

2006 ANNUAL REPORT



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Dear Friends,

Theodore Roosevelt once said: “In a moment of decision, the best thing you can do is the right thing to do. The worst thing you can do is nothing.”

Decisions are something we all deal with, in every hour of every day of every week. Some decisions are easy, like whether to go upstairs that one last time and kiss your sleeping child. And some decisions are hard, like deciding how to allocate precious resources and time or how to balance work and family. In the end, however, President Roosevelt was right: all decisions are necessary, and the worst thing we can do is nothing.

In late 2006, 25:40 made some decisions. Some were easy, such as adding new Board Member Jack Lewis, who brings yet more passion, wisdom and hope to our mission. And some were not so easy, such as having to prioritize our limited (yet growing) resources to ensure we are reaching the neediest of the children we serve. In grappling with these difficult decisions, we have come to realize that the children are best served by shifting our focus toward the rural, poverty-stricken areas of southern Africa, and in particular the rural Peddie District of South Africa’s Eastern Cape. Unfortunately, this also means that we are forced to shift resources away from some of our partners working in the impoverished townships around Cape Town. We have pledged to abandon no one – and in fact, in 2006, accomplished wonderful things for Baphumelele Children’s Home in Khayelitsha. But we must be where the need is the greatest, and where we can make the greatest impact. We owe that to the children. We owe that to ourselves. And we owe that to you. In 2007, you will see that 25:40’s resources will have an even greater impact on the children and families in the rural Eastern Cape of South Africa.

So it is with some degree of mixed emotion, but with an unending degree of conviction, that in 2006 we decided to work towards saving “One Child At A Time” through the development and implementation of community-based programs in the very rural Peddie District. By working hand-in-hand with the Keiskamma Trust, volunteers from the United States and other parts of the world, and doctor and aid workers in South Africa, we are working to find and help the multitude of children at risk from poverty, AIDS and other diseases in this region where health care may be a three-day walk away. These efforts include not only health-care programs, but also initiatives to provide and improve education, rebuild homes, and provide other means of community support that children need to live not only healthy, but meaningful lives.

As noted, our work involved many decisions. But we exist because of only one decision, the decision of our supporters to get involved and help. The United States is home to about 4.5 percent of the world’s population, but accounts for approximately 28 percent of the gross world product.¹ Sub-Saharan Africa is home to approximately 11 percent of the world’s population, yet holds only about 1.4 percent of the gross world product. At the same time, Sub-Saharan Africa is home to 12 million of the world’s 15 million AIDS orphans. Against this backdrop, we can choose to look away, or we can choose to act. Thank you for deciding the latter.

Alto and Amy Sacavoli

¹ International Monetary Fund, World Economic Outlook, April 2007; U.S. Census Population Counter

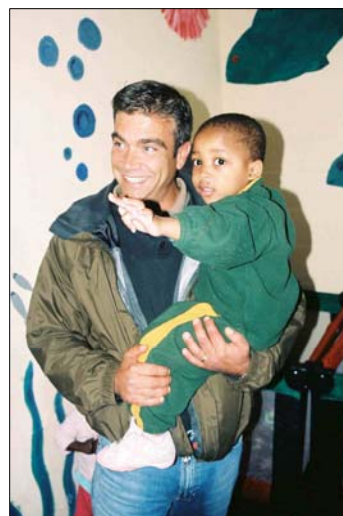
Introduction

25:40 is a nonprofit organization that was founded to create opportunities for Americans to make a difference in the lives of children in southern Africa who have been impacted by AIDS. Our work can be complex, but our goal is simple; to create a two-way street of healing and purpose in all of our lives.

Since 2003, when 25:40 was founded, we have learned quite a bit. The most important lesson is that we never stop benefiting from new knowledge, insights and experience. The second most important lesson has been that 25:40 represents a two-way street. Relatively speaking, we in the United States have quite a bit of excess, and quite a bit of capacity to make a huge difference in the lives of the children we serve. And we are doing that. But we have as much to gain as well. We have personally seen the lives of fellow Americans transformed by the experience of reaching out, learning about, and coming to know those we serve in South Africa. We have seen hearts freed from the burden of everyday worries, the demands of materialism, the drain of a constant, seemingly never-ending quest for purpose. And this healing, born of a wholly new and different opportunity knocking on our doors, has brought us full circle.



