ROTARY INTERNATIONAL THE ROTARY FOUNDATION ANNUAL REPORT 2014-15

ROTAR

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Rotarians and Rotary Peace Fellows gather for the Rotary Peace Symposium in São Paulo, Brazil, in June. With the generous support of Rotarians, Rotary Peace Centers have trained more than 900 fellows for careers in peacebuilding in just over a decade.

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All images were provided by Rotary International unless otherwise noted.

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INCREASING OUR CAPACITY TO DO GOOD

We are a membership organization of more than 1.2 million neighbors, friends, and community leaders who join together to share ideas and take action to bring positive, lasting change to individuals and communities at home and around the world.

Our strategic plan guides us in putting our values into action, providing a framework for our future, and ensuring that we continue to make a positive impact in communities worldwide. Here is a look at our progress in supporting our three strategic priorities.

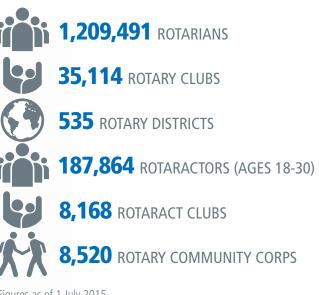
Support and strengthen clubs

Our Rotarian membership totals more than 1.2 million, up from 1.18 million in early 2014.



WHERE WE ARE North America Europe North Asia (including Japan and the Caribbean 310,916 and Korea) 359,667 South and Southeast 147.886 Asia (including India) 197,390 Australia, Philippines, Central and Africa and Southwest Asia South America and Pacific Realm 36,445 61.190 95,997

WHO WE ARE



Figures as of 1 July 2015

Learn how Rotary clubs are innovating to increase membership and better serve their communities in "Transforming Rotary clubs" in this report and in the Member Center at rotary.org.

Focus and increase humanitarian service

Our top organizational priority continues to be the eradication of polio. The number of polio cases has decreased by 99.9 percent since we launched our PolioPlus program in 1985 in support of the global effort to end the disease. Find out more in "Eradicating polio" in this report and at endpolio.org.

We are increasing sustainable service to communities locally and globally, focused on programs and activities that support youth and young leaders. Find out more in "Engaging young professionals and empowering youth" in this report and at rotary.org.

More Rotarians are also using Rotary grants to carry out projects, boosting our capacity to serve communities worldwide through expanded support for our six <u>areas of focus</u>.

ROTARY GRANTS

487 DISTRICT GRANTS \$25.2m

1,078 GLOBAL GRANTS

124% more than last year

^{\$20.0}м

DISEASE PREVENTION AND TREATMENT Number of grants: 329 \$19.8_M

WATER AND SANITATION
302

ECONOMIC AND COMMUNITY DEVELOPMENT 168 ^s11.2_M

BASIC EDUCATION AND LITERACY
133
^{\$}8.0_M

MATERNAL AND CHILD HEALTH

PEACE AND CONFLICT PREVENTION/RESOLUTION (excluding Rotary Peace Centers) 68 \$4.0m

Enhance public image and awareness

Recognition of Rotary's contribution to ending polio continues to increase, with <u>global media coverage</u> in hundreds of news outlets, including Time, the New York Times, BBC, Reuters, Associated Press, Agence France-Presse, NPR, the Guardian, the Globe and Mail, Al Jazeera, Forbes, Huffington Post, and others. And engagements on the Rotary and End Polio Now social media pages increased by 33 percent over last year.

Rotary also participates as a thought leader in highlevel global meetings such as the World Economic Forum on the Middle East and North Africa, World Water Summit, World Economic Forum on Latin America, and Seventh Summit of the Americas. Along with holding the highest consultative status (offered to nongovernmental organizations) with the United Nations Economic and Social Council and UNESCO, Rotary has representatives to the European Union, African Union, Organization of American States, League of Arab States, Commonwealth of Nations, and World Bank.

A YEAR OF PLANTING AND REAPING

Message from our President and Trustee Chair

Robert Louis Stevenson wrote that we should judge each day not by the harvest we reap, but by the seeds we plant. As we look back at the 2014-15 Rotary year, we look back with great pride on a year of both planting and reaping: reaping the results of many years of Rotary service, while planting the seeds for many years of Rotary service yet to come.

This year, our strong growth in both membership and Foundation giving has helped set us on a course for an even stronger future. We welcomed many thousands of new members into Rotary, with a net membership gain of 47,000 as of 31 May (see year-end membership total on page 2). With the tremendous success of hundreds of Rotary Days, record-breaking Annual Fund contributions, and the \$1 billion milestone reached by our Endowment Fund, our ability to render ambitious, essential, and innovative service is greater than ever.

Thirty years ago, Rotary planted a seed, with our promise to eradicate polio. Since then, the cause of polio eradication has united Rotarians across continents and generations; it has brought us new partners, new paths for humanitarian service, and far more opportunities than we ever imagined to build friendship, cooperation, and peace. Year by year, child by child, drop by drop, we have banished polio from country after country.

As this annual report goes to press, 2015 has seen only a few dozen cases of the disease caused by the wild poliovirus in the two countries where polio remains endemic, and all of Africa is close to becoming polio-free. Soon, if our commitment continues strong, we will reach the goal that we have been working toward for so many years: the complete, global eradication of polio. When that day comes, we will know that a polio-free world came about because of Rotarians, and our Rotary Foundation.

Our theme this year was based on an idea of Confucius': that it is better to light a single candle than to sit and curse the darkness. So many Rotarians have lit their candles, in so many ways, this year: in their clubs, in their communities, and through our Foundation. Thank you, Rotarians; it has truly been a year to *Light Up Rotary* and the world.

Gary C.K. Huang and Corinna 2014-15 President Rotary International

John Kenny and June 2014-15 Trustee Chair The Rotary Foundation

Rotary International President Gary C.K. Huang (right), joined by Rotary Foundation Trustee Chair John Kenny, lights the Rotary flame during a ceremony at Rotary World Headquarters in Evanston, Illinois, USA. The flame was launched in Chennai, India, in December 2014 to celebrate the country's polio-free status, then traveled through several continents before reaching the 2015 Rotary Convention in Saô Paulo, Brazil, in June.

