



# Rotary International and The Rotary Foundation

The mission of Rotary International, a worldwide association of Rotary clubs, is to provide service to others, promote high ethical standards, 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.

# 2008-09 Annual Report

Despite conflict, political instability, and economic recession in many parts of the world, Rotarians stepped boldly forward to *Make Dreams Real* in 2008-09, attacking the root causes of child mortality and persevering in the battle to finish polio once and for all.

The Bill & Melinda Gates Foundation signaled a tremendous confidence in Rotary's work to help end polio when Bill Gates announced at the International Assembly an additional \$255 million challenge grant, over and above an initial \$100 million grant. We are working to match the two grants with Rotary's US\$200 Million Challenge, and as of 30 June we were approaching the halfway mark.

The incidence of polio has decreased more than 99 percent since 1988, when the global initiative against the disease began. Only four countries — Afghanistan, India, Nigeria, and Pakistan — remain polio-endemic. We are close to the final hurdle of this race, but the final hurdle is also the highest and will require the greatest effort from all of us.

Throughout this report, you will see also how the family of Rotary is helping to feed hungry children and give them clean water to drink, prevent and treat diseases, enable people to gain life-changing literacy skills, help establish small businesses, and work for a more peaceful world.

As part of this effort, Rotary has been striving to reduce child mortality. According to UNICEF, approximately 25,200 children under five die every day. An estimated two-thirds of these deaths, however, are preventable — a fact that has inspired Rotarians in their efforts to ensure that more children can live a healthy life.

The Rotary Foundation is helping clubs and districts multiply their potential for improving the quality of human life. Right now, more than 5,000 Foundation grant projects are addressing a range of humanitarian issues around the world.

More than 400 graduates of our Rotary Centers for International Studies are working in conflict resolution, humanitarian aid, diplomacy, and government. Each year, about 90 more Rotary World Peace Fellows join their colleagues to put Rotary's ideals into action.

With the Future Vision Plan, the Foundation is laying the groundwork to *Make Dreams Real* for generations to come. The plan will also help the Foundation take a simplified and more focused approach to grantmaking.

Rotary's presence on the international stage has grown greatly, thanks especially to our role in global polio eradication. By making the best use of our resources, Rotary will continue to work wherever it can do the most good in the long term, strengthening the infrastructure for world peace by meeting critical human needs.



RI President Dong Kurn Lee (right) and Rotary Foundation Trustee Chair Jonathan B. Majiyagbe

Dong Kurn Lee  
2008-09 President  
Rotary International

Jonathan B. Majiyagbe  
2008-09 Trustee Chair  
The Rotary Foundation

# A year of challenges and achievement

The 2008-09 Rotary year had barely begun when a financial crisis shook the world. Suddenly, millions of people, including Rotarians, lost their jobs and a substantial portion of their investments. The humanitarian problems that Rotary clubs and districts were already addressing multiplied at an alarming rate as fluctuating oil prices and food shortages made life even more perilous for those in desperate need. At the same time, nonprofit organizations worldwide watched their assets diminish when volatile markets defied the traditional principles of prudent investment.

For Rotary International and The Rotary Foundation, the crisis had the dual effect of intensifying the need for Rotarian service and reducing the resources available to meet that need. But the value of Rotary's most important resource remained secure: 1.2 million Rotarians worked steadfastly to help communities worldwide weather the crisis.

This annual report offers a comprehensive look at how Rotary International and The Rotary Foundation are working together to address some of today's most critical issues. Most of the world, and even many grassroots Rotarians, view RI and its Foundation as simply an organization called Rotary, not as two discrete organizations with separate financial statements. Rotary International is funded primarily by the dues received semiannually from its 33,000 member clubs. The Rotary Foundation, the philanthropic arm, is supported by contributions from Rotarians, friends of Rotary, and corporations and organizations that share Rotary's goals.

Yet the similar missions and constituencies of the two organizations make it impossible to think of one without the other. Without a Foundation to harness resources and allocate them where they can be most effective, Rotarians are limited in their ability to serve. But without Rotarian financial support and volunteer service, the Foundation cannot exist.

This synergy was strengthened by the development of the Foundation's Future Vision Plan, which identifies six key areas of focus in which Rotary clubs historically have developed successful service projects. Starting in 2010, 100 Rotary districts will test the new plan and refine it for worldwide implementation in July 2013.

This report highlights Rotary's work in these areas of focus, which paves the way for more strategic use of resources in the future.

**277** districts applied to participate in the Future Vision Plan pilot.

**100** districts from

**74** countries and

**all** Rotary zones were selected.

## Rotary Foundation Grants in the Areas of Focus Five-Year Profile (2004-09)

**527** maternal and child health grants awarded for **\$7,172,184**

**2,436** water and sanitation grants awarded for **\$30,484,779**

**2,718** disease prevention and treatment grants awarded for **\$34,189,400**

**2,664** basic education and literacy grants awarded for **\$28,008,087**

**1,625** economic and community development grants awarded for **\$24,498,464**

**434** peace and conflict prevention/resolution fellowships awarded for **\$20,460,000**

“Rotary in particular has inspired my own personal commitment to get deeply involved in achieving eradication.”

Bill Gates, addressing Rotary's International Assembly in San Diego, California, USA



More than  
**\$90** million has  
 been raised in support  
 of Rotary's US\$200  
 Million Challenge.

### Rotary and Gates Foundation jointly commit \$555 million

At the International Assembly in January, Bill Gates announced that the Bill & Melinda Gates Foundation had awarded \$255 million to The Rotary Foundation of Rotary International in the global effort to eradicate polio, in addition to the Gates Foundation's 2007 grant of \$100 million.

The two challenge grants now total \$355 million, of which Rotary has committed to matching \$200 million by 30 June 2012. This fundraising effort is called Rotary's US\$200 Million Challenge.

Polio eradication has been Rotary's top priority since 1985, with more than \$800 million contributed to a global effort that has helped reduce the number of polio cases by 99 percent.

"The world would not be where it is without Rotary, and it won't get where it needs to go without Rotary," Gates said.

### Nigeria renews polio-free efforts

Increased support from President Umaru Musa Yar'Adua, state governors, and traditional and religious leaders is helping to revitalize Nigeria's battle to end polio. The country's Rotarians are playing a key role during national and subnational immunization plus days, by

- Helping to overcome resistance from families against having their children vaccinated
- Airing public service announcements on state radio and sponsoring town criers to urge mothers to bring their children to immunization posts
- Hiring vehicles to transport vaccination teams
- Promoting new strategies such as deploying teams that immunize children on the streets, in markets, at motor parks, and on playing fields, reaching many children who would otherwise be missed

The Africa Regional PolioPlus Committee timed its meeting in Kano in late March to enable members to take part in Nigeria's Immunization Plus Days.

"The [committee] believes that with current strategies and from field observations Nigeria can overcome the challenges to reaching every child and interrupt wild poliovirus transmission in the country," said Busuyi Onabolu, chair of the Nigeria PolioPlus Committee.



Nigeria PolioPlus Committee Chair Busuyi Onabolu (center) and District 9120 PolioPlus Subcommittee Chair Godwin Atiah (left) join state health officials in Kano to officially launch the country's Immunization Plus Days.

### Rotaractors press on in Pakistan

Six Pakistani Rotaract clubs helped vaccinate 4,200 children under age five in Karachi's densely populated Kemari Town during Subnational Immunization Days in July.

Organized at the urging of Pakistan PolioPlus Committee Chair Abdul Haiy Khan, teams of Rotaractors went from house to house giving children drops of vaccine, marking the fingers of those immunized, chalking the doors of houses to indicate families covered, and recording information on tally sheets.

"There were many friendly competitions to see which team could cover the most houses, and two teams reached 150 houses [in one day]," said Maheen Allawala, a member of the Rotaract Club of Karachi Karsaz. "It was truly a great experience."



Jean-Marc Giboux

### U.S. Interactors fight polio in India

Indian-born Sophia Hameed (above left) and Anna Holmbraker administer polio vaccine to a child during National Immunization Days in Chandigarh, India. Members of the Interact Club of Miami High, Florida, USA, the pair joined a group of more than 40 Rotarians during a 12-day trip in February.



A Rotaractor in Karachi, Pakistan, marks a child's pinkie finger as a record of vaccination.

**222,270,331**

children were immunized against polio in

**22** countries — 17 of them in Africa — during the last

**10** days of May.



Polio eradication supporters in the United States and the United Kingdom are texting POLIO to 90999 for a one-time \$5 donation, or to 82010 for a £5 donation.



Mark Wallace/Rotary Down Under

### Spotlighting Rotary's pledge for a polio-free world

The End Polio Now message lit up the Sydney Opera House in Australia on 23 February in honor of Rotary's 104th anniversary. Among other iconic landmarks providing a dramatic backdrop for the message were the British House of Commons and the Colosseum in Rome.

**75** cents is the price of a packet of sunflower seeds sold by Rotarians in more than 200 cities and villages in Switzerland on 13 September, National Day Against Child Paralysis, raising more than **\$669,000** for Rotary's challenge.



**Family of Rotary responds to Rotary's US\$200 Million Challenge**

**Hats off to enterprising fundraiser** With his winning bid of \$17,600, Texas Rotarian Angel Jimenez purchased the Rotary hat that Bill Gates wore and autographed at the 2009 International Assembly. The hat was auctioned off on eBay in February, with the proceeds going to Rotary's challenge. Gates had also worn the hat in India while immunizing children against polio.

**Interactors' pinkies to dye for** Members of the Interact Club of Bozeman High School in Bozeman, Montana, USA, have been dyeing pinkies purple every day during lunch periods as part of an effort to raise money for Rotary's challenge.

**Youth exchange alums race to beat polio**

Laura Williams (left) and Karoline Steckley, former Rotary Youth Exchange students (USA to Belgium), reunited for the first time in 18 years to run the 2009 Paris Marathon in April. They raised \$5,000 for Rotary's challenge, which was matched by District 7120 (New York, USA) for a total of \$10,000.

**Former scholar gives back** Former Rotary Foundation Scholar Hanny Wan helped organize an India Night End Polio Now fundraiser sponsored by the District 3450 Alumni Association (Hong Kong, Macau, Mongolia). The event, held in Hong Kong in November, raised more than \$6,200 for Rotary's challenge.

**Rotary Fellowships rally**

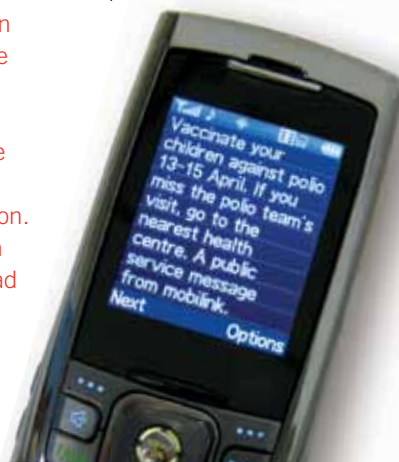
Rotarians put their common interests to work for a polio-free world by sponsoring fundraisers through these Rotary Fellowships, among several others:

- The Rotarians' Wine Appreciation Fellowship raised \$15,000 by matching donations of \$100 from the first 75 contributors.
- The Antique, Classic, and Historic Automobile World Fellowship of Rotarians and the Rotary Club of Ripley & Send, Surrey, England, teamed up with Black Circles, the online tire business market leader in the United Kingdom, in a project that raised \$6,000 for the challenge.
- The International Marathon Fellowship of Rotarians raised \$3,500 through the participation of 150 of its members in the 2008 New York City Marathon, supported by the Rotary Club of Metro New York City, other Rotary clubs, families, and community members as sponsors.

