

A commitment to excellence

2008-2009 Annual Report

Introduction

Mount Sinai strives for excellence in everything we do. We provide our patients with the highest level of care and compassion. We are known around the world for the quality of our academic teaching and for our cutting-edge research. We hire the best and the brightest. In these pages, you will learn about some of the people and programs that have helped establish our reputation for top-quality care. We highlight our Renew Sinai redevelopment project and bring you closer to two of our dedicated donors, Seymour Schulich and Mark Krembil, who have helped make Mount Sinai extraordinary. For a more detailed look at Mount Sinai Hospital, the Samuel Lunenfeld Research Institute and the Mount Sinai Hospital Foundation, we invite you to visit our online annual report at www.mountsinaiannualreport0809.ca. We thank you for supporting Mount Sinai and for helping us achieve excellence in patient care, education and research, now and in the future.

What a year Overview

Throughout its 85-year history, Mount Sinai has built and achieved a reputation for excellence in patient care, research and education. We have made excellence a part of who we are and what we do, every day.

The number of patients we serve each year continues to grow. In 2008/09, more than 25,000 people were admitted to the Hospital for treatment in one of our specialized clinical areas and approximately 665,000 visits were made to our ambulatory clinics. Our surgeons performed more than 20,000 surgical procedures, compared to 19,431 last year. The number of visits to our Emergency Department increased by more than 1,000 to 44,959 visits this year. New programs such as our Emergency Wait Times Strategy are enabling us to deliver more efficient and effective patient care.

We are midway through Phase 1 of our multi-year capital project, Renew Sinai. The objective of this capital redevelopment is to improve the patient experience through a rejuvenation of the Hospital's physical space. The result for patients: greater efficiency and enhanced safety. This project will add six new floors to our existing building, expanding space for The Bloomberg Centre for Women's and Infants' Health. This exciting project will also modernize a medical inpatient unit, Pharmacy and Cardiology as well as a number of clinical support areas. We are also planning for Phase 2, which will encompass the renewal of the majority of the Hospital including the Critical Care Unit, Emergency Department, surgical suites and the inpatient units. Upgrading critical hospital infrastructure and providing a more patient and family-centred

environment are closely intertwined in this project.

Mount Sinai continues to make strides in using technology to help increase the efficiency and safety of patient care. Our electronic medication project has been progressing rapidly, and in the fall our clinicians will be ordering, dispensing and administering medications using our new technology. A new information system has been in development for the Emergency Department this year; it is scheduled for release in the summer. To improve patient flow, we have implemented a bed management solution to increase the accuracy of our patient census and optimize our bed utilization.

As an academic research Hospital, our clinical practice reflects the high calibre of research by our clinicians and by scientists at the Samuel Lunenfeld Research Institute. Their breakthrough accomplishments are reflected in improved patient care. The Lunenfeld continues to excel in its scientific achievements and its high rate of success in attracting competitive funds from external sources. These funds totaled over \$70 million in 2008/09. Among the many research breakthroughs at the Lunenfeld this year, three in particular make the link between research and patient care and also garnered overwhelming international media coverage.

Lunenfeld Senior Investigator Dr. Andras Nagy received worldwide media recognition for discovering a new method of creating stem cells that could lead to possible cures for devastating diseases such as spinal cord injury, diabetes and Parkinson's disease. Senior Investigator Dr. Jeff Wrana unveiled a new technology tool called "DyNeMo" which analyzes breast cancer

tumours and can predict with more than 80 per cent accuracy a patient's chance of recovery. Finally, Distinguished Investigator Dr. Tony Pawson became the first Canadian scientist to be awarded the prestigious Kyoto Prize for his life's work on communication between human cells, which will most notably lead to precision-guided therapeutic approaches to cancer treatment.

In addition to its reputation for advancements in research, Mount Sinai is known locally and internationally for its strong credentials as an academic health sciences centre. As a University of Toronto teaching hospital, we trained 408 nurses and 400 medical students, residents and fellows this year.

