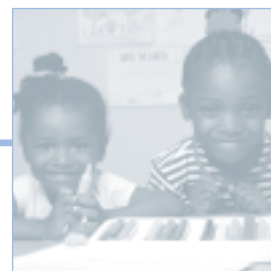
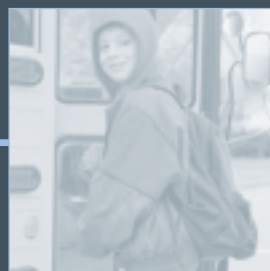


2002

ANNUAL REPORT



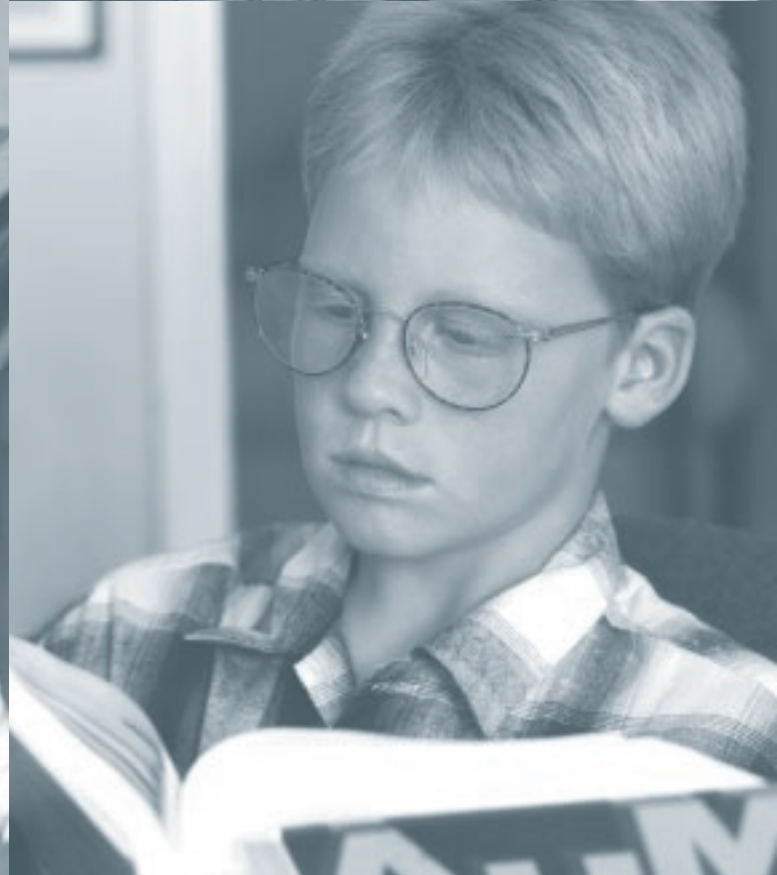
HOMELESS
CHILDREN'S
EDUCATION
FUND



HCEF

MISSION STATEMENT

The Homeless Children's Education Fund (HCEF) serves as a voice for the homeless children of Allegheny County and ensures that they are afforded equal access to the same educational opportunities and experiences as their peers.



MESSAGE FROM THE PRESIDENT, CEO & EXECUTIVE DIRECTOR

In August of 2002, over 500 backpacks filled with school supplies were donated to dozens of area shelters so that homeless children would be prepared for their first days of school. Upon receiving a new bag, one young girl began to cry because she had never received a present from anyone before in her young life. In her words, receiving the gift of a backpack made her realize that “someone really cared” about her and wanted her to do well in school.

In another shelter on the other side of Pittsburgh, a young boy was visibly upset. When a staff member asked what the frustration was about, she learned that the boy’s homework assignment required a computer and that he had lost his computer when his mother had lost their home. It was a great surprise for him to learn that HCEF had just finished installing a Computer Learning Center in his shelter! Not only did he complete his homework assignment on the computer, but when it was later returned by his classroom teacher, the large “A” marked across its upper margin brought another big smile to his face.

