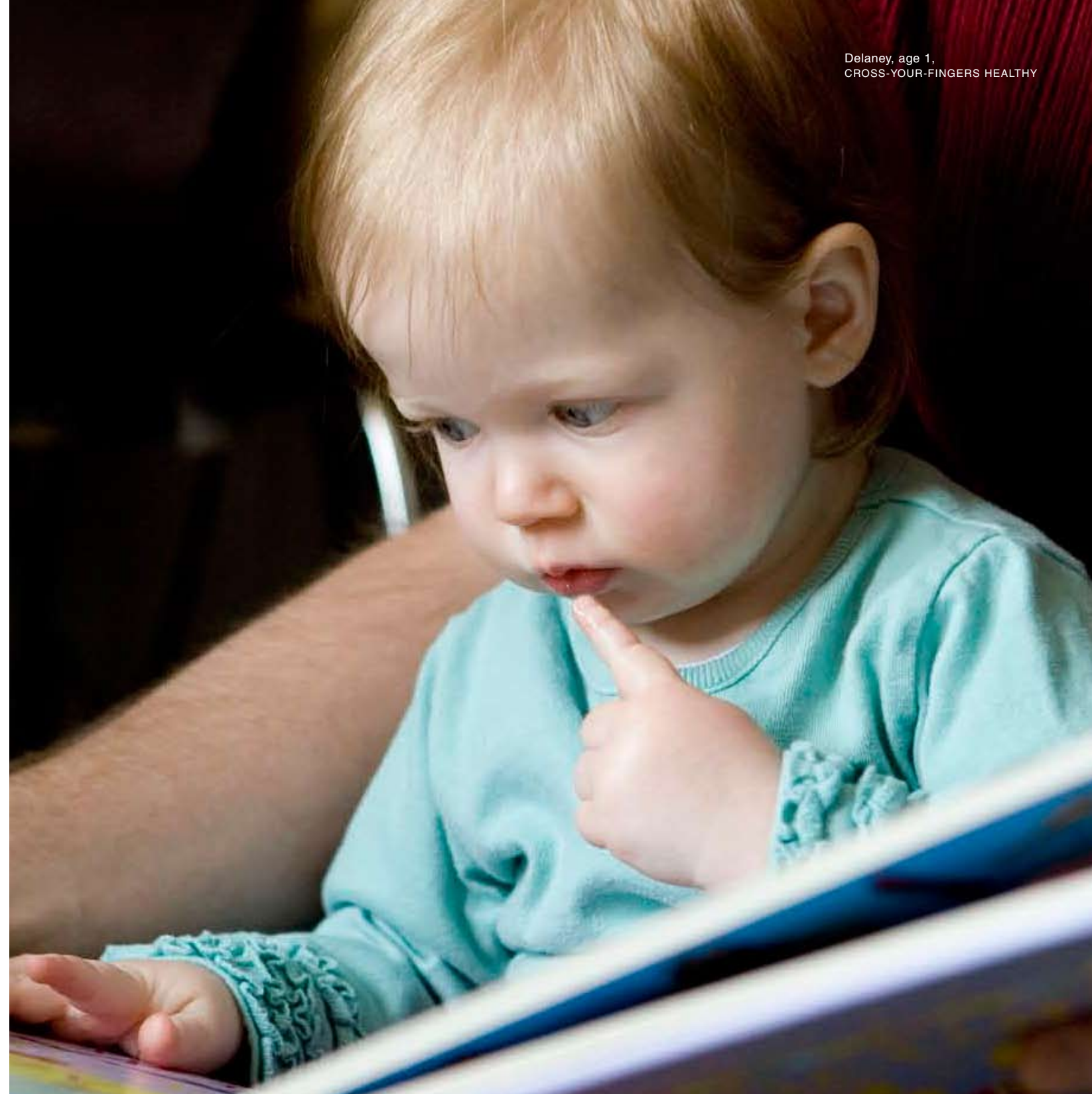
The SickKids Foundation endowment reflects our donors’ long term commitment to the mission and vision of our hospital and Research Institute, and to the people who devote their careers to improving the health of children.