The Hospital performed exceedingly well in the Accreditation Canada survey, scoring an A+, in the words of the lead accreditor, and meeting 97 per cent of all criteria. For the third year in a row, Mount Sinai earned distinction as one of the Greater Toronto Area's Top Employers. We take pride in hiring the best and the brightest to deliver our outstanding programs and services.

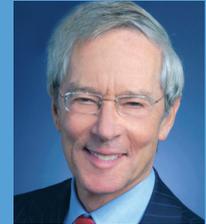
In an economically challenging year, we have successfully balanced our budget and remain in a stable financial position. Moving forward, we will continue to operate in a prudent and fiscally responsible manner. One way we have identified to achieve our fiscal goals is to continue to grow our business development portfolio.

In October 2008, in partnership with Rexall, we opened a modern, new pharmacy on the main floor of the Hospital. In addition we have a new Rehab and Wellbeing Centre, located on the Hospital's 11th Floor and we will soon launch our new state-of-the-

art Centre for Fertility and Reproductive Health. All of these facilities generate revenue that helps support the Hospital.

The Mount Sinai Hospital Foundation significantly increased its marketing activities, making productive use of online, social media and telemarketing initiatives to broaden its base of donors and engage new and existing donors. Early in 2009, the Foundation launched a successful Grateful Patients campaign that offers patients and family members an opportunity to honour their Mount Sinai experience with a donation. Meanwhile, Mount Sinai's Auxiliary continues to raise funds for its Advancing e-Meds pledge that will help implement an electronic medication ordering system across the Hospital. It has been a difficult year for philanthropy; however, the Foundation and Auxiliary continue to move forward despite the challenges.

Community involvement is the foundation on which Mount Sinai has flourished. Today, as one of Canada's pre-eminent patient care, research and academic health science centres, we recognize and thank the many committed members of the Mount Sinai community — Boards and Committee members, Hospital Auxiliary, Leadership Sinai, donors, volunteers, staff, nurses and physicians — without whom Mount Sinai's continued evolution could not be sustained.

