

INSPIRE.

MAKE A DIFFERENCE.

ENACT CHANGE.

SHAPE THE FUTURE.



The best investments are measured in the strength of their returns.

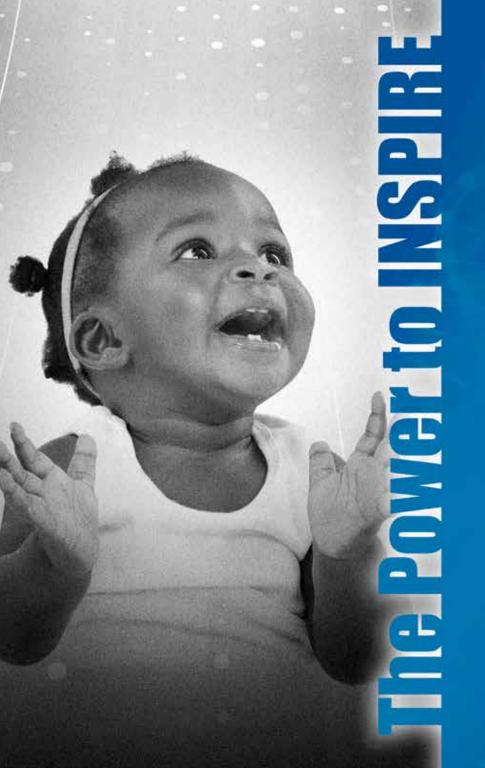
A t Rady Children's Hospital-San Diego, those returns are particularly precious. We measure our success in the ways we can support and nurture and enhance pediatric healthcare.

Our investment strategy? To leverage every dollar donated, every minute volunteered. To match the passion of our donors with purposeful resolve. To make the most of every opportunity.

To do what's right for children.

There is power in what we accomplish together:

This report celebrates the impact that you have made through the power of your commitment to Rady Children's for fiscal year 2016 (July 1, 2015-June 30, 2016).



"Good actions give strength to ourselves and inspire good in others."

{Plato}

Inspiring Leadership

"Every day, I have the privilege of seeing the power of philanthropy in our organization. We take our responsibility to use that power seriously. Your gifts are transforming pediatric healthcare - in our community and across the globe."



Donald Kearns, MD, MMM President and Chief Executive Officer Rady Children's Hospital-San Diego

"To want to help a child is something that comes from the heart; it is a passion for doing the right thing. We match that passion to a powerful purpose, creating life-changing - and life-saving - results."



Paul Hering
Chair, Board of Trustees
Rady Children's Hospital Foundation

"Rady Children's has evolved from a small polio hospital in 1954 to a world leader today. That is because of you. And through your efforts, there is no limit to what we can do to help children for generations to come."



Ted Roth
Chair, Board of Trustees
Rady Children's Hospital-San Diego

"Our obligation - our responsibility - is to ensure that your investment is transformed into exceptional care, transformational research and meaningful outcomes. Our goal is to fully leverage every dollar donated, every minute volunteered."



Steve Jennings
Senior Vice President and Executive Director
Rady Children's Hospital Foundation

Bringing Vision to Life

t began with a vision: A team of world-class scientists, researchers and clinicians dedicated to preventing, diagnosing, treating and curing childhood disease through genomics research.

What an amazing dream.

What an inspiring path to reality.

Ernest Rady and his family led the way in 2014 with their \$120 million gift to create Rady Children's Institute for Genomic Medicine. And as we began to build this Institute - to bring the vision to life - others were inspired by its profound potential.

What a feeling to know that you can make a difference in such a lasting and significant way.

Rady Children's Hospital Auxiliary felt it. This incredible volunteer organization – the one that supported the Hospital even before the Hospital opened – knew that this Institute would also open new doors. In 2015, the Auxiliary pledged \$2.5 million to support the Institute, and they already have more than \$400,000.

The Clayes family felt it. In March 2016, the trustees of the Joseph A. W. Clayes III Charitable Trust created the Joseph Clayes III Research Center for Neuro-Oncology and Genomics with a \$10 million gift. "My uncle Joe had a passion for causes that help children, specifically those who face physical or mental challenges in their lives," says Trulette Clayes. "This endowment has the potential to change the course of how children with cancer receive treatment."