TRANSFORMING ROTARY CLUBS

San Francisco club sparks membership growth, service

The Rotary Club of San Francisco Evening, California, USA, has achieved a lot in two years. Formed in 2013, it has partnered with five other clubs and the nonprofit Hug It Forward to build a middle school in Guatemala. The club used its first district grant to provide free training in computer programming to students in San Francisco. And it has joined with Interact club members to build houses for Habitat for Humanity.

The club's informal approach is a major reason for its success. Members meet at a wine bar after work, promote all their activities on social media, and get together for social outings. That strategy has helped the club grow by 30 percent from 30 members to more than 40 members.

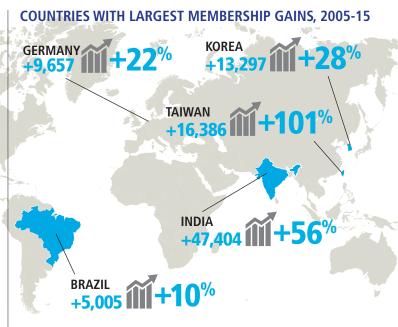
Most members are in their 30s and 40s, and almost half are citizens of countries other than the United States. Club officers frequently use Skype or a conference line to join board meetings they can't attend in person. The club's success has also led to a new club and two provisional clubs in the area.

(Right page) Members of the Rotary Club of San Francisco Evening and other clubs help construct a school in Guatemala.

Young professionals connect on the shape of Rotary

More than 30 Rotary leaders shared their Rotary experiences and ideas at the <u>Young Professionals</u> <u>Summit</u> in Chicago in September 2014. Rotarians, Rotaractors, and Rotary program alumni candidly discussed what's working in Rotary, ideas for improvement, and ways to extend positive experiences with Rotary to young professionals around the world.

Among many ideas explored was inviting young professionals, including Rotaractors, to participate in a Rotary club project, and partnering with community-based organizations, professional



associations, and businesses as a way to both serve the community and reach out to potential members.

Rotary clubs and districts are encouraged to hold similar events in their region to engage young leaders and strengthen Rotary's membership.

"We've exchanged hands-on ideas that we can take back to our clubs and really change momentum in Rotary."

– Kathryn Fahy, governor
 District 5970 (Iowa, USA)

(Below) Rotary leaders watch their colleagues participate in an improvisational session at the Young Professionals Summit in Chicago.



"The evening meeting idea has really taken off. There's no reason this can't be done anywhere."

> Danielle Lallemont, member Rotary Club of San Francisco Evening, California, USA

Learn more about membership — how to join a Rotary club, connect with our global network of community volunteers, or refer a new member — in the Member Center at rotary.org.

ERADICATING POLIO

"With Rotary, we made tremendous progress last year. If the world's commitment to polio eradication remains strong, we will soon see a polio-free world."

Hamid Jafari, Director for Global
 Polio Eradication and Research
 World Health Organization

On the cusp of a polio-free world

The incidence of polio continues to shrink worldwide and the disease is now on the brink of being eradicated, say top health officials in the <u>Global Polio</u> <u>Eradication Initiative</u> (GPEI). No cases caused by the wild poliovirus have been reported in Africa, including Nigeria, for more than one year. And polio cases have decreased in Pakistan by nearly 70 percent compared to a year ago.

In addition, no cases caused by type 3 wild polio have been reported globally in more than two-and-a-half years. The elimination of type 3 polio, once confirmed, would leave only type 1 to contend with.

Rotarians continue to generously donate their time and personal resources, immunizing children, donating and raising funds, mobilizing public support for vaccination, and engaging governments in the cause. Funding, political commitment, sustained high immunization coverage, and world-class disease surveillance are needed to finish the job and secure a polio-free world.

Rotary is a leading partner in the GPEI, along with the World Health Organization, UNICEF, the U.S. Centers for Disease Control and Prevention, and the Bill & Melinda Gates Foundation. By supporting the final push to eradicate polio, we can ensure that future generations of children will never have to suffer from this devastating disease.

(Left page) A child is vaccinated against polio during a National Immunization Day in Nigeria.

Africa close to becoming polio-free

Once the gateway to polio in Africa, Nigeria has stopped transmission of the wild poliovirus and is paving the way to eradicating the disease on the continent. Africa reported its last case on 11 August 2014 in Somalia.

Africa's 50-plus countries have overcome major challenges — including insecurity and accessing children in remote areas — to protect children against polio.

Rotary has donated more than \$688 million to fight polio in Africa, including over \$207 million to Nigeria.

Rotarians have led the way in contributing their time, energy, and personal resources in the drive to eradicate the disease from the continent.

(Below) Marie-Irène Richmond-Ahoua, chair of the Côte d'Ivoire PolioPlus Committee, immunizes a child against polio. The country's last case of polio was in 2011.

Only two to go

Just two countries are now polio-endemic. The number of new polio cases in the world has dropped 99.9 percent since the launch of the Global Polio Eradication Initiative, to fewer than 40 in June 2015 from 350,000 in 1988.



THE REMAINING

of polio cases is the **most difficult** to prevent because the virus persists in the hardest-to-reach areas.



OUT FRONT ON ADVOCACY, GRANT SUPPORT

Rotary plays a leading role in the <u>Global Polio Eradication</u> <u>Initiative (GPEI)</u>, including advocacy with governments and providing grant support. Here are highlights from the past year:

June 2015 — <u>Rotary releases \$40.3 million</u> for use by the World Health Organization and UNICEF for polio immunization, surveillance, and research activities in 10 countries, as well as for technical assistance to other countries in Africa.

Over one-half of the members of the European Parliament (MEPs) sign a written declaration in support of polio eradication. Rotary members contacted their respective MEPs to communicate the importance of eradicating the disease.

May — Rotary recognizes Prime Minister Shinzo Abe and the government of Japan with its Polio Eradication Champion Award for outstanding commitment to ending the disease. Under Abe's leadership, the Japan International Cooperation Agency approved a nearly \$80 million loan to purchase oral polio vaccine for Nigeria and a \$5.4 million contribution to support critical polio immunization activities in Pakistan.

