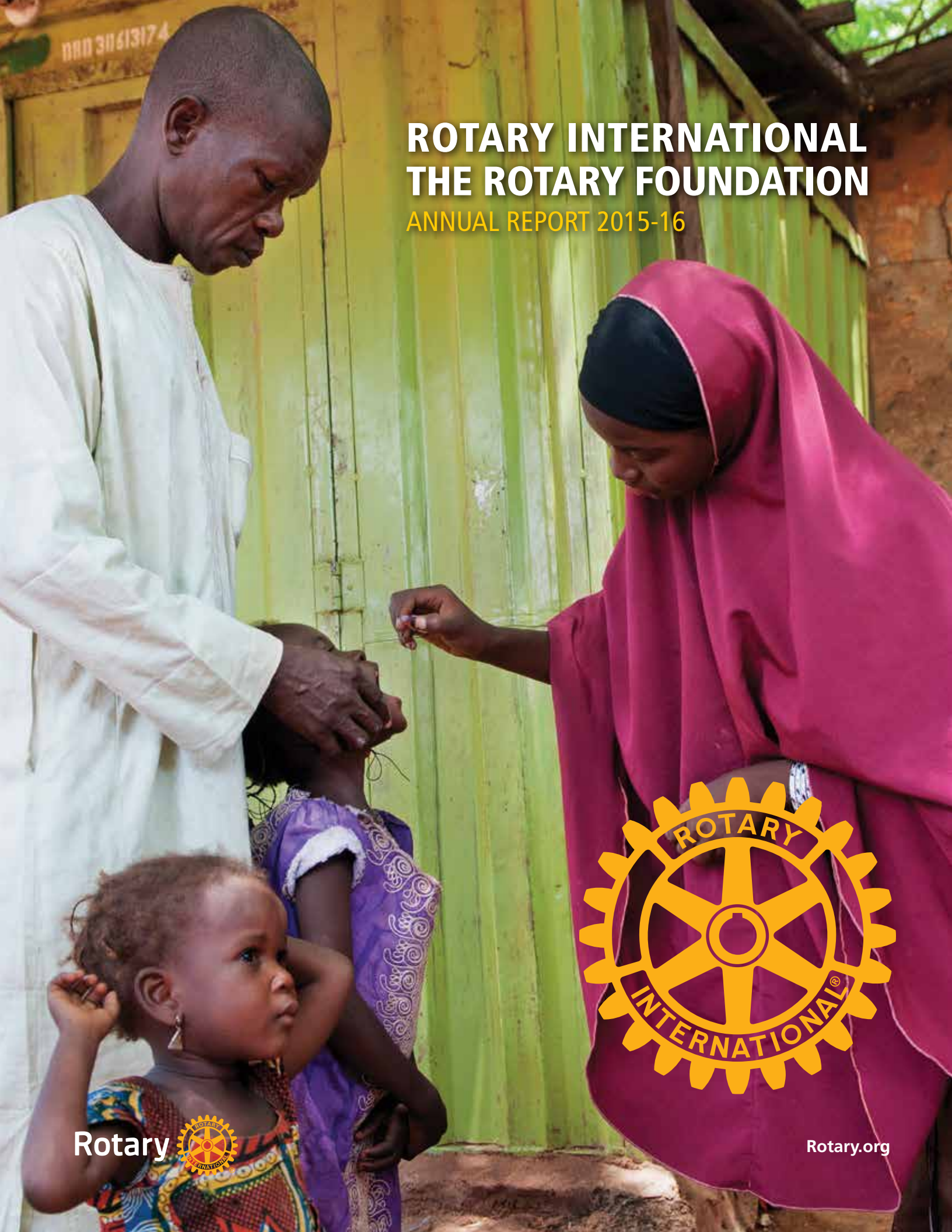
ROTARY INTERNATIONAL
THE ROTARY FOUNDATION

ANNUAL REPORT 2015-16



Rotary

Rotary.org

Rotarians volunteer at the International Friendship Garden in Evanston, Illinois, USA.

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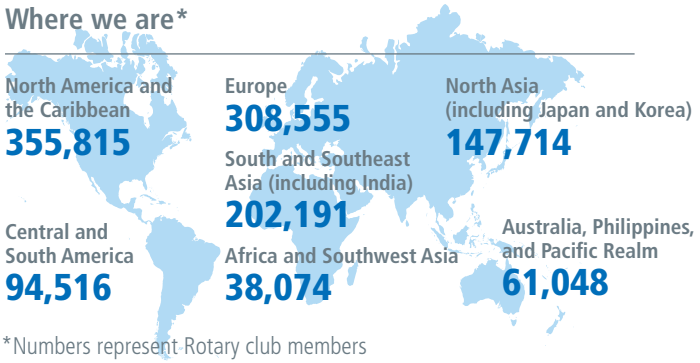
Who we are

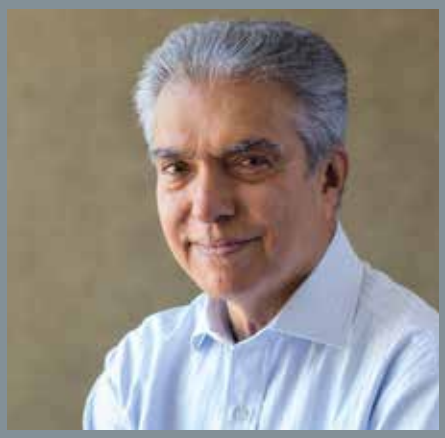
We are Rotary, a membership organization of innovators and problem solvers dedicated to applying sustainable solutions to some of the world's greatest challenges. Our members raise millions of dollars every year to fight polio and other diseases, grow local economies, promote literacy, and work for peace. We maximize the impact of our resources through the volunteer efforts of our more than 1.2 million members worldwide.

Where we are*



*Numbers represent Rotary club members

We are ...



Aziz Memon, Pakistan PolioPlus Committee chair, who helped improve monitoring of polio immunization campaigns in Pakistan by providing health workers with mobile phones, allowing them to report from the field.

"With improved data collection, quality, and analysis, Pakistan is making notable progress in its battle against polio," he says.

Read more about this innovative project on page 11.

Dr. Hashrat A. Begum of the Rotary Club of Dhaka North West, Bangladesh, who was recognized as one of Rotary's Global Women of Action during the 2015 Rotary Day at the UN, for her delivery of health care services to poor and underserved communities.

"The event was a huge inspiration for me and a tribute to women in the developing world," she says.

Read more about Rotary's Global Women of Action on page 6.

Jermaine Ee, a former Rotaract club president, who, at 24, is the youngest member of the Rotary Club of Los Angeles, California, USA, and former Rotaract club president at the University of Southern California.

"Rotary has what millennials want. Among other things, it offers an opportunity to unplug every once in a while and connect with people who share their values," he says.

Read more about how young professionals are changing the face of Rotary on page 8.

Learn about Rotary club innovations that are building stronger clubs and helping Rotarians better serve their communities in "Transforming Rotary clubs" in this report and at Rotary.org.

Who we are

1,207,913 Rotarians

35,399 Rotary clubs

534 Rotary districts

219,029 Rotaractors (ages 18-30)

9,523 Rotaract clubs

8,937 Rotary Community Corps

Figures as of 1 July 2016

How we help

494 District grants funded small-scale, short-term, district-sponsored activities that Rotarians used to address local or international needs

$25.5M

1,165 Global grants supported large international activities that had sustainable, measurable outcomes in Rotary's areas of focus

$76M

10.6% more global grants than last year

Disease prevention and treatment
Number of grants: **378** **$27.0M**

Water and sanitation
272 **$18.9M**

Basic education and literacy
173 **$10.3M**

Economic and community development
165 **$9.2M**

Maternal and child health
93 **$6.9M**

Peace and conflict prevention/resolution
(excluding Rotary Peace Centers)
84 **$3.7M**

Learn more about Rotary grants at Rotary.org.

