Report to the Community 2006
Advancing Pediatric Care, Research & Training

Development

Since 1997, the Foundation has raised funds to ensure that Lucile Packard Children’s Hospital and pediatric programs at the Stanford University School of Medicine are able to provide the finest, family-centered care to children; train the next generation of pediatric medical leaders; and conduct research into treatments and cures for diseases that affect children throughout the world. Growth in community donations over the last decade has helped transform Packard Children’s into one of the nation's top children's hospitals, and has supported its commitment to care for any child in the community, including those without health insurance.

See more on fundraising achievements in 2006.

Pediatric Medical Affairs

In addition to its work as the fundraiser for Packard Hospital and Stanford's pediatric programs, the Foundation is responsible for granting and overseeing $300 million of the more than $500 million raised through the first Campaign for Lucile Packard Children's Hospital, launched in 2001 in concert with the David and Lucile Packard Foundation. During 2006, the Foundation awarded and oversaw grants totaling $38.9 million to advance children's health.

Research is essential to improving children’s health. Here, Richard Tsien, DPhil, right, and postdoctoral fellow Curtis Barrett, PhD, discuss a recently identified genetic mutation linked to a rare yet devastating form of autism.
Community Partnerships Thrive

Twenty-five community partners in Santa Clara and San Mateo counties received Foundation grants in 2006, totaling $2.66 million.

In keeping with our program’s history, these grants focused on two areas: prevention of abuse and neglect of children ages 0 to 5; and promoting resiliency and healthful choices among preteens, ages 9 to 13.

In the 0-5 focus area, one innovative grant to Santa Clara County Superior Court supported the "Unified Family Court Child Protection Project," a collaborative effort among the court, attorneys, and social workers to prevent abuse and neglect of children with families in the court system.

Grantmaking in the preteen area in 2006 emphasized improving the quality of after school programs and building networks among these programs. Additionally, Foundation funds supported in-school programs that promote preteens’ social and emotional growth. This included a two-year grant to develop a curriculum for students and to train teachers in how to build resiliency in students.

Also in 2006, Grantmaking held a well-attended grantee convening on the topic of cultural competency. A companion brief, Cultural Competency: What It Is and Why It Matters, was produced in conjunction with the foundation’s Information Program.

For more information about the grantmaking program, see www.lpfch.org/grantmaking/.
Focusing Attention on Children's Health


These were among the strategies employed by the Foundation's Information Program in 2006 to keep children's health in the limelight.

In the public opinion poll, published in April, the well being of children, along with education and the schools, outranked 11 other issues as chief concerns for Bay Area residents, regardless of their parental status, gender, income level or political affiliation.

The Preteen Report, released in January, painted a portrait of the health and well being of local preteens, and pointed out how little we know about children going through this important transitional stage.

The accompanying Preteen Summit brought together community members to discuss a range of topics with experts and with preteens themselves. To continue the dialog begun at the Summit, the Information Program also launched preteenalliance.org, an interactive website.

As part of its work of drawing attention to other important health issues, the Information Program published Children's Dental Health in Santa Clara and San Mateo Counties: Overview of Current Needs and Activities.

To ensure that the Foundation's information reaches a broad audience, the program co-sponsored a press briefing with New America Media, the organization of ethnic media outlets.

The Information Program also joined forces with the Foundation's Grantmaking group to complement its grantee convening on cultural competency, producing a publication, Cultural Competency: What It Is and Why It Matters.

Several conferences, as well as radio shows and websites that promote children's health, also received Information Program support in 2006.

Two of the program's flagship websites, kidsdata.org and kidsclal.org, grew substantially in 2006, and won silver and gold medals, respectively, from the national Council on Foundations. Kidsdata.org also was nominated for a Webby Award.
For information on other Information Program projects, see www.lpfch.org/informed/.
Breaking New Ground

Dear Friends,

As we write this letter in mid 2007, the Foundation has just celebrated the launch of a new $300 million fundraising campaign for Lucile Packard Children's Hospital and the pediatric programs of the Stanford School of Medicine. The title of the campaign, Breaking New Ground, could apply just as easily to the Foundation's overall efforts in 2006, a year that marked a change in leadership and the election of several new board members.

Dr. David Alexander, a pediatrician, was recruited as the new president and CEO, bringing experience as the head of children's hospitals and as an advocate for children's health nationally. Dr. Alexander currently is leading a review of the Foundation's strategic plan, and exploring potential new directions for promoting children's health. The results of this planning will be made public on our website, www.lpfch.org.

During this transitional year, our Development staff raised $63.7 million, laying the groundwork for the Breaking New Ground campaign. This exciting initiative will build on our earlier campaign, which brought the Hospital and School to national preeminence. This next phase will fund a much-needed expansion of the Hospital's physical facilities, and also will support training for faculty, as well as translation of basic research into valuable treatments and cures.

Other key achievements in 2006 that were made possible in part by donors included the opening of the only comprehensive Down Syndrome Clinic on the West Coast; the completion of the first phase of a clinical trial for a potential new treatment for cystic fibrosis; and two prestigious national awards for Packard Hospital, recognizing its safety and excellence in care.

On the community front, the Foundation's Grantmaking Program invested $2.7 million in 25 local agencies that serve children in two realms: providing support for parents to reduce the risk of neglect or abuse of young children; and helping preteens develop the skills they need to make positive choices and avoid risky behaviors that can jeopardize their futures.

