



## RI TREASURER'S REPORT TO THE CONVENTION

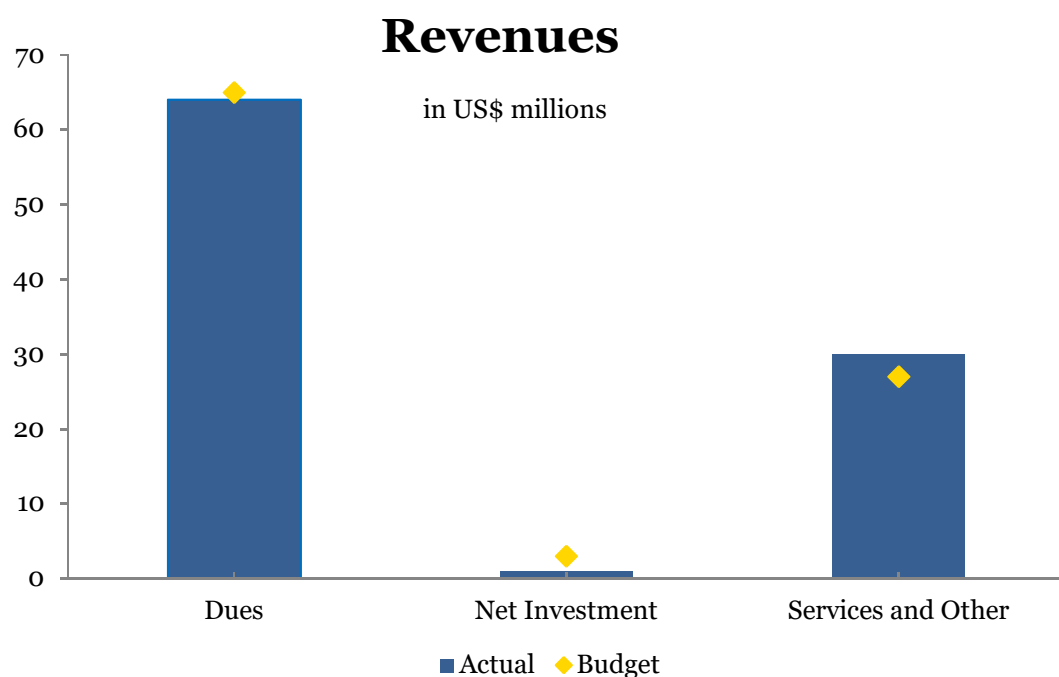
Hamburg, Germany  
June 2019

Dear Rotarian,

I would like to thank you for the opportunity to serve as Rotary International's treasurer for Rotary's 2018-19 year. It is my duty under our bylaws to provide you with a report on our organization's finances.

This report includes financial results for the 10 months ended 30 April 2019 and compares actual results to budget. Note that all values are in millions of U.S. dollars).

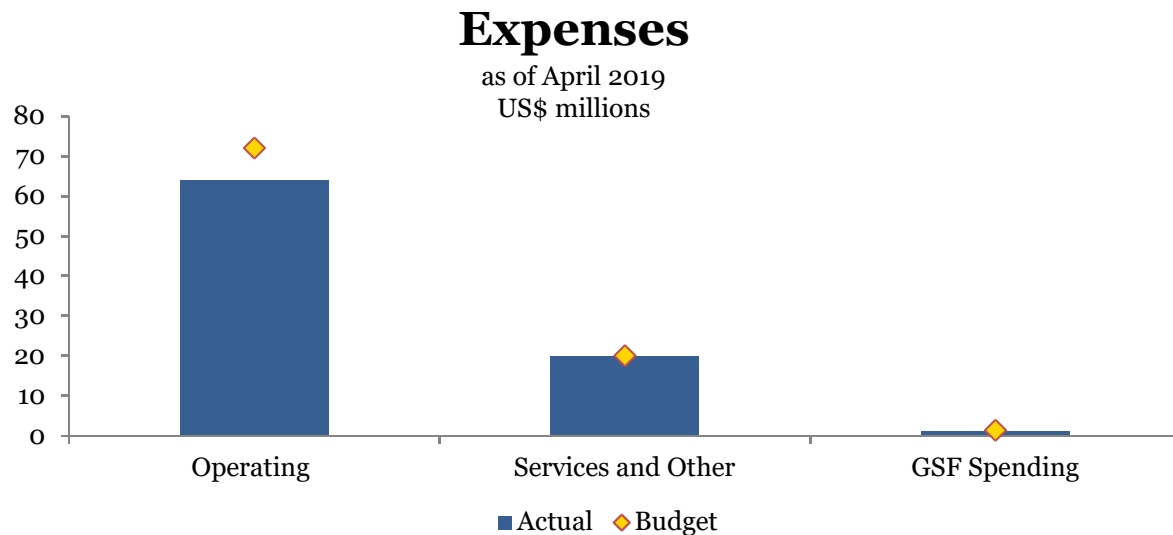
### RI financial performance for the 10 months through 30 April