How we are meeting our goals

Support and strengthen clubs

The original Rotary club began as a way for Rotarians to build friendships, support one another in business, and give back to the community. More than a century later, this philosophy inspired the member benefit program Rotary Global Rewards, launched 1 July 2015. In addition to receiving special offers on a variety of products and services, members can offer discounts from their own businesses, giving Rotarians an opportunity to save money, while supporting fellow Rotarians locally and globally.

Focus and increase humanitarian service

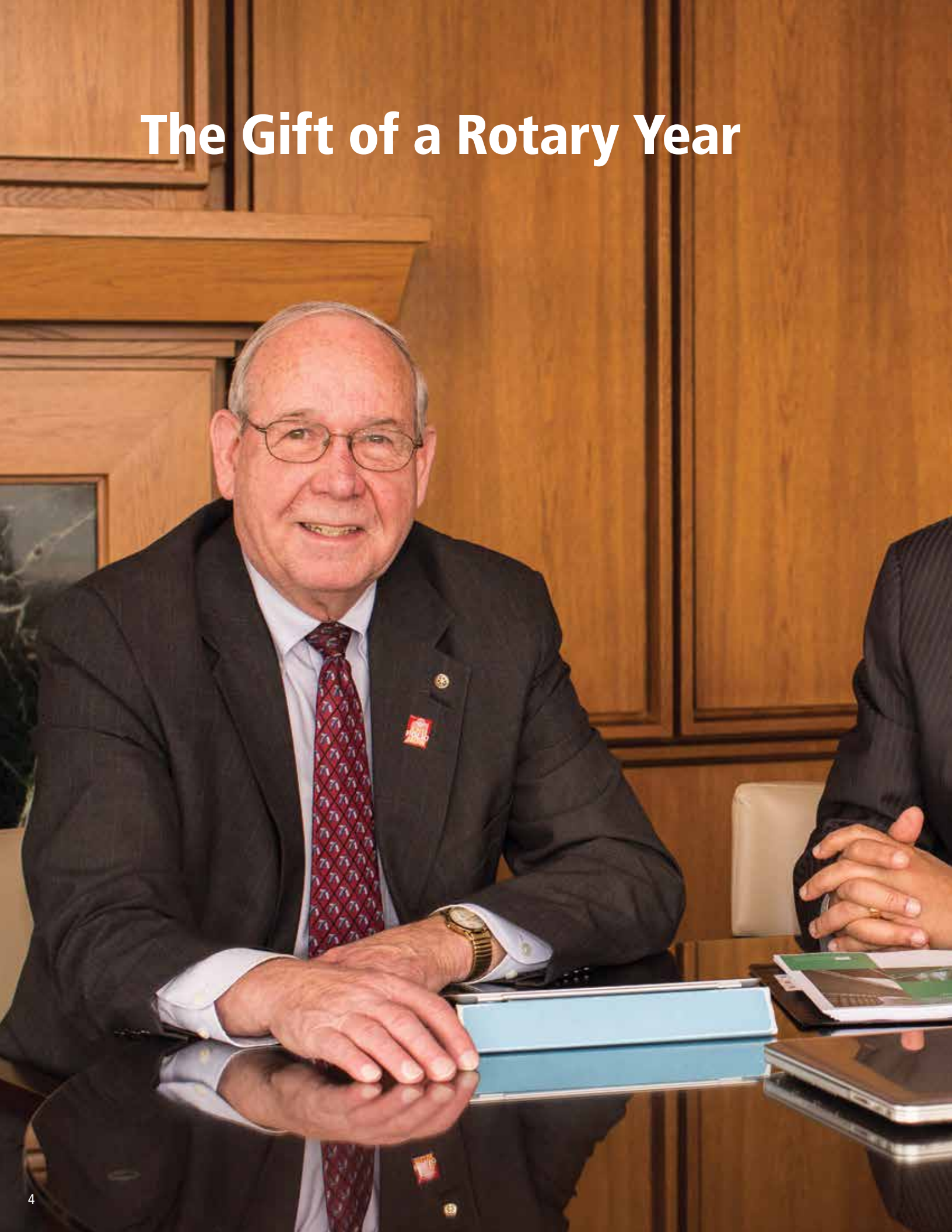
More than 35,000 active projects were posted to Rotary Showcase, an online site that allows Rotarians and Rotaractors to share stories of their clubs' successful projects. This reflects Rotarian contributions of more than 12 million volunteer hours, over $380 million in cash donations, and almost $265 million in in-kind donations that fuel our efforts to improve the quality of life in communities worldwide.

Enhance public image and awareness

Rotary's efforts to eradicate polio received coverage from major media outlets, including the BBC, People magazine, and The New York Times. Pope Francis even recognized our efforts during a Jubilee audience in April. By showcasing Rotary on global platforms, we share our story with the public and make our causes even more visible.

Clubs and districts now have resources to effectively tell the stories of their projects and achievements. The Rotary Brand Center offers the templates and tools needed to prepare visual and digital materials, with many new resources to come.

The Gift of a Rotary Year



Message from our President and Trustee Chair

Late in his life, Albert Einstein wrote an essay on education that also expressed his thoughts on character, self-worth, and personal motivation. In it, he warned that "one should guard against preaching to the young man success in the customary sense as the aim of life. For a successful man is he who receives a great deal from his fellowmen, usually incomparably more than corresponds to his service to them. The value of a man, however, should be seen in what he gives, and not in what he is able to receive."

The women and men who make up Rotary have, in Einstein's "customary sense," already achieved success. Yet we recognize, as Einstein did, that this kind of success cannot be the only aim in life — that the true value of our time on this earth will be measured not by what we have received, but by what we have chosen to give.

In the 2015-16 Rotary year, Rotarians gave generously of their time, energy, creativity, and compassion. Its Board of Directors, Board of Trustees, and staff have worked diligently to steward resources wisely, seeking out new efficiencies that have allowed us to conduct the business of Rotary at an ever higher level of ambition, effectiveness, and professionalism. We have achieved significant cost savings, without sacrificing productivity, and we have found new ways to add value to Rotary membership, such as Rotary Global Rewards.

As our Rotary Foundation approaches its centennial year, so has it approached its greatest achievement: the global eradication of polio. We are indeed breathtakingly close to the next phase of polio eradication, when we will count not cases per week, but weeks without cases. Yet we must all remain vigilant and engaged, recognizing that we must go three full years with no new cases before the world can be certified polio-free.

In Rotary, we indeed measure our value not by what we have but by what we have given, by the good we have done in the world, and by our capacity to do even more. In this Rotary year, we have worked together to build a Rotary of unprecedented value and strength, as Rotarians have demonstrated their vision and commitment — and their warm embrace of the call to *Be a Gift to the World.*

K.R. Ravindran
2015-16 President
Rotary International

Ray Klinginsmith
2015-16 Trustee Chair
The Rotary Foundation

Transforming Rotary clubs

George Bernard Shaw once famously asked: Where is Rotary going? He concluded cheekily: It is going to lunch. The cynical playwright probably wouldn't recognize the 21st-century Rotary club. While some clubs do connect over lunch to learn about problems facing their communities, others are now planning service projects online or meeting after work in an effort to foster greater membership engagement. What clubs do isn't changing, but how they trade ideas, plan projects, and serve their communities certainly is.

Enjoying increased flexibility

Today's clubs have greater flexibility in how and when they hold meetings. The 2016 Council on Legislation, a body of Rotarians that reviews and votes on proposed changes to the legislation that governs Rotary, agreed that clubs may vary their meeting times, meet online or in person, and decide when to cancel a meeting, as long as they meet at least twice a month.

Encouraging gender diversity

Today, women make up 20 percent of Rotary's membership and hold key leadership roles in clubs and districts, and as Rotary International directors.

The work of women in Rotary received special recognition at the 2015 Rotary Day at the UN. Out of 110 nominations, six members were named Rotary's Global Women of Action for their humanitarian work, ranging from a community empowerment project in Zimbabwe to a school that provides free education to 480 girls in Afghanistan, to an educational and social services program for families living at the Guatemala City garbage dump.

Rotary President K.R. Ravindran praised the honorees for their leadership, saying, "They are pushing the boundaries of Rotary service, pushing us all to do more, be more, and achieve more."