The impact of endowments on the future of SickKids is profound – it guarantees the funds for seed grants, capital projects, equipment, disease-specific research, basic research and the education of our students and trainees.

This is an extremely exciting time to be supporting SickKids. We have at the helm of both the research institute and the hospital two women who are recognized leaders backed by a dedicated executive and management team. Their goal is to build on our reputation for world-renowned children’s health research and care. Philanthropy fuels the momentum of new leadership by providing appropriate funding.

Our \$484 million endowment is the largest for a hospital in Canada and we are extremely grateful to our donors who have made this endowment possible. It helps fund all that we are doing; however, it is insufficient to fund what we aspire to do. Other leading medical institutions have endowments in the billions of dollars.

That’s why we launched a campaign – so the SickKids Foundation endowment fund will more than cover what we are doing today – it will prepare for what we can do tomorrow. A strong endowment is good for SickKids, good for paediatric medicine, and good for children around the world.



you made
it possible

Our endowment fund provides SickKids with the financial support to attract and retain the best minds in paediatric health care and research.

the need

CHALLENGES & PROJECT FUNDING

What we have done pales in comparison to the child health issues facing us.

Challenges We Need to Address

- Injuries are the number one cause of death for children and youth in Canada.
- Three of every 100 children are living with a disability or chronic illness.
- There are 5,000 diseases affecting children that have a genetic or hereditary component including: asthma, cystic fibrosis, diabetes, chromosomal diseases.
- Cancer is the most common cause of disease-related death in Canada's children and the rate of occurrence continues to rise.
- One in 100 children is born with a heart defect.
- Each year more than 3,000 new cases of childhood epilepsy are diagnosed.
- At least five of every 1,000 children in Canada suffer a stroke.

Projects We Need to Make Possible

- A new heart centre
- Fellowships for our post-graduate research fellows
- Education fund for health care professionals
- A new isolation room in the bone marrow transplant unit
- The establishment of a medical equipment fund
- An MRI compatible incubator
- Support for a hospital-wide patient safety program
- Endowed Chairs to anchor research and clinical programs
- A multi-modal imaging centre
- A new ophthalmology clinic
- The Child and Youth Homecare Network
- Complementary and Alternative Health Care Program
- An endowment for the summer student research program
- Dialysis machines
- Continuous EEG monitoring system
- Replacement of 48 patient monitor units
- A robotic surgical system
- Operating Room tables
- Anaesthesia machines
- A surgical microscope

This is only a partial list of items that require donor support.

what you made possible

THE IMPACT OF PHILANTHROPY

We received tremendous support from our community. This past year 179,500 donors believed in SickKids.

In one year, we made possible important initiatives at SickKids and supported our national mandate in child health:

- We made a grant of \$16.8 million to the SickKids Research Institute to cover researchers' salaries, the research training centre and infrastructure.
- We funded \$2.2 million in capital, equipment and facility improvements at the hospital.
- We provided \$2.3 million related to health information and health promotion.
- A total of \$6.3 million went towards new research grants.
- We were able to invest \$4 million in Canada-wide initiatives through our National Grants Program.
- We accepted the challenge to raise \$3.5 million for the expansion of the Cancer Outpatient Care Clinic – ensuring that cancer treatments are housed in a setting that is both appropriate and comfortable for our cancer patients and their families.
- We allocated \$9 million to leasing and outfitting research space in the MaRS discovery district to provide our world-class scientists with the state-of-the-art research space they deserve.
- We dedicated \$16 million for the new Cardiac Diagnostic Interventional Unit that will lead to significant advances in the cardiac care provided to our young patients.
- We committed to an \$8 million renovation of the Emergency department.
- We granted a total of \$3.5 million to support the training and education mandate of the hospital and to provide clinical and research staff with the opportunity to attend seminars and conferences to remain at the forefront in their field.