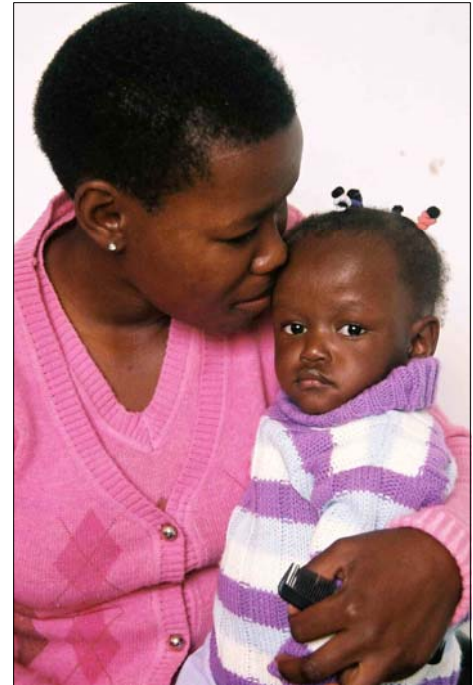
25:40 was founded to bring much needed resources, love and care to children in Africa who are impacted by AIDS and poverty. Through 2006, we raised about \$140,000, nearly all of which came from hundreds of individual supporters. Through our growing network, we also have connected doctors in South Africa, and provided avenues for volunteers to bring much needed assistance to our overworked partners. As a result, we are now finding and reaching more and more children who otherwise would have been lost. Some of our greatest rejoicing, however, comes from the smiles of the many wonderful people who have signed up to help, and expressed the great rewards of their commitments. We hope all of our brothers and sisters, whether in America or in southern Africa, will grow closer through the work of 25:40, and carry on the progress of healing our world, healing our lives, and healing our children, one child at a time.



Our Mission

The mission of 25:40 is to unite the resources, love, and altruism of the people of the United States with children in southern Africa who have been impacted by HIV and AIDS. To this end, 25:40 works to:

- Establish partnerships with, and provide financial support to, clinics, schools and other organizations dedicated to directly caring for children in South Africa who have been impacted by HIV and AIDS.
- Foster development of new facilities to feed, shelter and care for children impacted by HIV and AIDS, especially in the rural areas of South Africa.
- Work with doctors in South Africa to provide and administer HIV and AIDS medication to mothers and children infected with HIV and AIDS.
- Conduct outreach and raise awareness in the United States and elsewhere about the profound impact of HIV and AIDS on children in South Africa.



Programs and Partners

PEDDIE DISTRICT PROJECTS

In 2006, 25:40 continued supporting the important work of the Umtha Welanga Health Care Center, dedicated to identifying and treating people with HIV and AIDS in the Peddie District of South Africa. It is the only such clinic in a vast expanse of 19 villages that are home to 94,000 people. The health care center is a two-story building that can house about 20 patients at a time, who come to be tested for AIDS, gain enough strength to be put on anti-retroviral medication, educated about living with and preventing the spread of AIDS, and then sent home under the watchful eyes of one of 30-plus adherence monitors in the 19 villages who visit each AIDS patient in their homes regularly.



In 2006, 25:40 helped fund the opening of the mother-child health care center, a small but bright room within Umtha Welanga. The mother-child health care center has regular hours during which women and children can come for general health concerns, be immunized, and tested for HIV/AIDS. This project represents the commitment of 25:40 and the Keiskamma Trust to focusing health care on the very young and vulnerable so that eventually we can stop AIDS in children where it starts – at birth.

Our Cape Town Partners

KIDZPOSITIVE



Kidzpositive, a pediatric HIV and AIDS clinic started by Dr. Paul Roux at Groote Schuur hospital in Cape Town, continues to provide medical care for hundreds of children and dozens of mothers with HIV or full-blown AIDS. In 2006, 25:40 continued to support Kidzpositive for special events at the hospital for the children and in the development of satellite clinics outside of Cape Town in the townships.

BAPHUMELELE

When 25:40 visited Baphumelele Children's Home in March 2006, we found the bedding for the 98 children who were living there at the time in poor condition. The sheets were gray with overuse, some children kept thin blankets under their bunks. Some cribs, like this one shown to the left, had plastic over the sheets. Most of the children did not have pillows or enough bedding to keep them warm in the winter months.



In June 2006, 25:40 held a "linen drive" – a blitz fund-raising campaign to raise \$6,000 – more than enough money for each of the 98 children at the home to receive custom-made sheets, duvet covers, pillows and pillow cases. 25:40's South African liaison Pippa Hetherington found a small, family-

owned business -- Harpers Linens near Cape Town, S.A. – to do choose the fabrics and make the bedding. We were astounded at the generosity and quick response time of our donors when we sent out the call. We at 25:40 and the children at Bamphumelele are ecstatic with the results! (as shown here at right).

HOKISA

Homes for Kids in South Africa (HOKISA) is an oasis in the middle of Masiphumelele, a township outside of Cape Town. It is a permanent home for an ever-growing number of children – up to 15 in 2006 – who are abandoned by family who can no longer take care of them. About half are HIV+. Each child comes to HOKISA with unique circumstances and founders Karin Chubb and Lutz van Dijk and the HOKISA staff find just the right services and programs for each child. HOKISA staff and children are a family. In 2006, 25:40 was able to see first hand the new HOKISA Peace



House, a separate building from the children's home that is a safe haven for the staff who work at HOKISA, older HOKISA children, and emergency shelter for moms with young children. 25:40 was able to help HOKISA fund the Peace House, which has several clean, stable, solid apartments for the staff of HOKISA, who may have lived in shacks in Masiphumelele. It is also a place for the HOKISA children to "graduate" to when they become older teenagers.