Rotary also recognizes five members of the United States Congress with the <u>Polio Eradication Champion Award</u>. The U.S. government is providing \$217.8 million to support polio eradication in 2015, through the Centers for Disease Control and Prevention and USAID. Rotary's Polio Eradication Advocacy Task Force for the United States leads the organization's efforts to inform the U.S. government and other funding sources of the urgency and benefits of supporting the GPEI.

January — Rotary releases \$34.8 million in grants to support polio immunization activities in 10 countries, including Afghanistan, Nigeria, and Pakistan, the only countries where the disease has never been stopped.

October 2014 — Rotary recognizes Prime Minister Stephen Harper of Canada with its Polio Eradication Champion Award for his efforts to support a polio-free world. Canada has been a longstanding partner with Rotary in the effort to eradicate polio and a major leader among a core group of strong donor nations. Polio eradication efforts in Afghanistan and Nigeria have been signature projects for Canada. The country continues to support polio eradication through a five-year, C\$250 million commitment to the GPEI that began in 2013 and the Maternal Newborn and Child Health Initiative that began in 2014.



Time magazine science and technology editor Jeffery Kluger (left) talks with James Alexander, senior medical epidemiologist for the Centers for Disease Control and Prevention, at the End Polio Now: Make History Today event.

At the End Polio Now: Make History Today presentation in Chicago, Rotary leaders join global health experts and celebrity singers to hail the progress of the GPEI. Co-sponsored by Rotary and Sanofi Pasteur and presented before a live audience, the program streams live to viewers worldwide.

July – Rotary releases \$43.6 million in grants for polio immunization activities, surveillance, and research.

HELPING FUND THE FIGHT

Among the highlights:

Rotarians and friends raised more than \$3 million through El Tour de Tucson in Arizona, USA. One hundred Rotary cyclists participated, including General Secretary John Hewko and six Rotary staff members.

A bicycle rally in Taiwan organized by Rotary clubs netted nearly \$2 million. More than 400 Rotarians participated in the nine-day, 1,000-kilometer event.

Rotarians in Brazil allocated \$1 million in District Designated Funds in an effort that drew heavily on the support of the country's Rotary district governors.

Rotary Charities of Traverse City, a public foundation created by the Rotary Club of Traverse City, Michigan, USA, contributed \$250,000.

The **Rotary Club of Reading Matins**, Berkshire, England, raised \$210,000 by participating in a Christmas charity campaign run by Yogscast, a producer of video games, and Humble Bumble, an innovative online store for game publishers.

The **Rotary Club of Pays de Vitré**, France, and Le Conservateur Group, a Paris-based asset management firm, have raised more than \$230,000 in the past two years by entering *Le Conservateur*, a 40-foot sailboat displaying the End Polio Now logo, in a trans-Atlantic yacht race.

PolioPlus turns 30

Rotary launched <u>PolioPlus</u> — its campaign to rid the world of polio — 30 years ago in 1985. Three years later, in 1988, when the World Health Assembly resolved to eradicate the disease, Rotary was joined by the World Health Organization, UNICEF, the U.S. Centers for Disease Control and Prevention, and later the Bill & Melinda Gates Foundation to form the Global Polio Eradication Initiative (GPEI).

Since then, Rotary and the other leading GPEI partners have helped reduce the number of cases from 350,000 annually to fewer than 40 in June 2015. Rotary has helped immunize more than 2.5 billion children against polio, contributed over \$1.4 billion to the GPEI, and helped secure over \$7.2 billion from donor governments.

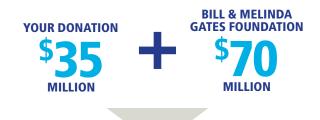
(Right) Rotarians and Rotaractors in Nigeria receive insecticide-treated nets to distribute to the community. PolioPlus is playing a pivotal role in making the world polio-free and laying the groundwork for achieving other global health objectives like immunizing children against measles, distributing insecticide-treated nets to prevent malaria, and providing clean water.

"Rotarians have played a key role in bringing the world to the cusp of polio eradication. Their efforts have not only ended polio in 122 countries but they've also created a roadmap for the world to tackle myriad other health priorities. This is something all Rotarians can be proud of accomplishing." – Michael K. McGovern, chair International PolioPlus Committee



End Polio Now: Make History Today campaign

From 2013 to 2018, every \$1 Rotary commits to direct support for polio eradication will be matched 2-to-1 (up to \$35 million per year) by the Bill & Melinda Gates Foundation. When fully realized, the campaign will result in \$525 million for polio eradication.





Your donation can triple your impact! Make your contribution at rotary.org/give.

PAKISTAN SCORES SOLID GAINS AGAINST POLIO

Pakistan accounted for more than eight of 10 of the world's polio cases in 2014. But the number of cases in the country has since plummeted by nearly 70 percent, thanks mainly to renewed government commitment, the work of Rotary and its partners, and the support of religious leaders.



ENGAGING YOUNG PROFESSIONALS AND EMPOWERING YOUTH

"We really wanted to emphasize how much of an impact we can make in our community. We want the Rotary world to know that Interactors are motivated to give back."

 Kyle Gomes, member, Interact Club of Hugh Boyd Secondary School, Richmond British Columbia, Canada

Learn more about Rotary programs for young leaders and young adults at rotary.org.

Helping women find dignity and earn a living

A Rotaract project in Uttar Pradesh, India, is liberating women who emptied dry toilets with their hands by teaching them skills that enable them to earn a living for their families.

Although manual scavenging was banned in India in 1993, it persists in many parts of the country. The women who engage in it, many of them the sole wage earners for their families, make a meager income for their efforts.

Through Project Azmat, members of the Rotaract Club of SRCC Panchshila Park partnered with the international nonprofit Enactus to organize women who had been doing this work into a cooperative, teaching them basic literacy skills and training them to make and market detergent. The project is also replacing dry latrines with two-pit toilets, which require no maintenance and use only a small amount of water to convert human waste into manure, improving sanitation and preventing the spread of disease. More than 120 new toilets have been installed, enabling over two dozen women to earn a living through the sale of detergent. The project was selected as this year's international winner of the Rotaract Outstanding Project Award.