"The first instinct of parents who have a child diagnosed with cancer is to seek out the best treatments available. That's exactly what our team of scientists, researchers and physicians intends to provide. By sequencing a tumor, we can discover the genomic foundation of the cancer and develop individualized approaches to treatment."

Stephen Kingsmore, MD, DSc,

President and CEO, Rady Children's Institute for Genomic Medicine



Trulette Clayes with **Dr. Donald Kearns**, President and CEO, Rady Children's Hospital-San Diego (left) and **Steve Jennings**, Sr. Vice President and Executive Director, Rady Children's Hospital Foundation.

The Hervey family felt it. Inspired by this strong foundation, their generosity is providing immediate-use funds to accelerate the integration of our clinical neuro-oncology research program with genomic medicine in order to rapidly unlock the mystery of each child's brain tumor. With the new knowledge and insights gained, our ability to diagnose and apply effective treatment protocols

will be significantly enhanced so that we can save more children's lives while minimizing negative side effects.

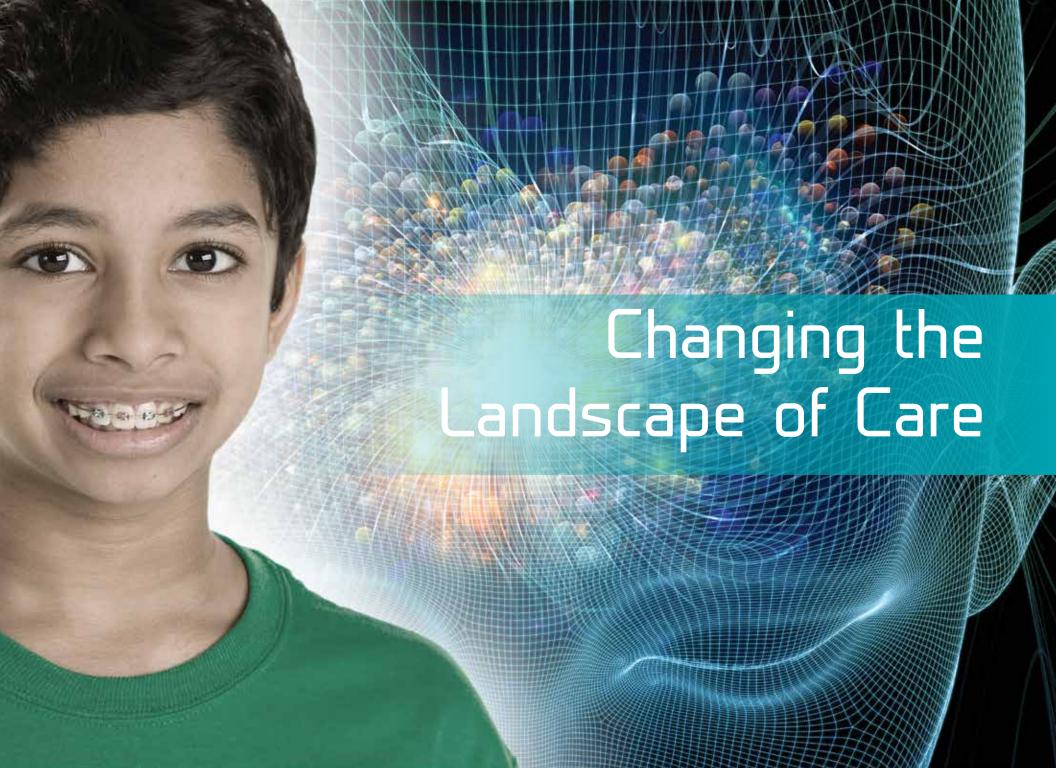
Each step - and every gift, large or small - brings us closer to our goal, empowering us to change the future of pediatric medicine.

Another Step Forward

n July 2016, Rady Children's announced that the Rady Children's Institute for Genomic Medicine began using rapid whole genome sequencing to diagnose genetic diseases by enrolling its first patient.

That patient was the first step in a plan to enroll an average of two families a week in rapid whole genome sequencing and quickly increase that number, giving priority to patients who are most likely to benefit from a diagnosis that explains their illness.

As of mid-October, 60 genomes have been sent for sequencing.



