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Your investment in Rady Children's supports...

Innovation. Technology. Hope.
The results last, quite literally, a lifetime. The impact is real.

Rady Children's did far more than just help Tasie when she suffered a traumatic brain injury. Our team helped the whole family with programs and services, such as Child Life, that are completely dependent on philanthropy. In all, Tasie's care was coordinated through nine departments, each offering the best technology, the latest advances, the most caring touch.

When you support Rady Children's, you help children whom you may never meet but whose lives have been saved through your investment in our Hospital.





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CHAIR, BOARD OF TRUSTEES

RADY CHILDREN'S HOSPITAL-SAN DIEGO

BILL SAILER

CHAIR, BOARD OF TRUSTEES

RADY CHILDREN'S HOSPITAL FOUNDATION

Rady Children's embraces the spirit of innovation that enables us to improve pediatric care.

This is true in the development of new technologies and groundbreaking research – but it is equally important in how we offer one-on-one care to a family in a time of crisis. We believe that innovation matters in every one of those moments.

Rady Children's dedication to put the needs of children first has driven us to create a truly unique healing experience – one in which the benefits of sophisticated research are realized in a pioneering family-centered healing environment.

We take our covenant to our community seriously with an unwavering commitment to fiscal responsibility. This ensures that we can meet the needs of families now and, just as importantly, that we will embrace, prepare for, and help create the future of pediatric healthcare.

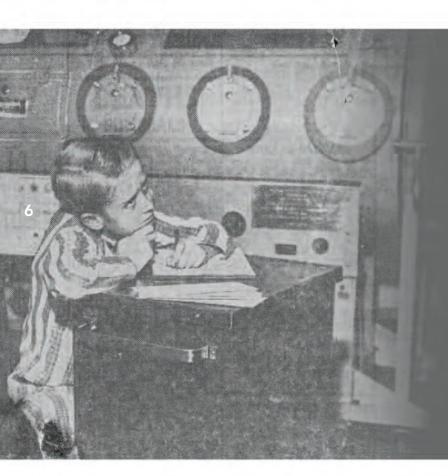
More than ever, we are committed to raising the bar, seeking new treatments and cures, and reaching new communities – all the while ensuring that each child and family has the very best experience.

Simply put, this is not possible without you.

The role of philanthropy is integral to our success. You make it happen. Your impact is real.

And we thank you.

60 YEARS OF IMPACT



When Burt Stephenson, Rady Children's first patient, was admitted in 1954, it was the start of something special.

Diagnosed with polio when he was 11 years old, he spent several months in the county hospital. "I remember one night I was in a room with six iron lung patients," he says of that time. "There were five adult men and me. When I woke up, I was the only one in the room; all five of the men had died." It is a memory that no one should have, especially an 11-year-old boy.

When Children's Hospital opened – someplace exclusively for kids – it was a bright spot in the lives of our first patients. "We were really excited. Everything was brandnew and shiny," says Burt. He remembers some of his fellow patients. And he remembers that, four months later, he was able to go home.

Looking back, it was a pretty ambitious idea – San Diego's own pediatric hospital. Even then, when the Board for the Society for Crippled Children initiated the idea, they had a vision. In 1953, Board Member Jeannette Branin wrote of "our ultimate objective – a medical center for children the equal of any in the country."

That pioneering spirit has been a part of Rady Children's in every moment since.

In the beginning, innovation was simply a necessity. Rady Children's Hospital Auxiliary actually began its creative fundraising efforts a year before the Hospital opened. The first CEO, Richard Johnston, was often needed to take X-rays. Everyone was always searching for a better way to help kids.

By the late 1950s, San Diego's fledgling hospital began capturing the attention of a group of young physicians in Los Angeles. "We saw the possibilities," says Dr. Alan Shumacher, our first neonatologist. "We believed that this was a place where we could make a difference."

And they did.

Most families never knew about the groundbreaking medicine the happening behind the scenes. They just knew that their children were in a place that cared about them.

In the '60s, pioneers like Drs. David Collins, Albert Anderson and David Chadwick quite literally changed the quality of care for our entire region. Their bold and courageous leadership took us from a polio hospital to an acute care facility. At the time, no one quite

believed we could do this – operate a hospital solely focused on kids – but innovation after innovation made our community believe.

In the '70s, physicians such as Dr. David Sutherland led us into the forefront of orthopedics – a legacy that continues to be fulfilled today with top 10 national rankings.

Our caregivers knew that we were the best place for kids. Anywhere.

Our Trauma Center opened in the '80s, and we are now the designated trauma center for our region. Our nationally renowned cardiac program evolved in the '90s, and with it, exceptional critical care.