Attracting young professionals

Millennials are more service-oriented than any other generation. They seek professional and personal mentors while looking for ways to leave their mark on the world. These young professionals are reshaping the way we do business. From mentorship and networking opportunities to the chance to be a global citizen, Rotary is offering millennials the benefits and values that women and men born in the 1980s and '90s seek.

Emmanuel Rey was an early adopter of Rotary. He joined Interact when he was 12, moved on to Rotaract six years later, and joined the Rotary Club of Villa Devoto, Buenos Aires, Argentina, after he turned 30. At first, Rey wanted to build a youthful club that would bridge the gap between Rotaract and Rotary, but he decided to join an established club instead and serve as the bridge between generations himself.

PHOTO COURTESY OF EMMANUEL REY

Emmanuel Rey addresses members of the Rotary Club of Villa Devoto, Buenos Aires, Argentina.

Learn more about membership — how to join a Rotary club, connect with our global network of community volunteers,

Global Women of Action (from left) Dr. Deborah K.W. Walters, Lucy Hobgood-Brown, Dr. Hashrat A. Begum, Kerstin Jeska-Thorwart, Razia Jan, and Stella S. Dongo are recognized during the annual Rotary Day at the UN for donating their time and expertise to help thousands of people in need.

The payoffs have been immeasurable. "I have friends who are in their 70s. We've been able to break down generational barriers and work together, learn from each other, join forces, and pool our knowledge to serve our community and enhance our personal and professional lives," Rey says.

Transforming Rotary from the ground up

Much of the change that occurs in Rotary starts at the club level. The Rotary Club of Metro Savannah, Georgia, USA, bills itself as a club that does things a bit differently. It has three types of meetings: a business lunch twice a month; a social meeting at a local establishment; and a service meeting, where members volunteer in the community. Michael McLeod, club membership chair, puts it this way: "We like to get our hands dirty. ... Our members enjoy service and networking. Half of our meetings are socials and service-oriented, so people love it."

Recognizing that committing to weekly meetings can be difficult for members juggling a career and family, the club asks that they attend only half of the meetings per year, freeing them to engage with the club on their schedule.

PHOTO COURTESY OF THE ROTARY CLUB OF METRO SAVANNAH

Rotarians from Savannah, Georgia, USA, build a garden for a local children's home.

or refer a new member — in the Member Center at rotary.org.

Engaging young professionals and empowering youths

Award-winning project showcases Rotaract resourcefulness

A local Rotaract project began as an attempt to curtail the spread of HIV/AIDS in the Rakai District of Uganda, where 12 percent of the population has been infected with HIV in recent years. But, after performing two needs assessments, members of the Rotaract Club of Bugolobi soon discovered that a village in the district needed a different kind of help.

"The community lacked water, the school was in a sorry state, and the medical center was in an even sorrier state, especially the maternity ward," says Anitah Munkudane, president of the Rotaract club. "The condition was worse than we had imagined."

Along with Rotarians from their sponsor club and members of other Rotaract clubs, they set up a medical camp with the Uganda Health Marketing Group, expecting to treat about 700 people. Instead, more than 1,000 patients showed up for comprehensive medical exams and screenings.

PHOTO COURTESY OF ROTARACT CLUB OF BUGOLOBI

A village in the Rakai District of Uganda benefits from the outstanding work of members of the Rotaract Club of Bugolobi.

The Rotaractors also wanted to address the community's other problems. They provided new mattresses for the under-resourced maternity ward, benches and desks for the local primary school, and uniforms and school supplies for the students, many of whom are orphans. A lack of water was the biggest hindrance to education, so they also installed a borehole to bring water to the village. The community now has safe drinking water, children have a better learning environment, and mothers are a little more comfortable during childbirth.

For its exemplary work on the 1000 Smiles Kanabulemu Edition project, the Rotaract Club of Bugolobi was named the International Winner of the Rotaract Outstanding Project Award and recognized at the 2016 Rotary International Convention in Korea.

Interactors overcome barriers to their service trip

For 15 years, Interactors from Keene, New Hampshire, USA, have made an annual trip to El Salvador to help build homes that will withstand seismic activity in an earthquake-prone region of this Central American country. Working together, the Interactors, members of their sponsoring Rotary club, and Salvadoran Rotarians built 90 homes, established two health clinics, three bakeries, and five solar-powered water purification systems, and contributed more than six tons of relief supplies.

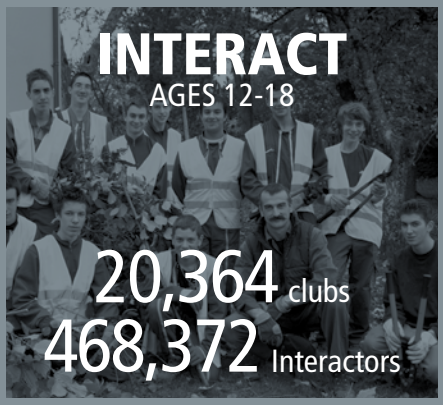
In 2016, however, a wave of violence in the area forced the Interactors to cancel their trip. Refusing to be deterred from their service goals, they altered their plans and traveled instead to Nicaragua, where each of them arrived with a 50-pound suitcase full of donated goods. While there, the members helped build three water towers to supply running water to schools, along with artificial reefs to offer a habitat for fish on the seafloor. They also painted three schools.

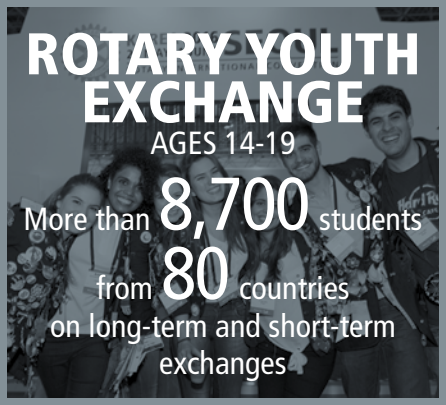
Learn more about Rotary programs for young leaders and young professionals at Rotary.org.

PHOTO BY INGRID AYALA

Interactors from Keene, New Hampshire, USA, repair a concrete wall at a school in Nicaragua to prepare it for the installation of windows they purchased.

Rotary programs for young leaders





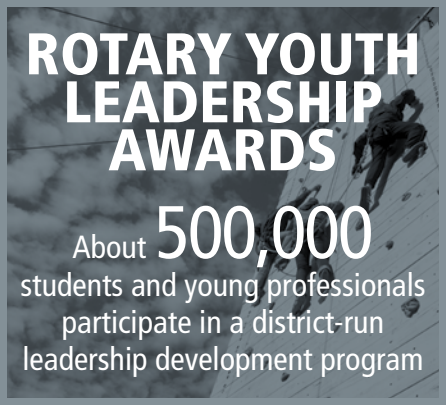


PHOTO BY KHAULA JAMIL

Eradicating polio: This close and getting closer

Tayyaba Gul, a member of the Rotary Club of Islamabad (Metropolitan), Punjab, Pakistan, inspects a vial of polio vaccine. Gul runs a Rotary-funded health center that teaches women in the community that polio immunization is a standard part of postnatal care.

We are getting closer to eradicating polio

Rotary's continued leadership in the global effort to eradicate polio brought us another step closer to ensuring that every child is born into a polio-free world. In September 2015, an independent global health commission officially verified that wild poliovirus type 2, one of three strains of the wild virus, has been eradicated worldwide. This allowed health workers to switch from a trivalent to a bivalent vaccine, paving the way for the upcoming elimination of oral polio vaccines, which carry a small risk of vaccine-derived polio.

Cautious optimism remained the watchword as Rotary celebrated these milestones with its partners in the Global Polio Eradication Initiative (GPEI) — the World Health Organization, UNICEF, the U.S. Centers for Disease Control and Prevention, and the Bill & Melinda Gates Foundation. Anthony Lake, executive director of UNICEF, urged partners not to lose momentum: "At a time when the world is torn by conflicts, when the bonds among people seem weaker and more frayed than ever before, ending polio will be not only one of humanity's greatest achievements, but a singular and striking example of what can be achieved when diverse partners are driven by a common goal — when we act as one."