**What's a polio control cell?**

A communications effort coordinated by Pakistan's state and private television stations to help monitor and promote national and subnational immunization days. The stations broadcast a toll-free number, which parents and others can call to report areas missed by health workers. A ticker identifying the areas runs across the TV screen until vaccination teams take corrective action. During National Immunization Days in March, a polio control cell in Islamabad received more than 14,400 calls, enabling teams to vaccinate over 22,300 children who otherwise would have been missed.

Text message sent to more than seven million cell phone subscribers before and during Pakistan's Subnational Immunization Days in April.



## Maternal and child health

A woman with dark hair, wearing a white floral-patterned tank top, is sitting and holding a newborn baby. The baby is wrapped in a green blanket and wearing a light green hat. The woman is looking off to the side with a gentle smile. The background is a patterned curtain with green floral designs.

“When I first asked Rotarians to focus on reducing the rate of child mortality, I was confident that we would be able to make a difference. The way Rotarians have responded has exceeded even my own hopes. Our projects are saving lives, one at a time, with determination and with success.”

Dong Kurn Lee, 2008-09 RI President

# 140

countries have Rotaract clubs, a Rotary-supported leadership, professional development, and service club organization for young adults ages 18-30.



Rotary Images

Families line up for much-needed medical services at a Rotarian-supported clinic in the Dominican Republic.

### Rotarians help reduce child mortality

Any death of a child under age five is a terrible loss. It's especially heartbreaking when the cause of death is a preventable or treatable disease like malaria. But in 2009, UNICEF announced that the rate of under-five child mortality has declined, to 24,000 deaths per day from 25,500 in 2007.

UNICEF also reports that, in spite of the world's population growth, the global rate of decline in child mortality is accelerating.

That's encouraging news for members of the Rotary family, who made it a priority to help *Make Dreams Real* in 2008-09 with local and international service projects aimed at reducing child mortality.

Take Melissa Guzman, a member of the Rotaract Club of Moca 2 de Mayo, Dominican Republic. A medical resident, Guzman regularly volunteers with other members of her club at health clinics held in schools and other community locations across her country.

At a 2009 clinic held at a rural school, for example, Guzman helped treat children using medicine samples that were donated by several Rotary clubs in Canada. One of the most common maladies she treated, diarrhea, causes five times as many child deaths worldwide than HIV/AIDS, according to UNICEF. And because diarrhea is usually caused by contaminated water, inadequate sanitation, or poor hygiene, these deaths can be prevented through water and sanitation programs, along with appropriate medical treatment and education.

"I'm so glad to belong to a group of people who serve the community in so many ways," Guzman says.



Rotary Images

Rotaractor Melissa Guzman (left) completes a health intake with a Dominican family.

## Nepalese women trained as midwives

In mountainous Nepal, infant mortality is most severe in remote Himalayan villages — areas that are also in short supply of family planning services and economic opportunities.

To address these needs, Rotarians have created an extensive training program to bring much-needed prenatal and postnatal services to 10 remote regions. The project, a collaboration between the Rotary clubs of Kathmandu Mid-Town and Darmstadt-Bergstrasse, Germany, is supported by a \$283,725 Health, Hunger and Humanity Grant from The Rotary Foundation.

The program is training 52 young women as professional auxiliary nurse midwives and includes on-the-job training at hospitals in Baeda and Kathmandu.

The women themselves come from underserved remote regions of Nepal, and most from very poor families. Grants from the United Nations Population Fund and the World Bank's Poverty Alleviation Fund are also helping with tuition expenses.

After completing their training, the new midwives will be eligible for microcredit loans to start clinics in their hometowns where, in addition to providing care, they can educate women and girls in the community about the problems related to early marriages and pregnancies, and the benefits of child spacing.

“This project is unique because it emphasizes the linkage between microcredit, maternal health, and family planning,” says Hartmut Bauder, project coordinator and past president of the Kathmandu Mid-Town club.

## A catalyst for compassion

Former Ambassadorial Scholar Rinko Kinoshita is using the public-health degree she earned with Rotary's help to aid people in the Democratic Republic of the Congo, where more than 250,000 were displaced in 2008 when violence flared between rebel fighters and government forces.

Based in the border town of Goma, Kinoshita works with UNICEF to help those fleeing the conflict through programs in maternal and child health, water and sanitation, and child protection. She focuses on women and children, including orphans and child soldiers, and helps UNICEF field staff improve their work.



More than 50 young women from 10 remote mountainous areas of Nepal are being trained as auxiliary nurse midwives in order to provide medical services to their communities. Shown here is the first group of graduates.

After working as a midwife in her native Japan, Kinoshita attended the University of North Carolina at Chapel Hill, USA, as an Ambassadorial Scholar, completing a master's degree in 2003.

Kinoshita says that without Rotary, she would not be where she is today: It was through an internship at UNC that she first went to Africa, working with Save the Children in Malawi on a project to reduce neonatal mortality. Then she went to Kinshasa in Congo to manage a UNC research program to assess HIV/AIDS and malaria interventions in pregnant women. In another project, she examined the effects of teaching birth attendants about neonatal mortality; in some parts of Congo, 65 percent of babies are born without the help of a trained birth assistant.

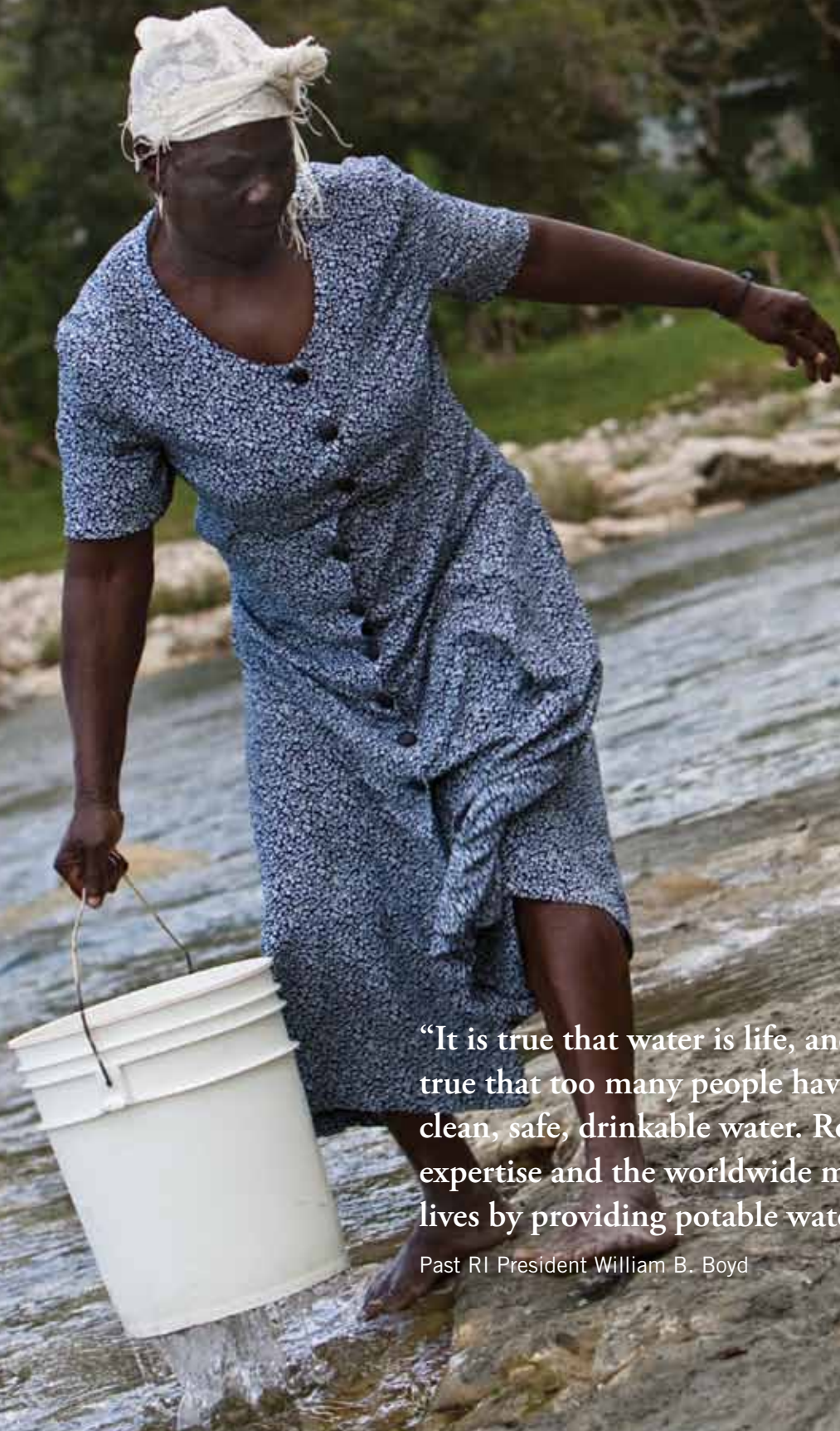
“I think what has motivated me to stay in this country is that I want to see even a very small visible change,” Kinoshita says. “I want to feel that my work is contributing somehow to make changes to development or people's health or their lives.”

# 67

 % of

all under-five deaths could be avoided with interventions such as skilled attendants at delivery and newborn care, and with preventive measures such as appropriate immunizations, proper nutrition, and clean water.

# Water and sanitation



“It is true that water is life, and it is also sadly true that too many people have no access to clean, safe, drinkable water. Rotary has the expertise and the worldwide membership to save lives by providing potable water on a large scale.”

Past RI President William B. Boyd

## Rotary forms alliance with USAID

In 2009, Rotary International and the United States Agency for International Development launched the International H<sub>2</sub>O Collaboration to implement water, sanitation, and hygiene projects in the developing world.

“Through this important collaboration, the service ethic and commitment of hundreds of thousands of Rotarians around the world will be joined with the global development expertise and technical leadership of USAID to yield a significant, sustainable increase in water supply and sanitation coverage for the planet’s poorest and most vulnerable populations,” said USAID Chief Operating Officer Alonzo Fulgham.

The alliance will develop its inaugural projects in Ghana, the Philippines, and the Dominican Republic — countries where Rotary clubs and districts and USAID missions have the demonstrated ability to carry out effective water and sanitation projects.

The Rotary Foundation and USAID will share the project funding, with Health, Hunger and Humanity (3-H) Grants supporting Rotary club and district involvement. Both Rotary and USAID will provide technical expertise and on-the-ground support.

USAID provides economic, development, and humanitarian assistance in support of U.S. foreign policy goals. Its Global Development Alliance model promotes partnerships with prominent private-sector partners in the nongovernmental, foundation, and corporate arenas.



international h<sub>2</sub>o collaboration



Youth in India developed water conservation projects through a RYLA workshop.

## Youth focus on conservation

Through Rotary Youth Leadership Awards (RYLA), Rotarians select young people ages 14-30 to attend a seminar, camp, or workshop in order to develop leadership skills.

Aiming to improve health, hygiene, and cash crops for farmers in India — and prepare the next generation of water experts — Rotarian Bal Inamdar convened the first water-themed RYLA workshop in August.

The 160 participants were divided into four groups. Two groups created reservoir dams along rivulets. Another constructed a contoured embankment to catch rainwater from mountains and hills. The fourth group, made up of 28 hearing-impaired students, built a rooftop water-harvesting system for a local school.