(Left page) A woman measures out ingredients to make detergent. Project Azmat is freeing women from hand-cleaning dry toilets for a living by teaching them marketable skills.

Highlighting the scope of youth service in Rotary

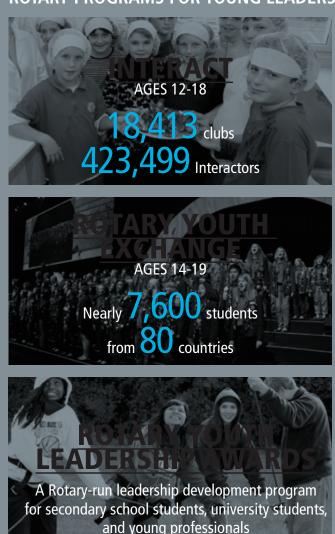
Every other year since 2003, members of the Interact Club of Hugh Boyd Secondary School in Richmond, British Columbia, Canada, have teamed up with their sponsor Rotary club, teachers, and firefighters to provide assistance to the Refilwe orphanage, located



near Johannesburg, South Africa. In 2013, the monthlong effort included rebuilding the orphanage and a preschool.

The Interact club produced a video that featured the orphanage renovation, along with other projects such as ice skating to raise funds for polio eradication, collecting canned goods for a local food bank, and participating in a model UN day in San Diego, California, USA. The video — "Our Best Day in Interact" — won the annual Interact video contest for 2014-15, beating out 88 entries from 33 countries.

(Below left) The Interact Club of Hugh Boyd Secondary School in Richmond, British Columbia, Canada, has built a strong tradition of bringing positive change to communities locally and globally.



ROTARY PROGRAMS FOR YOUNG LEADERS

FIGHTING DISEASE, SAVING MOTHERS AND CHILDREN

Reducing maternal and child deaths

In Malawi, about 670 women in 100,000 die in childbirth each year. The Rotary Clubs of Limbe, Malawi, and Currie Balerno, Scotland, aided by a Rotary global grant, are working with the Freedom from Fistula Foundation to lower the number of maternal deaths by training 150 midwives to work in rural health clinics in Malawi.

In Liberia, the Rotary Clubs of Los Altos, California, USA, and Sinkor, Liberia, are helping Liberian women get tested early in their pregnancy for HIV and receive appropriate prenatal and postnatal care as part of a global grant-funded project. The risk of HIV transmission to unborn children is low, if women get the testing and treatment. The Rotarians aim to reduce the number of new HIV infections in children in Liberia by 95 percent over two years in 23 clinics run by Save the Children.

To decrease the number of deaths and long-term health issues in prematurely born children, the Rotary Clubs of Pune Pride, Maharashtra, India, and Bethlehem, Pennsylvania, USA, launched a program at a Pune hospital to collect, store, and distribute milk donated by lactating women. The program, started with the help of a global grant, is expected to grow to benefit 100 babies per day in seven years.



"We are indebted to Rotary clubs across Scotland for their invaluable and ongoing support for the training of midwives in Malawi."

- Freedom from Fistula Foundation

Tackling the Ebola virus

Rotary's investments in the polio eradication infrastructure helped the government of Nigeria stop the outbreak of the Ebola virus in that country. Members of the Rotary Club of Abuja-Gwarinpa built on their experiences with polio immunization and awareness efforts to educate the community about the virus, passing out information to area residents and talking about preventive measures on the local radio station.

In Liberia, more than 340 volunteers, organized by the African Dream Academy, delivered supplies and food, and educated people on how to avoid being infected by Ebola. The academy, which was founded by Samuel Enders, a member of the Rotary Club of Yonkers-East Yonkers, New York, USA, also assembled a team of nearly 600 helpers who provided more than 75 communities with gallon containers of chlorinated water, buckets, bleach, food, T-shirts, and counseling.

"The success we have achieved could not have been possible without Rotarians' help. Thanks for giving us hope through your support and guidance."

> Samuel Enders, Rotary member and founder and executive director African Dream Academy

(Left) A Rotaractor from Monrovia, Liberia, posts fliers to educate residents about the Ebola virus.



PREVENTING CANCER IN SRI LANKA

The Cancer Prevention and Early Detection Center in Colombo, Sri Lanka, established by the Rotary Club of Colombo, has screened more than 35,000 patients, including many women for cervical and breast cancer. The center has detected more than 7,500 cases needing follow-up.

Learn more about <u>Rotary grants</u> and how Rotary is <u>saving mothers and children</u>, or contribute to the <u>disease prevention and treatment fund at rotary.org</u>.

PROVIDING CLEAN WAT

"When you bring in clean water, versus what they are used to drinking, you can tell straightaway that their health situation is improved."

> — Ako Odotie, member <u>Rotary C</u>lub of Tema, Accra, Ghana

WHO WE WORK WITH

Rotary works with many local and international organizations and educational institutions to carry out our worldwide humanitarian efforts. Learn more about our partners at rotary.org.

Polio eradication partners

Rotary International is a leading partner in the Global Polio Eradication Initiative along with:

- World Health Organization
- UNICEF
- U.S. Centers for Disease Control and Prevention
- Bill & Melinda Gates Foundation
- Donor governments

United Nations

Rotary International appoints representatives to work with several United Nations agencies and global organizations.

Strategic partners

Rotary has strategic partnerships with the following organizations to offer service opportunities for Rotarians:

- Aga Khan University
- UNESCO-IHE Institute for Water Education

Project partner

ShelterBox is Rotary's partner in disaster relief efforts.

H20 collaboration boosts sanitation in Ghana

Rotary has worked with the U.S. Agency for International Development (USAID), government agencies, and other partners to help provide more than 80 percent of Ghana's people with clean water and to eradicate Guinea worm disease. But only about 14 percent of Ghanaians have safe sanitation facilities.

The International H20 Collaboration, a partnership between Rotary and USAID, is working to alleviate the problem. The collaboration has provided 57 boreholes, 20 wells, latrines to more than 40 public schools, three public toilet and shower-block units, and three mechanized water supply and distribution systems, along with promoting hygiene education.