Among the innovative programs that received grant funding were a pilot project to provide professional development and a career ladder for staff of after-school programs, and a project to help local teachers address the emotional and behavioral issues that shape preteens' experience at school.

Through its Information Program, the Foundation continued to promote
To keep children's health in the public eye, kidsdata.org reports and tracks data, and provides lists of useful resources for families and those who work with children.

awareness and action around key children's issues. Our second Parent Survey assessed the topics that most concern parents, finding once again that stress and emotional issues continue to be prominent. The success of our www.kidsdata.org website prompted us to plan a Bay Area-wide expansion, set to launch in fall 2007.

Even as our current programs continue to thrive, we are enthusiastic about the possibilities for expanding the Foundation's impact. As new directions emerge, however, our basic focus will remain unchanged: advancing the health and well-being of children. We are grateful for your interest and support.

Sincerely,

George Pavlov  
Chairman, Board of Directors

David Alexander, MD  
President and CEO
About the Foundation

The Lucile Packard Foundation for Children’s Health is devoted exclusively to promoting, protecting, and sustaining the physical, mental, emotional, and behavioral health of children, with a focus on Santa Clara and San Mateo counties in California.

The Foundation is a public charity, established in 1996 and named for Lucile Salter Packard (1914-1987) to honor her lifelong commitment to the well being of children.

Mrs. Packard and her husband, David (1912-1996), co-founder of Hewlett Packard Company, championed establishment of Lucile Packard Children’s Hospital at Stanford, from which the Foundation evolved.

The Foundation pursues its mission through three separate yet complementary programs:

- Support for pediatric care, research, and training through
  
  Fundraising for Lucile Packard Children's Hospital and the pediatric programs at the Stanford University School of Medicine
  
  Grantmaking for Lucile Packard Children's Hospital and the pediatric programs at the Stanford University School of Medicine

- Community Grantmaking to promote the health and well being of children through partnerships with community organizations in San Mateo and Santa Clara counties;

- Public Information and education to raise awareness about the state of children’s health, and encourage positive change in policy and personal behavior.

For more information about the Foundation, see www.lpfch.org.
Board of Directors, 2006

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Matt James

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Susan Liautaud
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William F. Nichols
Susan P. Orr
Thad Padua
Jose Manuel Pena, M.D., M.P.H.
## Financial Statements

### Years Ended December 31, 2005 and 2006

### Statements of Activities

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<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td><strong>Changes in unrestricted net assets</strong></td>
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<tr>
<td>Revenues</td>
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<td>Contributions</td>
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<td>Investment income and gains, net</td>
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<td>Fundraising fees</td>
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<td>Net assets released from restrictions</td>
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<td>36,026,544</td>
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<td><strong>Total unrestricted revenues</strong></td>
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<td>Expenses</td>
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<td>Children's Health Initiative grants</td>
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<td>Children's Health Initiative oversight</td>
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<td>Programs &amp; Grants</td>
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<td>Communication/Information Program</td>
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<td>Administration</td>
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<td>Development</td>
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<td><strong>Total Expenses</strong></td>
<td><strong>59,440,032</strong></td>
<td><strong>49,208,769</strong></td>
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<td><strong>(7,605,443)</strong></td>
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<td><strong>Changes in temporarily restricted net assets</strong></td>
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<td>Contributions</td>
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<td>Investment income and gains, net</td>
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<td>Net assets released from restrictions</td>
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<td><strong>Change in temporarily restricted net assets</strong></td>
<td>(29,282,547)</td>
<td>(32,523,872)</td>
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<td><strong>(Decrease) Increase in net assets</strong></td>
<td>(36,887,990)</td>
<td>(22,583,943)</td>
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<td>Total net assets, beginning of year</td>
<td>234,693,558</td>
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<td>Total net assets, end of year</td>
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### Statements of Financial Position

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<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
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*Note: This document contains financial information and statements that are subject to annual audits and financial reports.*
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<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
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<tr>
<td>Cash and cash equivalents</td>
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<td>Children's Health Initiative pledges receivable</td>
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<td>Pledges designated for others</td>
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<td>Investments</td>
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<td>Other assets</td>
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<td>112,772</td>
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<td><strong>Total assets</strong></td>
<td><strong>$262,531,983</strong></td>
<td><strong>$243,244,296</strong></td>
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</tbody>
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**Liabilities and net assets**

**Liabilities**

- Accounts payable and accrued expenses         | 667,576  | 950,851  |
- Deferred rent                                  | 315,652  | 141,885  |
- Grants payable:
  - Community grants                             | 1,567,325 | 1,275,629 |
  - Children's Health Initiative grants           | 9,413,963 | 6,095,751 |
  - Funds designated for others                   | 52,761,899 | 59,558,555 |
- **Total liabilities**                          | **$64,726,415** | **$68,022,671** |

**Net assets**

Unrestricted net assets:

- Undesignated                                    | 5,505,599 | 3,252,756 |
- Designated as endowment                         | 90,760,665 | 102,953,437 |
- **Unrestricted net assets**                     | **96,266,264** | **106,206,193** |

Temporarily restricted net assets:

- 101,539,304 | 69,015,432 |

- **Total net assets**                            | **197,805,568** | **175,221,625** |

**Total liabilities and net assets**               | **$262,531,983** | **$243,244,296** |