Annual Report 2006

Improving lives in developing countries through health worker training
Touch Foundation, Inc.
P.O. Box 1420
New York, NY 10150

Touch Foundation, Inc. is a 501(c)(3) public charity organized under the laws of Connecticut. Contributions to Touch are tax-deductible to the extent allowed by applicable law. As required by federal law, Touch retains discretion and control over all contributions received in support of its grants to foreign charities.

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From the President and Chairman

Dear Friends

Thanks to our donors, staff, volunteers, and board members, we have been able to make tremendous progress over the last year. A year ago, Touch was a fledgling start-up. Today, we are well on our way to creating a world-class foundation that can have a real impact upon the education and training of healthcare workers in the developing world.

In the near term, we will continue our focus on Tanzania, where, with the encouragement of President Jakaya M. Kikwete, we hope to raise and deliver $100 million over the next decade. We believe we can provide the funding to help Tanzania double its training capacity of skilled healthcare workers by 2016. In the longer term, we aim to build a foundation that will have real impact in other countries as well.

Much of our progress over the last year can be attributed to support from Sandy and Joan Weill and from Citigroup, Inc. In honor of Sandy’s retirement as Chairman, Citigroup announced it will give Touch $5 million towards our efforts in Bugando. This funding is in addition to the $1.5 million Citigroup Foundation has already committed. Moreover, the Weills have also made substantial contributions to Touch from their family foundation. In honor of all the Weills’ support, the Tanzanian Episcopal Conference has decided to change the name of the medical college to ‘Weill Medical College of Bugando University College of Health Sciences’, or ‘Weill Bugando’ in short.

We are also delighted to inform you that Joan Weill has accepted our invitation to become a board member and that both the Weills have agreed to be the co-chairs of our Asante Supper, to be held on June 13 next year, in New York City. Moreover, with Sandy’s encouragement, the newly-renamed Weill Medical College is now formally affiliated with Weill Cornell Medical College of Cornell University, with whom we expect to work closely together in the future.

We have also received very considerable support from McKinsey & Company, thanks particularly to Vik Malhotra, the leader of the Northeast Office. In addition to providing us with everything from office space to technology support, McKinsey undertook an extensive pro bono strategy study that laid out a game plan for how we can turn our aspirations in Tanzania into a reality. Moreover, we received over $200,000 from McKinsey’s Gift of Hope campaign, including both McKinsey and matching gifts, as well as countless hours of volunteer service from the hundreds of McKinsey volunteers.

Not least, Stroock & Stroock & Lavan LLP has continued to provide us with outstanding pro bono legal services, without which we could not have hoped to navigate the myriad of regulations and requirements of being a professional foundation supporting international programs.
While we appreciate the support of the Weills and our institutional partners, we also want to give a special thanks for all the substantial donations and efforts of the broader Touch community. We have received incredible support from numerous volunteers and donors. Lynne Wheat, Amanda Briggs and Father Peter Le Jacq served as co-chairs of a large group of volunteers who made the 2006 Asante Supper we held in Greenwich, Connecticut, a smashing success, raising nearly $700,000.

Father Peter Le Jacq has been tireless in keeping us connected to the generous people who provided not just the original funding to get the medical college off the ground, but also the continued support of our efforts in Mwanza today. We are all delighted that Maryknoll has reassigned Father Peter back to Mwanza to resume his work as a missionary, where he also can provide us with on-the-ground support.

While we have made great progress, we have really just begun. Though we are off to an excellent start, our longer-term success is tied to our ability to broaden and deepen our base of support. We currently have raised some $13 million in cash contributions, formal pledges, and verbal commitments to-date, but that represents just a small fraction of the money we need to raise to make a real difference. We really need, and look forward to, your continued support.

Again, Asante!

Warmest regards,

Lowell Bryan
President

Robert A. Jeffe
Chairman
Program delivery

Touch strategy for Tanzania

Our long term strategy, based on a recent pro-bono study by McKinsey & Company, is to double Tanzania’s health-worker training capacity by 2015 while laying the groundwork for increasing capacity even further. We expect this effort to cost $100 million – no small sum by any means, but one we are committed to achieving in order to effect meaningful change to Tanzania’s health system. Our plan is to raise nearly $25 million of this amount over the next three to four years.