Now in its second phase, the effort has committed more than \$4 million each to projects in Ghana, the Dominican Republic, the Philippines, and Uganda.

(Left page) A young girl bathes using a single gallon of clean water.

Rolling out water by the barrel

In rural South Africa, clean water doesn't come with the twist of a tap. On average, women spend four to six hours a day collecting and transporting water to supply their family's daily need.

The Rotary Club of Gibsons, British Columbia, Canada, provided 50 Hippo Water Rollers to a village in South Africa. The barrel-shaped device holds 25 gallons of water — enough to meet five peoples' daily needs — and can be pushed like a lawn mower back and forth from water sources.

The device also prevents the need for carrying heavy 5-gallon buckets on the head, which can result in injuries over time. And it reduces the number of trips to collect water, giving women and children more time to pursue educational and economic opportunities.

"It's a simple flick-of-the-switch technology that frees women from the daily chore of hauling water for their households."

 Luke Vostermans, member, Rotary Club of Gibsons, British Columbia, Canada

(Below) Women in a village in South Africa use Hippo Water Rollers to transport clean drinking water to their homes.



Learn more about Rotary grants or contribute to the water and sanitation fund at rotary.org.

Service partners

These organizations support club activities and offer opportunities for collaboration on local Rotary projects:

- Peace Corps, which is participating with Rotary in a program to promote global development and volunteer service
- Dolly Parton's Imagination Library
- Global FoodBanking Network
- International Reading Association
- YSA (Youth Service America)

Government partners

The Rotary-USAID International H2O Collaboration is an alliance between Rotary International and the U.S. Agency

for International Development to support and facilitate water and sanitation projects.

Rotary Peace Centers

The Rotary Foundation partners with the following universities to offer fellowships leading to degrees or certificates in areas of study related to peace and conflict prevention and resolution:

- Chulalongkorn University, Bangkok, Thailand
- Duke University and University of North Carolina at Chapel Hill, USA
- International Christian University, Tokyo, Japan
- University of Bradford, West Yorkshire, England
- University of Queensland, Brisbane, Australia
- Uppsala University, Sweden

GROWING LOCAL ECONOMIES, SUPPORTING EDUCATION

Partnership weaves sustainable loan project in Ecuador

Rotarians teamed up with a microfinance organization to provide small loans to poor women in the Esmeraldas province of Ecuador, teaching them to sew and bake so they can start or expand businesses. The Rotary Club of Marin Evening, California, USA, reached out to 64 Rotary clubs in the two countries to raise funds and mobilize local community members for a global grant project.

Most of the global grant, including \$75,000 from The Rotary Foundation, provides seed money for the microloans. It is also buying sewing and baking equipment for a training center established by the microfinance organization and the Rotary Club of Quito Occidente, Ecuador, to teach loan recipients vocational skills and basic business management. Club members, along with government and private company educators, have served as trainers.

(Below left) A microloan recipient in Ecuador shows an item she made in her sewing shop. (Below right) A bakery owner is able to produce and sell more goods because of the project.

"The thing that impressed me was how proud the women were of what they had built.... Instead of being victims of poverty, they can become problem-solvers."

> – Keith Axtell, member, Rotary Club of Marin Evening, California, USA

Schools + water = education

Adopt a Village, an independent nonprofit run by Canadian Rotarians, has constructed six schools and additions to another six in remote communities in Laos. The group has also provided almost 2,000 water filters, and built dams and laid pipe to provide clean water.

In Hat Kham, the changes have spawned a cycle of improvement in the residents' standard of living. Adopt a Village installed new toilet facilities for the entire community and a water filter for every house, which helped attract new residents — and made a third room necessary for the schoolhouse.

(Right page) Children in Hat Kham, Laos, carry pieces of furniture into their school classroom after its completion by Canadian Rotarians as part of the Adopt a Village program.



Find out more about <u>Rotary grants</u> and how Rotary is <u>growing local economies</u> and <u>supporting education</u> <u>at rotary.org</u>.

"The kids weren't going to school because they were collecting water. And there was so much illness because of lack of clean water. So we added water, toilet bank, and filter projects." – Steve Rutledge, member, Rotary Club of Whitby Sunrise, Ontario, Canada and founder, Adopt a Village

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PROMOTING PEACE

"When you give refugees hope, by training them and giving them a skill and a chance to earn a living, they become people who can stand on their own."

– Mahamoud Ahmad education program coordinator Ethiopia Program, Norwegian Refugee Council; former Rotary Peace Fellow

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Peace fellows help refugees start over

The number of people forced from their homes by war and conflict has surpassed 60 million, the largest ever recorded. Among the graduates of the Rotary Peace Centers — more than 900 since the program began in 2002 — are agents of change working to help this growing population of refugees.

"I have been a refugee, I have been an internally displaced person, I have been a returnee," says Mahamoud Ahmad, who is from Somalia.

A graduate of the <u>Rotary Peace Center at the</u> <u>University of Bradford</u> in England in 2010, Ahmad is education program coordinator for the Norwegian Refugee Council's Ethiopia Program. More than one million people in the Horn of Africa, South Sudan, and Yemen received humanitarian assistance from the council in 2014. The organization also provides education and job training to thousands of refugees from other African countries. Older youth learn skills such as electrical work, welding, and tailoring, and younger children receive basic education.

(Left page) Mahamoud Ahmad (right), education program coordinator for the Norwegian Refugee Council's Ethiopia Program and former Rotary Peace Fellow, helps distribute sewing machines to graduates of a tailoring course.

Ending violent mistrust in Kenya

For decades, the small pastoral communities in northern Kenya have been caught in a cycle of violence. Tribes have shed blood over distrust, scarce resources, and the theft of livestock.