For the 10 months ended 30 April, dues revenue was \$64 million. It is forecast to reach \$78 million by 30 June, which is lower than budget by \$0.8 million, because of lower than expected membership and lower chartering fees for Rotaract clubs. Membership levels fluctuate through the year but our average membership for the current year is less than expected.

This year, global financial markets have been very volatile. RI recorded losses in the first half of the Rotary year but is expecting some recovery through June 30. Net investment returns are \$0.8 million through April, which is unfavorable to budget by \$2 million.

The final element of RI’s revenue is generated from services and other activities, which are largely self-funding. For example, registration revenue for the convention covers the expenses of running the convention. This year we have exceeded our expected convention attendance of 17,000, with more than 24,000 paid registrants. This has resulted in significantly higher revenues than expected.



RI’s operating expenses for the 10 months ended 30 April are \$65 million, which is \$7.6 million less than budgeted. Some of this favorability, approximately \$7 million, is forecast to be permanent savings for the year. This relates to lower than expected travel expenses, consulting, unfilled positions, and lower postage costs. Some of the favorability is due to activities that have been deferred from 2019 to the next fiscal year, such as communications about the eradication of polio.

Expenses related to services and other activities are lower than expected through April, mainly because of the timing of convention expenses, Council on Legislation expenses, and lower One Rotary Center occupancy costs. However, the forecast for the full year is for expenses to be close to budget.

The five-year forecast indicates that RI reserves are healthy and sufficient to protect the organization from unpredictable situations.

### **Update on The Rotary Foundation**

The Rotary Foundation set a comprehensive fundraising goal of \$380 million by 30 June. Contributions of \$266 million for the 10 months ended 30 April include transfers from District Designated Funds. In addition, the Foundation's net investment returns of \$30 million through 30 April are \$6.2 million lower than budgeted.

The Foundation had program expenses of \$208 million through April, including \$99 million for PolioPlus. We thank our donors and members who carry out these projects for this important investment in communities all around the world.

### **Outlook and conclusion**

As I conclude my year as RI's treasurer, I look back at all that has been accomplished. Not only will we conclude 2018-19 in strong financial standing, but Rotary International and The Rotary Foundation are in a good position to invest in our future.

At the Council on Legislation in 2016, delegates approved a \$4 dues increase each year for three years beginning in 2017-18. We are coming to the end of the second year of these additional dues and have delivered many valuable projects to Rotarians. You have already begun to see the results of these investments through the improvements in My Rotary and the updated Learning Center.

We continue to fund what Rotarians have requested, developing membership initiatives to engage and retain members, building tools to communicate with future generations of Rotarians, and updating our systems to ensure that we are compliant with the laws of the countries where we operate. Rotary is well placed to remain the world's foremost membership and service organization, and to continue to drive service to its members.

Finally, I would like to thank my fellow RI Board members, the Finance Committee, and the Secretariat for their support. I have the greatest respect for my successor, David D. Stovall. I am confident that he will serve Rotary well as treasurer throughout 2019-20.

Peter Iblher  
2018-19 RI Treasurer