Success stories like these continue to inspire us. Yet in a typical year, over 3,000 children experience homelessness in Allegheny County – some for only a short duration, others for months or even years. It is our mission and our desire to help all of these children to become success stories. We encourage you to join us in that endeavor. In doing so, you help set the stage for the future success of our children. . . and our region.



Linda A. Dickerson
Board President



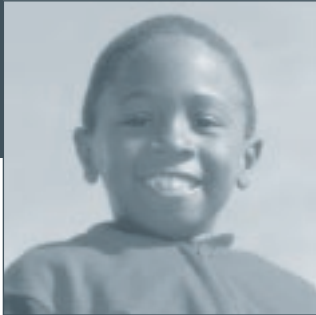
Joseph F. Lagana
Founder & CEO



James L. Weinberg
Executive Director



HIGHLIGHTS



"HCEF fills a unique and absolutely essential niche in this community. The Fund's innovative approaches to advocacy, fund raising and programming make an immediate and direct impact in the lives of thousands of children every year. The Department of Human Services is proud to partner with HCEF in all of its endeavors."

-- Marc Cherna, Director, Allegheny County
Department of Human Services

| New Name, Logo & Web Site! |

Throughout the summer of 2002, Trustees worked to develop a new name and logo for the former Homeless Children and Family Emergency Fund. This effort was driven and directed by the talented staff of Elias Savion, a leading Pittsburgh advertising firm that donated its artistic and marketing resources to this effort.

Now known as the Homeless Children's Education Fund, the organization has also adopted a new logo (right), affectionately nicknamed "Winnie," to accompany the change.

Dr. Joe Lagana, Founder & CEO, said, "The Trustees' choice of the new name preserves the recognition that we worked hard to establish, while being more descriptive of our efforts in the community. The new logo is

considerably more inspiring than the original version. Hope is always more powerful than pity."

Along with the new name and logo, the organization also launched an exciting and informative new web site, www.homelessfund.org, which was developed by Cassell Interactive. Please visit us on the web for information or to make a donation!



"Hello, my name is Sara and I'm nine years old. My favorite movie is Toy Story Two and my favorite game is hide-and-go-seek. Then one day I went to Sandcastle two days in a row. Did anything exciting happen to you before?"

Sara, homeless, age 9, ...writing an e-mail to a pen pal from an HCEF Learning Center

HIGHLIGHTS



The Computer Learning Centers Initiative

Historically, the consequences of the "digital divide" were particularly severe for homeless children. Every year, thousands fell further behind their classmates because they lacked access to a home computer and, therefore, did not have the technological competence required for success in a modernizing society.

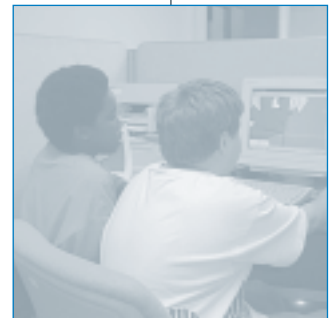
Alerted to this educational gap, HCEF partnered with local shelters and Carnegie Mellon University to establish Computer Learning Centers in several local shelters. Centers generally include computers, printers, high-speed Internet connectivity, educational software, reading materials and a place for children to do their homework.

Tutors and technical support personnel visit shelters regularly to

facilitate educational objectives, coach children along an established curriculum and ensure that the centers are leveraged to the greatest possible extent.

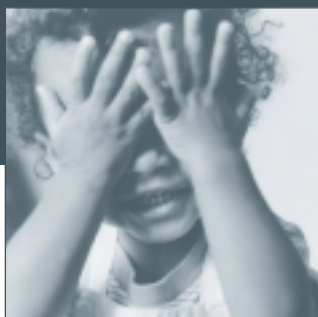
Although these are tremendous accomplishments, the project's future viability is currently jeopardized by the need for continued funding to support project development, coordination and tutoring. Over time, it is HCEF's hope that each unique learning center will be self-supported and sustained by the shelter in which the center is located.

HCEF was a catalyst in establishing twelve "host-partnerships" among shelters, schools and related agencies, which resulted in donations of thousands of dollars and school resources to support shelter learning centers.