Former Rotary Scholar Monica Kinyua and her twin sister, Jane Wanjiru Kinyua, founded the Children



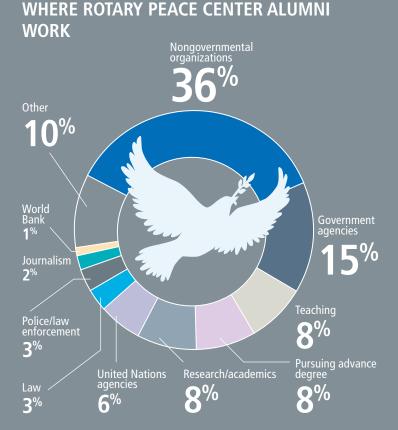
Peace Initiative Kenya to end the fighting by building friendships between children from different tribes.

The sisters used a Rotary global grant sponsored by Rotarians in San Diego, California, USA, and the Rotary Club of Nairobi to conduct one of several peace camps for children and their teachers in Baragoi, Samburu County, a highly dangerous area. The peace camps have helped reduce violence in the region, Monica says.

(Below left) Former Rotary Scholar Monica Kinyua (right) and her sister, Jane Wanjiru Kinyua, founders of Children Peace Initiative Kenya

"Through the program, children are directly participating in intercommunity peace and coaching their parents and influencing the communities to live peacefully with each other."

> — Monica Kinyua, co-founder Children Peace Initiative Kenya former Rotary Scholar



SUPPORTING ROTARY'S WORK

Committed to changing lives

For Roberto Luiz Barroso, Rotary is a family affair. He is a member of the Rotary Club of Santos, São Paulo, Brazil. His children are Rotarians, including his son, Roberto Luiz Barroso Filho, who, along with his wife, Eliane M. Godinho Barroso, became Arch Klumph Society members in 2010. And his grandchildren are Rotary Youth Exchange alumni.

Roberto also sees engagement in Rotary as a path that transforms lives.

"Being a member of the Arch Klumph Society is very important to us since our son was a pioneer within the family in this," says Roberto, who, along with his wife, Isa M.R. Barroso, was inducted into the society on Brazil Day in Evanston in April 2015. "But it is also important because of the benefit this society brings to the world community, including by collaborating in world peace efforts."



As president of an organization that helps children with special needs, Roberto knows the challenges of community service and values Rotary because of the quality of its projects.

"We decided to donate to The Rotary Foundation because we know the work - it is important work, serious work – and we know the credibility Rotary has across the global community."

- Roberto Luiz Barroso, Major Donor and member Rotary Club of Santos, São Paulo, Brazil

(Left) Roberto Luiz Barroso and his wife, Isa M.R. Barroso, at the Arch Klumph Society interactive gallery at Rotary International World Headquarters

Working to expand Rotary's reach

In January 2015, Chuck Howey, of the Rotary Club of Trenton, Michigan, USA, ascended a mile-long dirt road in St. Lucia to appreciate the beauty of a 180,000-gallon water tower. For over a year, he championed its construction, working with the governor from District 6960 in Florida (Howey's winter home) and other Rotarians to meet a simple need of 3,000 people in St. Lucia: clean water.

"I was most impressed with the effort that the Rotarian partners both in District 6960 and District 7030 put forth to carry out this project," Howey says. "It was exceptional."

Howey's major gifts to The Rotary Foundation are a perfect example of how Rotary thrives on teamwork. He was inspired by the need to bring clean water to families. For nearly 30 years, St. Lucia's leaders were unable to garner funds for the project from their government. Through Rotary, the gift from Howey was a call to action that was answered with over \$112,500 in funds raised by six districts to finish the project.

(Right page) Chuck Howey, second from left, at the site of a Rotary water project in St. Lucia

Help expand Rotary's ability to do good in the world. Make your gift today at rotary.org.

"Rotary and The Rotary Foundation's efforts make it possible to reach people around the world who need our help."

> – Chuck Howey, Major Donor and member, Rotary Clubs of Trenton, Michigan, and Venice Sunrise, Florida, USA

DONORS INDUCTED INTO THE ARCH KLUMPH SOCIETY IN 2014-15

FOUNDATION CIRCLE

(contributions of \$1 million or more) Terrence R. and Barbara C. Caster Joseph P. and Linda K. Grebmeier

CHAIR'S CIRCLE

(contributions of \$500,000 to \$999,999) Sandra Lynn and A. John Wiley Jr.

TRUSTEES CIRCLE

(contributions of \$250,000 to \$499,999) Vicente José Gerardo Arbesú and Maria de los Angeles Lago Garcia[†] Valdemar L. and Neusa B. Armesto Archimedes and Samira J.S. Baccaro Vinod and Sangita Bansal Roberto Luiz Barroso and Isa M.R. Barroso Ronald J. and Marilyn K. Bedell Dorothy "Dot" Cada Joy Chun-Hsung Chen and Doris Pi-Yun Chiang Garment Ron-Chu and Hung-Yun Chen Karen N. Clarke John G. and Charlene S. Cox

Wayne C. and Lee Ann Cusick Jayme Garfinkel and Monica Sampaio e Silva Ronald G. and Glenys Geary Wayne E. Grabenbauer Sr. Rajesh and Seema Gupta Sushil and Vinita Gupta Ken Kuan-Chun Hsu and Lisa Hsing-Hui Lee Hsu Krishankumar B. and Subhadra⁺ Jindal Revi⁺ and Betty Karan Lawrence G. and Maureen A. Labadie Dong-Joon "Don" and Duck-Ja "Diane" Lee Jackson Ming-Jih Li and E Tan Chen Propeller Yeun-Junn Lin and Ann C.C. Tsai Robert F. and Yvonne Y. Kuan Martin and Mary Catherine Limbird Russel S. and Susan C. Miller SP Malhotra[†] and Rajinder Mohini[†] Ernest R. and Sally Montagne Dan Morales

Dick Yukio Nerio⁺ and Margaret Nerio Gopal and Kavita Nihalani Irfan Razack and Badrunissa Irfan Kay E. Resler Rajendra K. and Usha Saboo David Saint John and Maureen C. Anderson Aurelia Delgado de Sandoval V. Raja Seenivasan and Jayanthi Raja Seenivasan Mustain and Sari Sjadzali Claudio and Marie Takata Carl W. and Lina Z. Treleaven OBS Pai-Chou Tu and Hsieh Kuei-Mei Tu Takeshi and Miuki Mochida Ussui Otto and Fran Walter Foundation Ronald F. Winecoff and Billi J. Black Eugene G. Wons and Gwenn A. Ramage-Wons T.Y. Tsu-Ying Yang and Tina Ching Hsiu Chuang Yang † DECEASED