Progress in Afghanistan and Pakistan

When nearly 1 million people were displaced by military operations in northwestern Pakistan in 2015, the massive migration presented major challenges. But Pakistan PolioPlus Committee Chair Aziz Memon and other Rotarians saw an opportunity to vaccinate more than 850,000 children who had not been accessible to health workers since 2012.

To succeed at this monumental task, health workers had to move swiftly to reach these children and track their immunizations. Mobile phones proved to be an invaluable tool. Using funds from Rotarians and other supporters, the PolioPlus program trained health workers and community midwives in mobile data collection. The project was able to eliminate paper reports, accelerate monitoring, and improve the accuracy and strategic analysis of the data.

The mobile phones are only one of the new tools and approaches being used to fight polio in Afghanistan and Pakistan. In both countries, emergency operation centers and strong emergency plans are in place to improve communications and response times.

Technical innovations are key to success, but perhaps the most important strategy involves local Rotarians helping to build trust and encouraging the community to allow vaccinators to immunize their children. Only when these dedicated health workers are able to immunize every child will polio finally be eradicated.

"While Pakistan continues to face obstacles in its journey to polio eradication, we are excited about the current progress being made," says Michael K. McGovern, chair of Rotary's International PolioPlus Committee.

PHOTO BY KHAULA JAMIL

Health workers in Pakistan use mobile phones to report immunizations, along with maternal and child health data.

Time magazine's Editor-at-Large Jeffrey Kluger (left) and CDC Polio Incident Manager John Vertefeuille discuss polio eradication efforts at the third annual World Polio Day webcast.

World Polio Day

The 2015 World Polio Day event was streamed live from New York City in October, drawing more than 53,000 viewers and reaching an estimated 145 million supporters via social media. A joint presentation of Rotary and UNICEF, the event was moderated by Jeffrey Kluger of Time magazine and featured health experts and Rotary's polio ambassadors. In addition to spotlighting the progress made against polio, World Polio Day serves as a reminder that poliovirus continues to be a threat to anyone who has not received adequate vaccination.

A snapshot of a postpolio world

Because of the GPEI, dedicated workers, and effective vaccines, more than 15 million people who would otherwise have been paralyzed for life by polio are walking today. The money that the world will save over the next 20 years by being polio-free will amount to $50 billion, money that can be used to address other critical problems.

Failure to eradicate polio, on the other hand, could result in a resurgence of the disease, with 200,000 new cases every single year, within 10 years, all over the world. That's a frightening scenario that keeps Rotarians worldwide committed to delivering on our promise to end polio.

The program's legacy doesn't stop with ending polio. Already, the infrastructure and processes developed to fight the disease are being put to work in the battle against measles, Ebola, and other diseases. Because of Rotary's vision and leadership, a postpolio world will have more resources and systems in place to ensure better health even in the world's most remote areas.

PHOTO BY TADEJ ZNIDARCIC

Since 1985, more than 2.5 billion children in 122 countries, like these children in Tiga, Nigeria, have been immunized against polio.

End Polio Now: Make History Today campaign

Every dollar Rotary commits to polio eradication will be matched 2-to-1 by the Bill & Melinda Gates Foundation, up to $35 million a year, through 2018. These funds provide much-needed operational support, medical personnel, lab equipment, and educational materials for health workers and parents.

Triple your impact by donating to the PolioPlus Fund at www.rotary.org/give.

Funding the fight

Advocating for government support

Eradicating polio will require an additional $1.5 billion beyond what has been raised by Rotarians and matched by the Bill & Melinda Gates Foundation to date. Much of that funding must come from governments, which makes advocacy a key strategy in polio's endgame.

"Rotary had a voice that would be heard by the government," says Sunil Bahl of the World Health Organization, speaking of Rotary's role in ending polio in India. "If any challenges were highlighted, Rotary was there to ensure there was some solution to overcome them."

This year yielded encouraging government commitments:

- The G-7, representing leading industrial nations, reaffirmed its commitment to global polio eradication. Support from G-7 member nations represents 40 percent of all funds contributed or committed to the GPEI from 1988 through 2019.
- Leaders at the Commonwealth Heads of Government Meeting expressed continued support of polio eradication. Member nations have invested more than $3 billion and provided political leadership in global polio eradication.
- The Canadian government committed C$40 million to Pakistan's eradication program. "Canada is no stranger to helping polio-endemic countries in Pakistan's neighborhood, including a Canadian-led project to immunize more than 7 million children in Afghanistan and advocate for vaccination among Taliban leaders," says Dr. Robert S. Scott, past chair of Rotary's International PolioPlus Committee.
- The U.S. Congress approved $228 million in the 2016 federal budget to support global polio eradication efforts, a $10 million increase over fiscal year 2015.

Raising money to close the gap

Rotarians remain committed to making their own contributions to support the monitoring, surveillance, education, and vaccination campaigns that are needed to truly bring the fight to eradicate polio to an end.

More than 100 Rotarians, along with Rotary General Secretary John Hewko and eight RI staffers, biked 104 miles in the Miles to End Polio ride at El Tour de Tucson in Arizona, USA. They raised $4.4 million. The Bill & Melinda Gates Foundation matched donations 2-to-1, bringing the total contribution to PolioPlus to about $13.2 million.

A Music for Life concert in Lucerne, Switzerland, raised $300,000 for polio eradication. This Rotary-sponsored event featured internationally renowned conductor Giovanni Antonini with the Chamber Orchestra of Basel, along with a special appearance by South African classical pianist Kristian Bezuidenhout.

Large individual donations are also helping to close the funding gap. Philanthropists Wayne and Delores Barr Weaver, former owners of the National Football League's Jacksonville Jaguars, donated $250,000 for polio eradication — a fight that Wayne Weaver believes "couldn't have been done without thousands of Rotarians." Delores calls it "a joy and a privilege to be able to aid in the organization's efforts to end this disease entirely."

Rotary International staff and Rotary members participate in El Tour de Tucson bicycle race in Arizona, USA, to raise money for PolioPlus.

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Fighting disease, saving mothers and children

Years of data collection cut Nigeria's maternal mortality rate

According to the International Journal of Gynecology and Obstetrics, almost half of Nigeria's expectant mothers do not receive prenatal care, a situation that contributes to the country's exceptionally high maternal and newborn mortality rates. It also creates a vicious cycle: Because so many of their children die before age five, women have more children, which, in turn, escalates maternal mortality rates. Statistics like these are the reason the Rotarian Action Group for Population and Development made maternal and child health one of its priorities.

From 2005 to 2010, the group conducted a pilot project to collect data gained from years of Rotary health projects in Nigeria that focused on family planning and the health of mothers and newborns. They studied causes of morbidity and mortality to get to the root of the problem and improve a system that was affecting the health and welfare of mothers and infants.

They identified three factors that contribute to high mortality rates: an extended rainy season that cuts rural families off from hospitals, a lack of health education and medically trained providers, and underfunding of hospitals. Armed with this knowledge, the pilot project improved training, provided essential medical equipment, and supported family planning. Maternal deaths dropped 60 percent, and infant mortality fell 15 percent.

In 2015, four Nigerian states officially adopted Rotary's quality assurance model for improving maternal and newborn health into their health care system. The decision ensures the sustainability of a program that has sent maternal mortality rates plummeting wherever it has been implemented.

Low-tech, high-tech combo reduces malaria in the Amazon

Technology doesn't work if people don't use it. No Bite = No Malaria: The Mosquitero Project cut malaria cases by 80 percent in isolated indigenous communities that Rotarians targeted in Venezuela. The project succeeded by addressing a series of obstacles to comprehensive bed net use, one village at a time.

Mosquito nets can be a miracle of preventive medicine. In the Amazon basin, Steve Baker of the Rotary Club of Key Biscayne, Florida, USA, worked with local people to design nets for hammocks and beds used by whole families. Adding insecticide to the nets kills mosquitoes that land on them. A marketing and education campaign helped residents understand both the disease and how to use the nets. GPS helped trainers find and check on members of the Pemón ethnic group scattered across 22 remote villages.