**Our plan**

Based on the findings of McKinsey’s study – which included significant field work in Tanzania – we are convinced that increasing the training capacity of health workers is a critical lever for addressing the world’s healthcare crisis. Investing in the training of new healthcare workers, or ‘human resources for health’ (HRH), the phrase used by the public health community, is a capacity building enterprise that allows developing nations to provide for and improve upon their own health care. We will spend the $100 million we raise over the next decade in three strategic program areas.

1. **Bugando complex** – The Bugando footprint includes the Bugando Medical Center (BMC) and the newly re-named Weill Medical College of the Bugando University College of Health Sciences (Weill Bugando) which includes both medical and some allied health (paramedical) schools. Our strategy going forward will be to invest in the entire Bugando area in Mwanza, Tanzania, with the aspiration of transforming it into the finest single healthcare training center in all of East Africa by 2015. To achieve this goal, we will work with Bugando to increase training capacity of existing HRH cadres, add graduate schools in medical specialties and enhance the HRH training program, particularly to meet rural needs.

2. **Other existing universities** – Tanzania has four additional medical schools with potentially similar management and scaling issues as Bugando. We plan to provide management capacity, problem-solving assistance, and assistance with fundraising to other Tanzanian institutions that would like our support. We intend to apply lessons learned from our work at Bugando to other hospitals and academic institutions to expand their capacities and upgrade their quality of training. We are in the early planning stages of this program and hope to begin implementation in late 2007.
3. New schools – Once we have made significant headway in our first two programs, we will build new schools and facilities around the most appropriate healthcare delivery centers in Tanzania, i.e. those where suitable caseload exists. We will train and staff these institutions with a sufficient supply of practitioners and clinical faculty, who will come from Weill Bugando and other quality schools. Starting universities from scratch takes significant planning and funding, therefore this component of our strategy will begin later along our implementation timeline. We expect to begin planning as early as 2008, with the hope of building our first school from 2010.

Simply put, our implementation program will assist Tanzania to build long-term capacity to prevent, diagnose and treat sickness, saving countless lives.

State of Weill Bugando
✦ 86 medical students
   (second-, third-, and fourth-year students)
✦ 65 new medical students accepted
   (50-65 of these likely will enroll)
✦ 151 total medical students this fall
✦ Over 26 academic faculty
✦ Over 30 non-academic staff
✦ 398 paramedical students at the Institute for Allied Health Sciences
✦ 2 laboratories
✦ 1 library
✦ 2 computer rooms with a total of 16 computers

Immediate needs
✦ Student housing
✦ Faculty housing
✦ Hospital upgrade
✦ Community facilities for Bugando staff

Plans for the coming year
✦ Add two floors to student hostel
✦ Renovate Institute of Allied Health Sciences student hostel
✦ Purchase two buildings and convert to faculty and student accommodation
✦ Renovate apartments for visiting Weill Cornell fellows and donors
✦ Repurpose existing building as community facility for Bugando staff
✦ Begin Phase 1 of the redevelopment plan for the entire Bugando complex

Future nurses
In class, at the Institute for Allied Health Sciences.
Managing for growth

Our ambitious goals and quick growth now require significant on-the-ground management. The 2006 McKinsey & Company report identified management capacity in Tanzania as a priority initiative. In response to the need for good managers, Touch is pleased to announce the creation of two Program Manager positions based in Mwanza.

This September, Nzuki Waita and Anthony Attiogbe will join the Touch team as the local leaders of our efforts at Bugando and elsewhere in Tanzania. Nzuki brings over ten years of management and development experience across sub-Saharan Africa. He was most recently the Project Management Information Specialist at Development Alternatives, Inc. based in Bethesda, Maryland. Nzuki holds an MBA from Edinburgh Business School, Heriot-Watt University in the United Kingdom, and a B.Ed in Economics and Business Studies from Kenyatta University in Kenya.