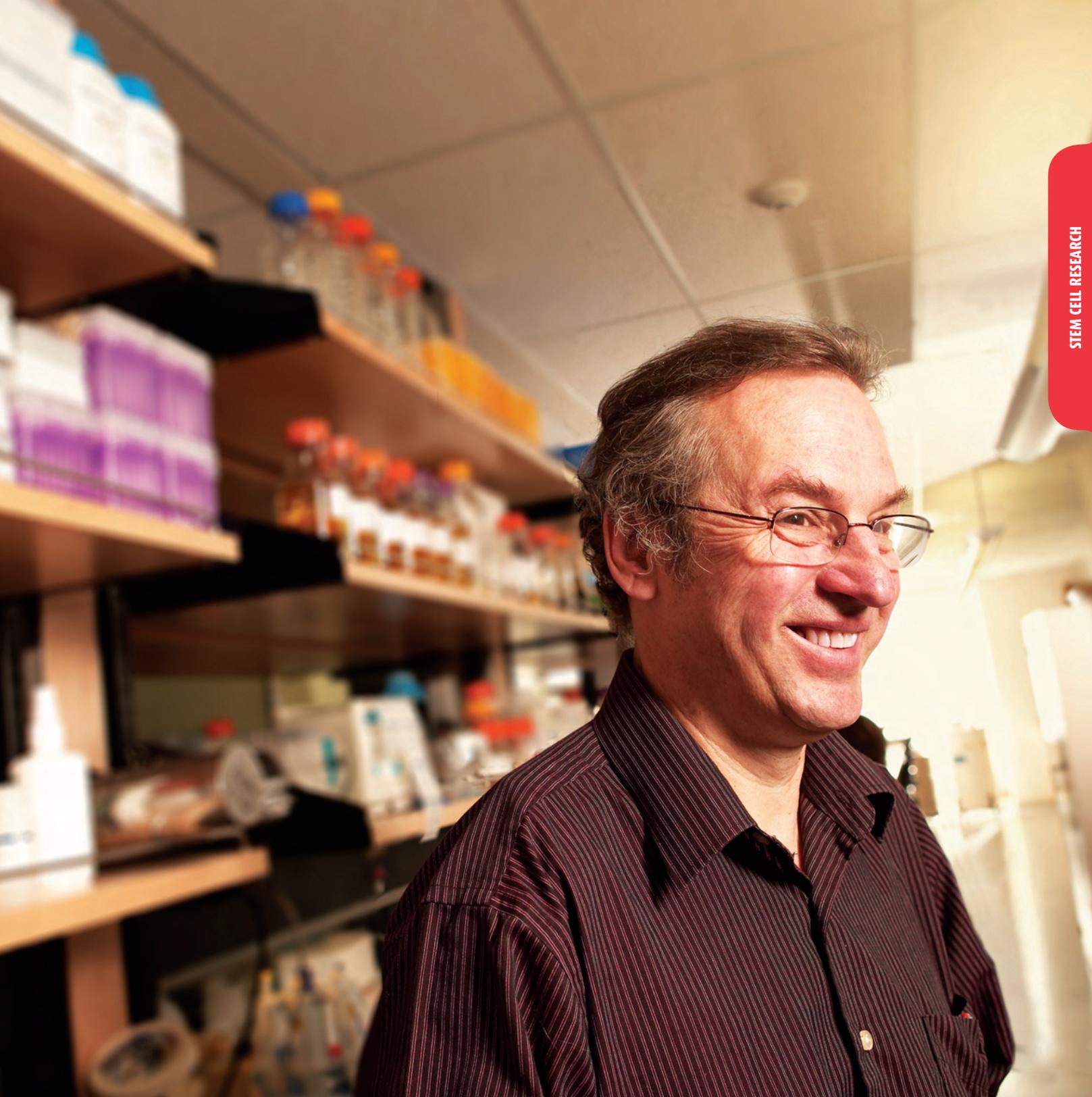


Lawrence S. Bloomberg
Chair of the Board
Mount Sinai Hospital



Joseph Mapa
President and CEO
Mount Sinai Hospital

Dr. Andras Nagy



STEM CELL RESEARCH

An extraordinary breakthrough.

Dr. Andras Nagy made international news headlines with his stem cell research breakthrough — the discovery of a new non-viral method of creating stem cells from other cells of the body that could lead to possible cures for devastating diseases including spinal cord injury, macular degeneration, diabetes and Parkinson's disease.

"We hope that these stem cells will form the basis for treatment for many diseases and conditions that are currently considered incurable," says Dr. Nagy, Senior Investigator at the Samuel Lunenfeld Research Institute of Mount Sinai Hospital.

Dr. Nagy, who was the only Canadian selected for the first annual *Scientific American* Top 10 Honor Roll in June 2009, found a new way to create pluripotent stem cells (cells that can develop into most other cell types) without disrupting healthy genes. His new method of generating stem cells does not require embryos as starting points and could be used to generate cells from many adult tissues such as a patient's own skin cells.

"We are focused on creating healthy outcomes for patients — that will enable us to repair, replace, restore and regenerate the human body's own damaged or diseased cells, tissues and organs."

World-class leadership.

For the past 10 years, Dr. Thomas Stewart has ensured excellent clinical care, education and research in Mount Sinai's Intensive Care Unit as Director of Critical Care Medicine. In July 2009, Dr. Stewart will add Mount Sinai Physician-in-Chief to his long list of accomplishments.

"Dr. Stewart has positioned Mount Sinai as a leading critical care centre that now attracts some of the brightest medical students, residents and fellows from Toronto and around the world," says Dr. Maureen Shandling, Senior Vice President, Medical.

During the SARS outbreak in 2003, Dr. Stewart's leadership helped ensure Mount Sinai's health-care teams could safely and effectively care for patients afflicted by SARS. He has since become a key advisor for provincial critical care services and the Critical Care Lead for the Local Health Integration Network (LHIN).