"You need both maximum participation and proper usage. Follow-up visits make the difference between cutting cases by half or getting it down by 80 percent," says Baker, whose club co-sponsors the global grant project with the Rotary Club of Puerto Ordaz, Bolívar, Venezuela.

Rotary distributed 7,500 long-lasting insecticidal nets, turning the villages into, in Baker's words, "mosquito-killing machines at night: With the mosquitos drawn in by people's breath, [the insects then] land on the net and die." By combining low-tech and high-tech interventions, more lives were saved, and fewer people became malaria hosts.

Learn more about Rotary grants and how Rotary is saving mothers and children, or contribute to support disease prevention and treatment, at Rotary.org.

PHOTO BY TADEJ ZNIDARCIC

A midwife in Kano, Nigeria, weighs a mother and her daughter during a health screening.

"If they gradually start, step by step, to take this model project into their health system, then other states in Nigeria hear about it and start to take the model into their health system. That is the dream. You have to have a dream sometimes, and sometimes dreams come true."

— Robert Zinser, chief of the Rotarian Action Group for Population and Development

Providing clean water, sanitation, and hygiene

Mexican filtration project replaces costly bottled water

Rotary's H2OpenDoors program brought clean and affordable water to San Miguel de Allende, Mexico, in 2015, along with a new revenue source for a critical social service. Members of the Rotary Club of Peninsula Sunrise (Redwood City/Menlo Park) in California, USA, installed a solar-powered SunSpring water purification system that bottles water in 10-liter reusable jugs. The systems require little maintenance and last for 10 years.

The plant sells the jugs at a third of the cost of other local sources, which adds up to a significant savings in a country that depends heavily on bottled water. Projected annual revenues of $200,000 will support CRISMA, a rehabilitation center that serves disabled children and adults in remote rural communities.

Rotary-supported H2OpenDoors clean-water plants also operate in Guatemala, Haiti, the Philippines, and other countries, saving families from hours spent carrying water from distant sources each day and reducing exposure to waterborne disease.

PHOTO COURTESY OF JON KAUFMAN

Rotarians from Redwood City, California, USA, assemble a solar-powered water purification system in San Miguel de Allende, Mexico.

Students and teachers joined 24 Rotary members and friends on the installation trip, which included a session at a private leadership academy set up by former Mexican President Vicente Fox, who cited a great improvement in access to water in urban areas over the past 15 years.

WASH in Schools aims to boost attendance

If all schools had clean, private sanitation systems and instilled good hygiene practices in their students, would the health and education of children improve? That's one question that Rotary's WASH in Schools Target Challenge is working to answer. This pilot was created to motivate Rotary clubs to develop sustainable projects in water, sanitation, and hygiene (collectively referred to as WASH), using the expertise and resources available through two of Rotary's areas of focus: basic education and literacy, and water and sanitation.

This new program will build on substantial Rotary-sponsored work already underway throughout the world. In Mali, for example, a global grant-funded WASH in Schools project will improve the educational experience for 15,000 students, about half of whom are girls. The goal is to reduce sickness and disease from drinking polluted water; provide hand washing and safe, private toilet facilities, especially for the girls; and implement a comprehensive menstrual hygiene management program.

The project is a collaborative effort of Rotary clubs in California and Nevada, USA; Rotary clubs in Mali; and the Water and Sanitation Rotarian Action Group.

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

Children at Rancho Alegre school in Guatemala wash their hands at the new wash station.

PHOTO COURTESY OF ALBERTO SCHIRALDI

Children in Haiti fill jugs with clean water from the Aquaplus water station.

Find out more about Rotary grants and how Rotary is growing local economies and supporting education at Rotary.org.

Growing local economies, supporting education

Water is the key to economic development in rural Haiti

Economic development of rural communities often requires a multipronged approach. When Italian Rotarians set out to help the community of Torbek in Haiti, they learned about a range of challenges facing local residents.

Besides water inaccessibility, the global grant project planners discovered severe soil erosion and a high level of air and water contamination due to poor hygiene and sanitation practices. As a result, the quality of agricultural products produced locally failed to meet the standards for widespread commerce, severely limiting commercial farming.

In response, Rotarians developed Aquaplus. This project improves agricultural output, helps residents' economic stability by restoring and expanding the drinking supply, and shows them how to use the land effectively. Project sponsors worked extensively with local residents and Rotarians, using locally bought goods and equipment, as well as local labor.

The Aquaplus project improved access to safe water for domestic use and farming, and it increased the capacity to produce diversified crops with high nutritional value. It also helped create cooperatives and farmer groups to process, store, and market agricultural products. The project promises even further-reaching effects, because the Haitian government has recognized the Aquaplus program as a pilot plan for the country's rural communities.

Early reading reaches 10,000 in Puerto Rico

In partnership with Head Start in Puerto Rico, a Rotary-sponsored project is stimulating young children's minds by using a tactile method for learning the sounds of letters. Using play, the Souns program motivates young children to become early readers and writers.

Designed specifically for children from birth to five years — the time when research tells us that learning language and literacy skills is most effective — the project has introduced 50,000 children to the Souns program. Brenda Erickson, an educator and member of the Rotary Club of Peachtree City, Georgia, USA, developed the program. Grants from The Rotary Foundation purchase materials, and Rotary volunteers train local residents, who then train the teachers at the project sites.

The Souns program uses large and durable lower-case plastic letters that children come to know not by the letters' names, but by their most frequent sound. By engaging all the children's senses, this approach gives them a deeper understanding of the printed word as they begin to use the letters to build words. Teachers work with children individually or in small groups during managed play sessions.

"Little people learn the names of objects so easily," says Erickson. "They can learn letter-sound relationships just as easily if we trust those little minds. Play is the best teacher, and the hand is a direct link to the brain."

PHOTO COURTESY OF BRENDA ERICKSON

In Puerto Rico, children learn to associate the shape of a letter with its sound.

Promoting peace

Rotary Peace Fellow Godfrey Mukalazi (University of Queensland, 2004-06; center) engages with South Sudanese refugees to encourage peaceful and harmonious co-existence with their host community in Adjumani, Uganda.

PHOTO COURTESY OF GODFREY MUKALAZI

Rotary Peace Center graduate solves problems for refugees and businesses

Thousands of Syrian refugees wait in Germany to learn if their claims for asylum will be approved. One Rotary Peace Center graduate devised a creative way to help them find work and integrate more easily into a new culture.

Responding to the high demand among German tech companies for skilled coders and the refugees' need for jobs, Anne Kjaer Riechert developed Refugees on Rails. This coding school teaches refugees a marketable skill and helps them rebuild their lives, while expanding Germany's skilled workforce.

The school is only the latest of Riechert's initiatives to help refugees since she left her native Denmark. She has also fostered collaboration between NGOs, entrepreneurs, start-ups, and tech industry professionals by establishing Stanford University's Peace Innovation Lab in Berlin, which now hosts Refugees on Rails.

Riechert helped set up the lab after completing her Rotary Peace Fellowship at International Christian University in Tokyo. Like Riechert, almost 90 percent of Rotary Peace Fellows go on to professions that promote peace or conflict resolution.

PHOTO COURTESY OF ANNE KJAER RIECHERT

Anne Kjaer Riechert (left) and Rotary Peace Fellow Rebeccah Bartlett (Duke-UNC, 2014-16) at a computer programming hackathon, which Rotary Peace Fellow Riechert (International Christian University, 2010-12), organized in Berlin.

Former Rotary Peace Fellow promotes education through libraries

Rabia Raja builds libraries in Pakistan, a country where more than 40 percent of the population is illiterate. Although education is officially mandated in Pakistan, the schools are often underfunded, undervalued, and under-attended. Raja's libraries offer a place where rural children — and their parents — can discover the wonders of colorful crayons and pop-up storybooks.