2002

HIGHLIGHTS



Mini-Grants for Educational Innovation

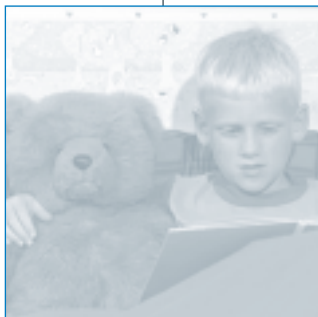
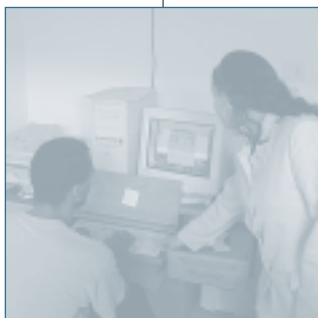
Thanks to the generosity of our supporters, the HCEF Endowment Fund reached its major goal of \$150,000 during the summer of 2002!

When this goal was achieved, members of the Board and representatives from local shelters engaged in a brainstorming session about possible community investment opportunities. The result of this dialogue was the launch of a new grant-making program for shelters entitled "Mini-Grants for Educational Innovation."

In late September, mini-grants of \$1,000 were disbursed to: Allegheny Valley Association of Churches

Hospitality Network, HEARTH, Primary Care Health Services (East Side Community Collaborative), Sisters Place, Sojourner House, Three Rivers Youth (The Hub), YWCA Bridge Housing Wilkinsburg and the YWCA of McKeesport.

Funded proposals included the establishment of a lending library of educational software and learning aids, the purchase of equipment for children to engage in digital storytelling activities, the support of a substance abuse prevention video program and the development of an incentive program to reward children for succeeding in school.



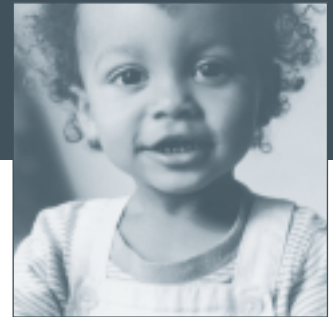
"We are collaborating with the Homeless Children's Education Fund on the installation of a Computer Learning Center at HEARTH, a transitional housing program for homeless women with children. HCEF has become increasingly vital to educational programming for homeless children and is unduplicated in this region."

-- Judith Eakin, Executive Director, HEARTH

"As responsible members of our community, we simply cannot ignore the needs of these children who, through no fault of their own, find themselves in a situation that puts them at a great disadvantage."

-- Edmund M. Ricci, Ph.D., Professor and
Chairman, Department of Health Services,
University of Pittsburgh

HIGHLIGHTS



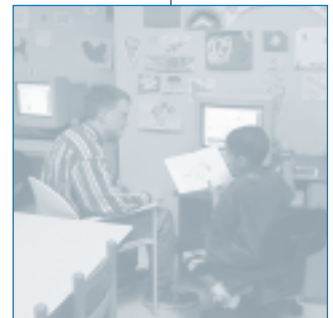
Pack-to-School 2002

Every year, the Pack-to-School program raises funds and collects donations to provide hundreds of homeless children with backpacks and school supplies so that they will be prepared to learn on their first day of school.

This year, HCEF distributed over 500 backpacks containing school supplies to local shelters -- resulting in virtually every homeless child in Allegheny County starting school with a backpack. The enormous success of Pack-to-

School 2002, which disbursed more than double the previous year's volume, would not have been possible without the consistent and inspiring support of our partners in charity.

This year's partners included the Allegheny County Music Festival, Allied Office Products, The Businessmen, Business Owners & Managers Association, Judy Horgan, Mainstay Life Services, Mercy Behavioral Health Program and the Mt. Lebanon Summer Day Program.



Achievements in Advocacy

For years, HCEF has been successful in marshalling the support of legislators and other elected officials, at both the state and federal levels, to endorse stronger legislation and increase appropriations for homeless children's education.