Dr. Stewart is a Professor of Medicine and Anaesthesiology at the University of Toronto and collaborates on research projects in many countries outside of Canada.

CRITICAL CARE

Dr. Thomas Stewart





Mark Krembil

THE KREMBIL FOUNDATION

A commitment to research.

Understanding the critical importance of medical research can take extraordinary vision. Science and the human body are both incredibly complex, and a particular research project may not yield tangible results for five or ten years.

Fortunately for Mount Sinai Hospital, Mark Krembil, President of The Krembil Foundation, is the kind of visionary who appreciates the central role research plays in health care. The Krembil Foundation's primary focus is funding world-leading and innovative medical research and has made a \$1-million commitment to support modern genomic research and computational biology at Mount Sinai Hospital's Samuel Lunenfeld Research Institute — a gift that will help propel our researchers' understanding of how cancer changes and distorts normal cellular mechanisms.

The Krembil Foundation often makes grants to research that is so new and innovative it has difficulty securing grants from other sources, but has hopeful, life-saving potential. The Krembil family's commitment to research is not only exemplified through generous donations, but through its acumen in selecting research that will have the most significant impact on human health.

Dr. Shoo Lee



A FORWARD-THINKING PAEDIATRICIAN

Dedication to our future.

Dr. Shoo Lee stands tall in the world of neonatology and among the tiny infants who are his patients. Wooed to Mount Sinai from Alberta last fall, Dr. Lee is Mount Sinai's new Paediatrician-in-Chief and Head, Division of Neonatology, at the University of Toronto.

Dr. Lee chose Mount Sinai because of its strong commitment to clinical, research and teaching excellence and its forward-thinking culture. "It is an exciting opportunity to work and research," he says.

Dr. Lee received his medical degree from the University of Singapore, completed paediatric training in Newfoundland and his neonatal fellowship training at Children's Hospital in Boston. He received his PhD in Health Policy (Economics) from Harvard University.

Dr. Lee is the founder of the Canadian Neonatal Network, which now includes 27 hospitals and 16 universities in the country that collaborate on neonatal care research. He is also involved in international collaborations that include 200 hospitals across Canada, the United States, Latin America, Europe and Asia.

A model of efficiency.

A new initiative at Mount Sinai's Schwartz/Reisman Emergency Centre has greatly reduced the average time ambulance patients wait for treatment, contributing significantly to enhanced patient care.

In September 2008, Mount Sinai hired its first "offload" nurse, whose sole role is to care for patients arriving by ambulance.

"The offload nurse position benefits patients by allowing them to receive more immediate care, timely testing, and gets paramedics back to the streets rather than waiting with patients in the emergency department," says Carolyn Farquharson, Emergency Nursing Administrator.

Only a few days after the program began, average offload times at Mount Sinai dropped from approximately two hours to 20 minutes.

In December 2008, Toronto Emergency Medical Services presented Mount Sinai's Emergency Centre with an award for its success in reducing offload times and for scoring the lowest offload times among Toronto's adult hospitals.

INTRODUCING THE OFFLOAD PROGRAM



Carolyn Farquharson

Dr. Tony Pawson

A revolutionary at work.

Dr. Anthony (Tony) Pawson is called a cell biology “revolutionary” by peers and admirers the world over for transforming our understanding of the way human cells work in health and in disease. Dr. Pawson is a world leader in signal transduction — the way in which cells control one another’s behaviour through chemical signals.

In June 2008, Dr. Pawson, Distinguished Investigator at Mount Sinai Hospital’s Samuel Lunenfeld Research Institute, became the first Canadian scientist to be named a Kyoto Prize Laureate. This honour, bestowed by the Kyoto Foundation in Japan, recognizes his contribution to science and to the betterment of humankind.

“It was an extraordinary honour to receive the 2008 Kyoto Prize for our work on communication between human cells,” says Dr. Pawson. “It is a real endorsement of the importance of fundamental scientific discovery in the fight against diseases such as cancer, and it is particularly exciting to see Canadian biomedical research being recognized by such a prestigious award.”