the numbers

FACTS & FIGURES



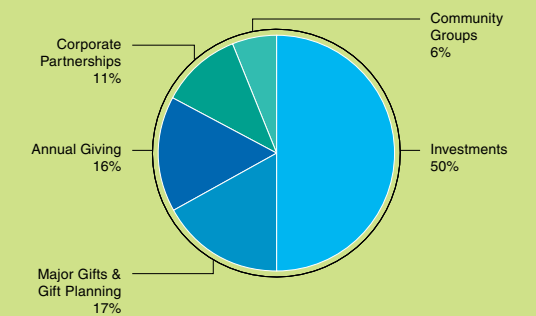
Summarized Statement of Operations and Changes in Fund Balances (in thousands of dollars)

FOR FISCAL YEARS ENDING MARCH 31	2005-06	2004-05	2003-04
REVENUE			
Investment revenue, at market	50,772	34,531	83,371
Fundraising revenue	70,905	50,722	44,539
National Grants	–	918	–
Transfer of Funds from The Hospital for Sick Children	30,807	–	–
Total Revenues	152,484	86,171	127,910
GRANTS			
The Hospital for Sick Children	62,492	58,504	50,655
National Grants	4,040	3,890	3,150
Total Grants	66,532	62,394	53,805
Fundraising and Administration Expenses	23,225	15,833	10,735
Excess of revenue over grants & expenses	62,727	7,944	63,370
FUND BALANCES			
General Fund	524	536	544
Restricted Fund	45,343	29,054	27,827
Endowment Fund	484,269	437,819	431,094
Total Fund Balances	530,136	467,409	459,465

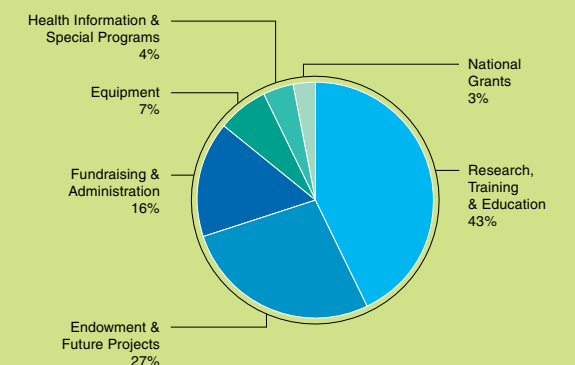
- > A complete version of the audited financial statements can be found on our website: www.sickkidsfoundation.com
- > To request a copy of the audited financial statements or to make inquiries about this information, please call: 416-813-6166

* Excludes One-Time Transfer of Funds from The Hospital for Sick Children

Over these three years, our revenues came from the following sources*



Over these three years, this is how our revenues were used*



volunteer leadership

SICKKIDS FOUNDATION 05-06

Thank you for sharing our vision:
“Healthier children. A better world.”

We are grateful to the Board of Directors of SickKids Foundation who are leading the SickKids “Believe.” fundraising campaign. In addition to serving on the Board of Directors, many board members also serve on board and staff advisory committees along with other volunteer members of the community. Volunteer involvement with SickKids Foundation is integral to our mission to inspire our communities to invest in health and scientific advances to improve the lives of children and their families in Canada and around the world. We thank you for your contribution and commitment to SickKids Foundation.

As this is Ruth Grant’s final annual report as chair of the Foundation, we would like to recognize her for her many dedicated years of service to the Foundation as a leading and inspirational volunteer, and also to once again thank her and her husband for their unwavering commitment to the health and well-being of Canada’s children through their numerous generous donations to the Foundation.

