2004 ANNUAL REPORT



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 scholarships to over 230 deserving student applicants throughout Pennsylvania.

A LETTER FROM OUR BOARD PRESIDENT:

Dear Kids' Chance Supporters and Friends:

I am happy to report that for the second year in a row, Kids' Chance increased the dollar amount in total scholarships. We provided a total of \$58,000 in scholarship grants to 35 deserving college-bound students. Higher grants were made possible by the generous second year grant of the ACE INA Foundation and were awarded to applicants demonstrating both high academic potential/performance and significant financial need. What is more outstanding is the fact that the scholarships provided last year helped us raise another \$26,555 through a state matching program called PATH (Partnership for Access to Higher Education). The ACE INA Foundation has already committed to increasing the past year's contribution to \$30,000.

We also broadened our base of support last year through the Corporate and Community Partner program. Currently there are 26 Partners representing a variety of organizations related to the workers' compensation field. Partner commitments from organizations such as the Pennsylvania Self-Insurers' Association, as well as golf outings benefiting Kids' Chance hosted by the Central Pennsylvania Chapter of RIMS and Onyshko Investigative Services, were also vital to our success.

The Kids' Chance Board has been working diligently to update our strategic plan. I am pleased to report that during our November 2005 Board Meeting, the plan was adopted. Support from a wide range of workers' compensation related businesses and groups, as well as private individuals, have made these opportunities possible for Kids' Chance scholarship recipients. To our donors, and on behalf of the students whose lives have been positively impacted, thank you. We have posted letters from scholarship recipients on our website, and I encourage you to read some of these letters as they reflect, in the students' own words, the difference Kids' Chance is making.

We are currently working with the Bureau of Workers' Compensation to hold our first ever recognition banquet in conjunction with their two day conference which is tentatively scheduled in Hershey in June 2006. This is a great opportunity to have our scholarship recipients meet our corporate sponsors. We have also asked our Honorary Chair, Governor Edward Rendell, to speak at this Banquet.

I look forward to working with concerned organizations and individuals across the state to fulfill the Kids' Chance mission in 2005 and beyond. Together we can continue to make life-changing opportunities possible.

Jelpy D. Ruber Sincerely,

Jeffrey S. Gelburd President

KIDS' CHANCE OF PA SCHOLARSHIPS, 2004-2005



Jessica Hammond Lock Haven University



Elizabeth Wagner Boston University

"This scholarship really has opened up a world of opportunity for me. With the financial assistance of this scholarship, I was able to accept and attend my first-choice college, and pursue my interest in international relations/foreign languages. I am bonored to have this opportunity to pursue my academic dreams."

SCHOLARSHIP HIGHLIGHTS:

Kids' Chance scholarship grant recipients came from all over the state of Pennsylvania. All have a parent who has been seriously injured or killed in a work-related accident. Criminal Justice; Elementary Education; Computer Science; Architectural Engineering; English/Secondary Education; Engineering; and International Relations/Foreign Languages.

- The total dollar amount of scholarship grants awarded increased from the previous year.
- Through a Partnership with the PATH Program of the Pennsylvania Higher Education Assistance Agency (PHEAA) and American Education Services (AES), Kids' Chance of PA leveraged an additional \$26,555 in matching grants for 20 Kids' Chance scholarship recipients with remaining unmet financial need.
- 60% of scholarship recipients also received a Kids' Chance grant the previous year. (Students must re-apply annually and must satisfy the eligibility requirements each year to be considered for a grant.)

"Thank you so much for your generous scholarship to my student education. It's your organization with its selfless deeds that gives kids like me a chance for a prominent future. You've given me the inspiration to succeed both at school and life."