The stigma often associated with mental and behavioral health meant that the outlook could be dark for families struggling to find programs and services.

At Rady Children's, we are changing that.

We are transforming the landscape of mental and behavioral health for children, expanding access to inpatient and outpatient services, technology and mobile health. Think of it as caring for the whole child. This transformation in total care is vital - for each child and our community as a whole.

And our community is joining us as Rady Children's becomes

a world leader in mental and behavioral health for children. In July, **Price Philanthropies Foundation** awarded Rady Children's a five-year, nearly \$1.2 million grant to establish behavioral and mental health urgent care in Mid-City.

This comprehensive mental health program will include a range of high-quality behavioral health services from urgent care to specialized trauma treatment along with advocacy and case management. It fills a critical gap in care and further positions Rady Children's as the premier pediatric behavioral healthcare provider.

The Price gift is one excellent example of how foundations can

join with individual donors in making an investment in the future of our community.

The Charity Ball is another, making a courageous decision to focus on mental health for its 107th Anniversary event last February. All proceeds benefited the Crisis Stabilization Unit at Rady Children's.

This short-term crisis assessment and treatment program assists patients during a mental health emergency (see page 10).

For families who may have felt abandoned in the healthcare system, Rady Children's offers a new view.

NSPIRF

Mental and Behavioral Health Services at Rady Children's

ady Children's offers outpatient services for diagnoses including depression, anxiety, attention deficit disorders, behavior problems, psychosis and eating disorders, as well as inpatient care through Child and Adolescent Psychiatry Services (CAPS) for children and adolescents with psychiatric illness.

CAPS includes an Eating Disorders/Medical Behavioral Unit, the only child and adolescent inpatient unit of its kind in San Diego, and a Crisis Stabilization Unit, a short-term crisis assessment and treatment program that assists patients during a mental health crisis. Emergency and crisis intervention is available 24 hours a day at Rady Children's through the Sam S. and Rose Stein Emergency Care Center.

In 2016, thanks to a gift from Virginia and Howard Levenson and family, we were able open a beautifully renovated CAPS Courtyard, an extension of our commitment to providing a healing environment. With new seating and landscaping, it's an attractive and safe area for small group discussions, family therapy and outdoor recreation.



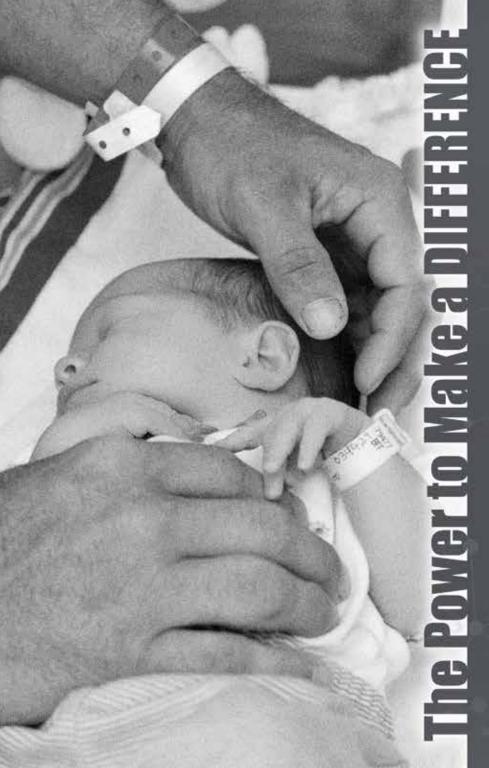


A Grand Tradition

has brought together community leaders and supporters for a night of elegance and entertainment. It is one special evening each year, but the night has a long-lasting impact on the children of our region. By raising significant funds to support the creation of important programs, build new buildings and provide care for the children who need help the most, the Charity Ball has created a lasting legacy of love. The 108th Anniversary Charity Ball – For the Love of a Child – to be held February 11, 2017, will benefit the Peckham Center for Cancer and Blood Disorders at Rady Children's.

