

KIDS' CHANCE HOSTS FIRST ANNUAL RECOGNITION EVENT & GOLF OUTING

On Sunday, June 11, 2006, 76 golfers teed off at Hershey Country Club for the First Annual Kids' Chance Golf Outing, held in conjunction with the PA Bureau of Workers' Compensation's Fifth Annual Conference. Following a beautiful afternoon of golf for a great cause, more than a hundred golfers and guests celebrated the day's success over cocktails and dinner! The event raised over \$6,000 for the Kids' Chance Scholarship Fund. In attendance were two scholarship recipients who spoke about the impact of the Kids' Chance scholarship in helping them to pursue their educational needs.

KIDS' CHANCE OF PA BOARD OF DIRECTORS

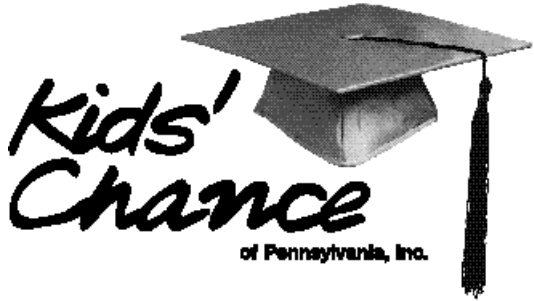
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P.O. Box 543
Pottstown, PA 19464



To make a tax-deductible donation to support Kids' Chance scholarships,
please see our brochure or newsletter, or visit our website: www.kidschanceofpa.org.
For more information about the Partner Program and benefits, please call (484) 945-2104.

2005-2006 ANNUAL REPORT



FROM OUR BOARD PRESIDENT

Dear Kids' Chance Supporters and Friends:

Thank you for your interest and support of Kids' Chance of Pennsylvania, Inc. Without it, we would never accomplish all that we do for our deserving scholarship recipients.

It is extremely gratifying to note in this report that we have been able to increase the number of scholarships offered each of the last five years. Total scholarship amounts have also increased each year during this same period. It is becoming clear and real what these scholarships mean to our young recipients (and their families) when you read their letters/emails in how our assistance have helped them overcome their personal tragedies. A college education offers them hope and places them on the road to success. Our scholarships help relieve a portion of the financial burden attending college presents to financially-challenged families. In addition to meeting the financial needs, our Board stays in touch with these students offering support and advice as they pursue their goals.

We have accomplished a great deal during the past two years. None of this would have happened without your support. We encourage you to join us at our next Annual Recognition & Golf Outing on May 4, 2008 when we celebrate our accomplishments and recognize our supporters and partners. Look for more information in our website, www.kidschanceofpa.com.

In closing, I would like to thank the volunteers and Board members of our organization who have contributed so much during my term as President. Without your efforts we would not have been able to achieve so much success. You are a great group of individuals and I encourage you to continue in your support of our new leader, Suzanne Emmet.

Sincerely,

Jeffrey S. Gelburd
President

MISSION STATEMENT

The mission of Kids' Chance of Pennsylvania, Inc. (Kids' Chance of PA) is to provide financial support for post-secondary education, through scholarship grants, to children of Pennsylvania workers who have been killed or seriously injured in a work-related accident resulting in financial need. Kids' Chance of PA was founded as a non-profit 501(c)(3) organization in 1997. Since its inception, Kids' Chance of PA has awarded 298 scholarship grants totaling \$439,750 to deserving student applicants throughout Pennsylvania.

KIDS' CHANCE OF PA SCHOLARSHIP HIGHLIGHTS

Kids' Chance scholarship grant recipients come from all over the State of Pennsylvania. All have a parent who has been seriously injured or killed in a work-related accident. Scholarship recipients have or are currently pursuing careers in sports medicine, physical therapy, criminal justice, business administration, and secondary education.

The ACE INA Foundation has partnered with Kids' Chance again for 2005 and 2006 with grants of \$30,000 and \$25,000, respectively. This has significantly impacted the educational directions of promising Pennsylvania students. The ACE INA grant is used as a special scholarship award to top applicants demonstrating both exceptional academic promise and significant financial need. Grants were awarded to ten applicants in both 2005 and 2006.