Trained in economic development, Raja founded the Sunshine Consulting Welfare Organization to help her Pakistani neighbors learn entrepreneurship and secure microfinance loans. Then, after completing the short-term Rotary Peace Center program at Chulalongkorn University in Bangkok in 2011, Raja changed her focus to education, establishing libraries or computer centers in three locations.

"With microfinance, something might happen," Raja explains, "and you'd have to start from scratch. But education — you don't lose it. You only add to it. ... It's a part of you as long as you are alive."

PHOTO COURTESY OF RABIA RAJA

Learn more or contribute to the Rotary Peace Centers at Rotary.org.

Water symposium eases source of conflict in Central Asia

Many issues can threaten regional peace, including water scarcity. The Rotary-sponsored Central Asia Water Symposium brought together water professionals from countries that share the Aral Sea basin, including Afghanistan, Iran, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan.

Lack of planning and water mismanagement had adversely affected these countries, creating the potential for conflict. Funded by a Rotary Foundation global grant, the symposium offered a forum for dialogue, promoted the benefits of cooperation, and established professional working relationships among the participating countries.

Supporting Rotary's work

Donor couple cites the power of gifts to The Rotary Foundation

Marty Helman believes that peace is the sum of all of Rotary's areas of focus, a conviction that has led her to encourage strong support of Rotary's Peace Centers program.

Marty, a governor of District 7780 in 2012-13, and her husband, Frank, are both members of the Rotary Club of Boothbay Harbor, Maine, USA, as well as Rotary Foundation Major Donors and Bequest Society members. Marty and Frank have also strategically engaged the small family foundation they administer to be a major corporate sponsor of The Rotary Foundation.

Through their work with the Otto and Fran Walter Foundation, Marty and Frank issued a matching challenge for Past-RI President Sakuji Tanaka's Presidential Fund for the Rotary Peace Centers. By the end of 2016, the challenge will have netted $1 million for the centers.

The Helmans credit Rotary's SHARE system as a compelling reason to support The Rotary Foundation. As Marty explains, "When we realized that it was ordinary Rotarians like us who decide how The Rotary Foundation's dollars are spent — when we recognized that the work of countless Rotary volunteers means that an extraordinary percentage of our precious dollars go directly to efforts on the ground — that's when we knew that gifts to The Rotary Foundation carry significantly greater power than comparable gifts to other humanitarian organizations."

Marty Helman and her husband, Frank, stand in front of the Rotary Technical Center's new water tank in Uganda, which was made possible thanks to Rotary and the Otto and Fran Walter Foundation.

PHOTO COURTESY OF MARTY HELMAN

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

Giving to the Foundation changes this Rotarian's viewpoint

Rafael Garcia III concedes that he was a Rotarian in name only for several years until, as he puts it, "During one of my frequent absences, I was elected president of my club." That's when he really got involved, raising membership in the Rotary Club of Pasig, Rizal, Philippines, from 35 to 78, and persuading two members to become Major Donors to The Rotary Foundation.

Even then, Garcia didn't really understand the value of giving to the Foundation. Through his club's projects, though, he saw members' contributions at work, such as when they built a village with 159 homes and a center with medical, dental, and day care facilities.

PHOTO COURTESY OF RAFAEL GARCIA III

When Garcia became a Major Donor and then, in 2011, a member of the Arch Klumph Society, he also became a believer in supporting the Foundation, as well as his club.

"In essence, the objective of both types of giving is to do good in the world," he says. "But the money I give to The Rotary Foundation is for the improvement of mankind. I couldn't do that kind of good by myself. But by contributing to The Rotary Foundation, I am able to participate in whatever good we are doing in the world."

New Arch Klumph Society members and inductees in 2015-16

PLATINUM TRUSTEES CIRCLE
(contributions of $2,500,000-$4,999,999)
Chehab H. and Bricia El Awar, USA

FOUNDATION CIRCLE
(contributions of $1 million-$2,499,999)
Edgar D. and Caroline W. Gifford, USA
Clifford N. Taylor,† USA
Herbert and Janice Wilson, USA

CHAIR'S CIRCLE
(contributions of $500,000 to $999,999)
Ghim Bok Chew and Phyllis Wong, Singapore
David and Dede Del Monte, USA
Mark A.† and Cheryl Dobbs, USA
J. Randolph† and Lois Y. Gambill, USA
Eugene F.† and Carole A. Kralicek, USA
Tomoko W. and Michael G. Malaghan, USA
John and Deanna Price, USA
Stanley† and Frances† C. Quon, USA

TRUSTEES CIRCLE
(contributions of $250,000 to $499,999)
Olajide and Patricia A. Akeredolu, Nigeria
Philip R. and Barbara F. Albright, USA
Nagendra Prasad and Meera B.L., India
Gopal and Bharathi Balasubrahmanyan, India
Kalyan Banerjee and Binota Banerjee, India
Gary† and Leslie Benmark, USA
Michael E. and Judith T. Berlow, USA
Fred† Cotton and Bette† Cotton, Canada
Faye and Derick† Cran, Tanzania
Marcus B. and Margo J. Crotts, USA
Gen. Theophilus Y. and Daisy Danjuma, Nigeria
E. Ely and Phyllis N. Driver, USA
Ross V. and Lynn Forgione, Australia
Dainin Habu, Japan
Robert W. Hagan, USA
G. Holger and Anne C. Hansen, USA
David and Avisha Harilela, Hong Kong
James B. and Carolyn L. Hathaway, USA
Sharon L. Heinrich, USA
Jose Manuel Herrero† and Ma. Cristina Carvajal Argudin,† Mexico
Dennis Robert Hite and Nancy Simonette, USA
Ching-Huei Horng and Shu-Yann Chuang, Taiwan
Po-Yen and Hsiu-Mei Horng, Taiwan
Dai Liang and Helen Hou, Taiwan
Mu-Tu Hsieh and Hsin-Chih Lin, Taiwan
Yo-Liang Hu and Su-Lien Yang, Taiwan
Manoj N. Israni, India
Jerry L. Johnson,† USA
Arvind and Rashmi Jolly, India
Roop and Beena Jyoti, Nepal
Bimal and Hiral Kantaria, Kenya
Rasik and Usha Kantaria, Kenya
Emmanuel and Resty Katongole, Uganda
Om Prakash and Sneh Prabha Khanna, India
Peter YS and Kristen HY Kim, USA
Seok-Hwa Kim and Kyung Sook Jo, Korea
Nagesh and Uma Kothanur Puttasiddegowda, India
Po-Te, Kuo and Su-Yueh, Kuo Wei, Taiwan
Kuo, Tewen (SongJing) and Kuo-Chen, Lihsueh, Taiwan
Janice H. and Matthias C. Kurth, USA
Won Kap Lee,† Korea
Brass Kuo-Hua Lin and Jammy Chin-Min Chang, Taiwan
Luan-Fong Lin and Kun-Pai Hsu, Taiwan
Mohammed Ali Mahbub and Gule Afruz Mahbub, Bangladesh
Bahri Baldevraj and Janaki Malhotra, India
Kaushik and Geeta Manek, Kenya
Peter and Helen Maxwell, USA
Halil Mehmetoğlu, Turkey
Aziz Memon and Samina Aziz, Pakistan
Yuji and Kazuko Murakami, Japan
Amy and David Nicholson, USA
Shravan NS and Lavanya NS, India
Naranbhai G. and Savitriben N. Patel, Nigeria
Louis P.† and Barbara J. Piconi, USA
Asha Prasannakumar and B.N. Nanjundaiah Prasanna Kumar, India
Saif and Rauzat Qureishi, India
Manavazhi Radhakrishnan and Rema Radhakrishnan, India
Bhashkumar D. and Zipporah F.P. Rajan, Sri Lanka
James W. Roxlo and Rita W. Heckrotte, USA
Marina "Malia" Schwartz,† USA
Susan G. and Robert J. Shelley III, USA
Punam and Parag Sheth, India
Bruce and Johrita Solari, USA
Beth and Tony Stubbs, USA
Pao-Tang (Gas) Tsai and Wan-Chin (Annie) Hsieh, Taiwan
Mohan K. and Kawita Vaswani, Singapore
Norman R. and Marjory A.† Veliquette, USA
Karen K. Wentz and Ron Appuhn, USA
Charles and Phyllis Wilson, USA
Steve Wilson and Mirja Lepisto-Wilson, USA
Peter Shiu-Hoi Wong, Hong Kong
Holin Wu and Claire Hsu, Taiwan
Gregory Yank and Catherine Taylor Yank, USA

† DECEASED

Sustaining the good work of Rotary

One Rotary — together we complete our mission

Rotary International and The Rotary Foundation are separate legal entities that comply with the laws and accounting standards of the countries in which they operate. Philosophically and practically, however, we function as one Rotary. Our members support Rotary International with their dues and The Rotary Foundation through their contributions. Clubs and districts worldwide direct the spending of contributions to district and global grants maximizing humanitarian projects both locally and globally. Working together as one Rotary, we are stronger and better equipped to carry out our mission.