Recently, such advocacy has resulted in two momentous successes. First, the state Department of Education revised its policy regarding the needs of homeless children. Shortly there-

after, President Bush signed into law the "No Child Left Behind Act," which greatly strengthened the educational rights of homeless children and youth.

HCEF is currently in the process of working with local school districts to familiarize them with these new policies and work to implement their guidelines. Such systemic reform is the most effective way to ensure that homeless children will never again be denied access to public schools.



2002

CHAMPIONS FOR CHILDREN



At the third annual “Champions for Children” event, held at the Rivers Club on March 5, 2002, the Homeless Children’s Education Fund honored six local champions. The following individuals and institutions serve as an inspiration to us all:



Jessika Boyle - Presented with the Student Champion Award for mobilizing her fellow students and the faculty of St. Sebastian Elementary School to enhance the quality of life and education for homeless youth at Three Rivers Youth’s Hub center.



Congressman William J. Coyne - Presented with the Governmental Leadership Award for his exemplary leadership in the support of federal legislation to enhance the quality of life and educational opportunities available to homeless children.



Dr. David E. Epperson - Presented with the Champion for Children Award for his commitment to community service and outstanding career in education, culminating in his leadership as the former Dean of the School of Social Work at the University of Pittsburgh.



The Students, Staff & Parents of Fairview Elementary School, Fox Chapel School District - Presented with the Educational Leadership Award for helping to establish an educational center at the Womenspace East shelter.



Phil Pappas - Presented with the Community Leadership Award for his vision and many contributions to our community as an activist and organizer.



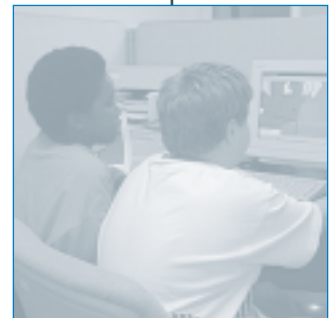
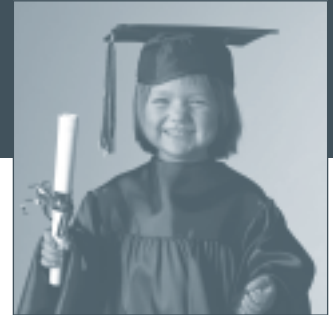
Reed Smith, LLP - Presented with the Corporate Leadership Award for assisting the family courts of Allegheny County and the Adoptive Legal Services Project with over 600 adoptions since 1996.

"The Fund's leadership has ensured that homeless children and their families are not forgotten. This leadership will keep hope alive for them while they struggle through crisis."

-- Richard Venezia, Administrator, Bureau of Hunger and Housing Services

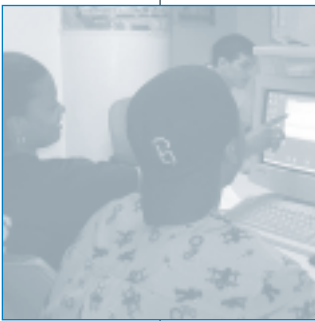
GOALS

- Develop each of the existing Learning Centers into an innovative model for providing after school and extracurricular educational opportunities to homeless children
- Secure funding and develop infrastructure so that shelters wishing to establish Learning Centers are provided with the support and guidance needed to do so
- Increase the size and number of mini-grant distributions in order to advance learning and educational innovations in the transitional learning environments of homeless shelters
- Leverage HCEF's registration with the PA Educational Improvement Tax Credit Program to increase corporate contributions in both size and number
- Seek funding and support to coordinate research into the number of homeless children locally, their circumstances and the service gaps that deny them educational opportunities
- Promote sustainable community networks that are capable of supporting the educational needs of homeless children by establishing numerous "host-affiliate" partnerships between local shelters and groups such as schools, corporations and religious institutions
- Assemble and train a dedicated cadre of volunteers in service to the community
- Continue to advocate so that the remaining barriers to a free and appropriate public education can be permanently removed from the system



HCEF

THANK YOU



During 2002, generous support from the following individuals, groups, foundations and companies allowed HCEF to pursue its mission of ensuring that homeless children were afforded equal access to the same educational opportunities and experiences as their peers. The following are true champions for children and an inspiration to us all.