PHOTO COURTESY OF CHU

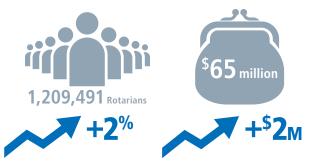
STEWARDING ROTARY'S FINANCIAL RESOURCES

Rotary's financials demonstrate our dedication to stewardship and sustainability. As a global organization operating in over 200 countries/ geographical areas and in 29 currencies, Rotary takes stewardship of its funds very seriously. Stewardship begins as funds are received around the world. It continues through our prudent investment practices until funds are spent to provide life-changing and sustainable grants, as well as programs and services for members. At the same time, Rotary must comply with regulatory requirements in all the jurisdictions in which we operate.

How funds flow into Rotary

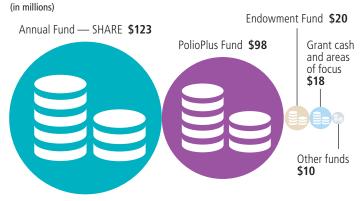
As a membership organization, dues are the primary source of revenue for Rotary International. In 2014-15, the total number of Rotarians grew by approximately 20,000, or nearly 2% compared to the year before. This change, coupled with an additional dues increase of \$1, resulted in dues revenue increase of \$2 million.





From contributions collected at Rotary club meetings to million-dollar donations from Major Donors, gifts from Rotary members to The Rotary Foundation support the Foundation's mission. In 2014-15, Rotarians exceeded the <u>Annual Fund</u> goal by raising \$123 million. They also contributed \$29 million to the PolioPlus Fund and enabled the Foundation to continue its partnership with the <u>Bill & Melinda Gates</u> <u>Foundation</u>, which together raised \$98 million for polio eradication efforts. This commitment to grow the Endowment Fund, funds to be held in perpetuity, included \$20 million in contributions. Investment earnings from the <u>Endowment Fund</u> are used each year to support the Foundation's long-term mission.

SOURCES OF CONTRIBUTIONS – TRF



Our Foundation is uniquely structured to weather global economic challenges. The Annual Fund operates on a three-year cycle, which allows time for clubs and districts to work together, exchange grant project ideas, and provide <u>District Designated Funds</u> for district and global grants. The investment earnings from the Annual Fund are generally sufficient to support most of our fund development and general administrative expenses. When investment markets aren't performing well, the Foundation has a reserve fund, developed from previous years' investment earnings, to ensure its work continues uninterrupted.

Many volunteers support Rotary by participating in governance committees that report to the Board of Directors and the Board of Trustees. They serve on Rotary's finance, audit, stewardship, and investment committees to ensure financial stewardship continues to be Rotary's business.

How our investments work

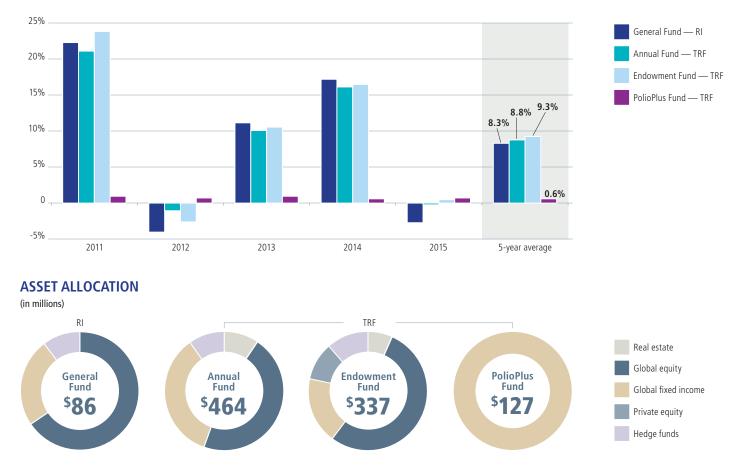
Rotary's assets were more than \$1 billion at the end of 2014-15, principally held in investments for both Rotary International and its Foundation. The Investment Committee oversees all aspects of Rotary's investments, and is composed of three trustees and six Rotarian investment professionals. An independent investment consultant counsels Rotary International and its Foundation on investment matters and monitors Rotary's investments. Rotary's funds are actively managed by experienced professionals who prudently invest dues and contributions to ensure that funds are available to support our mission and promote our long-term sustainability.

Our General Fund is invested in a diversified, riskbalanced portfolio, whose investment earnings supplement dues revenue to provide ongoing support to our clubs and districts. Our <u>Annual Fund</u> contributions are invested for three years to help pay for operating costs. They then become available for districts and the Foundation to designate to grants and projects.

Our <u>PolioPlus Fund</u> is invested conservatively in short-term fixed income securities that are designed to protect the principal in declining markets. As contributions are received from Rotarians, friends of Rotary, and our partners such as the <u>Bill & Melinda</u> <u>Gates Foundation</u>, they are distributed expediently through PolioPlus grants.

Our <u>Endowment Fund</u> invests contributions in perpetuity and the principal remains intact, while the investment income continually supports Foundation programs.

More information on Rotary's investments, including investment policy statements and performance, is available at www.rotary.org (search keyword "<u>investments</u>").



NET INVESTMENT RETURNS

How Rotary funds are used

Rotary International's operating expenses are funded principally by dues and supplemented by net investment returns.

HOW DOES ROTARY SPEND MY DUES?



The generous support of Rotarians and friends of Rotary enables The Rotary Foundation to provide life-changing and sustainable projects like those highlighted earlier in this annual report.

THE ROTARY FOUNDATION'S EXPENDITURES GO TO ...



Foundation program awards were 84% of total expenses, while program operations were 8% of total expenses. This means 92% of the Foundation's expenses directly supported our mission-critical programs and grants.