The Price of Philanthropy

The Price Philanthropies Foundation was founded by retail entrepreneur and philanthropist Sol Price and his wife Helen in 1983. Today, Sol and Helen Price's son and daughter-in-law, Robert and Allison Price, continue the family's legacy through their leadership of the Foundation. In 1994 Sol Price embarked on an initiative in City Heights. His vision was to develop a comprehensive approach to revitalize the community and provide better opportunities for its 74,000 residents. Now, more than 20 years later, the City Heights Initiative continues. Price Philanthropies Foundation continues to invest in organizations and programs that faithfully reflect the vision that Sol Price had for a more just society.

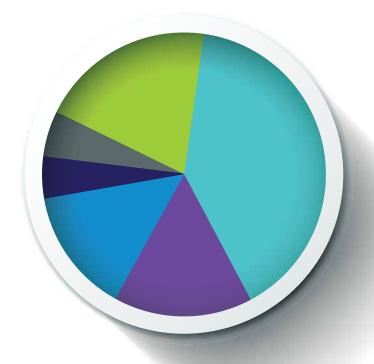


How do I make a difference?

For those who invest in Rady Children's, there can be no greater question.

And we are proud to show you the answer - to show you the impact that you are making right now - and for generations to come.

By the Numbers



OUR GENEROUS DONORS

- Estate Distributions
- Foundations
- Corporations/Businesses
- Individuals
- Auxiliary
- Other Organizations/Community Groups

\$4,659,528

\$14,051,423

\$4,574,192

\$4,292,166

\$1,503,366

\$1,655,248



GIFT DESIGNATION

Capital	\$987,251
Community Programs	\$1,026,452
Education/Teaching	\$161,753

Education/leaching \$161,/53

Other/TBD \$285,683

Patient Care \$5,457,888

Research \$12,576,744

Unrestricted \$10,240,152

TOTAL \$30,735,923

Meeting the Challenge

What if your gift made twice the difference? Wouldn't that feel twice as satisfying?

The answer, thanks to a \$2.5 million challenge grant from the **Gordon and Marilyn Macklin Foundation**, is yes.

The grant supports Kawasaki disease (KD) research and matches gifts dollar for dollar for the next four years.

"This challenge grant will allow us to continue the cutting-edge research we are doing here in San Diego," says Jane C. Burns, MD, a world leader in Kawasaki disease research and director of the Kawasaki Disease Research Center at Rady Children's and the UC San Diego. "The Macklin Foundation has made a commitment to invest and help us find life-saving discoveries for children with Kawasaki disease all around the world."

Dr. Burns has dedicated her career to studying KD, in collaboration with Adriana Tremoulet, MD, a physician at the Rady Children's Kawasaki Disease Clinic and associate director of the Center. Dr. Burns and her team are focusing their efforts on solving the mysteries of KD in the next five years.

American businessman Gordon S. Macklin was the first president and CEO of the NASDAQ, the world's first electronic stock market. He and his wife, Marilyn, established the Gordon and Marilyn Macklin Foundation to support business education and medical research. When the couple passed, management of the Foundation was handled by their nephew, Donald D. Dawn, and his wife, Patricia.

When their daughter, Brooke, contracted Kawasaki disease, Patty and Don were determined to understand this mysterious and largely unknown disease. Their search for answers led them to Dr. Burns, who ultimately inspired their matching gift.

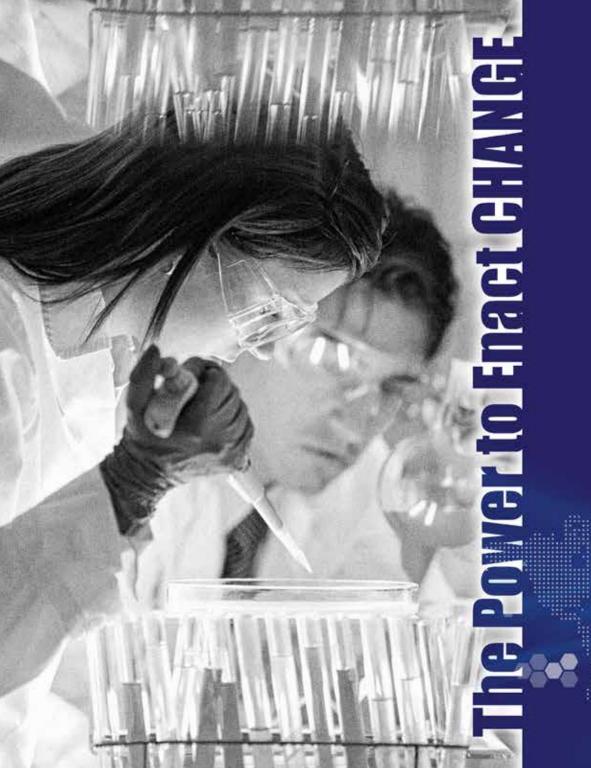
DIFFERENCE



Six-year-old Dylan was an all-star baseball player, having the time of his life playing in a baseball tournament, when his parents first saw that something was wrong.