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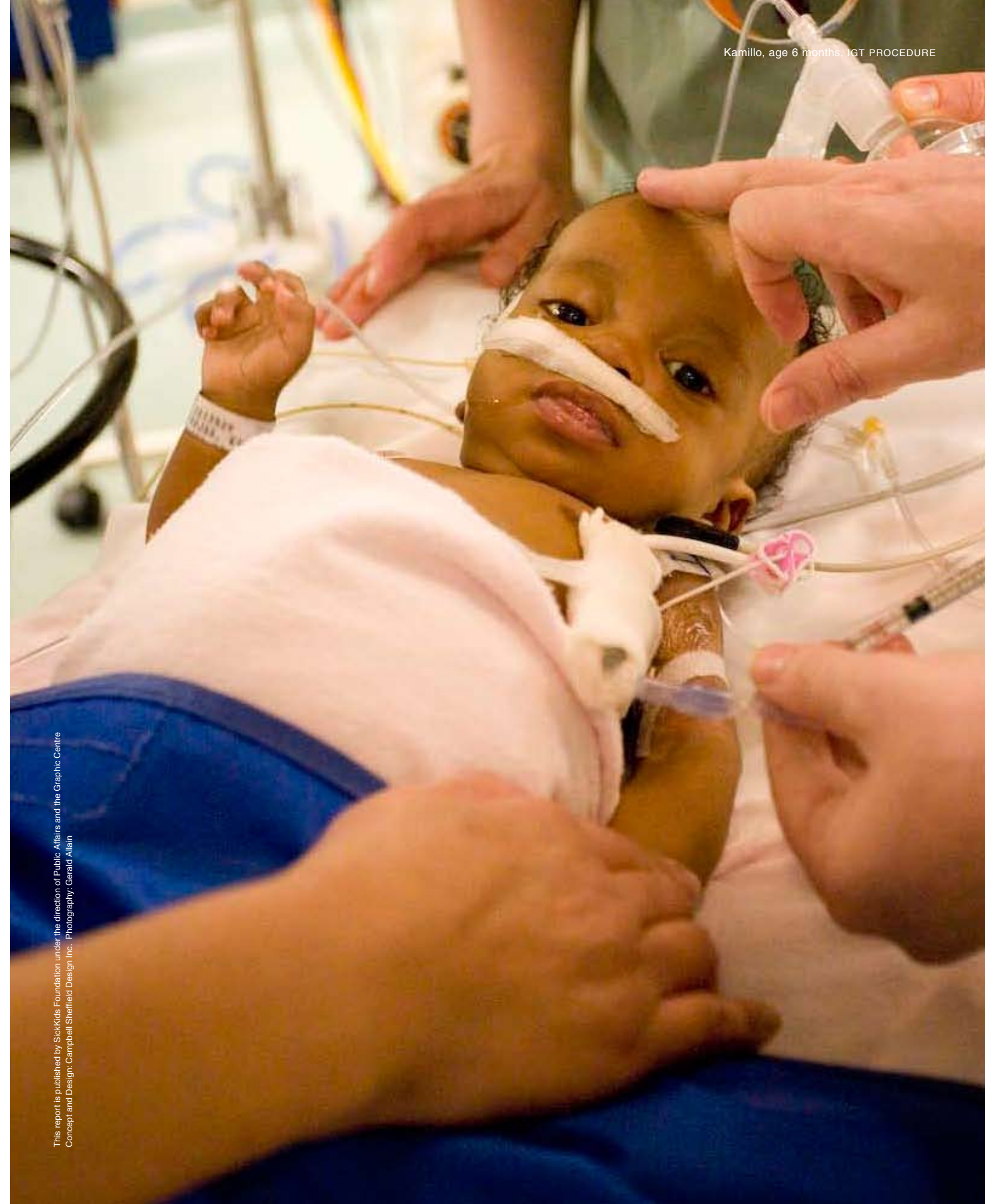
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SickKids[®]

FOUNDATION

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Public Affairs: 416.813.7314

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