Anthony spent two years as a business analyst with McKinsey & Company, where he consulted for financial institutions, telecommunications and media companies in strategy development, operations improvement and performance management. He holds a B.A. in Economics and Computer Science from Wesleyan University in Connecticut.

Nzuki and Anthony will be responsible for building local management capacity as we help Weill Bugando grow, extend our program reach to assist other universities, and build new schools. They will work with staff of the college and the Bugando Medical Centre to develop budgets, manage HR issues, build procurement processes, manage construction and renovation projects, and assist with strategic planning, problem-solving and implementation. We hope to enlarge the group of Program Managers with two Tanzanian employees in the near future.
The price of excellence

We are making a significant investment in our inaugural project, the Weill Medical College of the Bugando University College of Health Sciences (BUCHS). It is our aspiration to assist the Bugando healthcare complex – including BUCHS, both medical and paramedical programs, and its affiliate hospital, the Bugando Medical Centre – in becoming East Africa’s finest single healthcare training center by 2015. Achieving this goal will require sizable capital expenditure in addition to the running costs of operating the medical and paramedical programs.

Weill Bugando’s most immediate capital needs are student housing facilities. A 320 bed student hostel was completed in September 2006. Subject to us being able to raise enough funds, new projects planned and ready to implement include adding two additional floors to the new hostel, purchasing a new building for student accommodation, and renovating existing student housing to make it habitable. The net result will be increased capacity of nearly 300 beds for an investment of nearly $1.5 million, allowing for near term growth in our training programs.

We have also recently adopted a comprehensive three-phase redevelopment plan for the entire medical complex, also dependent on us being able to raise the funds necessary. Phase 1 will cost nearly $5 million over 1-2 years, and will enable a substantial increase in clinical teaching capacity while simultaneously improving quality of care for patients.

The Weill Medical College operating budget for the 2006-07 school year is over $2 million, the bulk of which is funded by Touch, after Tanzanian government and individual student contributions. The Touch grant will facilitate new initiatives at Bugando, including the creation of a separate fund to cover student tuition and accommodation costs for WMC’s second-, third- and fourth-year students. By covering those costs not already met by the Tanzanian government, we will effectively enable students to study for free after their first year, ensuring they don’t graduate with hefty debts.

Also resulting from the new budget are higher salary scales for faculty and staff, effective as May 2006. These new scales will help Weill Bugando remain competitive for qualified staff as the school grows. The budget allows for some fifteen new academic staff and sixteen new support staff. As our medical students move into their clinical training, eight senior physicians from BMC will have clinical appointments and will receive compensation for their additional academic duties. A percentage increase will also be applied to the salaries of the remaining BMC doctors to compensate for their role in providing clinical training to our students.

Bishop Balina, chairman of both BMC and BUCHS, fosters potential medical students in his diocese.
Mastering their craft

The shortage of accredited professors in the health sciences is one of the key bottlenecks to increasing Tanzania’s capacity of healthcare workers. It is not necessarily the supply of students, but often the lack of instructors that limits the output of future doctors, nurses, and other needed health professionals. The solution, as discussed in McKinsey & Company’s 2006 report, is to use visiting faculty in the short term while simultaneously working to expand the local training capacity.

To implement this strategy, we are relying largely on visiting professors from other notable East African universities while making steady advances to increase our training capacity in the long term. This academic year we will sponsor five doctors, who wish to obtain their Masters of Science degrees, in order to teach at Bugando. Two doctors will be going to Uganda and three to South Africa; there is no advanced education available in the biomedical sciences in Tanzania. Five doctors have already completed their Masters degrees under Touch sponsorship and are now teaching students in anatomy, biochemistry, physiology, pathology, and microbiology.

The professional development of Weill Bugando faculty is essential to the advancement of their teaching careers, to the adherence of Tanzania’s education accreditation policies, and to ensuring quality, up-to-date instruction for medical students. We are committed to investing in skilled instructors who will enable the Bugando complex to become East Africa’s model healthcare training facility by 2015.

Weill Cornell developments

Weill Cornell Medical College and Weill Bugando will embark on a new fellows and residents program beginning in January 2007. The partnership between Weill Cornell and Weill Bugando will thus move to a new level allowing for daily interaction between students and faculty of both institutions.