SIGNAL TRANSDUCTION IN CELLS



Seymour Schulich

The epitome of philanthropy.

Seymour Schulich has long been renowned as an influential investor; the same can be said of his philanthropic endeavours. As a member of the Board of Governors and a donor to Mount Sinai Hospital for more than a quarter of a century, Mr. Schulich's generosity has influenced all facets of the Hospital. He is a long-time supporter of cancer research at the Samuel Lunenfeld Research Institute; his gifts to our Highest Priorities enable Mount Sinai to continuously improve equipment and technology; Seymour Schulich Honoraria support our awards of excellence program providing exceptional educational and recognition benefits to our staff. His recent gift of \$2 million will continue to provide ongoing support for our staff awards and establish the President's Fund, directed towards our highest priorities. As ever, it is a gift that exemplifies the creative influence of a deeply committed donor.

As at March 31, 2009

Mount Sinai Hospital Summarized Statement of Financial Position

(in thousands of dollars)

	2009 (\$)	2008 (\$)
Assets		
Current assets		
▪ Restricted cash and cash equivalents	14,061	17,216
▪ Accounts receivable	61,531	31,878
▪ Inventories, prepaid expenses, deposits and sundry assets	6,434	6,409
	82,026	55,503
Capital grants receivable	1,534	6,930
Mount Sinai Hospital Foundation of Toronto	5,795	6,095
Property and equipment	289,834	264,139
Total Assets	379,189	332,667
Liabilities		
Current liabilities	160,058	137,247
Long-term liabilities	38,236	36,274
Deferred contributions	215,170	188,073
	413,464	361,594
Net Assets (Deficiency)	(34,275)	(28,927)
Total Liabilities and Net Assets	379,189	332,667

Auditors' Report on Summarized Financial Statements

To the Directors of Mount Sinai Hospital:

The accompanying summarized statements of financial position, operations and changes in net assets (deficiency) are derived from the complete financial statements of Mount Sinai Hospital as at March 31, 2009 and for the year then ended on which we expressed an opinion without reservation in our report dated May 19, 2009. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying summarized financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes.

For more information on the Hospital's financial position, results of operations and cash flows, references should be made to the related complete financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