Fundraising

25:40 depends heavily on the support of individual donors. Although we gladly accept donations from organizations, it is the one-to-one connections between individuals in our U.S. community and our brothers and sisters in South Africa that, we believe, will make the difference – regardless of money. Those connections grew precipitously in 2006, as did the resources they bore. As a result, thanks to the generous donations of its many supporters, 25:40, raised more than \$53,000. Again, the majority of these funds came from individual donors.



Lutheran Church in Burke, VA. The concert, a multimedia event that showcased the songwriting and singing talent of Scott Zacaroli and other local musicians, drew a crowd of 100 and raised several thousand dollars.

25:40 also held a number of successful fundraising events in 2006, including the 3rd annual “Walk for the Kids”, a four-mile walk around beautiful Lake Accotink, in northern Virginia. The Walk raised about \$5,000.

Four people ran the Marine Corps Marathon for 25:40 in October 2006, raising several thousand dollars.

And on Dec. 1, 25:40 held its annual AIDS Day concert at Abiding Presence

Financial Report

Revenue

2003	\$10,260
2004	\$45,666
2005	\$31,573
2006	\$53,175
<hr/> TOTAL	<hr/> \$140,674

	<u>Expenditures</u>			
	Partner Support	Outreach	Administrative	Total
2003	\$1,500	\$629	\$708	\$2,837
2004	\$22,243	\$1,957	\$3,279 ²	\$27,479
2005	\$30,815	\$3,455	\$924	\$35,194
2006	\$50,434	\$4,829	\$1,794	\$57,057
TOTAL	\$104,992	\$10,870	\$6,705	\$122,567

Friends of 25:40

25:40 thanks all of those who supported our efforts through donations of resources, time and talent. We are blessed to have more supporters than we can name here. We would like, however, to recognize and thank in particular the law firm of Wallace King, the congregations of Fairfax (VA) Presbyterian Church and Baker Memorial United Methodist Church (East Aurora, NY), and Abiding Presence Lutheran Church; Thomas Zacaroli, Clark and Jody Zacaroli; Pat Thomas and the Bayswater Book Company, WholeFoods Company and Caribou Coffee.

² Administrative expenses include a one-time investment of \$1,800 for the establishment of a donor relations database.

Our Board

Jack Lewis – Jack Lewis is an attorney who has practiced law for over 25 years. Currently, Jack is a Senior Counsel in Chevron’s Law Department in Houston where has worked for the past 16 years. Prior to joining Chevron, Jack was a partner in a New Orleans law firm, where he specialized in litigation. Jack, who graduated from Tulane Law School (New Orleans) in 1980, obtained a BS in chemistry from Moravian College (Bethlehem, PA) in 1977.

Jack is an elder at HopePointe Church in The Woodlands, Texas, where he is involved in various ministries.

Jack and his wife Melanie, who have lived in The Woodlands for the past 16 years, have been married for 22 years and have two children. Megan is a freshman at ____ and Jonathan is a Junior at Trinity University in San Antonio.

Carol Radden – Carol and Ron Radden have been long-time supporters of 25:40, and bring valued input and guidance to our Board based on their many years of experience on the board for the non-profit organization Marriage Encounters. Carol currently works with SprintNextel. She and Ron already have taken the lead in developing a new fund-raising strategy that will take into account and build on our successful ventures to date. We were blessed to meet Carol and Ron through our interaction with Fairfax Presbyterian Church, where they worship. Fairfax Presbyterian has been one of our strongest supports, both in terms of resources and inspiration.

Mike Rhein - Mike is Director for Program and Resource Development at the National AIDS Fund, in Washington, D.C., one of the largest philanthropic organizations dedicated to addressing HIV/AIDS. He has more than 12 years experience in the philanthropy, public health and social service fields. At the National AIDS Fund he manages grantmaking programs that direct more than \$2 million to community-based HIV/AIDS prevention and care organizations and helps coordinate national fundraising efforts. In addition, Mr. Rhein oversees the nation’s first and most expansive AmeriCorps program dedicated exclusively to placing paid volunteers in a year of HIV/AIDS-related community service. He lives in Washington, D.C. with his wife and daughter.

Alec Zacaroli - Alec and Amy Zacaroli founded 25:40 in June 2003. Alec lived in Johannesburg, South Africa, as a child, and from this experience has remained keenly interested in issues facing southern Africa. He is an attorney with the firm Wallace King Domike & Branson, PLLC, in Washington, D.C.

Amy Zacaroli – Amy Zacaroli worked as a journalist in Washington, D.C. for more than a decade. In addition to caring for her and Alec’s four children, Nicholas, Sophie, Hannah, and Rebecca, she devotes her time and attention to the work and mission of

25:40.



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