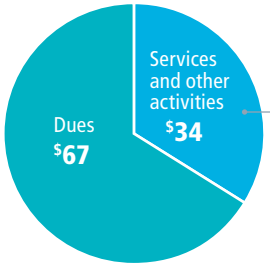
As a global organization operating in more than 200 countries and geographic areas, and in 29 currencies, Rotary takes stewardship of its funds very seriously. Stewardship begins as funds are received around the world. It continues through our prudent investment practices and when funds are spent to provide life-changing and sustainable grants, along with programs and services for members.

How funds flow into Rotary

As a membership organization, Rotary International gets most of its revenue from member dues. In 2015-16, more than two-thirds of the revenue came from dues and one-third from services and other activities, which includes the annual international convention ($15 million) and the Council on Legislation ($3 million). In general, the revenue from these activities pays for the expenses associated with them. The third component of revenue is net investment income, which is volatile and varies from year to year based on global economic factors. For more information, see "How our investments work."

Rotary International revenues

(in millions)

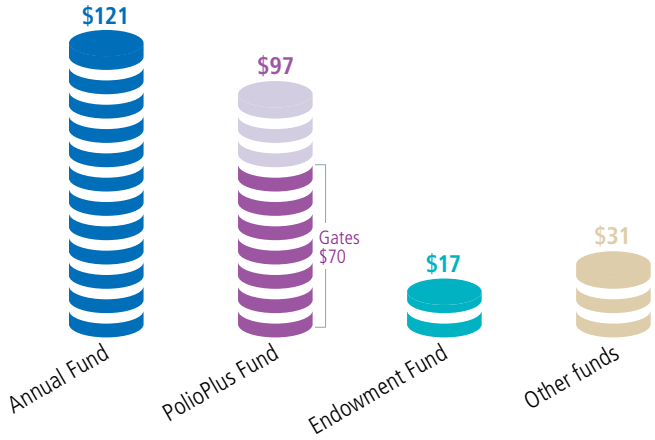


International convention	$ 15
Magazine	6
One Rotary Center	5
Council on Legislation	3
Publications and other	3
U.S. clubs insurance	2

From small contributions collected at Rotary club meetings to million-dollar donations, gifts to The Rotary Foundation support its mission. In 2015-16, Rotarians contributed $121 million to the Annual Fund. They also contributed $27 million to the PolioPlus Fund. Including the support of the Bill & Melinda Gates Foundation and other funding sources, $97 million was raised for polio eradication efforts. The Foundation also has an Endowment Fund that allows gifts to benefit programs in perpetuity. In 2015-16, the Endowment Fund received $17 million in outright gifts.

The Rotary Foundation contributions

(in millions)



Learn more about our financials at Rotary.org.

How our investments work

Rotary's assets were more than $1 billion at the end of 2015-16. The Investment Committee oversees all aspects of Rotary's investments and is composed of three Foundation trustees, six Rotarian investment professionals, and two representatives from the RI Finance Committee. 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 contributions and dues to ensure that funds are available to support our mission and promote long-term sustainability.

The General Fund of Rotary International is invested in a diversified, risk-balanced portfolio, whose investment earnings supplement dues revenue to support clubs and districts.

Annual Fund contributions are invested for three years to help pay for operating costs. They then become available for districts and the Foundation to direct to grants and projects.

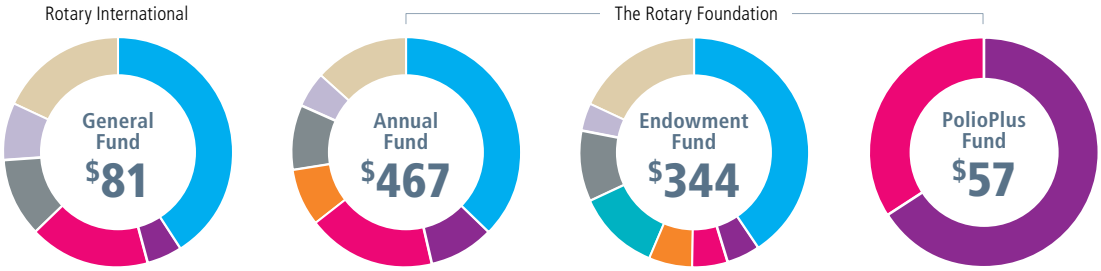
The PolioPlus Fund is invested conservatively in short-term fixed income securities that are designed to protect the principal in declining markets. As contributions are received, they are distributed expediently through PolioPlus grants.

The Endowment Fund invests contributions in perpetuity so 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 Rotary.org (search for "investments").

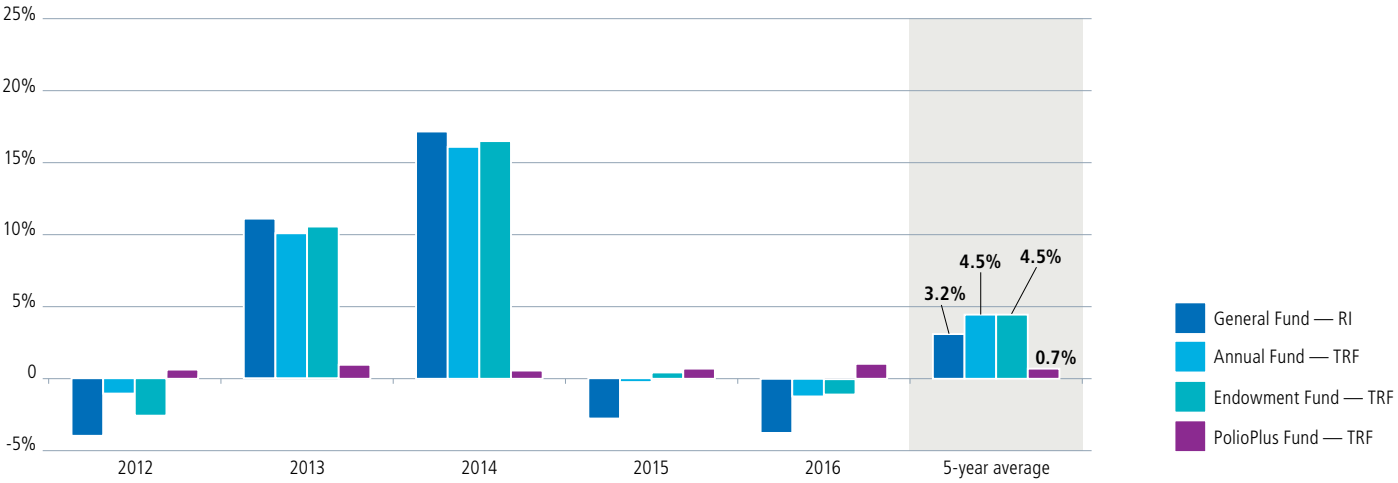
Asset allocation

(in millions)



- Equity
- Bonds
- Cash
- Real estate
- Private equity
- Hedge funds
- Inflation hedge
- Global asset allocation