The projects were judged by two scientists from a water purification company in Mumbai, which also donated technical support.

**884 million**

people lack access to safe water, and more than

**2.5 billion**

people have no access to improved sanitation.

**5,000**

children in the world

**5**

under age **5** die every day from unsafe water and poor sanitation and hygiene.

### Multidistrict effort brings clean water to the Dominican Republic

Rotarians are putting 1,250 bio-sand filters into homes in the Dominican Republic through a \$150,000 project supported by a Rotary Foundation Matching Grant.

This is the most recent undertaking in RI District 4060's Children's Safe Water Alliance, which has helped bring 19,000 filters — and clean water — to 100,000 people in 300 communities in just seven years.

Bio-sand filters are deceptively simple: They have no parts to break and require no electricity. Yet they are an effective way to purify water, which in turn can reduce diarrhea, the second-leading cause of child mortality, by 40 percent.

The Children's Safe Water Alliance was the brainchild of Bob Hildreth, past president of the Rotary Club of Puerto Plata Isabel de Torres, Puerto Plata, Dominican Republic, and past club president James Bodenner and his wife, Susan, both of the Rotary Club of Rockford, Michigan, USA. Intrigued by the filter's simple

design and \$60 price tag, they started a small project that has grown into a multidistrict effort.

The Bodenners recruited clubs from their district and led trips to the Dominican Republic, so that Rotarians could see the work firsthand. They also partnered with other districts to organize the annual Thirsting to Serve conference, which brings together water experts and Rotarians.

On the Dominican side, the effort spread through piloting. David Crow, of the Rotary Club of Santiago Monumental, Santiago, was introduced to the filters five years ago when Hildreth gave his club a few to try in a nearby community to see how local leaders would respond. With help from the Rotary Club of Calgary West, Alberta, Canada, the club soon wrote a Matching Grant proposal to continue the project.

By 2009, more than 150 clubs in Canada, the Dominican Republic, the United States, and other countries had contributed almost \$1 million to the Children's Safe Water Alliance, including funds from 30 Matching Grants.



Rotarian Sara Lucena sets up a new bio-sand filter for a Dominican Republic household.

## Disease prevention and treatment



**“We face multiple crises. We can either cut back on health expenditures and incur massive losses in lives and capacity for growth, or we can invest in health and spare both people and economies the high cost of inaction. The choice should be clear.”**

UN Secretary-General Ban Ki-moon, speaking at the 2009 RI Convention



Marion Bunch, chair of Rotarians for Fighting AIDS, spends time with orphans at a Rotary-sponsored after-school club in Nairobi, Kenya.

**1.5 million**

estimated childhood deaths have been averted since 1998 by Rotary's administration of vitamin A during polio National Immunization Days. Vitamin A deficiency can lead to blindness, increased risk of infection, and a

**25%**

greater risk of dying from childhood diseases such as measles, malaria, and diarrhea.

### Rotarians take action to prevent AIDS

Rotarians for Fighting AIDS (RFFA), a Rotarian Action Group, has joined a broad coalition of public- and private-sector leaders in an initiative designed to combat the spread of AIDS among young people in Kenya.

Coordinated by the U.S. government, the Partnership for an HIV-Free Generation was launched in Nairobi, Kenya, in 2008 with the goal of reducing new HIV infections in 10- to 24-year-olds by 50 percent over the next five years. Participating organizations will create and monitor marketing campaigns to promote healthy living, provide mentoring for at-risk youth, and develop business and educational opportunities.

“Never before have so many top-quality private-sector organizations banded together with the U.S. government to make a difference in reducing HIV infection among youth,” says Marion Bunch, RFFA chair. “We are proud to be a part of this leading-edge program, which has a chance of creating a best-practice model for dramatically reducing HIV infections in all of sub-Saharan Africa.”

RFFA will help Rotary Community Corps volunteers mentor and counsel young people in Nairobi while working to improve health care and education opportunities.



Rotarian Don Jago congratulates Alex Buchanan.

### Food technologist nourishes millions

Alex Buchanan says that knowing he has helped nourish millions of children in developing countries gives him “a pretty good feeling.”

A food technologist and member of the Rotary Club of Melbourne, Victoria, Australia, the 75-year-old Buchanan created the high-protein Australian milk biscuit and the high-energy biscuit, which are staples of his country's international food aid.

For this and many other accomplishments, The Rotary Foundation presented Buchanan, a former Ambassadorial Scholar, with this year's Global Alumni Service to Humanity Award. Jago, 2008-09 regional Rotary Foundation coordinator for Zone 8, nominated Buchanan for the award.

### 30,000th grant mends broken hearts

More than 20 children in India with congenital heart defects are benefiting from the 30,000th Matching Grant awarded by The Rotary Foundation.

The Foundation approved the \$15,000 grant in December for the collaborative project between the Rotary clubs of Cochin Midtown, Kerala, India, and Sandbach, Cheshire, England. The grant is helping to fund surgeries to correct heart irregularities in children between the ages of three months and 18 years in southern and northern India.

The project is being coordinated through Gift of Life International, an organization supported by Rotary clubs worldwide. It's the latest development in the ongoing efforts of the Cochin Midtown club and District 3201 to provide open-heart surgeries to 105 children from indigent families by 2010, Rotary's 105th year.

"A child with heart disease who is born to poor parents puts an entire family of five or six persons

in financial disarray," says Cochin Midtown club president V.J. John, explaining his district's decision to make the surgeries a priority.

Since 1965, the Foundation has matched contributions for international service projects in 199 countries at a cost of more than \$362 million.



Rotary Images

RI President Dong Kurn Lee congratulates 11-year-old Jonathan Olunga of Uganda during Rotary Day at the United Nations in New York City. In October, Jonathan became the 10,000th child to receive life-saving surgery through Gift of Life International.

Rotary has gained more than **5,000** new Rotarians in sub-Saharan Africa since 2001, a **38%** increase.

### Battling malaria in the Solomon Islands

#### 500 million

Number of people worldwide who become seriously ill with malaria each year, with most cases concentrated in the tropical areas of Africa, Asia, and South America, according to the World Health Organization

#### \$200,000

Funding provided through a Rotary Foundation Health, Hunger and Humanity (3-H) Grant to support a collaborative project of the Rotary clubs of Honiara, Guadalcanal, Solomon Islands, and Kenmore, Queensland, Australia, with technical assistance and advice from the Rotarians Eliminating Malaria Rotarian Action Group

#### 30,000

Number of direct beneficiaries of the Rotary project's malaria prevention education program in schools and churches

#### 15,000

Number of bed nets distributed through the Rotary project

#### 66%

Percentage of the population of Honiara that has been protected against malaria by the Rotary project through residual spraying and fogging for mosquitoes carrying malaria and dengue fever

#### 10.5%

Percentage of decline in the annual incident rate of malaria in Honiara from 2005 to 2008



Hand-painted signboards are part of a Rotarian public awareness campaign about malaria prevention in the Solomon Islands.

# Basic education and literacy

“For those of us who have been lucky enough to learn to read and to write, for those of us who have benefited from an education and have had the opportunity to avoid a life in poverty: We can all be literacy champions.”

David Fowler, RI Literacy Resource Group



## Dolly Parton partners with Rotary

In March, U.S. country music star Dolly Parton and Rotary International announced a cooperative relationship to begin a new chapter in promoting early childhood reading.

Under the agreement, Rotary clubs in Canada, the United Kingdom, and the United States are encouraged to support the Dollywood Foundation's Imagination Library, which provides a book each month to children from birth until age five.

Local Rotary club participation includes promoting the program within the community, helping to identify and register children, and paying for the books and mailings. More than 300 Rotary clubs participated in 2008-09.

Citing its impressive role in the polio eradication effort, Parton says she is proud to work with Rotary on the project. "This partnership is a marriage made in heaven," Parton says. "Rotary does such good work around the world. This is a big deal for us. We feel proud and honored to be working with such a prestigious organization."

Parton's impoverished childhood and her father's illiteracy inspired the country singer to create a literacy program for preschool children in her native Sevier County, Tennessee. The Imagination Library now serves 47 states, along with parts of Canada and the United Kingdom, and has provided children with more than 15 million books.

According to the Dollywood Foundation, preschoolers exposed to reading are more likely to look forward to starting school, do well in class, read at or above grade level, finish high school, and go on to college.



Holly Sasnett

Singer Dolly Parton is all smiles with (clockwise from bottom left) Rotary Foundation Trustee John Germ, District 6900 Governor Ted J. Propes, District 6910 Literacy Chair Shauna von Hanstein, District 6920 Governor Kenan J. Kern, and District 6910 Governor Gary C. Moore.

## Scholars add service to study

Local public school children in Chile received a new library and 10 computers with help from four Rotary Foundation Ambassadorial Scholars.

While attending universities in Valparaiso in 2008, Nathan Gill, Paul Goldberg, Hannah Kelley, and Susan Owen launched the Scholars for Schools project. They turned a storage room into a library and multimedia room with help from Rotarians and members of the local community. Members of two Rotaract clubs and several university students also pitched in on the project, which was sponsored by RI districts 4320 (Chile); 5230 and 5240 (California, USA); 6400 (Ontario, Canada, and Michigan, USA); and 7690 (North Carolina, USA).

Approximately 750 students go abroad each year to serve as ambassadors of goodwill through Rotary's Ambassadorial Scholarships, one of the world's largest, privately funded international scholarships program for university-level studies.

**15** %  
of the world's  
population lack basic  
literacy skills.



Ambassadorial Scholars in Chile created a library for public school children.

**570**

model projects from

**68** countries and

**396**

projects seeking support from

**29** countries were listed on ProjectLINK, RI's online project database, during 2008-09, a

**33%** increase over the previous year.

### Rotarians rebuild schools destroyed by the deadly 2004 tsunami

In Sri Lanka, a five-year endeavor that began in tragedy is ending in triumph. The Schools Reawaken project, created by RI District 3220 (Sri Lanka) in the wake of the December 2004 tsunami, has rebuilt 22 schools.

More than 11,000 students are enrolled in the project-built schools, says K.R. Ravindran, chair of the Rotary SCB Schools Trust and a member of The Rotary Foundation Board of Trustees. "They would never have dreamt of a school like that," Ravindran says. "To them, these schools are like Oxford and Cambridge."

One of those children is Imesha Udari de Zoyza, whose school in the town of Ambalangoda was destroyed by the tsunami. Now 18 years old and a proud graduate of the new Randombe Kanishta Vidyala School, she is pursuing higher education with the goal of becoming a pediatrician. The rebuilt school, she says, is "a beautiful palace. I'll never forget it."

The Rotary Schools Trust received \$1.82 million donated by Rotarians and Rotary clubs to the Solidarity in South Asia fund, established by The Rotary Foundation in the immediate aftermath of the tsunami, which killed almost 40,000 residents of coastal Sri Lanka.



More than 11,000 students are enrolled in schools rebuilt through Schools Reawaken, a project created by Rotarians in Sri Lanka.

## Economic and community development

“Currently, half the human population is living on less than \$2 per day and that, my friends, is something we should be concerned about.”

Deepa Willingham, Rotarian and founder of PACE (Promise of Assurance to Children Everywhere) Universal, speaking at the 2009 RI Convention





Rotary Images

Newly purchased sewing machines are helping women in Uganda acquire vocational skills as well as providing a means of making much-needed mosquito bed nets.



