



February 1, 2010

Dear Friend,

Over the past 4 years, The Hearts and Smiles Foundation has achieved significant successes in helping more than 2,135 children from 840 families. A major part of our success results from the cooperation and support you have shown for our organization. Through our mutual efforts, we have grown into a unique resource for the region.

With our growth these past years, we have experienced both positive and negative impacts. The positives include achieving our mission: To provide assistance to low-income families with special-needs children in Montgomery, Bucks, Chester, Delaware and Philadelphia counties, with a particular focus on the needs of *siblings* in those families. Also, we raised the visibility for the needs of these families among the community in general, and perhaps most importantly, established strong working relationships with you.

However, the challenges that our growth has presented are also significant. Fundraising in this current economic climate is more challenging than usual - even with the increased need this same economy creates. Also, our ability to leverage a very small core of volunteers, combined with the economic reality, has created a critical tipping point for our Foundation.

After extensive consideration and evaluation of viable alternatives, we have decided on a plan of action that will still enable Hearts and Smiles to meet its mission goals. As of today, the Hearts and Smiles Foundation will combine its efforts with those of charitable organizations in the Philadelphia region which provide summer activities for children. The result of this relationship will be the establishment of a Hearts and Smiles summer camp scholarship fund. Our goal is to make this scholarship available to siblings of special-needs children in low-income families on an on-going basis.

Without you, our organization could not have achieved all that it did. While we are saddened to suspend our Wish List and other current programs, we believe wholeheartedly that "with every closed door, a new one opens," and we look forward to continuing to meet our mission in new ways.

With sincere thanks,

Melissa Scarcelli
Founder
The Hearts and Smiles Foundation