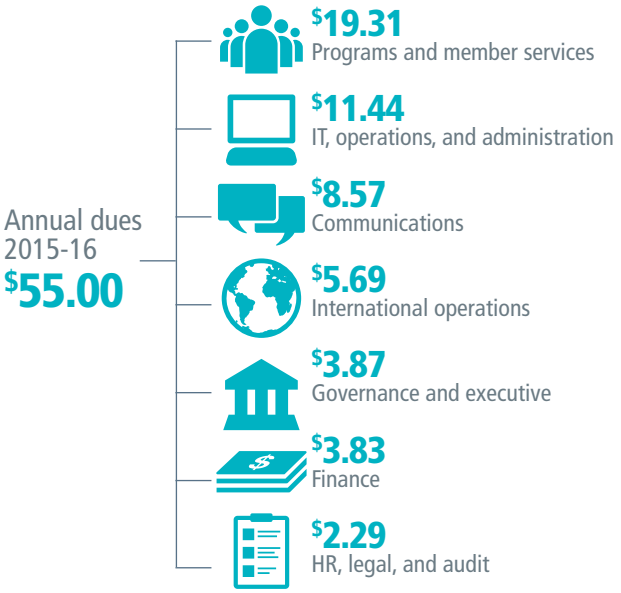
Net investment returns



How Rotary funds are used

Rotary International's revenues are used to pay operating expenses, as well as services and other activities. Operating expenses include the daily activities of Rotarians and staff who support programs and services. Specifically, operating expenses include funding for district governors and their training at the International Assembly; international compliance activities, registrations, and required reporting in the countries where Rotary operates; and connecting to the next generation of Rotarians by building stronger relationships with Rotaractors and Interators, and the staff who support and sustain Rotary's programs and volunteers.

How does Rotary spend membership dues?



Additional dues for the Council on Legislation fund the Council's activities every three years. Excess revenues generated by the annual international convention are set aside to cover future convention shortfalls. Excess revenues from other activities fund general operations.

From time to time, the Board of Directors approves spending to support strategic initiatives. In 2015-16, such strategic initiatives included regional membership plans, and support communications for the End Polio Now campaign and The Rotary Foundation.

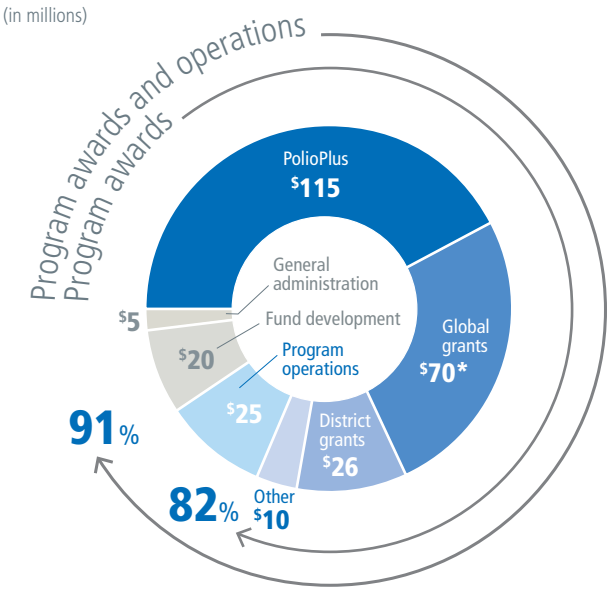
Our Foundation is uniquely structured to weather global economic challenges. The Annual Fund operates on a three-year cycle, which allows time for clubs and districts to work together, exchange grant project ideas, and provide District Designated Funds for district and global grants. The investment earnings from the Annual Fund are generally sufficient to support fund development and general administrative expenses. When investment markets are not performing well, the Foundation can use up to 5 percent of current Annual Fund donations and funds from the operating reserve to ensure its work continues uninterrupted. In future years when investment revenues are stronger, the Annual Fund is replenished and the operating reserve restored.

As good stewards, Rotary and its Foundation continually look for ways to lower costs and maximize the use of Rotary's funds. In 2015-16, we reduced expenses by $1.8 million through tough negotiations with our vendors.

The generous support of Rotarians and friends of Rotary enables the Foundation to provide life-changing and sustainable projects. Program awards were 82 percent of total expenses, while program operations were 9 percent of total expenses. This means 91 percent of the Foundation's expenses directly supported our mission-critical programs and grants.

Foundation expenditures

(in millions)



*Net of returned funds and other adjustments

Learn more about our financials at Rotary.org.

The Rotary Foundation Cadre of Technical Advisers offers its expertise to assist Rotarians who are planning and implementing projects. It also ensures that Foundation grant funds are used properly and assists the Foundation Trustees in the funding process. Cadre members are 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 areas of focus and financial auditing.

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

Finally, Rotary works with independent auditors to complete a robust audit of our financial statements each year, for which we have consistently received clean audit opinions. Details of Rotary's 2015-16 financial information, including audited financial statements, tax filings, and the expenses of the president, directors, and trustees, are available at Rotary.org (search for "financials").

Rotary members are by far our most important asset. Through their clubs, our members carry out the mission of Rotary International by improving and supporting their local communities. Resources from The Rotary Foundation enable our clubs to expand their humanitarian efforts and bring transformative and innovative progress to the places where it is needed most.

Rotary International Statements of Activities

Fiscal years ended 30 June 2015 and 2016 (in thousands)

REVENUES	2015	2016
Dues	$ 65,386	$ 67,459
Net investment return	(2,472)	(2,956)
Services and other activities	22,822	33,571
TOTAL REVENUES	**$ 85,736**	**$ 98,074**
EXPENSES		
Operating	$ 66,144	$ 69,417
Services and other activities	22,961	27,560
General Surplus Fund	1,942	6,158
TOTAL EXPENSES	**$ 91,047**	**$ 103,135**
Currency exchange losses	$ (2,651)	$ (1,188)
Pension-related changes	$ (4,320)	$ 4,320
Change in net assets	**$ (12,282)**	**$ (1,929)**
Net assets — beginning of year	**$ 140,798**	**$ 128,516**
Net assets — end of year	**$ 128,516**	**$ 126,587**

The Rotary Foundation of Rotary International Statements of Activities

Fiscal years ended 30 June 2015 and 2016 (in thousands)

REVENUES	2015	2016
Contributions	$ 268,903	$ 265,616
Net investment return	3,287	(6,653)
Grants and other activities — net	(789)	(787)
TOTAL REVENUES	**$ 271,401**	**$ 258,176**
EXPENSES		
Program awards	$ 224,322	$ 221,147
Program operations	20,886	25,223
Fund development	15,804	19,421
General administration	4,854	5,247
TOTAL EXPENSES	**$ 265,866**	**$ 271,038**
Currency exchange losses	$ (8,085)	$ (6,419)
Pension-related changes	$ (3,394)	$ 3,394
Change in net assets	**$ (5,944)**	**$ (15,887)**
Net assets — beginning of year	**$ 951,965**	**$ 946,021**
Net assets — end of year	**$ 946,021**	**$ 930,134**

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
- Governments around the world

United Nations

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

Strategic partners

- USAID: The RI-USAID International H2O Collaboration
- UNESCO-IHE Institute for Water Education scholarship program

Service partners

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

- Peace Corps
- Dolly Parton's Imagination Library
- Global FoodBanking Network
- Youth Service America

Project partner

ShelterBox is Rotary's partner in disaster relief efforts.

Rotary Peace Centers

The Rotary Foundation partners with the following universities to offer fellowships leading to master's degrees or professional 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

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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.

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.

As part of the End Polio Now campaign, Rotarians gather at The Spirit of Detroit statue in Detroit, Michigan, USA, to celebrate progress in polio eradication and encourage support to finish the job.

All images were provided by Rotary International unless otherwise noted.

On the cover

In Kura, Nigeria, Rukayya Saminu administers the polio vaccine to a young girl during Subnational Immunization Days. Nigeria is one of only three countries in the world to report cases of the wild poliovirus in the last few years. Through increased surveillance and vaccination campaigns, the country is close to eradicating the disease within its borders.

PHOTO BY TADEJ ZNIDARCIC

Rotary

ROTARY INTERNATIONAL®
THE ROTARY FOUNDATION

Rotary.org

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