2002 Foundation and Grant Support

AJ and Sigismunda Palumbo Charitable Trust

AT&T Foundation

Buncher Family Foundation

Charles T. Campbell Charitable Foundation

Community Foundation of Louisville

Forst Foundation

Giant Eagle Foundation

Helen Clay Frick Foundation

Hillman Foundation

Jas. H. Matthews & Co. Educational and Charitable Trust

Jewish Healthcare Foundation

John R. and Margaret S. McCartan Charitable Fund of The Pittsburgh Foundation

Mars Family Foundation

Matthews Educational & Charitable Trust

McFeely-Rogers Fund of The Pittsburgh Foundation

Murrin Foundation

Pennsylvania Department of Community & Economic Development

PNC Bank Foundation

Russell Charitable Foundation

Western Pennsylvania Caring Foundation for Children



2002 Corporate and Group Support

AAA West Penn/West Virginia/SCO
 Adelphia
 Advanced Foot Care Specialists
 Air & Waste Management
 Allegheny County Children's Cabinet
 Allegheny County Department of
 Human Services
 Allegheny County Port Authority
 Allegheny Intermediate Unit
 Andrews & Price
 Aramark
 Armand's Art Gallery
 Bayer Corporation
 Beckwith Machinery
 Bender Consulting Services
 Bill Few Associates
 Blue Rider Design Studio
 Boyden Global Executive Search
 Bulldog Supply
 Buncher Corporation
 Burton Morris
 Businessmen
 Cable Design Technologies, Inc.
 Cafe Amante
 Calgon Carbon Corporation
 Callos Companies
 Carnegie Learning, Inc.
 Carnegie Mellon University
 Cassell Interactive
 Central Presbyterian Church

Cheryl W.
 Circuit City
 Citizens Bank
 Clara's Collectibles
 Combined Federal Campaign of
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 Conte Hair Design
 Coyne for Congress
 Create a Frame/Handworks
 Custom Creations
 DePaul Institute
 Dickerson & Mangus, Ink.
 Dollar Bank
 Don Greer's Fashion Floor
 Downtown YMCA
 Dreadnought Imports, Ltd.
 Duquesne Light Company
 Duquesne University Athletic Department
 Duquesne University Office of Greek Life
 Duquesne University School of Education
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 Gateway Financial Group, Inc.
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 Gifts International
 Girl Scouts of Southwestern Pennsylvania
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 Service
 Jeffrey Smith Studio
 Koppers Industries
 Krôme Communications
 Leech Tishman Fuscaldo & Lampl
 Levin Furniture
 Lincoln Investment Planning
 Massaro Company
 Mellon Financial Corporation
 Mine Safety Appliances Company



2002 Corporate and Group Support

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 Mon-D-Aid Cleanit Company
 Moon Area School District
 Moon Township Honda
 National Aviary
 National City
 Neighbors in the Strip
 Northside Floral Shoppe, Inc.
 Office of Pittsburgh Mayor Tom Murphy
 Office Team
 Outback Steak House
 Oxford Development Company
 Padco Decorating
 Pancoast Temp Service
 Paper Products Company
 Penn Future
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 Photo Antiquities
 Pitt Ohio Express
 Pittsburgh Brewing Company
 Pittsburgh Civic Light Opera
 Pittsburgh Cultural Trust
 Pittsburgh Hilton
 Pittsburgh Penguins
 Pittsburgh Public Theater
 Pittsburgh Steelers/Heinz Field
 Pittsburgh Symphony Orchestra
 Pittsburgh Technical Institute