Ultimately, Dylan was diagnosed with Kawasaki disease. The most common cause of acquired heart disease in children, Kawasaki disease causes inflammation of the coronary arteries. Left untreated, the disease causes aneurysms in 25 percent of children, which can lead to heart complications and heart attacks.

Following treatment at Rady Children's, Dylan began to improve. He will require follow-up care to monitor his heart, but for now, his family and his championship baseball team are happy that despite a scary and difficult to diagnose disease, Dylan is back on the field.



"Never believe that a few caring people can't change the world. For, indeed, that's all who ever have."

{Margaret Mead}



Families Helping Families

When a child is diagnosed with cancer, a family is forever changed.

This was true for the Gordon family. Nathan Gordon was only 15 months old when he was diagnosed with a rare spinal cord tumor and was treated at Rady Children's Peckham Center for Cancer and Blood Disorders. The lifesaving care that he received inspired his parents, Andrew and Denise to, in turn, help Rady Children's change the world.

The Gordons formed the Celebrating Futures Fund to benefit hematology/oncology and neurosurgery at Rady Children's. During the last five years, they've raised more than \$300,000 to fund research, as well as the Gordon Fellowship in Pediatric Neuro-Oncology.

In 2016, Reid Hoshide, MD, MPH, was selected for the fellowship, studying brain tumors and building the foundation for future clinical trials for children with newly diagnosed and recurrent central nervous system tumors.

These types of fellowships elevate Rady Children's reputation nationally and internationally in patient care, education and research. It is an investment in change. In life. In hope.

Corporate Impact

Talk about a driving force! Launched in 1998, Hyundai Hope On Wheels provides grants to fund life-saving research and innovative treatments for pediatric cancer. Primary funding for Hyundai Hope On Wheels comes from Hyundai Motor America and its more than 800 U.S. dealers. Recipients of Hyundai Grants are selected from the nation's best and brightest institutions.

In 2016, pediatric cancer researcher Catriona Jamieson, MD, PhD, received a \$250,000 grant to investigate "Novel Molecular Players in Leukemia Pathogenesis." These studies will reveal new therapies that specifically kill leukemia cells and thereby improve therapy, minimize chemotherapy toxicity and reduce chances of relapse.

Community Partnerships



Leaders of the Junior Seau Foundation and Rady Children's unveil the new Junior Seau Foundation Urgent Care Center in the WebMD Pavilion at Rady Children's North Coastal Center.

The Junior Seau Foundation gave \$500,000 to create the Junior Seau Foundation Urgent Care Center, located in the WebMD Pavilion at Rady Children's North Coastal Center, made possible by a partnership between Rady Children's and Sanford Children's.

"Junior Seau was dedicated to serving the children of his hometown, San Diego. We are privileged to continue that legacy by advancing Rady Children's mission to restore, sustain and enhance the health and developmental potential of children," says Mike Kinkelaar, Executive Committee Director of the Junior Seau Foundation. "We are proud that this philanthropic investment will create a legacy that honors the memory of Junior Seau, a man who loved our community."