Rady Children's was one of the first hospitals in the nation to introduce laparoscopic abdominal surgery; we became an international leader in the study of child abuse and prevention; we have been pioneers in scoliosis surgery.

And beyond the exceptional medicine – the innovative programs, such as our motion analysis lab and spinal defects center, and the development and implementation of new technology – Rady Children's led the way in what's become the design standard for children's hospitals: a family-centered, child-focused environment. The way our Hospital

looks – the colors and artwork – helped set the standard for pediatric healing.

The culture of Rady Children's has always encouraged our caregivers to do one thing like no one else: Give care that's right for kids. Innovation truly belongs in every moment here – from the scientist seeking understanding in microbiomics to the nurse striving to find a creative way to comfort a child who is afraid. There has always been innovation.

And there is another common thread in our history.

You.

Without those who have invested their time and resources, we would not be where we are today. Yes, we would have always helped children who were sick or hurt. But it is philanthropy that funds the research, providing the foundation from which innovation grows.

Today, that growth is inspiring – and the opportunities are limitless.

As you look through these pages, seeing the impact your gifts have had upon our Hospital this year, look with us to the future and all that is possible.

This is, again, the start of something special.

INNOVATION BELONGS IN EVERY MOMENT

A new idea. A different approach. A better solution. From the research lab to the bedside, Rady Children's brings a passion for innovation to every moment, always striving for excellence, always seeking to advance. Never forgetting that kids come first.

A mazing care at the bedside is what parents expect. What children deserve. It is what our families will tell you means the most to them in the moments when they put their kids in our hands.

At the very genesis of that tender care is research. Behind each gentle visit with a patient is the relentless pursuit of new protocols. New medicines. New cures.

Research saves lives. And that is what families really want.

Rady Children's is committed to innovation in research, striving to bring discoveries from the lab to the patient's bedside. Through our affiliation with UC San Diego School of Medicine and other world-class research institutions, children benefit from basic, clinical and translational research – and from the best minds in medicine working together.

We will settle for nothing less than to be a catalyst for the dramatic improvement of children's health.

Consider this:

• Incredible work that uses sucralose/ maltodextrin (Splenda®) to treat eosinophilic esophagitis (EoE), a severe throat disorder that affects both children and adults worldwide. When mixed with corticosteroid budesonide, Splenda® helps the medicine stick to the esophagus and is producing dramatic results in a clinical trial with children. These results were published in *Gastroenterology*, the leading journal in its field.

• An important new diabetes study using a two-drug combination — one that treats high blood sugar and one most commonly used for acid reflux.

These are just two of nearly 200 clinical trials and 267 other research projects that are underway at Rady Children's – studies that can help children here in San Diego, across the country and around the world.

And it is only the beginning.

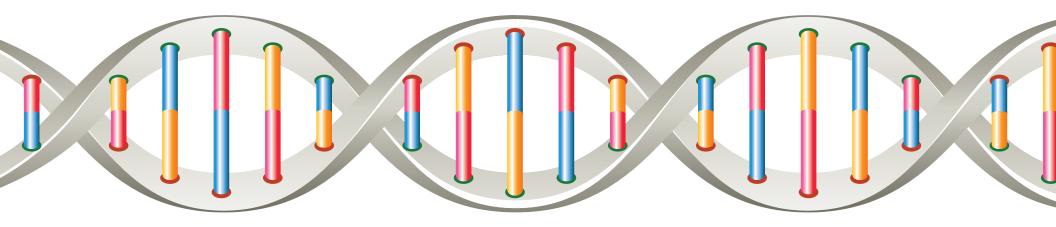
Our vision is to advance pediatric research and individualized patient therapies to treat and cure childhood diseases.



We came to love Rady Children's when our daughter was a patient here nine years ago. We give today because of what Rady Children's will offer to the children in future generations. - Joe and Paige Bezdek



WHAT IS GENOMICS? Innovative Treatments – One Child at a Time



You hear a lot today about "personalized medicine," and it sounds pretty amazing:

The ability to treat a patient based on his or her unique genetic profile. But what does that mean?

Recent advances in technology have made it possible to rapidly sequence a person's genome and identify genetic variations, or mutations, that cause or contribute to diseases. At Rady Children's, physician-scientists are already mapping the genomes of children born with brain defects. By identifying mutations, they have been able to treat some of those patients differently – and successfully.

This is **genomics** – personalized medicine – and it is already happening here.