CORPORATE AND COMMUNITY PARTNER PROGRAM

The Corporate and Community Partner Program provides an opportunity for organizations to visibly support Kids’ Chance of PA. Partners consist of companies, firms and professional associations, primarily those related to workers’ compensation matters. Partners support the operational activities of Kids’ Chance of PA including raising funds, producing publications, and administering the scholarship program. Corporate and Community Partners receive special acknowledgement for their support. In 2005 and 2006, Kids’ Chance of PA secured 24 and 31 partnerships respectively, including several multi-year pledges.

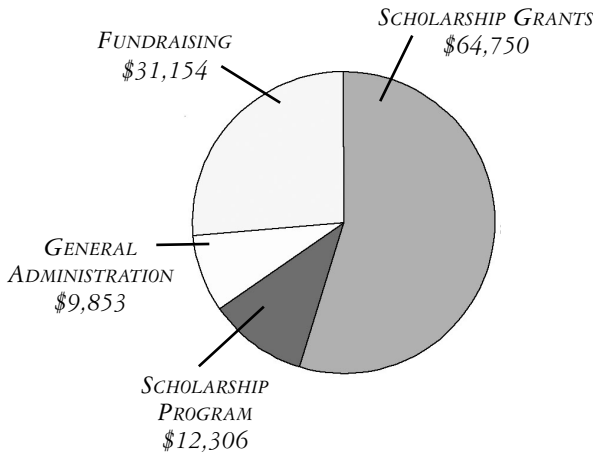
FOUNDING PARTNER Galfand Berger, LLP	Central PA Chapter, Risk & Insurance Management*	Krasno, Krasno & Onwudinjo†
SENIOR (\$10,000) Pennsylvania Self-Insurers’ Association (PSIA)	GENEX Services, Inc.*	Laputka, Bayless, Ecker & Cohn, PC†
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5-YEAR SCHOLARSHIP OVERVIEW

Academic Year	# Grants Awarded	Average Amount	Total
2002-2003	27	\$900	\$24,500
2003-2004	35	\$1,500	\$53,000
2004-2005	35	\$1,500	\$58,000
2005-2006	33	\$1,500	\$58,500
2006-2007	40	\$1,500	\$64,750

FINANCIAL OVERVIEW FISCAL YEAR 2005 & 2006

	Twelve Months Ended	
	Dec. 31, 2005	Dec. 31, 2006
Ordinary Income Expense		
Income		
Interest Income	\$ 896	\$ 1,900
General Unrestricted	443	75
Recognition Event	----	25,480
ACE INA Scholarship	30,000	25,000
Scholarship Donations	26,673	39,484
Partnerships	48,000	52,500
Total Income	\$106,012	\$144,439
Expense		
Scholarship Grants	\$ 62,000	\$ 64,750
Scholarship Program	12,433	12,306
General Administration	10,245	9,853
Fundraising	16,265	31,154
Total Expense	\$100,943	\$118,063



Notes:
* Scholarship grants and related expenses comprise 65% of total expense
* Fund Raising expenses were higher due to the recognition event and golf outing