Students from the San Diego French American School (from left):
Nolwenn Garcia, Emi Ayala-Sekiguchi, Nathalie Garcia, Valentina Montenegro-Venero,
Emilia Brachet, Seiji Ayala-Sekiguchi, Colin Guckian, John Guckian (not pictured: Sebastian Brachet)

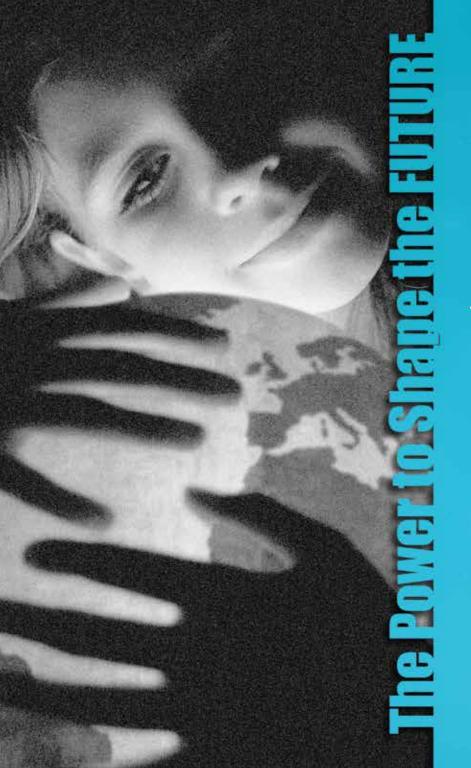
Kids Helping Kids

When students from the San Diego French American School looked for a project to help their community, they made a decision with a lot of heart.

The group of nine elementary school students chose to raise money for Rady Children's 3-D Heart Modeling Program, something that appealed to their desire to help other kids and their love of innovation.

Rady Children's Heart Institute is now creating precise 3-D replicas of patient hearts. Our physicians are collaborating with biomedical engineers at UC San Diego and with local 3-D printing companies to make incredibly accurate models. The hearts are made of various materials, including plastic and photopolymers.

Not only can physicians more effectively plan and evaluate complex surgeries, but the models help to educate patients and their parents about procedures. You can actually hold the heart in your hands, rotate it and look at the relationship of all the different structures.



We share a vision of the future...

a vision of health, hope and healing for all the children in our community.



ur endowment keeps the vision of the future focused.

An important part of our investment portfolio, our endowment is a fund that Rady Children's holds in reserve. Because we can use the income it generates to meet immediate needs, it helps kids now. And because this is a permanent fund, it will have an impact for generations to come.

Permanence. Sustainability. Innovation.

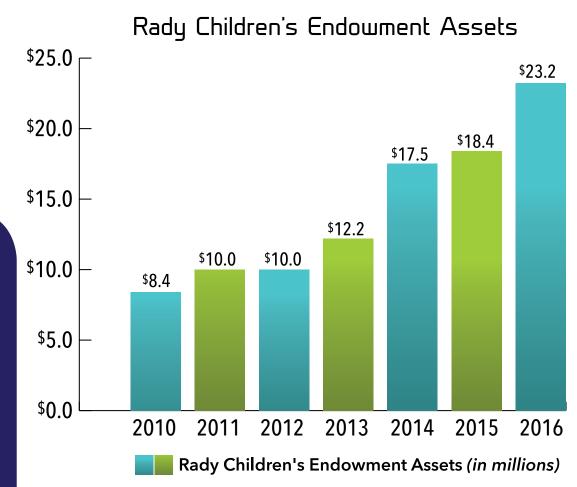
In the practical sense, endowment gifts are permanent, providing support in perpetuity and ensuring that Rady Children's sustains its commitment to excellence.

Having that solid foundation also creates the space for investments in innovation. We can explore and discover, knowing that we are strong in our everyday operations. It is the power - not just to secure the future, but to shape it.

Our endowment fuels excellence in what we do and provides a financial foundation to protect us from the uncertainties of the future.

Having a keen focus on the future also inspires our donors to include Rady Children's in their estate planning. When you make a legacy gift to support world-class patient care and cutting-edge research, you are doing more for Rady Children's than you ever thought possible. Learn more about the many ways you can invest in our future, all while accomplishing your personal long-term financial and charitable giving goals. We're here to help you make a difference.

For more information about directing a legacy gift to Rady Children's, visit www.giftplanning.radyfoundation.org.





Investing in Rady Children's is not making a transaction.

It is creating a transformation.

You are helping a child. But there is so much more.

You are helping to create institutes of revolutionary research, of breathtaking innovation, of technological advances.

Our commitment to you is an unwavering dedication to intelligent and meaningful investments that yield the highest possible returns.

And when you look into the eyes of a child, you know how powerful those returns can be.



radyfoundation.org