Along with studying the genome, physicianscientists are also investigating how environmental and lifestyle factors can alter genes and lead to diseases such as cancer, diabetes and other autoimmune diseases, and even behavioral disorders. This powerful research, known as **epigenomics**, has the potential to greatly influence disease predisposition and progression and have a dramatic impact on children's health.

Microbiomics takes this work one level deeper, studying the genomes of the microbes –

learning more about individuals and how to treat them – than was ever thought possible.

We plan to one day, in the near future, offer this highly advanced approach to every child who comes to us.

Now think bigger:

Our vision is to share our knowledge with researchers around the world.

From the child to the research community to the world and back to help another child. Rady Children's could be at the center of it all. It is a vision that we invite you to share with us.





At first, everyone thought it was just the flu. But by the time 13-year-old Kaitlyn Parmiter was transferred to Rady Children's, she was in a coma and may have only had a few hours to live. In addition to influenza, Kaitlyn was developing type 1 diabetes and was suffering from brain swelling.

Rady Children's is one of a handful of hospitals in the United States conducting clinical trials on intravenous antiviral drugs – the drug that saved Kaitlyn's life.

Kaitlyn is one of the faces of research. She is the face of the future.

The role of philanthropy in research cannot be understated. Gifts that fund knowledge yield lifesaving rewards for generations to come.



Por the second year in a row, Rady Children's was named by Hospitals & Health Networks as one of the country's "Most Wired" hospitals. The annual survey honors U.S. hospitals that have made intelligent investments in IT infrastructure and implementation that promote business objectives, support patient safety and quality, and provide integration between the hospital, physicians, patients and the community.

IT-related technology brought us MyChart, giving families instant access to their child's medical records online. Soon, parents will be able to make payments online, as well.

Through initiatives such as the Health Information Exchange and advanced analytics, Rady Children's is using the latest information technology to help save lives.

Medical technology is also at the forefront.

Our "Rady-D2" telemedicine robots allow physicians to evaluate patients quickly – from anywhere – increasing accessibility to Rady Children's superior quality of care.

Accessibility is also why the new Entra Glucose Monitor device for children and adolescents with type 1 diabetes is so vital. This is a home blood glucose meter, now being evaluated in clinical trials, that makes data available to the provider in real time.

We are also studying a remote echocardiogram system that improves the ease and quality of patient-captured echocardiograms to better assess and treat heart palpitations and tachyarrhythmia, disorders of the heart rhythm.

We love seeing all the technology at Rady Children's – the amazing equipment there and the fact I can access my child's medical record from my phone. It gives you peace of mind that you're getting the most advanced care.

But when I'm in the room with the doctor and he's just speaking to us one on one, I feel that my son is the only patient here. It is the personal care – from every single person we see here – that means the most to me. - Lisa Hanson



The support of our community has allowed Rady Children's to grow in important new ways this last year.

Rady Children's Heart Institute opened a 30-bed Acute Cardiac Unit (ACU) to care for children and newborns with cardiovascular disease. Most exciting is the knowledge that, with the creation of this unique and technologically advanced unit, we are one step closer to providing heart transplants at Rady Children's.

Pioneering surgeries — the first ever in the United States — were performed at Rady Children's in a revolutionary treatment for early-onset scoliosis. Our team of surgeons successfully implanted adjustable growing rods in two children with excellent results.

Equally innovative is treatment with acupuncture – not codeine – to ease the pain after tonsillectomies. We have the only pediatric ENT specialist in California trained in acupuncture and one of few nationwide.

We continued to reach out across the region and celebrated – with joy – the anniversary of our Neonatal Intensive Care Unit at Rancho Springs Medical Center. In its first year, the Rancho Springs NICU cared for 514 newborns, ensuring the finest quality of care and allowing families to stay close to home.

A partnership with Qualcomm is evaluating Asthmapolis and Zephyr technologies to offer personalized asthma therapies for children, helping to reduce serious asthmatic attacks, emergency room visits, hospitalizations and associated costs.

2013 BY THE NUMBERS

We provided care to 192,382 patients.

There were:

- 17,636 inpatient admissions.
- 70,943 visits to the Sam S. and Rose Stein Emergency Care Center.
- 46,416 visits to our four Urgent Care centers.
- 20,679 surgeries performed.
- 222,574 outpatient visits.



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For the third consecutive year, Rady Children's was ranked among the top children's hospitals in the nation in all 10 pediatric specialties surveyed by U.S. News & World Report.

The rankings highlight the top 50 U.S. children's hospitals in each of these pediatric specialties: cancer, cardiology & heart surgery, diabetes & endocrinology, gastroenterology & GI surgery, neonatology, neurology, neurology & neurosurgery, orthopedics, pulmonology, and urology.