Two fellows and between two and four residents from Weill Cornell's Pediatrics and Internal Medicine departments will spend approximately four weeks at Bugando on a rotating basis. The Weill Cornell doctors will serve primarily as clinical instructors for medical and post-graduate students, while also assuaging the physician shortage at the Bugando Medical Center. There will be an overlap of a few days for the outgoing participant to hand over responsibilities to the next physician in the rotation. The rotations will run through June 2007, when Weill Cornell, Touch, and Weill Bugando will have an opportunity to evaluate the program and discuss future plans.

Jointly funded by Weill Cornell and the Touch Foundation, the program will greatly benefit both the Weill Bugando and Weill Cornell institutions. New York physicians will gain first hand experience with diseases that affect the developing world while assisting Weill Bugando in its aspiration to become the finest single healthcare training facility in East Africa.
Making room for more healers

Student accommodation is often neglected at universities – but not at Weill Bugando. We recognize the critical importance of providing students a comfortable, safe environment to live and study. As our efforts pay off and the school continues to grow, we are taking steps to ensure proper housing for all of the increasing number of students.

Thanks to a $1 million Touch grant and previous Maryknoll contributions, the construction of a five-story student hostel is now complete. The building contains 160 bedrooms on its four residential floors, accommodating 320 beds, and contains a large classroom, student cafeteria, game room, TV room, laundry facility, and study rooms. We are reviewing plans to install computers in the study rooms possibly in the 2006/7 academic year.

The completion of the hostel construction comes at a perfect time for Weill Bugando, which continues to grow at a rapid pace. Sixty-five new students were admitted to the medical college for the upcoming 2006/7 academic year. Those who accept (an estimated 50-65 first-year students) will join the 86 current students to form four classes of future doctors. Weill Bugando will also train nearly 400 paramedical students. The hostel will now accommodate the Bugando campus’ medical and paramedical scholars.

A second phase of construction is set to begin this fall and should take about one year to complete. The project will add two residential floors, increasing the student beds by 160 to a total of 480 beds for both medical and paramedical students.

Their living quarters secured, the students can focus on their studies in preparation for a lifetime of healing. Thanks to the quality instruction of the professors, this steady increase in student body will translate directly upon graduation to the increase of healthcare workers that Tanzania so desperately needs.
Our Board of Directors

New directors in 2006

Joan Weill
Chairman, Alvin Ailey American Dance Foundation, Inc.

Joan is a tireless supporter of several cultural, philanthropic and civic endeavors devoted to public service and education.

Dedicating herself to a broad range of fields including dance, music, education, women’s health issues, and the elderly, Joan has held various leadership positions at notable institutions. She serves as Chairman of the Board of Alvin Ailey American Dance Foundation, Inc., Chairman of the Board of Trustees for Paul Smith’s College of the Adirondacks, Co-Chair of the Advisory Committee of the Weill Music Institute at Carnegie Hall, and Co-Chairman of The New York Weill Cornell Medical Center’s Women’s Health Symposium.

In addition, she serves on the Board of Directors of both the White Nights Foundation of America and Women In Need, and is an Honorary Board Member and President Emeritus of Citymeals-On-Wheels.

Joan’s personal commitment to public service also extends to many of the activities in which her husband, Sandy Weill, is involved, including Weill Cornell Medical College and the New York Presbyterian Hospital, where she serves on the Executive Committee of their Lying-In Hospital.

Joan is a graduate of Brooklyn College with a bachelor’s degree in elementary education.

Kevin J. Curnin
Special Counsel, Stroock & Stroock & Lavan LLP

Kevin is Special Counsel and Director for Stroock & Stroock & Lavan’s Public Service Project. He is responsible for the overall management of the program, including advising and assisting associates and partners with their pro bono litigation and transactional work, and carries his own pro bono caseload in addition to handling commercial cases. During his tenure, the Public Service Project has won numerous awards from city, state, educational, and nonprofit organizations.