### Multiyear project, multiple issues

The Rotary clubs of Muyenga, Uganda, and Genk-Noord, Belgium, launched a multiyear project in 2009 that aims to bring long-term economic stability to the Kasamu-Kyali parish in Uganda's Mpigi District.

Supported by a Health, Hunger and Humanity (3-H) Grant from The Rotary Foundation, the \$250,000 project aims to improve the lives of 4,000 villagers by providing treated mosquito nets, water boreholes and pumps, agricultural supplies and livestock, vocational training and equipment, and educational materials and uniforms. Clubs in RI districts 1630 (Belgium and Luxembourg), 1720 (France), 3100 (India), and 9200 (Eritrea, Ethiopia, Kenya, Tanzania, and Uganda) are also supporting the project.

Additional help is coming from a cadre of Rotary Community Corps (RCC) volunteers, who formed 10 subcommittees, each overseeing a different aspect of the project, including finance, livestock, and water distribution. "The villagers are delighted to be part of the Rotary fraternity," Muyenga club member Francis Mukasa says of the RCC.

The newly irrigated community farm provides both food and cash crops, while also teaching new agricultural technology, planting methods, and animal husbandry. Educational needs are being met not only for school-age children but also for adults in the village who lack literacy and business development skills. Newly purchased sewing machines are being used to create school uniforms for children and mosquito bed nets for villagers.

"This is no drop in the ocean," says Marc Molemans, of the Genk-Noord club. "This has to serve the whole community for as long as possible [and] hopefully will help future generations."

# \$ 30.2

million in 3-H and Matching Grants was awarded by The Rotary Foundation in 2008-09 to support international service projects organized and conducted by Rotarians around the world.



Rotarian Berta Lopera (right) helps displaced Colombians start businesses with microcredit loans.

### Microcredit loans for Colombians

A native of Colombia, Rotary Volunteer Berta Lopera knew about the needs of the approximately three million Colombians who have been displaced by violence. So Lopera, a member of the Rotary Club of Vernon, British Columbia, Canada, used a grant from The Rotary Foundation to offset expenses for a project that provided 70 microcredit business loans to displaced Colombians.

Lopera and members of the Rotary Club of Bogotá Centenario, Colombia, worked with existing and potential small business owners in Cazuca, a shantytown two hours south of Bogotá, and in nearby Belen and Florida. Three Canadian clubs funded loans that ranged from \$150 to \$400 each. Bogotá Centenario club member Maria Cristina Henao says the microcredit project has given capable Colombians like Graciela Sanchez a leg up. Three of Sanchez's five children were killed in local violence, but she now supports her grandchildren with the proceeds from her new sewing business.

### Orphans work for a better future

An unfortunate legacy of the Romanian revolution that overthrew Nicolae Ceausescu in 1989 is the country's estimated 250,000 orphaned or abandoned children. And as these children of the 20-year-old revolution come of age, their needs include vocational skills that will last a lifetime.

A project of the Rotary clubs of Oradea, Romania, and Modesto-Sunrise, California,

USA, is providing vocational training, jobs, and food for more than 1,000 orphaned and abandoned children and youth in Oradea. The nearly \$290,000 project is supported by a Rotary Foundation Health, Hunger and Humanity (3-H) Grant, along with funds from clubs in districts 2241 and 5220.

At the Caminul Felix Orphanage in Oradea, an enhanced vocational training center offers instruction in agricultural studies, auto mechanics, baking, carpentry, and dairy studies. The orphanage's dairy produces 3,000 gallons of milk each month, enough for the orphanage's 250 residents as well as children at nearby hospitals, orphanages, and schools. Likewise, its farm produces 1,000 pounds of beef, 500 pounds of pork, and 300 dozen eggs. The bakery provides vocational training and on-the-job experience along with enough bread for everyone.

In addition to work at the orphanage, local Rotarians business owners have been able to hire many of the youth who have completed the six-month to two-year vocational training programs.

Vocational training is key to giving people the tools to become self-sufficient and rebuild their country's economy. "It gives them hope," says David Gallagher, a project coordinator and member of the Modesto-Sunrise club. "If you don't have hope, you're going to have a rough time having a happy or successful life."



A community farm and Rotary support is providing vocational training and part-time work for youth at an orphanage in Romania.

Rotary membership has grown by more than

**80**%

in Central and Eastern Europe over the past 10 years.

# Peace and conflict prevention/resolution



**“Rotary peace fellows believe, and I believe,  
it is possible to have a world without war.  
It is possible to have a world without hunger.”**

Archbishop Emeritus and Nobel Peace Prize laureate Desmond Tutu, addressing the 2009 Rotary World Peace Symposium

## On the ground for peace in Timor-Leste

Izabela Pereira (shown at left) has seen a dramatic change in the lives of Timor-Leste's people since she arrived there in April 2008 as a democratic governance officer with the United Nations Integrated Mission.

"I came just after the attempt that almost killed the president," said Pereira, a 2005-07 Rotary World Peace Fellow at Universidad del Salvador, Argentina. I remember the more than 60 internally displaced persons camps all over the [capital] city. There are no camps anymore in Dili."

Pereira monitors the country's main government institutions and advises how they should operate democratically to best serve the people. Her experience as a peace fellow prepared her well for the work. During her fellowship, she served as an electoral observer with Organization of American States missions in Colombia and Nicaragua, explored conflict-prevention strategies with the United Nations Development Fund for Women in Senegal, and served on a UN peace-building mission for women in Côte d'Ivoire.

After 25 years of conflict, much work remains in rebuilding Timor-Leste's infrastructure, increasing its literacy rate, and providing jobs, Pereira said. But she is thankful for the opportunity to help and "for the outstanding

support of The Rotary Foundation, which has opened so many doors of opportunity.

"Timor-Leste is only seven years old. Where else could I literally assist in building a country?"

## Planting a peace studies program

Nani Mahanta knows firsthand about the violence that has plagued northeast India. He is from Assam, one of eight states in the region, where civilian casualties from terrorism and ethnic violence are among the highest in the country. According to Mahanta, more than 35 armed groups are fighting for Assam's secession from India.

Mahanta, who was a 2002-04 Rotary World Peace Fellow (University of California, Berkeley, USA), is an associate professor and coordinator of the peace and conflict studies program he helped found at Gauhati University in Assam. He teaches his students about ethnicity, human rights, and peace and conflict, weaving economic, environmental, cultural, gender, and children's issues into his lectures.

"We may curse insurgents as the fundamentalist, alienated, frustrated lot," Mahanta said, "but ultimately it's persuasion, concession, reward, dialogue, and political will that can resolve it."

# 86

Rotary World Peace Fellows studied at

# 7

Rotary Centers for International Studies in peace and conflict resolution in the 2008-10 class to earn master's degrees or professional development certificates.

## Strengthening the pillars of peace in Latin America

William Payne, a 2003-05 Rotary World Peace Fellow (Canada to Universidad del Salvador, Argentina), led an international delegation of church representatives to advocate for peace in rural villages experiencing violence in the south of Bolivar Province, Colombia. He is coordinator of the Americas Policy Group of the Canadian Council for International Cooperation. Comprising 40 humanitarian, labor, church, and other organizations, the group works for sustainable development and social justice in Latin America.





A Rotary Youth Exchange music camp teaches teens from around the world that music is a language that knows no borders.

### Building international harmony through music

MusiCamp, a short-term Youth Exchange program of District 5340 (California, USA), brought 20 students from Italy, Poland, Turkey, Venezuela, and 10 other countries to practice and perform with 20 musicians from the San Diego Youth Symphony in August.

“They all speak that common language with no borders — music,” said the camp’s creator Bill Sturgeon, of the Rotary Club of Coronado. “They all work together and admire each other’s abilities.”

Sturgeon developed a district Youth Exchange summer camp in San Diego after learning of similar camps in Europe. It became so successful that, given the musical talents of many students, he created a second, specialized music camp. The director of the San Diego Youth Symphony was interested in making it a permanent program, and so MusiCamp was born.

Exchange students spend two weeks in intensive rehearsal with the symphony, culminating in a performance for the community. They spend a third week participating in cultural activities in the San Diego area, staying with families from about a half-dozen Rotary clubs. San Diego youth attend camps in Europe to complete the exchange.

“The kids bond so rapidly, it’s amazing,” Sturgeon said. “They’ll communicate with each other for the rest of their lives.”



### Narrowing the hunger gap in Southern Sudan

Analia Ramos holds a healthy baby girl in Torit, Southern Sudan. A 2004-06 Rotary World Peace Fellow (Argentina to University of Bradford, England), Ramos is food security coordinator for Concern Worldwide, a humanitarian relief and development organization. Striving to overcome food shortages, she said, “is worth the smile of a child, the knowledge that someone has gone to bed not hungry, that God has been there all the way, even in the difficult times.”

**8,500**

students ages 15-19 studied in

**80** countries

through the Rotary Youth Exchange program during 2008-09. Of those,

**71**% were long-term exchanges.

# Contributions to The Rotary Foundation

“What better place than Rotary is there to be involved in service?  
What better place is there than The Rotary Foundation to give back?”

Past District Governor Edward Blender, Arch C. Klumph Society member

## Korean donors help set the pace

Korea has more Arch C. Klumph Society members than any other country except the United States. In January, four more couples joined the society, which honors people who give at least \$250,000 to The Rotary Foundation.

The induction ceremony, conducted at RI World Headquarters in Evanston, paid tribute to Korea and its contributions to Rotary. Presided over by RI President Dong Kurn Lee, the ceremony drew several officials from Chicago’s Korean community.

### Eun-Soo Moon and Hyun Joo Yang

Moon is governor of District 3620, executive director of *The Rotary Korea* magazine, president of Moon Dental



Clinic, and a member of the Rotary Club of Cheonan-Dosol. He and his wife, Yang, support the Annual Programs Fund, Permanent Fund, and PolioPlus. “I know how difficult it is for someone to overcome poverty and difficulties when there is no one to help them,” said Moon, who faced financial hardship as a young man. “That is why I am now helping my neighbors and others who are in need.”

### Sung Eun Hong and Eun Ja Park

Hong, a member of the Rotary Club of Jeonju-Poongnam and a Rotary Foundation alumni coordinator,



is past governor of District 3670. When he was club president in 2000-01, 45 new members joined his club, setting a new record for Zone 9. He and his wife, Park, support the Annual Programs Fund, Permanent Fund, and Matching Grants program. “Through Rotary, my life has become much fuller,” Hong said. “Rotary has given me the opportunity to provide service to others and develop leadership skills.”

### Kyong-Mo Chong and Ki-Soon Choi

Chong, who died in June, was a retired rear admiral, and a member of the Rotary Club of Seoul Yongdungpo and past



governor of District 3640. He and his wife, Choi, established an endowed Rotary Foundation Ambassadorial Scholarship in 2007. They have been longtime supporters of the Annual Programs Fund. “The government can’t meet all the needs of the world; the private sector needs to meet some of those needs too,” Chong said. “Rotary is the means by which we can volunteer and participate.”

### Sung-Hee Nam and Yoon Gi Kim

Nam, a member of the Rotary Club of Daegu-Sooryeon and past governor of District 3700, is president of



Daegu Health College. Her husband, Kim, is a member of the Rotary Club of Daegu. They are longtime contributors to the Annual Programs Fund and generous supporters of PolioPlus. “In the world, there are so many political differences and gaps between rich and poor,” Nam said. “In Rotary, we can bridge those gaps and build understanding.”

\$ **99.3** million  
was contributed to the  
Annual Programs Fund,  
\$ **11.6** million  
to the Permanent Fund,  
and  
\$ **5.7** million  
to the Rotary Centers  
Major Gifts Initiative  
during 2008-09.