Pittsburgh Terminal Properties
 Pittsburgh Trophy
 Pittsburgh Zoo & Aquarium
 PNC Advisors
 Point Park College
 PR Writing
 Pride of Bethel Park
 PT Marketing
 Public Priority Systems
 Reed Smith LLP
 RG Friday Masonry
 Rivers Club
 Rosebud Café
 Saint Mary Church
 Saints in the Strip
 Salon DeStefino
 Salon Vivache
 Schneider's Dairy
 Senator John Heinz Pittsburgh
 Regional History Center
 Service Systems Associates
 Sisterson & Co. LLP
 Special Kids Network
 Specialty Clothing
 Spectrum Construction & Design
 St. Catherine of Siena Parish
 St. Paula Claudia Women's Circle
 Standard Property Corporation
 State Employee Combined Appeal
 of Pennsylvania

Strategic Energy LLC
 Strategic Financial
 Suburban General Hospital
 Sunrise School
 Thread-N-Palette Monograms
 Three Rivers Rowing Association
 Top Notch Art Supplies
 Tri-State Window and Construction
 Company
 Tuscan Inn
 Uniontown Holiday Inn
 United States Steel Corporation
 United Way of Allegheny County
 United Way of Southwestern Pennsylvania
 University of Pittsburgh
 UPMC Health System
 Upper St. Clair School District
 US Airways
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 VPS Vicky's Personalized Specialties
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Ira Weiss, Esq.
Attorney
Law Offices of Ira Weiss

HOMELESS CHILDREN'S EDUCATION FUND

STATEMENT OF FINANCIAL POSITION

As of December 31, 2002

Assets

Current Assets

Cash and Cash Equivalents	\$320,228
Accounts Receivable	25,000

Property and Equipment	14,177
Less: Accumulated Depreciation	<u>(6,964)</u>
Net Property and Equipment	<u>7,213</u>

Total Assets	<u>\$352,441</u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	<u>\$952</u>
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Net Assets

Unrestricted

Undesignated	
Operating	147,796
Fixed Assets	7,213

Designated	162,628
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Temporarily Restricted	<u>33,852</u>
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Total Net Assets	<u>351,489</u>
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Total Liabilities and Net Assets	<u>\$352,441</u>
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STATEMENT OF ACTIVITIES

As of December 31, 2002

Change in Unrestricted Net Assets

Public Support, Revenue and Gains

Contributions	\$147,464
Grants from Corporations and Foundations	37,000
Special Events – Tickets and Sponsorship	48,241
Interest Income	<u>3,631</u>

Total Unrestricted Public Support, Revenues and Gains	236,336
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Expenses

Programs	78,068
Fund-raising	4,805
Administration	58,349
Rent	8,000
Utilities	2,000
Depreciation	2,952
Other	<u>616</u>

Total Expenses	<u>154,790</u>
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Change in Net Assets	<u>81,546</u>
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Net Assets – January 1, 2002	269,943
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Net Assets – December 31, 2002	<u>\$351,489</u>
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The certified public accounting firm of Hosack, Specht, Muetzel & Wood LLP performs an independent audit of the Homeless Children's Education Fund annually. Contact 412-562-0154 to obtain a free copy of the 2002 auditor's report. HCEF is a registered 501(c)(3) not-for-profit organization. Donations can be made online at www.homelessfund.org and through United Way Contributor's Choice #963315. The official registration and financial information of the Homeless Children's Education Fund may be obtained from the PA Department of State by calling toll free within Pennsylvania at 1-800-732-0999. Registration does not imply endorsement.



HOMELESS CHILDREN'S EDUCATION FUND

| How Can You Help? |

- Discuss the information in this report with colleagues and family to raise awareness
- Ask your local school district about its policies and practices regarding homeless children
- Make a contribution at www.homelessfund.org and encourage friends to match your gift
- Have your business donate in-kind services such as printing, mailing or technical support
- Organize a small fund raiser at your home, office or school and donate the proceeds
- Donate backpacks, supplies, bus passes, taxi vouchers, phone cards and gift certificates
- Contribute children's books or magazine subscriptions to a local shelter
- Volunteer to help with special events and organizational operations

Homeless Children's Education Fund

1212 Smallman Street

Mezzanine Offices

Pittsburgh, Pennsylvania 15222

Office: 412.562.0154

Fax: 412.562.1109

www.homelessfund.org