Prior to his March 2001 appointment as the Project’s first Attorney Director, Kevin spent more than five years handling a wide range of commercial litigation matters for Stroock. His areas of expertise include insurance, banking, securities, and arbitration.

Before joining Stroock, he clerked for the Hon. Loretta A. Preska, USDJ for the Southern District of New York, and served as a summer law clerk for the Hon. John F. Keenan, also of the SDNY. He has also worked as a teacher and a journalist.

Vikram Malhotra
Director, McKinsey & Company

Vik is a director of McKinsey & Company, where he has served major financial institutions focused on life insurance, wholesale banking, asset management, private banking, and retail banking. Vik currently leads the Northeast Office, which encompasses the New York, Boston, and Stamford offices, and is a member of McKinsey’s Shareholders Council (Board of Directors) and Director Review Committee.

During his tenure at McKinsey, Vik has led McKinsey’s Financial Institutions, Life Insurance, and Personal Financial Services practices, and has co-led the Emerging Markets Financial Institutions Practice. His consulting experience covers a wide range within the financial industry, including corporate strategy, business unit strategy, growth strategies, organizational design, operational improvement, and business process offshoring.

Before joining McKinsey, Vik graduated from the Wharton School of the University of Pennsylvania. Prior to his MBA he worked at the accounting firm of Ernst & Whinney in London, and received his undergraduate degree in economics from the London School of Economics.
**Founding directors**

**Lowell L. Bryan, President**  
*Director, McKinsey & Company*

Lowell is a director of McKinsey & Company, where he serves major clients on a wide range of issues related to corporate strategy and organization. He has spoken and written extensively – particularly on topics related to strategy, organization, and financial services – for the past 30 years. Lowell is a trustee of Davidson College and recently completed a term on the Visiting Committee for Harvard Business School.

**Robert A. Jeffe, Chairman**  
*Chairman, Corporate Advisory Group of the Americas, Deutsche Bank Securities Inc.*

Bob joined Deutsche Bank in his present role in November 2004, after spending three years as Senior Vice President for Corporate Business Development at GE. Prior to that, he spent over twenty years at Morgan Stanley, and served as a managing director at both Credit Suisse First Boston and Smith Barney Inc. (now part of Citigroup). He is a member of the advisory boards for the Stanford University Graduate School of Business and Maryknoll Fathers and Brothers.

**David M. Kirby, Treasurer**  
*Founder & Managing Director, Kirby Capital Advisors*

David is the founder and Managing Director of Kirby Capital Advisors, an alternative investments advisory and placement agency firm established in 1994 that specializes in advising on and raising institutional capital for private partnerships. Prior to establishing Kirby Capital Advisors, David was for five years the Chief Investment Officer of the Philip Morris (now Altria) pension plans.

**Louis F. Le Jacq**  
*Founder, Le Jacq Limited (now a division of Blackwell Publishing)*

Lou is the founder of Le Jacq Publishing (now LeJacq Ltd.), a renowned medical publishing company. From 1954 until 1979, Lou served as a Group Publisher, Associate Publisher and Marketing Director at Dun & Bradstreet in the Medical Journal and Industrial Journal Divisions. Lou is Director of the American Irish Historical Society and the International Center for Health and Cooperation, and has been committed to healthcare in Tanzania since his first visit to Bugando Hospital in 1990.

**Charles V. Raymond**  
*Managing Director, Strategic Wealth Advisory Services, Citigroup, Inc.*

Chip is Managing Director for the Global Wealth Management Group, which provides advisory services to ultra-high net-worth clients. He was President of Citigroup Foundation from 1999 to 2005, prior to which he was President of the Travelers Foundation. Chip also serves on the Board of Directors of the Bowery Residents’ Committee, The After School Corporation, the Meaningful Assets Fund, and the Civic Capital Corporation.
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In Memory
Many of our stakeholders made some or all of their contributions in memory of the following:
✦ Louise Modlin Bryan
✦ William Dorsey Bryan
✦ Marie Genovese Gross
✦ Tom Jones
✦ Tim Miller
✦ James Sheridan
✦ Monsignor J. Weist

Our stakeholders

This list of our stakeholders includes donors to the TOUCH Foundation, Inc. since our inception. Unfortunately, it does not include all of the often substantial donations to Bugando, through Maryknoll, made before our incorporation. This assistance was absolutely critical in getting the Bugando University College of Health Sciences started, and ensured that the TOUCH Foundation can be where we are today.