As good stewards, Rotary and its Foundation continually look for ways to save costs and maximize the use of Rotary's funds. The <u>revised club invoicing</u> <u>process</u> was one of them. In January 2015, Rotary clubs received a new, one-page invoice that replaced a complex eight-part report. The invoice accurately reflects current membership and clearly states the amount owed. Along with the invoice, the clubs are encouraged to update their membership information on a monthly basis.

The simplified invoice has also reduced the cost to administer dues invoicing and improved the collection cycle of dues payments. In July 2014, before the new process began, 46% of clubs paid their invoices within 30 days. In January and July 2015, 70% of clubs paid their invoices within 30 days.

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CLUB INVOICE

The Rotary Foundation Cadre of Technical Advisers offer their expertise to assist Rotarians who are planning and implementing projects. They also ensure that Foundation grant funds are used properly and assist Foundation trustees in the funding process. Cadre members are volunteer Rotarians from around the world who are familiar with the grant program and have technical and professional expertise in one or more of Rotary's six areas of focus and financial auditing.

CADRE OF TECHNICAL ADVISERS

	2013	2014	2015
ADVISERS	412	394	550
SITE VISITS	86	109	102
\$ AVERAGE COST PER VISIT	^{\$} 1,454	^{\$} 1,295	^{\$} 1,279

The Foundation and its eight associate foundations are subject to the regulatory requirements in all the jurisdictions in which we operate. Rotary International, through the service to clubs provided by our nine offices around the world, also applies a robust level of diligence to safeguarding Rotarians' dues.

In 2014-15, Rotary submitted approximately 350 tax and compliance filings around the world. Adhering to complex regulations requires specific expertise, and Rotary has dedicated staff and processes in place to ensure our operations are in compliance.

Finally, Rotary works with independent auditors to complete a robust audit of the financial statements each year, for which we have consistently received clean audit opinions. Details of Rotary's fiscal 2014-15 financial information, including audited financial statements, tax filings, and expenses of the president, directors, and trustees, are available at www.rotary.org (search keyword "financials").

ROTARY INTERNATIONAL STATEMENTS OF ACTIVITIES

Fiscal years ended 30 June 2014 and 2015 (in thousands)

REVENUES		2014	2015
Dues	\$	63,301	\$ 65,386
Investment gains/(losses)		16,023	(5,123)
Services and other activities		26,335	22,822
TOTAL REVENUES	\$	105,659	\$ 83,085

EXPENSES

\$ 72,537	\$	67,767
25,102		22,961
5,357		319
\$ 102,996	\$	91,047
\$ 8,699	\$	(4,320)
\$ 11,362	\$	(12,282)
\$ 129,436	\$	140,798
\$ 140,798	\$	128,516
\$	 25,102 25,357 102,996 8,699 11,362 129,436 	25,102 5,357 \$ 102,996 \$ \$ 8,699 \$ \$ 11,362 \$ \$ 129,436 \$

THE ROTARY FOUNDATION OF ROTARY INTERNATIONAL STATEMENTS OF ACTIVITIES

Fiscal years ended 30 June 2014 and 2015 (in thousands)

REVENUES		2014	2015
Contributions	\$	259,595	\$ 268,903
Investment gains/(losses)		108,191	(4,798)
Grants and other activities — net		3,268	(789)
TOTAL REVENUES	\$	371,054	\$ 263,316

EXP	EN	SES	

Program awards		211,421	\$ 224,322
Program operations		20,119	20,886
Fund development		15,988	15,804
General administration		5,089	4,854
TOTAL EXPENSES	\$	252,617	\$ 265,866
Pension-related changes	\$	1,973	\$ (3,394)
Change in net assets		120,410	\$ (5,944)
Net assets – beginning of year		831,555	\$ 951,965
Net assets — end of year		951,965	\$ 946,021

The mission of Rotary International is to provide service to others, promote integrity, and advance world understanding, goodwill, and peace through its fellowship of business, professional, and community leaders.

POLIO

POLIO

endpolio.org

ROTARY INTERNATIONAL 2014-15 BOARD OF DIRECTORS

President Gary C.K. Huang, Taiwan

President-elect K.R. Ravindran, Sri Lanka

Vice President Celia Elena Cruz de Giay, Argentina **Treasurer** Holger Knaack, Germany

Directors Şafak Alpay, Turkey Mary Beth Growney Selene, USA Robert L. Hall, USA Per Høyen, Denmark Seiji Kita, Japan Larry A. Lunsford, USA Julia D. Phelps, USA Greg E. Podd, USA P.T. Prabhakar, India Steven A. Snyder, USA

Dľ

Takanori Sugitani, Japan Guiller E. Tumangan, Philippines Giuseppe Viale, Italy Michael F. Webb, England Sangkoo Yun, Korea

General Secretary John Hewko, Ukraine The mission of The Rotary Foundation of Rotary International is to enable Rotarians to advance world understanding, goodwill, and peace through the improvement of health, the support of education, and the alleviation of poverty.

THE ROTARY FOUNDATION 2014-15 BOARD OF TRUSTEES

Chair John Kenny, Scotland

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> **Chair-elect** Ray Klinginsmith, USA

Vice Chair Michael K. McGovern, USA

Trustees

Noel A. Bajat, USA Kalyan Banerjee, India Sushil Gupta, India Antonio Hallage, Brazil Jackson S.L. Hsieh, Taiwan Paul A. Netzel, USA Samuel F. Owori, Uganda Ian H.S. Riseley, Australia Julio Sorjús, Spain Bryn Styles, Canada Sakuji Tanaka, Japan Young Suk Yoon, Korea

OLIO

General Secretary John Hewko, Ukraine



$\mathbf{On}\,\mathbf{the}\,\mathbf{cover}$

Rotary members in Morelos, Mexico, and Pennsylvania, USA, aided by Rotary grants, helped create the ALEM program to train people with physical disabilities to repair wheelchairs. Based in Cuernavaca, ALEM is the only wheelchair repair facility in the state. It also operates a mobile repair clinic that serves surrounding cities. Rotarians assist ALEM, which is now a workerowned cooperative, with marketing and publicity.



ROTARY INTERNATIONAL[®] THE ROTARY FOUNDATION

www.rotary.org/give



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This paper has been Green Seal certified and Forest Stewardship Council certified to ensure responsible forest management.

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