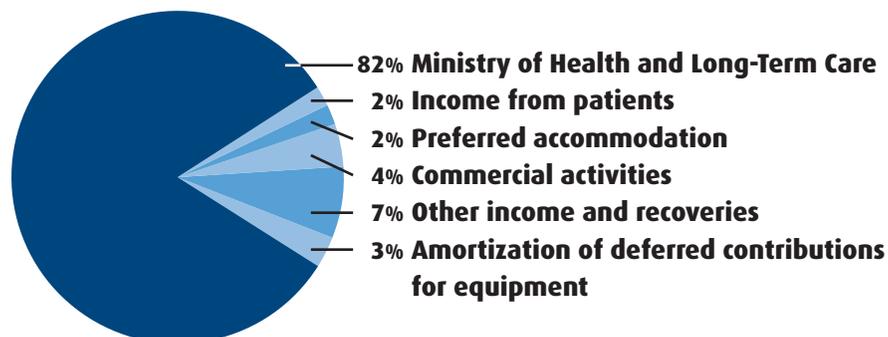
Toronto, Canada

May 19, 2009

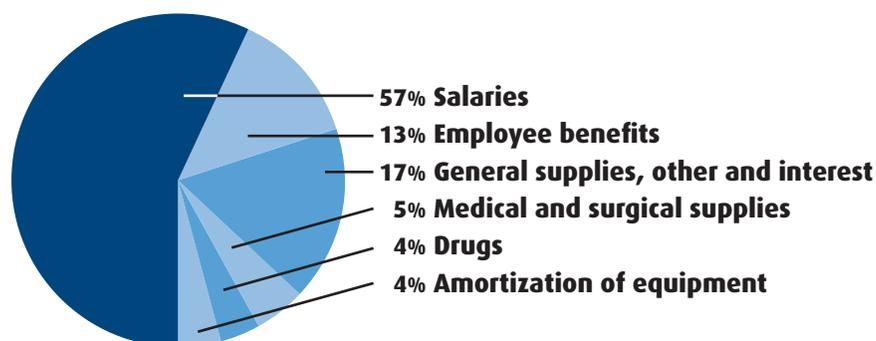
Mount Sinai Hospital

Summarized Statement of Operations and Changes in Net Assets (Deficiency)

INCOME



EXPENSES



(in thousands of dollars)

Income

	2009 (\$)	2008 (\$)
Operating Income		
▪ Ministry of Health and Long-Term Care	307,305	293,473
▪ Income from patients	8,341	7,742
▪ Preferred accommodation	7,921	8,352
▪ Commercial activities	15,501	20,650
▪ Other income and recoveries	25,632	25,576
▪ Amortization of deferred contributions for equipment	9,417	10,161
	374,117	365,954
Research Funding	72,016	62,700
Total Income	446,133	428,654

Expenses

Operating Expenses		
▪ Salaries	209,715	202,150
▪ Employee benefits	48,458	49,602
▪ General supplies, other and interest	63,494	57,624
▪ Medical and surgical supplies	19,300	17,867
▪ Drugs	15,509	21,428
▪ Amortization of equipment	15,210	16,428
	371,686	365,099
Research Expenditures	72,016	62,700
Total Expenses	443,702	427,799

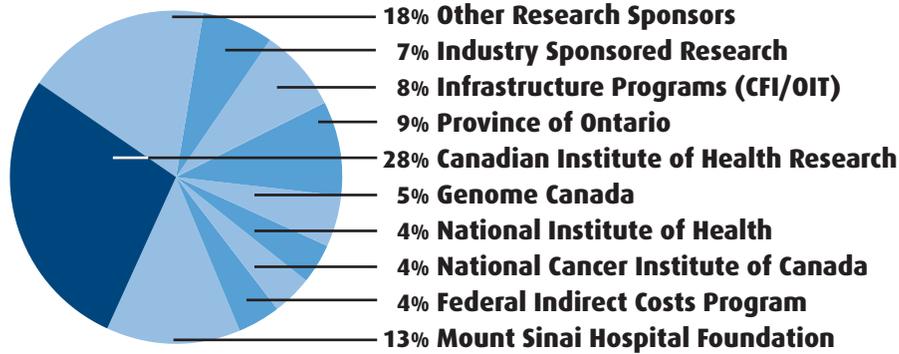
Excess of Income over Expenses before the undernoted	2,431	855
Change in fair value of interest rate swaps	(1,590)	(534)
Excess of Income over Expenses before amortization	841	321
Amortization of Building and Research Equipment, net of amortization of deferred contributions	6,189	5,809
Excess of Expenses over Income	(5,348)	(5,488)

Net Assets (Deficiency) - Beginning of year	(28,927)	(23,099)
Adjustment as a result of adopting Fair Value recognition of Financial Instruments	-	(340)
Net Assets (Deficiency) - End of year	(34,275)	(28,927)