### A passion for improving literacy

Enabling more people in India, especially children, to read and write motivated recent Arch C. Klumph Society members Rajendra R. and Shubha Laxmi Chhapwale to commit an additional \$2 million to The Rotary Foundation over three years.



Rotary Images

Rajendra R. and Shubha Laxmi Chhapwale

Before announcing the commitment at their induction into the society in April, the Chhapwales had already contributed \$250,000 to the Foundation and established an endowed fund. The new pledge went toward increasing this endowment fund.

One of Rotary's major emphases is literacy, Rajendra noted. "We

thought that by establishing this endowment fund in The Rotary Foundation, we can help this cause more effectively, and the results would be faster," he said. "With the wider net of Rotary clubs all over India and also through the Matching Grants program, this task is possible and achievable."

Rajendra served as president of the Rotary Club of Mumbai North Island, Maharashtra, in 2007-08, which increased his appreciation for the Foundation's work. Shubha, a member and past president of the Inner Wheel Club of Mumbai North Island, is also strongly committed to Rotary. She will serve as district chair of Inner Wheel in 2011-12.

"It has given us confidence that through The Rotary Foundation and Rotary's vast network, we will be able to reach all corners of our country and educate many more people," Shubha said.

Rajendra is founder of Monarch Realty Developers Pvt. Ltd., a property development company that constructs, renovates, and maintains primary and secondary school buildings in rural areas of India. He believes in empowering underprivileged children through education and has also worked closely with Child Rights and You, a grassroots nongovernmental organization.

"A substantial part of India's population is uneducated rural children," Rajendra said. "We believe it is our responsibility to educate these children and provide opportunities in their life. It is only because of opportunities we have been blessed with that we are all here today. This form of opportunity should be made available to every child on this earth. Whatever I can, I must do. And I shall do."

### Foundation programs inspire endowed peace fellowships

Jerry and Goldie Wilford's positive experience with The Rotary Foundation has inspired them to help enrich people's lives through Foundation programs for years to come.

"I really got involved in The Rotary Foundation after I led a Group Study Exchange team to the Netherlands in 1994," said Jerry Wilford, a member of the Rotary Club of Chillicothe, Missouri, USA, and past governor of District 6040.

Jerry and Goldie were further inspired to support the Foundation by a Matching Grant project that provided a clean water system for an elementary school in Tanzania. They heard about the effort from a speaker at the 2003 RI Convention in Brisbane, Australia.

Recently, the couple decided to endow two Rotary World Peace Fellowships. "We have had the opportunity to meet several peace fellows and are very pleased with the program," Jerry said.

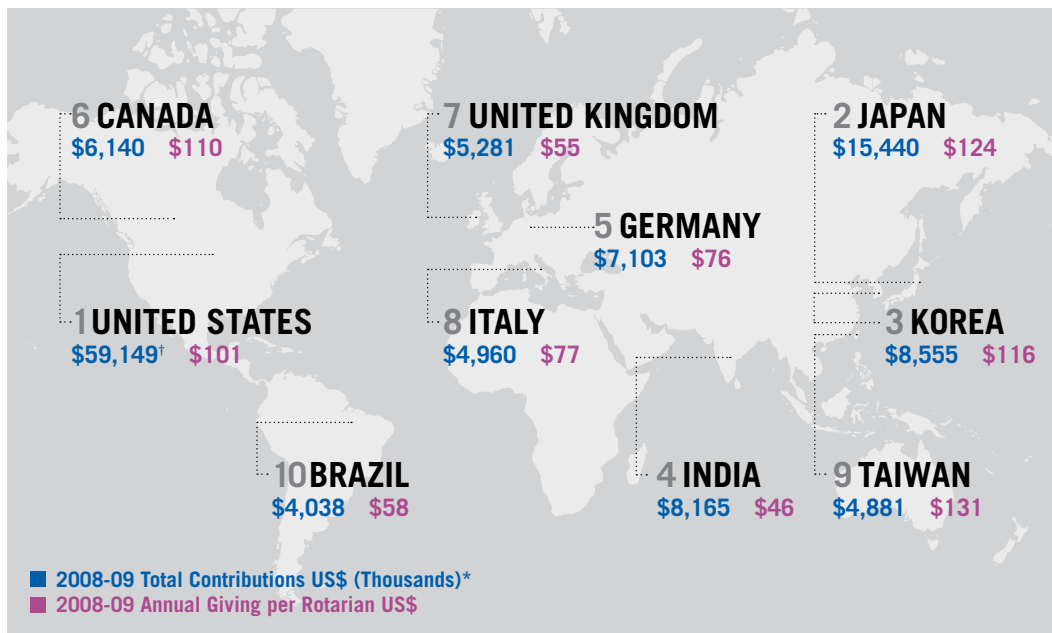


Jerry L. and Goldie M. Wilford

# 1,234

Rotary clubs have a membership of 100% Paul Harris Fellows.

## 10 TOP ANNUAL GIVING COUNTRIES AND GEOGRAPHICAL AREAS



\* Includes flow-through contributions

† Excludes \$80 million grant for polio eradication received from the Bill & Melinda Gates Foundation, a U.S. organization.

# 313,037

Every Rotarian, Every  
Year donors,

# 233,757

Rotary Foundation  
Sustaining Members,  
and

# 7,033

Paul  
Harris Society-eligible  
members supported  
The Rotary Foundation's  
Annual Programs Fund  
during 2008-09.

One of the endowments is named the Dick and Doris Burnett Rotary World Peace Fellowship. "Dick is a true Rotarian and always puts others above self," Wilford said of his friend and mentor, a past RI director. The couple has endowed the other peace fellowship in their name.

"We have had the opportunity to travel to over 70 countries and have a better understanding of the world," Wilford said. "We are so pleased to be a part of The Rotary Foundation and to see all of the humanitarian deeds that have been accomplished because Rotarians give to the Foundation."

### Making a habit of giving

Bob and Mary Jean Gallagher's first district conference in 1991 left a lasting impression, especially the Paul Harris Fellows.

"I remember thinking that's such a great thing to do, but it's going to take us awhile," said Mary Jean, president of the Rotary Club of Windsor-Roseland, Ontario, Canada, which is also her husband's club.

Today, the Gallaghers are not only Multiple Paul Harris Fellows but also Major Donors

and Bequest Society members. The Gallaghers have made a habit of donating to The Rotary Foundation every year — and it has added up.

"One thing I always tell people is that TRF-DIRECT is one of the easiest ways to contribute," said Bob, a past district governor who helped bring the electronic funds transfer program to Canada. (The program is available only in the United States and Canada.)

The Gallaghers' contributions to the Foundation also include volunteering in National Immunization Days and literacy projects in Ghana, along with making presentations to Rotary clubs and districts to encourage donations and other assistance.

"When you see what a difference the Foundation makes, supporting it just becomes a really important thing to do," Mary Jean said.

The Gallaghers' commitment to The Rotary Foundation is as clear as the pins on their lapels. "I wear my Major Donor button to encourage others," Bob said. "People look at me and think, If he can do it, so can I."

Bob and Mary Jean  
Gallagher



# Rotary International financials

**8** offices around the world collect and disburse funds in **27** different currencies in support of RI and TRF programs and services.

## What Rotary International received

RI received a total of \$66.7 million in revenues for the year through membership dues, RI services, and investments. Revenues were \$19.7 million less than budgeted, and \$7.3 million less than the previous year, primarily as a result of investment losses due to volatility in the global financial markets.

### Explanation of variances

General fund investments returned losses of 13.4 percent (or \$12.1 million) on an investment base of \$78.3 million, falling below the 7.35 percent budgeted return on an investment base

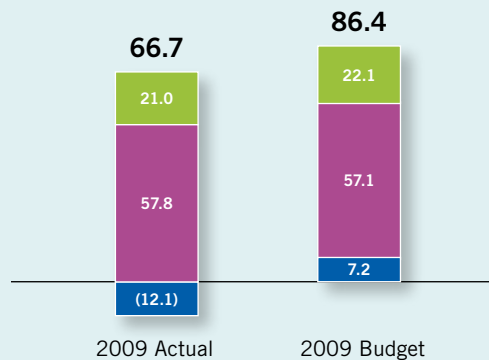
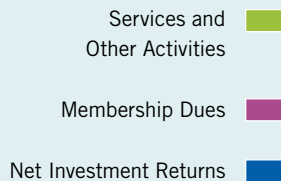
of \$90.5 million. Revenues from services and other activities were \$1.1 million below budget, while dues revenues were \$0.7 million greater than the budgeted amount, primarily due to an increase in the membership base from budget.

Actual revenues were less than the previous year, principally because of a \$7.4 million decrease in investment returns. In addition, services and other activities decreased by \$1.4 million from the previous year, primarily as a result of lower revenue from the 2009 RI Convention. Dues revenue increased over the previous year by \$1.5 million because of a \$1 increase in Rotary's per capita dues.

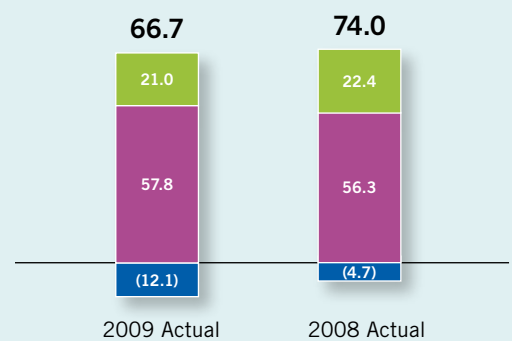
## REVENUES

US\$ (millions)

### Revenues Compared to Budget



### Revenues Compared to Previous Year



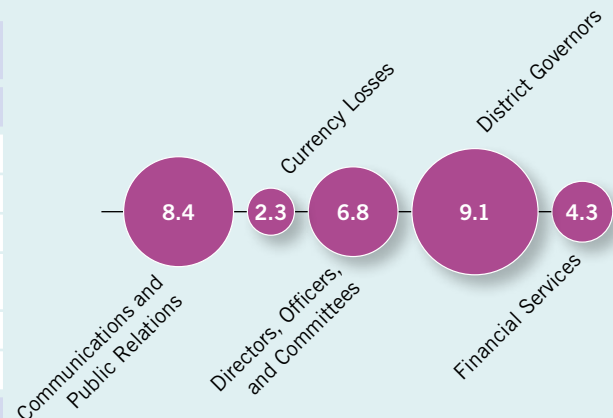
## WHAT RI RECEIVED IN 2009

US\$ (millions)

Membership dues used to support operations	\$ 57.8
Services and other activities	21.0
Magazine	\$ 7.0
One Rotary Center	5.8
International convention	4.4
License fees, royalties, and other income/expenses – net	2.3
Captive insurance company	0.8
Publications and supplies	0.7
<b>Net investment return</b>	<b>\$ (12.1)</b>
<b>TOTAL REVENUES</b>	<b>\$ 66.7</b>

## OPERATIONS EXPENSES

US\$ (millions)



All information is taken from Rotary International's audited financial statements. Details of RI's 2008-09 revenues and expenses, including the presidents' expenses, are available in these statements, posted at [www.rotary.org](http://www.rotary.org).

### What Rotary International spent

RI's total expenses were \$83.5 million, \$2.8 million less than budgeted and \$8.5 million more than the previous year.