A special asante sana to our original stakeholders.
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Mr. & Mrs. Alan & Frances Wiener

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Dr. Benson Kidenya is going places. Currently teaching biochemistry as a Tutorial Assistant at Weill Bugando, he will head to Makerere University in Kampala, Uganda, this fall to obtain his Masters of Science in Molecular Biology. Funded by Touch, his studies will be essential to his career advancement as a medical professor. Upon the completion of his two-year program, Dr. Kidenya plans to return to Mwanza to work at Bugando and settle into his new marriage and his new role as an Assistant Lecturer. He hopes to one day get his PhD and to give back to Tanzania by focusing particularly on HIV and cancer research.

Dr. Kidenya is used to jumping right in to the next phase of life. He came to Weill Bugando as an intern in 2003, having never before been to Mwanza. He was excited about the possibility of experiencing a new place, having previously lived in both northern and southern Tanzania.

When he first arrived in Mwanza, things were noticeably different: “I joined the medical college in 2004. I’ve seen a lot of changes. When I joined there was no student hostel. The number of students was ten; now it is 86. At first there were only a few lecturers on staff, and now we are many more. Even the salaries and the benefits have increased. When I first joined, salaries and benefits were low, and now the salaries are sometimes double. It is wonderful.”

After Advanced (‘A’) levels, a prerequisite for medical school in Tanzania, Dr. Kidenya went to medical school in Dar es Salaam and persevered through the long nights of studying. “In medical school there is a lot of material to be taught, and time is short. Lecturers didn’t teach the way secondary school teachers taught. The material is interesting. Although a good number of students dropped out, I managed to maintain focus throughout.”

Dr. Kidenya grew up in Dar es Salaam, where his family remains, and is the second in a family of five children. Since high school he had an inclination towards the sciences, and noted that this interest worked in his favor. When he was in school, national policy provided unique opportunities which “…greatly favored students pursuing science studies.” His brothers and uncles also influenced him to take up medical studies – particularly an uncle who was practicing medicine in Tanzania during the time of his schooling – as well as from his secondary school teachers, who encouraged his love for the sciences.

When Dr. Kidenya gets a free moment, his preferred journals to read are the British Medical Journal and the African Journal for Biotechnologies.
We have audited the statements of financial position of TOUCH Foundation, Inc. as of June 30, 2006, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior period from August 5, 2004 (date of inception) to June 30, 2005 summarized comparative information has been derived from the Foundation’s 2005 financial statements and in our report dated August 18, 2005, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TOUCH Foundation, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Anchin, Block & Anchin LLP
New York, New York
July 21, 2006

Note on our Financial Statements:
For purposes of clarity, in this Annual Report we have departed from the presentation required under accounting principles generally accepted in the United States of America. For a complete copy of the audited financial statements, please write to the Chief Financial Officer, TOUCH Foundation, Inc., P.O. Box 1420, New York, NY 10150.
## Statements of Financial Position
*(with comparative totals at June 30, 2005)*

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 1,110,543</td>
<td>$ 487,192</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>3,087,500</td>
<td>1,973,000</td>
</tr>
<tr>
<td>Prepaid assets</td>
<td>16,107</td>
<td>1,123</td>
</tr>
<tr>
<td>Property and equipment, net of accumulated depreciation of $3,581 and $1,309 respectively</td>
<td>8,280</td>
<td>5,737</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 4,222,430</strong></td>
<td><strong>$ 2,467,052</strong></td>
</tr>
</tbody>
</table>

| **Liabilities and Net Assets** |               |               |
| **Liabilities**              |               |               |
| Grants payable               | $ 361,990     | $ 400,000     |
| Accounts payable and accrued expenses | 27,083     | 15,308         |
| **Total liabilities**        | **389,073**   | **415,308**   |

| **Net Assets**              |               |               |
| Unrestricted                | 1,911,357     | 1,273,744     |
| Temporarily restricted      | 1,922,000     | 778,000       |
| **Total net assets**        | **3,833,357** | **2,051,744** |

| **Total Liabilities and Net Assets** |               |               |
| **Total**                      | **$ 4,222,430** | **$ 2,467,052** |