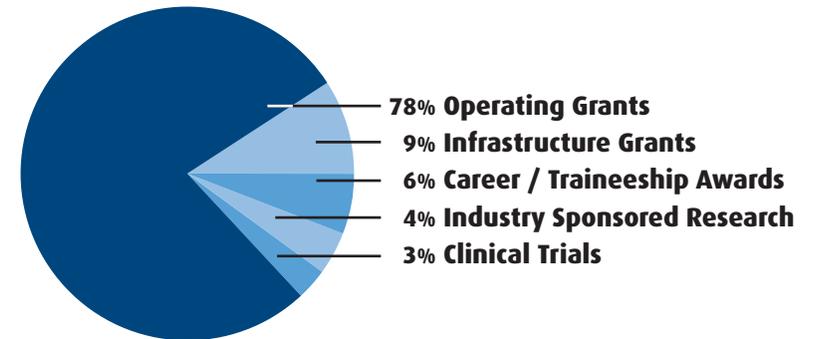
As at March 31, 2009

Samuel Lunenfeld Research Institute Summary of Funding

**Total Research Funding
(85.1 Million)**



**Total External Funding By Grant Type
(85.1 Million)**



Mount Sinai Hospital Foundation of Toronto Summarized Balance Sheet

Auditors' Report on Summarized Financial Statements

To the Board of Directors of Mount Sinai Hospital Foundation of Toronto:

The accompanying summarized balance sheet and summarized statement of revenue and expenses and changes in fund balances are derived from the complete financial statements of Mount Sinai Hospital Foundation of Toronto as at March 31, 2009 and for the year then ended on which we expressed an opinion without reservation in our report dated May 20, 2009. The fair summarization of the complete financial statement is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guidelines of the Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying summarized financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all of the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes.

For more information on the Foundation's financial position, revenues and expenses and fund balances, references should be made to the related complete financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
May 20, 2009

(in thousands of dollars)

Assets

	2009 (\$)	2008 (\$)
Cash	599	1,892
Accounts receivables and prepaid expenses	165	282
Investments - at market value	58,350	58,035
Foreign currency forward contract asset	-	260
Capital assets - net	253	289
Total Assets	59,367	60,758

Liabilities and Fund Balances

Accounts payable and accrued liabilities	16,390	16,684
Foreign currency forward contract liability	1,992	-
Funds held under administration	874	860
	19,256	17,544
Fund balances	40,111	43,214
Total Liabilities and Fund Balances	59,367	60,758

Year Ended March 31, 2009

Mount Sinai Hospital Foundation of Toronto

Summarized Statement of Revenue and Expenses and Changes in Fund Balances

(in thousands of dollars)

Revenue

Donations, bequests and contributions	42,677	32,085
Events - net	1,696	1,998
Fundraising Revenue	44,373	34,083
Investment income (loss)	(8,064)	1,364
Total Revenue	36,309	35,447

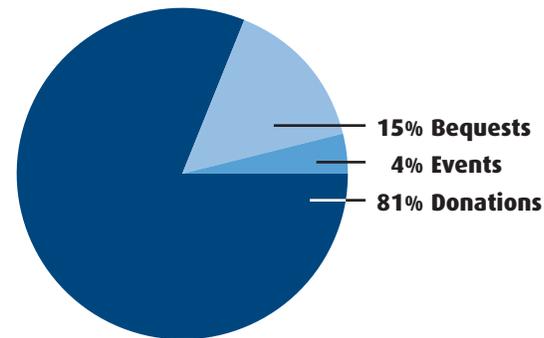
Expenses

Fundraising and administrative	5,572	5,090
Grants to Mount Sinai Hospital	33,840	32,784
	39,412	37,874

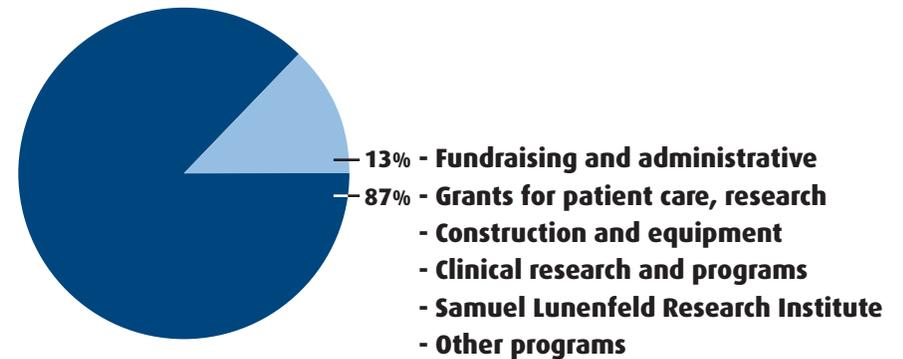
Excess of expenses and grants over revenue for the year	(3,103)	(2,427)
Fund balances - beginning of the year	43,214	45,641
Fund balances - end of the year	40,111	43,214