#### Explanation of variances

Significant budget reductions in operational expenses across the organization were implemented due to negative investment markets. Operational expenses were \$3.3 million less than budgeted, excluding a \$2.3 million currency translation loss. Expenses for services and other activities were \$1.8 million less than budgeted, primarily due to lower-than-expected convention attendance.

Operational expenses increased by \$8.7 million over 2007-08, primarily because of currency translation losses, which increased by \$3.3 million. Expenses related to services and other activities decreased by \$0.2 million, primarily due to reduced convention expenses.

#### Presidents' expenses

RI paid expenses of \$711,000, \$505,000, and \$98,000 to and on behalf of the RI president, president-elect, and president-nominee, respectively. These included travel (airfare, hotel, and meals), RI theme, public relations, housing, and moving costs. RI paid \$526,000 to operate the presidents' offices and \$92,000 for presidential conferences. (RI Bylaws 17.080)

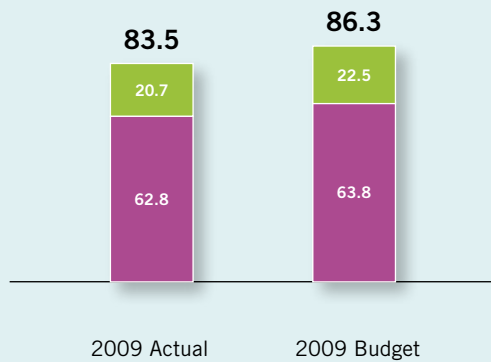
# 11

volunteer fiscal agents around the world help collect and disburse funds and provide services to local Rotary clubs and districts.

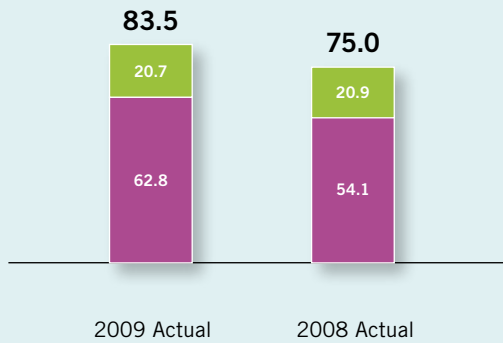
### EXPENSES

US\$ (millions)

Expenses Compared to Budget



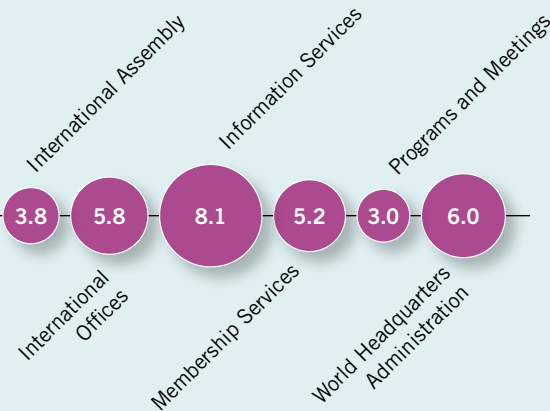
Expenses Compared to Previous Year



■ Services and Other Activities  
■ Operations

### WHAT RI SPENT IN 2009

US\$ (millions)



<b>Operations</b> (see breakdown at left)	<b>\$ 62.8</b>
<b>Services and other activities</b>	<b>20.7</b>
Magazine direct costs	\$ 5.5
One Rotary Center	7.0
International convention	4.7
License fees, royalties, and other income/expenses – net	1.0
Captive insurance company	0.9
Publications and supplies	1.6
<b>TOTAL EXPENSES</b>	<b>\$ 83.5</b>

**99%**

of Rotary clubs pay their RI dues on schedule.

**Rotary International's financial position**

RI's net assets decreased by \$22.5 million over the previous year as a result of expenses exceeding revenues by \$16.8 million, as well as a \$5.7 million charge to record RI's increased pension obligation over the previous year.

**Recent trends**

From fiscal 2000-01 through 2002-03, RI's expenses exceeded revenues, primarily due to a difficult investment climate that led to insufficient investment earnings to cover budgeted expenses. These deficits reduced net assets during this period.

From fiscal 2003-04 through 2006-07, revenues exceeded expenses and net assets grew as a result of improved investment earnings, a membership dues increase, and controlled spending.

During fiscal 2007-08 and 2008-09, expenses exceeded revenues, again primarily due to a difficult and volatile investment climate.

Current investment policies are set by the Rotary International Board of Directors and The Rotary Foundation Trustees. Rotary maintains a diversified portfolio to mitigate the impact of losses in any particular market. This prudent management should allow programs and projects to continue as planned.

Historically, RI's investment strategy has been extremely successful; however, the RI Finance Committee reviews the investment policy statement to address the increased risk and volatility in the financial markets. This will ensure that strategies continue to be appropriate for the long term and allow the good work of Rotary to continue around the world.

**ASSETS**

US\$ (millions)

Cash and investments	\$ 97.9
Club and other accounts receivable	3.9
Property and equipment – net	37.4
Due from The Rotary Foundation	1.4
Other	3.0
<b>TOTAL</b>	<b>\$ 143.6</b>

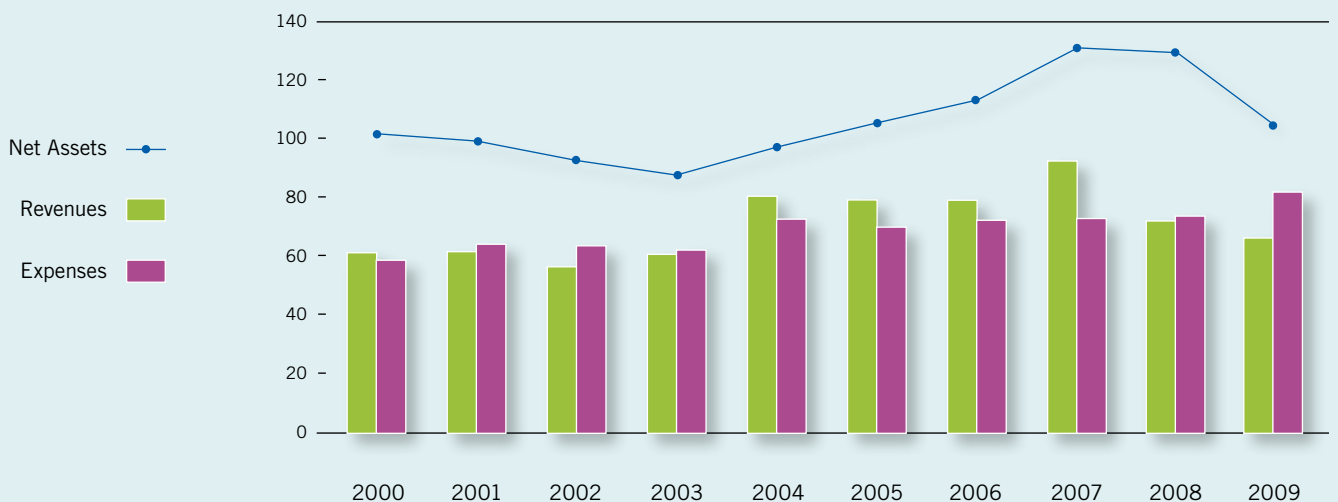
**LIABILITIES AND NET ASSETS**

US\$ (millions)

Accounts payable	\$ 6.4
Accrued expenses	15.8
Deferred revenue	4.1
Pension obligation	10.7
<b>Total Liabilities</b>	<b>\$ 37.0</b>
<b>Unrestricted Net Assets</b>	<b>106.6</b>
<b>TOTAL</b>	<b>\$ 143.6</b>

**HISTORICAL REVENUE, EXPENSE, AND NET ASSET TRENDS**

US\$ (millions)



## Rotary International and The Rotary Foundation investments

An unprecedented global financial crisis during Rotary's 2008-09 fiscal year had an adverse impact on investment returns for both organizations. Securities in nearly all asset classes lost substantial value. In March 2009, efforts by governments around the world to stimulate their economies began to take effect, and financial markets, along with the value of securities held by both RI and the Foundation, began to recover.

The investment return chart shows just how exceptional 2008-09 was. For both RI and the Foundation, investment losses were the largest experienced during the past 15 years. The chart also shows how volatile investment returns can be. Fifteen years ago, both organizations experienced some of their highest returns ever, with double-digit gains for four consecutive years. Strong returns from the Annual Programs Fund during this period generated \$99.3 million in investment income that was used to fund polio eradication efforts and other humanitarian programs. The positive returns shown each year for the PolioPlus Fund reflect the investment of

100 percent of the funds in short-term bonds to provide the needed liquidity and protection against loss.

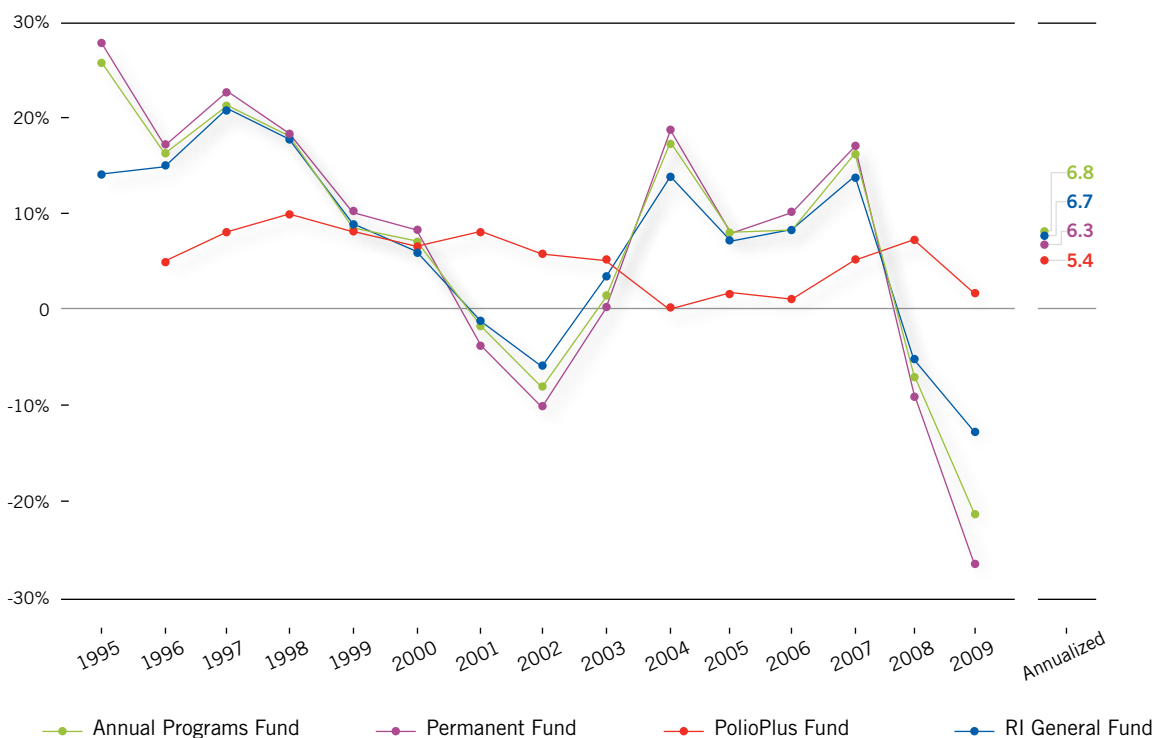
In accordance with prudent investment management practice, both organizations invest in diversified portfolios, which include U.S. and non-U.S. stocks and fixed income securities. The Foundation also invests in alternative assets classes, such as real estate, private equity, and hedge funds. Rotary's investment programs are overseen by the Foundation Investment Advisory Committee, which is composed of three trustees and six Rotarian investment professionals, and the RI Finance Committee. Rotary also retains an independent investment consultant to counsel both organizations on investment matters and to monitor Rotary's investments. All of Rotary's funds are managed by experienced, professional investment managers.