As we continue to pursue our research and care initiatives, these rankings provide validation for the work happening here in the Hospital now and set the stage for future collaborations and growth.

Among the highlights:

- Urology received the highest possible score for commitment to clinical research and outscored the number one ranked hospital
 in the prevention of surgical complications.
- Orthopedics achieved the highest score possible for specialized clinics and programs.
- Neurology and Neurosurgery outscored four of the top five ranked hospitals in the prevention of surgical complications and achieved the highest possible score in surgical survival.
- Diabetes and Endocrinology achieved the highest score possible for diabetic patient management, outscoring three of the top five ranked hospitals in this category.
- Cancer achieved the highest score possible in commitment to best practices, palliative care and clinical research.



When 4-year-old Marques went into cardiac arrest at preschool, his family learned that he had a heart condition known as long QT syndrome. At Rady Children's, he received an implantable pacemaker/defibrillator device that constantly monitors heart rhythms and delivers electrical energy, if needed. Through wireless technology, installed in the family's kitchen, Marques' condition can now be checked on a regular schedule.

Philanthropic support will enable extraordinary advances in cardiac care at Rady Children's, including a heart transplant program.



22 YOUR INVESTMENT AT WORK

In fiscal year 2013, Rady Children's Hospital Foundation received more than \$15.1 million in gifts.

This support – your support – enabled the innovation you have seen in this Report.

Truly, every dollar matters. Philanthropy makes it possible for Rady Children's to provide lifesaving technology, as well as life-changing care and services, such as social work, Child Life services and chaplaincy.

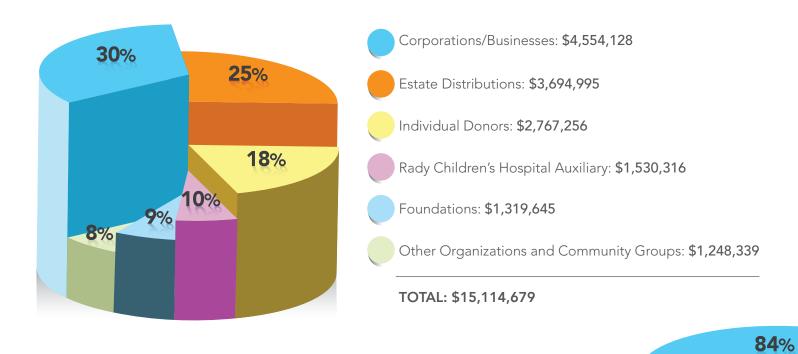
Significant contributions have led to significant results.

Estate gifts mean that those who designated Rady Children's in their wills and trusts left a legacy of care – and a meaningful difference that helps kids now and will benefit future generations.

Our Children's Circle of Care members continue to demonstrate extraordinary generosity in helping us to change the future of pediatric healthcare.

These types of gifts – combined with gifts from Rady Children's Hospital Auxiliary, our Miracle Makers, and millions of caring individuals and hundreds of businesses and corporations – are vital to our future.





Patient Care: \$12,586,551

Technology/Capital: \$162,082

Endowment: **\$973,684**

TOTAL: \$15,114,679

Research and Education: \$1,392,362



9%

6%

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John and Yvette learned through a sonogram that their soon-to-be-born son, Santino, would have kidney problems – and they have had help and support from Rady Children's ever since. Santino began dialysis shortly after birth and, when he was 2 ½, received a kidney transplant, a gift from his mom. Although he may need more surgeries in the future, he is doing well and can look forward to a full and active life.

Through the stories of our patients, philanthropy comes to life. Each gift is received with both seriousness and joy, for the work is serious, and the results are joyous.



So what comes next?

The answer lies in the fact that we are uniquely positioned to make a profound difference and a lasting impact in pediatric healthcare.

Rady Children's is the largest children's hospital in California and the sixth largest in the nation. San Diego is home to a rich biomedical community, providing extraordinary possibilities for collaboration. More than 600 biotechnology companies are located in San Diego, making the region the second largest biotech cluster in the country. Many of these companies were born out of discoveries made at UC San Diego – our partner in research.

We have the opportunity, and the duty, to profoundly change and improve the quality of life and health for children locally, nationally and around the world.

And, most importantly, we can give children what they most deserve and what every parent hopes most for their child: a chance to grow and learn and live their lives to their fullest potential.

We invite you to share in this journey with us.

You can make a difference.

For more information about helping us to create a new vision of the future, please call us at **858-966-5950** and learn about philanthropic opportunities at Rady Children's.