## Statements of Activities and Changes in Net Assets
*(with comparative totals for the period from August 5, 2004 (date of inception) to June 30, 2005)*

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues and Public Support</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 3,438,922</td>
<td>$ 3,211,129</td>
</tr>
<tr>
<td>Donated goods and services</td>
<td>1,867,105</td>
<td>302,114</td>
</tr>
<tr>
<td>Donated stock</td>
<td>3,905</td>
<td>–</td>
</tr>
<tr>
<td>Special event income</td>
<td>639,730</td>
<td>79,850</td>
</tr>
<tr>
<td>Direct benefit to donor</td>
<td>(53,000)</td>
<td>(12,650)</td>
</tr>
<tr>
<td>Investment income</td>
<td>15,760</td>
<td>535</td>
</tr>
<tr>
<td><strong>Total revenues and public support before net assets released from restrictions</strong></td>
<td><strong>5,912,422</strong></td>
<td><strong>3,580,978</strong></td>
</tr>
</tbody>
</table>

| **Net assets released from restrictions** | – | – |

| **Total revenues and public support** | **$ 5,912,422** | **$ 3,580,978** |

| **Expenses**            |               |               |
| Program services        | $ 3,366,321   | $ 1,111,124   |
| Supporting services:    |               |               |
| Management and general  | 264,848       | 218,955       |
| Fundraising             | 499,640       | 199,037       |
| **Total expenses**      | **$ 4,130,809** | **$ 1,529,234** |

| **Changes in Net Assets** |               |               |
| **Change in net assets** | 1,781,613     | 2,051,744     |
| **Net assets - July 1**  | 2,051,744     | –             |

| **Net assets - June 30** | **$ 3,833,357** | **$ 2,051,744** |
### Statements of Functional Expenses

*with comparative totals for the period from August 5, 2004 (date of inception) to June 30, 2005*

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Program</td>
<td>Supporting</td>
<td>Total</td>
</tr>
<tr>
<td>Grant to BUCHS</td>
<td>$1,500,000</td>
<td>$–</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Donated goods and services</td>
<td>1,625,268</td>
<td>241,837</td>
<td>1,867,105</td>
</tr>
<tr>
<td>Depreciation</td>
<td>602</td>
<td>1,670</td>
<td>2,272</td>
</tr>
<tr>
<td>Insurance</td>
<td>395</td>
<td>1,094</td>
<td>1,489</td>
</tr>
<tr>
<td>Maintenance</td>
<td>553</td>
<td>1,532</td>
<td>2,085</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>1,951</td>
<td>9,305</td>
<td>11,256</td>
</tr>
<tr>
<td>Office supplies and other misc.</td>
<td>2,974</td>
<td>757</td>
<td>3,731</td>
</tr>
<tr>
<td>Printing, publications and postage</td>
<td>42,622</td>
<td>56,942</td>
<td>99,564</td>
</tr>
<tr>
<td>Professional and consulting fees</td>
<td>10,139</td>
<td>36,017</td>
<td>46,156</td>
</tr>
<tr>
<td>Salaries and related expenses</td>
<td>114,558</td>
<td>318,905</td>
<td>433,463</td>
</tr>
<tr>
<td>Special events</td>
<td>16,080</td>
<td>82,038</td>
<td>98,118</td>
</tr>
<tr>
<td>Telephone</td>
<td>482</td>
<td>586</td>
<td>1,068</td>
</tr>
<tr>
<td>Travel</td>
<td>50,697</td>
<td>13,805</td>
<td>64,502</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$3,366,321</strong></td>
<td><strong>$764,488</strong></td>
<td><strong>$4,130,809</strong></td>
</tr>
</tbody>
</table>

#### Funds Allocation

- **Program Support**: 81%
- **Supporting Services**: 19%