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

3-YEAR SCHOLARSHIP OVERVIEW:

KIDS' CHANCE OF PA SCHOLARSHIP RECIPIENTS, 2004-2005

Recipient

Erica Anthony Joshua Barnish Heather Brannan Walter Chesla Dominique D'Angelo* Daniel DeGrazia Alicia Demer Brandon Dieffenbach Mandy Dieffenbach Catherine Donnelly Kevin Gorman Patrick Gorman Lynnsey Grzybowski Jessica Hammond* Rov Herr Shane Hesser Brandon Kear Kevin Kear Kyle Kenthack Joseph Kringer Garrett Kurtek Melissa Mackrella Andrea McClellan Steven McClullough Shannon Muirhead Sherri Muirhead Chelsey Padasak Kyle Riffle Harry Sankey Courtney Sones Sarah Speakman* Shannon Speakman* Jamie Streicher Ashley Trabosh Elizabeth Wagner* Rachel Wisner

Hometown

Washington Eldred Harmony Shenandoah Heights McDonald Carbondale Susquehanna Robesonia Robesonia Philadelphia Mechanicsburg Mechanicsburg Philadelphia Williamsburg Waumpum Middletown Greensburg Greensburg Paupack McÂdoo Pottsville Moon Township York Philadelphia Dubois Dubois Johnsonburg Sharon Warminster Danville Bulger Bulger State College Lenhartsville Philadelphia West Easton

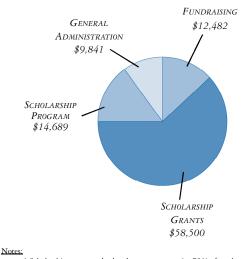
College/University/Technical School

California University of PA California University of PA Slippery Rock University Muhlenberg College California College of the Arts Dickinson College Wilkes University Juniata College York Technical Institute LaSalle University Alvernia College Shippensburg University Marist College Lock Haven University Youngstown University Mansfield University Penn State Univ/Altoona W. Virginia Wesleyan College Lycoming College East Stroudsburg University Bloomsberg University LaRoche College Slippery Rock University Pace University Penn State Univ/Univ Park Slippery Rock University Indiana University of PA Youngstown University Widener University Penn State Univ/Univ Park University of Pittsburgh University of Pittsburgh Penn State Univ/Univ Park Kutztown University Boston University Northampton Community College

* Kids' Chance ACE INA Scholar

FINANCIAL OVERVIEW FISCAL YEAR 2003 & 2004

	Twelve Months Ended	
	Dec. 31, 2003	Dec. 31, 2004
Ordinary Income Expense		
Income		
Interest Income	\$ 269	\$ 443
General Unrestricted	1,500	858
ACE INA Scholarship	25,000	25,000
Scholarship Donations	20,877	40,292
Partnerships	46,250	53,500
Total Income	\$ 94,166	\$120,093
Expense		
Scholarship Grants	\$ 53,000	\$ 58,500
Scholarship Program	17,865	14,869
General Administration	8,935	9,481
Fundraising	18,560	12,482
Total Expenses	\$ 98,360	\$ 95,152



 * Scholarship grants and related expenses comprise 72% of total expense.
* Materials and website-related expenses included within scholarship program and fundraising totals were higher than initially estimated due to one-time development related costs.

* Income does not include over \$13,000 in Partner and scholarship funds pledged in Fall 2003 but not received until early 2004.

CORPORATE AND COMMUNITY PARTNER PROGRAM

The Corporate and Community Partner Program supports the operational activities of Kids' Chance including raising scholarship funds, administering scholarship applications, preparing and printing communications and publications, updating the website, etc. In 2004, Kids' Chance of PA secured 26 partnerships, including several multi-year pledges.

SENIOR (\$10,000) Pennsylvania Self-Insurers' Association (PSIA)

JUNIOR (\$5,000) Central PA Chapter, Risk & Insurance Management Society Eastern Alliance Insurance Group/Employers Alliance Pennsylvania Bar Association

SOPHOMORE (\$2,500) Alliance Impairment Management, Inc.

Marsh & McLennan Companies MedRisk, Inc. Peters & Wasilefski

FRESHMAN (\$1,000) Allegheny County Bar Association Caroselli,Beachler, McTiernan & Conboy, LLC CNA Foundation Dickie, McCamey & Chilcote Fried, Kane, Walters, Zuschlag & Grochmal Genex Services, Inc Injurd Workers Pharmacy Katheman Briggs & Greenberg LLP Kegel Kelin Almy & Grimm LLP Martin, Banks, Pond & Lehocky Murray Insurance Associates, Inc. Pennsylvania AFL-CIO Quatrini Rafferty Galloway, P.C. Saltz, Mongeluzzi, Barrett and Bendensky P.C. Sedgwick Claims Management Services, Inc. The PMA Insurance Group Thomas, Thomas & Hafer, LLP Westfield Insurance

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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.