INDIVIDUAL AND ORGANIZATIONAL DONORS 2005 & 2006

\$25,000 AND ABOVE ACE INA Foundation*	Cramp+ Associates, Inc.* Daniel K. Bricmont* David B. Torrey David W. Henry Dobis & Associates Don McCarter Drug Free Pennsylvania, Inc. Dudash & Associates, P.C. Eric Jones Evergreen Insurance Associates, Inc. Farrell & Fraticelli, P.C. First General Services of Western PA, Inc. Flash Point Digital Media Fournier Robson & Associates Frank Gates Service Co. Friends of Bob O'Connor Galfand Berger, LLP Gary J. Ogg Gary T. DeFlorentis George Martin, Esq. Gittings Investigations Harrisburg Claims Association Hershey Lodge and Convention Center High Safety Consulting Services IBEW Local 29 Indiana Armstrong Clasion Central Labor Council Indiana County Central Labor Council Innoviant Pharmacy, Inc. Inservco Insurance Services, Inc. James A. Garfield Republican Club James Garfield Jay and Christine Wendt Jeffrey Daum* Jim Morton John F. Piuri, Jr. Kenneth and Marie Rudert Kim J. Jones* KPMG* Larry Pitt Law Offices of David M. Seltzer Lawrence R. Chaban Leo Paul Jackson Life, Inc. Louis P. Lombardi II & Associates, P.C. Matthew L. Wilson Medical Services Company NovaCare Occupational Health Services One Call Medical Onyshko Foundation Onyshko Investigative Services OWL Cleaners, Inc. Pat & Tammy, Inc.* Patberg, Carmody & Ging Patricia A. Soap, Esq. Patricia Townsend Peerless Insurance Pennsylvania AFL-CIO Pennsylvania Federation of Injured Workers* Pietragallo, Bosick & Gordon Pittsburgh Claim Association Pittsburgh Fire Fighters - Local No. 1 Post & Schell, P.C. Quatrini Rafferty Galloway, P.C. Richard Enterprises Inc. Saf-Gard Safety Shoe Co, Inc. Scott Weiant Seubert & Associates, Inc. Shoes for Crews, LLC Strubinger Law Offices, P.C.*	Sue A. Piterski Sue Stackhouse Suzanne Emmet Swartz Campbell, LLC The HR Solutions Group, Inc. Thomas C. Lowry, P.C. & Associates Todd B. Seelig Vaughan Duffy & Connors LLP Vocational Rehabilitation Services, Inc. W. Edwin Jackson* Wayman, Irvin & McAuley, LLC Weber Gallagher Simpson Stapleton Fires & Newby William H. Lynch, Jr., Esq. William J. Larkin William N. Heidkamp York Claims Service, Inc
\$5,000-\$10,000 The Lenfest Foundation, Inc.		
\$1,000-\$4,999 ACS Claim Service, Inc. Anonymous Blaufeld Schiller & Holmes LLP* Caroselli, Beachler, McTiernan & Conboy, LLC Central PA Chapter, Risk & Insurance Management Society Eastern Alliance Insurance Group/Employers Alliance, Inc. First Health Group Corp. Injured Workers Pharmacy Karen Darrt Marie H. Holland Charitable Fund Trust Philadelphia Bar Association Pietragallo, Bosick & Gordon Planco Robson Forensic Incorporated Tina Jackson/Ray Ness Memorial Golf Tournament	\$5-\$99 Anthony Karczewski Barbara Anderson Bill and Mildred Onyshko Courtney Hobbs Cynthia Lupi Cynthia Onyshko Daniel Clark Linda M. Cramp* Daniel M. Carr* David Anderson David W. Henry David W. McCallister Derek Podolak Donald J. Siulborski* Eric Jones Friends of Luke Ravenstahl Gary R. Madia George and Dolores Hudanick* James M. Byrnes James Toomey James V. Monaghan Jeffrey V. Matteo Jill E. Ritchie* John and Loretta Johnson Joseph Schafer III Judy McGinnis Katherine Rhodes Kenneth E. Stasko* Lawrence H. Sukits* Louis A. Marinaccio Mark J. Gulasarian Maureen O'Toole* Michael J. Mueller PALE, Inc. Pat Cooper Pennsylvania Chamber of Business & Industry Peter J. Ross* Raymond P. Serrao Robert W. Race Ronald Bartolowits Stephen M. Vak* Susan H. Swope* Terry W. Knox The Honorable Martin Burman Thomas M. Barr Thomas P. Dugan* Vincent T. Pallus Walter Chesla	
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\$100-\$499 Ada J. Guyton* AgencyPort Insurance Services, Inc. Alliance Impairment Management, Inc. Anthony J. Bilotti & Associates, LLC BHB Rehab Services Bob Purkey Agency, Inc.* Burns, White & Hickton Cherry Fieger & Cherry, LLP Clark Fire Portection, Inc. Consolidated Services Group, Inc. CorVel Corporation*		

*2005 & 2006 Donor

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