For additional information on Rotary's investments, including investment policy statements, manager guidelines, key Trustee and Board investment-related decisions, the Trustees' position paper on socially responsible investing, and frequently asked questions, go to [www.rotary.org/financials](http://www.rotary.org/financials).

\$ **2.1** million  
in PolioPlus Fund  
investment earnings  
covered the operational  
costs of immunizing  
**10** million  
children in 2008-09.

## HISTORICAL INVESTMENT RETURNS

Annual rate of return



# The Rotary Foundation financials

## What the Foundation received

### Contributions

Rotarian contributions to The Rotary Foundation were generous even in a difficult global economy. The Annual Programs Fund (APF) received contributions of \$99.3 million, despite the recession and a shift in contributions from the APF to PolioPlus in response to Rotary's US\$200 Million Challenge. Eight countries and geographical areas — Canada, Hong Kong, Japan, Korea, Nigeria, Seychelles,

Taiwan, and the United States — exceeded the Every Rotarian, Every Year initiative's worldwide \$100 per capita goal. Permanent Fund contributions of \$11.6 million decreased 16.4 percent from \$13.9 million in 2007-08. PolioPlus received \$109.7 million in contributions to support the Global Polio Eradication Initiative, including \$80.0 million from the Bill & Melinda Gates Foundation. Total contributions of \$239.4 million include \$15.6 million in flow-through contributions.

**524**

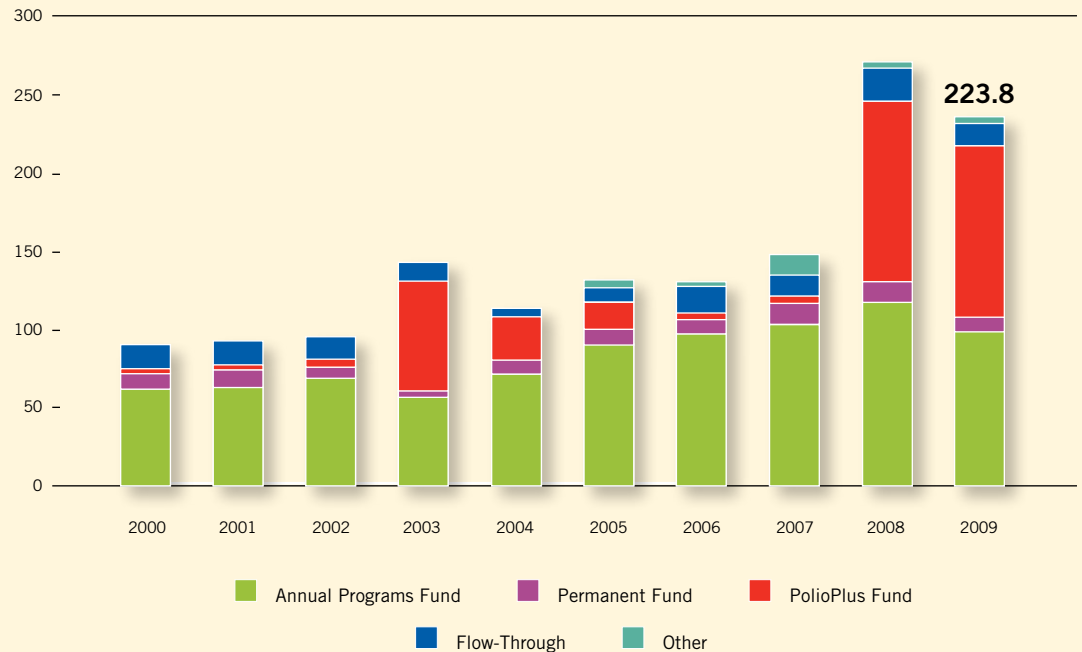
new Bequest Society members and

**2,897**

new Benefactors committed their support to The Rotary Foundation in 2008-09.

## CONTRIBUTIONS TO THE ROTARY FOUNDATION

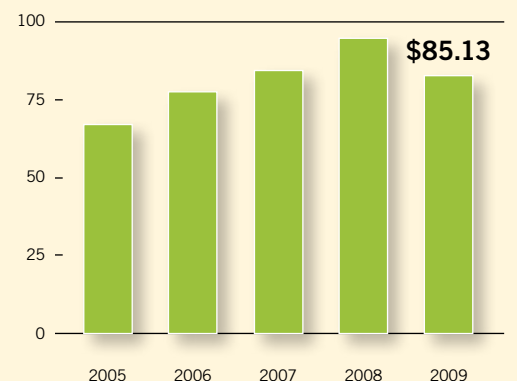
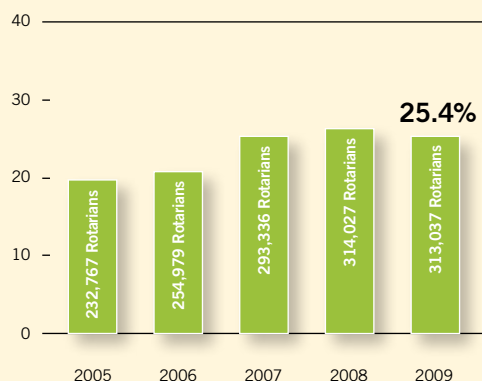
US\$ (millions)



## WORLDWIDE GIVING TO THE ROTARY FOUNDATION'S ANNUAL PROGRAMS FUND

Number and percentage of Rotarians contributing

Average gift of individual Rotarians (US\$)



## What the Foundation spent

### Program spending

Program spending decreased by \$59.9 million over the previous year, primarily due to a decrease in PolioPlus program awards of \$38.9 million. In addition, spending on humanitarian programs decreased by \$18.5 million, primarily due to Trustee-approved budget reductions for Matching Grant awards. Total program spending for fiscal 2008-09 was \$167.6 million, which included \$90.0 million for PolioPlus program awards, \$47.6 million for humanitarian programs, \$28.6 million for educational programs, and \$1.4 million for other programs.

Fund development expenses were \$14.5 million for fiscal 2008-09. These expenses included personnel, services, communications, publications, public relations, supplies, computer support, legal counsel, and recognition items involved in raising contributions and acknowledging donors.

Trustee services includes administrative support, cost of meetings, and travel, etc. Within general administration expenses are travel-related expenses (airfare, hotel, and meals) of \$180,000 for the chair and \$23,000 for the chair-elect of

the Trustees. These travel expenses are incurred to promote the Foundation's programs, raise contributions and awareness for the Foundation, and attend the International Assembly, RI Convention, Trustees meetings, and Rotary institutes (RI Bylaws 22.060). More information about these expenses is available at [www.rotary.org](http://www.rotary.org).

Over the past 10 years, 87 percent of the Foundation's total spending was for programs, 9 percent for fund development and recognition, and 4 percent for general administration. (The 87 percent program spending compares favorably with the minimum industry standard of 65 percent.) Over the same period, 40 percent of program spending was for polio eradication, 36 percent for humanitarian programs, 23 percent for educational programs, and 1 percent for other programs.

### Foundation net assets

The Foundation's net assets decreased by \$129.8 million over the previous year, primarily due to realized and unrealized investment losses. The chart below shows 2008-09 activity in each of the Foundation's funds.

### NET ASSETS

US\$ (millions)

	Annual Programs Fund	Permanent Fund	PolioPlus Fund	Other*	Total
<b>Net Assets @ 30 June 2008</b>	<b>\$ 434.3</b>	<b>\$ 207.9</b>	<b>\$ 42.7</b>	<b>\$ 6.8</b>	<b>\$ 691.7</b>
Contributions	\$ 99.3	\$ 11.6	\$ 109.7	\$ 3.2	\$ 223.8
Investment income	(106.2)	(59.3)	2.1	(0.5)	(163.9)
Net assets released from restriction	0.4			(0.4)	0.0
Program awards	(59.3)		(87.8)	(1.9)	(149.0)
Program operations	(16.3)		(2.2)	(0.1)	(18.6)
Fund development	(13.7)		(0.8)		(14.5)
General administration	(5.7)				(5.7)
Transfers between funds	(21.0)	7.8	13.9	(0.7)	0.0
Pension-related changes	(1.7)		(0.2)		(1.9)
<b>Net Assets @ 30 June 2009</b>	<b>\$ 310.1</b>	<b>\$ 168.0</b>	<b>\$ 77.4</b>	<b>\$ 6.4</b>	<b>\$ 561.9</b>

\* Named gifts and Donor Advised Fund

Note: Unbracketed numbers increase net assets, while bracketed numbers decrease net assets.

**87** %  
of the Foundation's  
total spending  
over the past  
**10** years has  
been used for programs.

# 99%

of districts worldwide participated in PolioPlus during 2008-09.

## The Rotary Foundation of Rotary International Fiscal Year Financial Results

US\$ (millions)

	2008-09	2007-08	2006-07	2005-06	2004-05
<b>REVENUES</b>					
Contributions <sup>1</sup>					
Annual Programs Fund	\$ 99.3	\$ 114.8	\$ 102.8	\$ 92.6	\$ 84.7
Permanent Fund	11.6	13.9	13.3	12.1	9.9
PolioPlus Fund	109.7	114.1	3.1	5.6	18.5
Temporarily Restricted Other	1.1	0.5	0.3	1.6	4.8
Unrestricted Other	2.1	2.4	13.5		
<b>Total Contributions</b>	<b>\$ 223.8</b>	<b>\$ 245.7</b>	<b>\$ 133.0</b>	<b>\$ 111.9</b>	<b>\$ 117.9</b>
Investment Income					
Annual Programs Fund	\$ (106.2)	\$ (30.4)	\$ 70.7	\$ 34.5	\$ 30.1
Permanent Fund	(59.3)	(18.5)	31.8	14.6	11.1
PolioPlus Fund	2.1	4.7	2.4	1.1	1.5
Other Programs	(0.5)	(0.1)	0.9		
<b>Total Investment Income</b>	<b>\$ (163.9)</b>	<b>\$ (44.3)</b>	<b>\$ 105.8</b>	<b>\$ 50.2</b>	<b>\$ 42.7</b>
<b>TOTAL REVENUES</b>	<b>\$ 59.9</b>	<b>\$ 201.4</b>	<b>\$ 238.8</b>	<b>\$ 162.1</b>	<b>\$ 160.6</b>
<b>PROGRAM AWARDS AND EXPENSES</b>					
Program Awards					
Humanitarian Grants Program	\$ 38.2	\$ 56.7	\$ 44.8	\$ 44.3	\$ 38.5
Educational Programs	22.0	23.4	23.3	21.9	22.9
PolioPlus Program	87.8	126.7	23.7	24.9	33.1
Other Programs	1.0	1.2	8.4		
<b>Total Program Awards</b>	<b>\$ 149.0</b>	<b>\$ 208.0</b>	<b>\$ 100.2</b>	<b>\$ 91.1</b>	<b>\$ 94.5</b>
Program Operations					
Humanitarian Grants Program	\$ 9.4	\$ 10.2	\$ 9.6	\$ 8.7	\$ 7.6
Educational Programs	6.6	7.1	6.7	6.1	5.0
PolioPlus Program	2.2	2.1	2.3	2.1	3.1
Other Programs	0.4	0.1			
<b>Total Program Operations</b>	<b>\$ 18.6</b>	<b>\$ 19.5</b>	<b>\$ 18.6</b>	<b>\$ 16.9</b>	<b>\$ 15.7</b>
<b>Total Program Awards and Operations</b>	<b>\$ 167.6</b>	<b>\$ 227.5</b>	<b>\$ 118.8</b>	<b>\$ 108.0</b>	<b>\$ 110.2</b>
Operating Expenses					
Fund Development	\$ 14.5	\$ 13.6	\$ 12.6	\$ 13.7	\$ 12.2
General Administration	5.7	6.3	6.3	6.6	5.7
<b>Total Operating Expenses</b>	<b>\$ 20.2</b>	<b>\$ 19.9</b>	<b>\$ 18.9</b>	<b>\$ 20.3</b>	<b>\$ 17.9</b>
<b>TOTAL AWARDS AND EXPENSES</b>	<b>\$ 187.8</b>	<b>\$ 247.4</b>	<b>\$ 137.7</b>	<b>\$ 128.3</b>	<b>\$ 128.1</b>
Pension-related changes <sup>2</sup>	\$ (1.9)	\$ (0.3)	\$ (0.5)	\$ 0.7	\$ (0.3)
<b>INCREASE (DECREASE) IN FOUNDATION ASSETS</b>	<b>\$ (129.8)</b>	<b>\$ (46.3)</b>	<b>\$ 100.6</b>	<b>\$ 34.5</b>	<b>\$ 32.2</b>