2009 (\$) 2008 (\$)

Where Our 2009 Fundraising Revenue Comes From



How Our 2009 Fundraising Revenue Is Used



Mount Sinai Hospital Foundation of Toronto The Best Medicine Campaign

Notes to Summarized Financial Statement

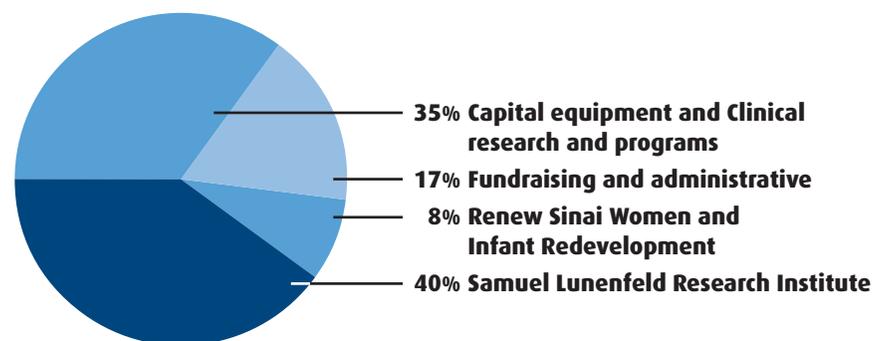
The Foundation is incorporated under the laws of Ontario as a corporation without share capital. The Foundation receives, accumulates and distributes funds and/or the income therefrom for the advancement of medical research, education and improvement of patient care at Mount Sinai Hospital (the "Hospital").

The summarized financial statements of Mount Sinai Hospital Foundation of Toronto (the "Foundation") are reported using the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are extended for the purpose for which they are provided.

Accounts payable and accrued liabilities include amounts payable to the Hospital of \$15,671,768 (2008 - \$15,821,700).

The Foundation is a public foundation registered under the Income Tax Act (Canada) and, as such, is exempt from income tax purposes under Registration Number 11904 8106 RR0001.

How our \$449 million The Best Medicine Campaign (1995-2009) is distributed





RENEW SINAI

The year 2008-09 saw six new floors rise from the Murray Street side of our hospital building, an exciting milestone for Renew Sinai, the Hospital's capital redevelopment project. The first phase of the project will expand space for our renowned Lawrence and Frances Bloomberg Centre for Women's and Infants' Health. Over the past few years, as exterior construction was continuing, an exhaustive design exercise was being conducted with the staff to ensure that the new and renovated spaces are efficient and modern, warm and welcoming for the patient and family as well as offer a state-of-the-art clinical environment. Construction will begin later this year for the fit-out and furnishing of the new floors and careful planning is underway to ensure that transition into the new space, which begins in 2010, is seamless, with patient care as the first priority. There are still many years of work ahead, but ultimately Renew Sinai will result in a physical environment that reflects the world-class health care we deliver and model at Mount Sinai.

For more about Mount Sinai, please see our online Annual Report 2008/09 at www.mountsinaianualreport0809.ca or visit www.mountsinai.ca.

Mount Sinai Hospital & Samuel Lunenfeld
Research Institute of Mount Sinai Hospital
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Bright Minds. Big Hearts. The Best Medicine.

Become a Mount Sinai donor and join a community of supporters who share a dedication to our mission. Help ensure Mount Sinai can deliver the best patient care, leading-edge research, innovative education and investment in technology.

Because every donation counts.

Call 416-586-8203 or visit www.mshfoundation.ca

Mount Sinai Hospital Foundation
1001-522 University Avenue
Toronto, Ontario
M5G 1W7

MOUNT SINAI HOSPITAL 
Joseph and Wolf Lebovic Health Complex