	2008-09	2007-08	2006-07	2005-06	2004-05
<b>ROTARY FOUNDATION ASSETS<sup>3</sup></b>					
<b>Cash, Pledges, and Other Assets</b>	<b>\$ 216.0</b>	<b>\$ 42.8</b>	<b>\$ 37.4</b>	<b>\$ 34.7</b>	<b>\$ 37.9</b>
Investments					
Cash and Short-Term Investments	\$ 19.7	\$ 16.7	\$ 28.8	\$ 24.2	\$ 21.9
Bonds	226.3	234.2	150.0	159.8	166.2
Stocks	261.2	373.6	468.1	378.8	367.4
Alternative Investments	81.0	124.2	93.0	89.8	62.7
Split-Interest Agreements	22.8	27.3	27.2	21.9	18.6
<b>Total Investments</b>	<b>\$ 611.0</b>	<b>\$ 786.0</b>	<b>\$ 767.1</b>	<b>\$ 674.5</b>	<b>\$ 636.8</b>
<b>TOTAL ASSETS</b>	<b>\$ 827.0</b>	<b>\$ 828.8</b>	<b>\$ 804.5</b>	<b>\$ 709.2</b>	<b>\$ 674.7</b>

**ROTARY FOUNDATION LIABILITIES AND NET ASSETS**

Liabilities					
Accrued Program Awards	\$ 72.5	\$ 115.7	\$ 45.8	\$ 47.3	\$ 47.4
Accounts Payable and Accrued Expenses	19.8	21.4	20.7	24.5	24.4
Deferred Revenues <sup>4</sup>	172.8				
<b>Total Liabilities</b>	<b>\$ 265.1</b>	<b>\$ 137.1</b>	<b>\$ 66.5</b>	<b>\$ 71.8</b>	<b>\$ 71.8</b>
Net Assets <sup>5</sup>					
Annual Programs Fund	\$ 310.1	\$ 434.3	\$ 475.3	\$ 405.0	\$ 373.6
PolioPlus Fund	77.4	42.7	37.3	52.6	71.3
Permanent Fund	168.0	207.9	219.6	179.6	157.8
Temporarily Restricted Other	0.3	0.7	0.3	0.2	0.2
Unrestricted Other	6.1	6.1	5.5		
<b>Total Net Assets</b>	<b>\$ 561.9</b>	<b>\$ 691.7</b>	<b>\$ 738.0</b>	<b>\$ 637.4</b>	<b>\$ 602.9</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 827.0</b>	<b>\$ 828.8</b>	<b>\$ 804.5</b>	<b>\$ 709.2</b>	<b>\$ 674.7</b>

## Flow-Through Contributions

Matching Grants	\$ 15.1	\$ 18.5	\$ 14.5	\$ 13.6	\$ 10.1
PolioPlus Partners		4.4	1.6	1.2	1.2
Other Restricted Contributions	0.5	0.7	0.2	0.5	0.2
<b>TOTAL FLOW-THROUGH CONTRIBUTIONS</b>	<b>\$ 15.6</b>	<b>\$ 23.6</b>	<b>\$ 16.3</b>	<b>\$ 15.3</b>	<b>\$ 11.5</b>

<sup>1</sup> Flow-through contributions are not included. These funds pass through the Foundation for donor recognition, but are not reported as contributions in the financial statements.

<sup>2</sup> U.S. financial accounting standards require pension-related changes to be made when the fair value of retirement plan assets is less than the plan's accumulated benefit obligation. Rotary International allocated the effect of SFAS 158 to The Rotary Foundation, based on the Foundation's proportionate share of payroll expenses.

<sup>3</sup> Certain reclassifications have been made to balances for previous years to conform to the 2008-09 presentations.

<sup>4</sup> Deferred revenue is from the Bill & Melinda Gates Foundation supplemental grant agreement.

<sup>5</sup> Net assets are the difference between a company's total assets and its liabilities.

Information is taken from the audited financial statements.

# 1,188,782

Paul Harris Fellows,

# 11,416

Major Donors, and

# 238

Arch

C. Klumph Society

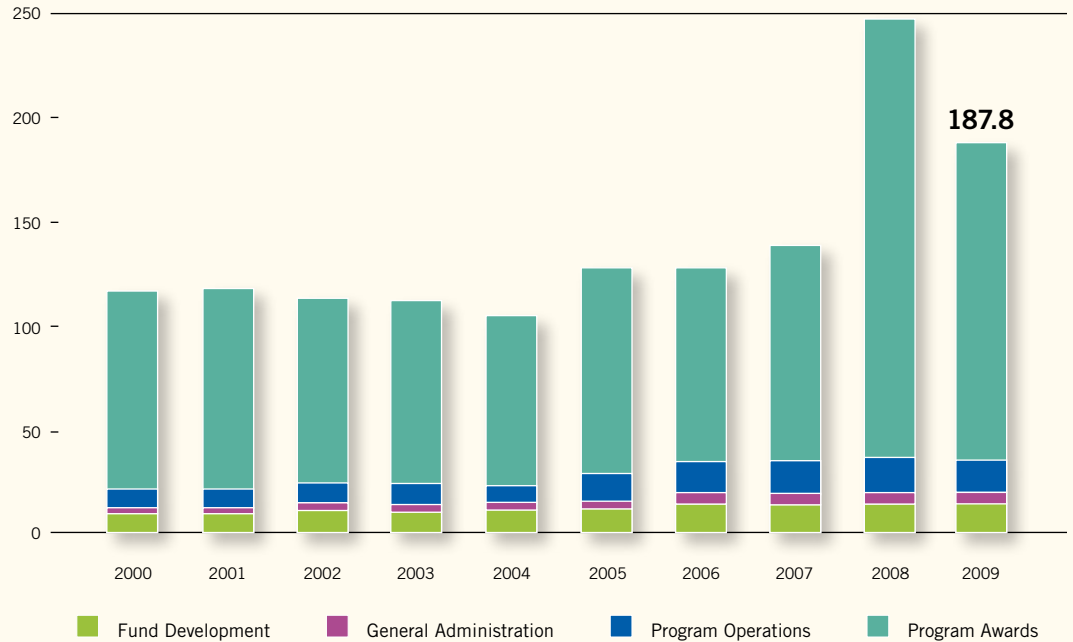
members supported

The Rotary Foundation

as of 30 June 2009.

### THE ROTARY FOUNDATION TOTAL AWARDS AND EXPENSES

US\$ (millions)



With an objective of

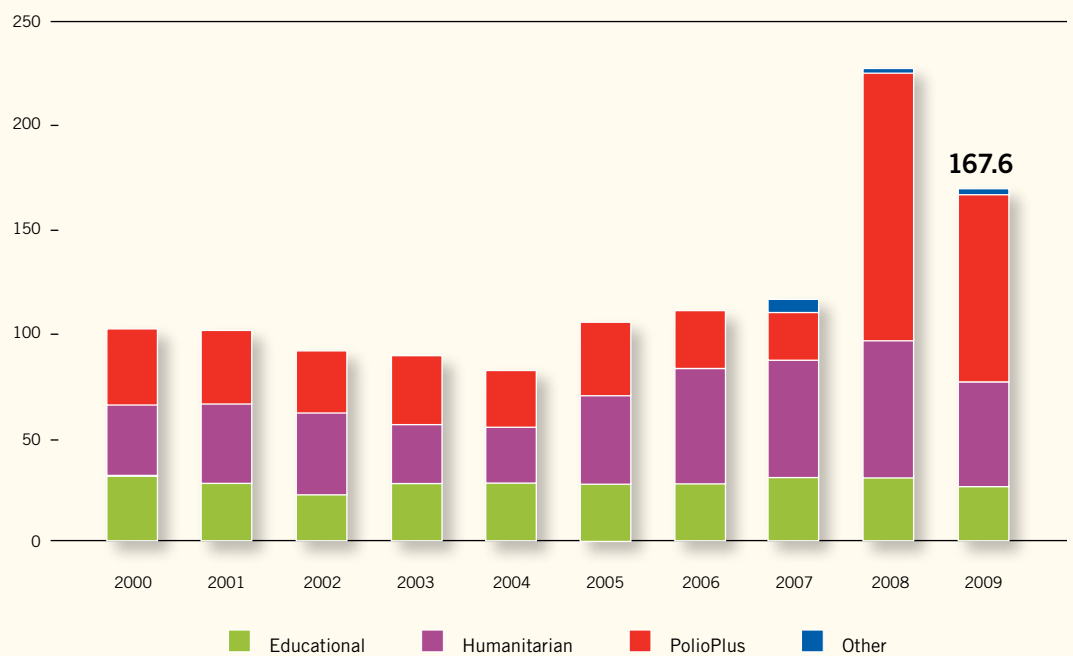
**100%**

transparency, Rotary maintains complete audited financial statements at

[www.rotary.org/financials](http://www.rotary.org/financials)

### TRENDS IN ROTARY FOUNDATION PROGRAM AWARDS AND PROGRAM OPERATIONS

US\$ (millions)





### 2008-09 Membership

**1,234,527** Rotarians worldwide

**534** Rotary districts

**33,790** Rotary clubs

**7,741** Rotaract clubs

**178,043** Rotaract members

**12,097** Interact clubs

**278,231** Interact members

**6,725** Rotary Community Corps

**154,675** RCC members

All figures as of 30 June 2009.

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### On the cover

Students at the Bujo Primary School in the Mpigi District of Uganda enjoy the lunch provided through a Rotary project supported by a Rotary Foundation Health, Hunger and Humanity Grant. The multifaceted project addresses vocational, educational, health, hunger, and economic development needs for nearly 4,000 villagers living in Kasamu-Kyali parish.

*Rotary Images/Alyce Henson*



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-  636 trees – enough to supply oxygen for 318 people each year
-  290,825 gallons of water – enough to take 16,908 eight-minute showers
-  201 million BTUs of energy – enough to power an average U.S. household for 807 days
-  60,385 pounds of carbon emissions – equal to the amount sequestered by 700 tree seedlings for 10 years
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