AGENDA

- Review sources of revenue
- Review results 2016 – present
- RI Five-Year Forecast 2020 - 2024
REVENUES 2019 BUDGET (US$ MILLIONS)

- Membership Dues: $79
- Investment Returns: $32
- Other Rotary Revenue: $3

Total: $114
INVESTMENT RETURNS

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Investment Return</th>
</tr>
</thead>
<tbody>
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<td>$12</td>
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<td>$(10)</td>
</tr>
<tr>
<td>FY19</td>
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RESULTS FROM 2016 TO PRESENT
CUMULATIVE FOUR YEAR RESULTS

Revenues 2016-2019
- Forecast: $410
- Actual: $419
- Favorable: $9 million

Expenses 2016-2019
- Forecast: $418
- Actual: $410
- Favorable: $8 million
2015 SURVEY RESULTS

90% of respondents wanted:
• Improved training
• Connecting clubs
• Planning resources
• Online tools
• Leadership development plans
• Social media training
INVESTMENTS MADE

• Rotary.org
• Rotary Club Central
• Rotary Learning Center
• People of Action Campaign
• Virtual Reality Strategy
• Financial Management System
EXPENSE REDUCTIONS

- Moved content to online delivery
- Implemented an Office of Investment
- Reorganized our regional focus and footprint
- Off-shored additional operations to India
RESERVES: FORECAST VERSUS ACTUALS

<table>
<thead>
<tr>
<th>Year</th>
<th>Forecast</th>
<th>Actual</th>
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<td>$94</td>
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<tr>
<td>2019</td>
<td>$99</td>
<td>$93</td>
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</table>

- **Reserve Balance**
- **Bylaw Target 85%**
- **Board Target**
RI FIVE YEAR FINANCIAL FORECAST
2020-2024
LOOKING FORWARD: ASSUMPTIONS 2020-2024

MEMBERSHIP: 1.2 million members
PER CAPITA DUES: FY2020 US$ 68
NET INVESTMENT RETURN: 3.75%
INFLATION: 3.00%
CAPITAL SPEND: US$ 59 million Cumulative
OPERATIONAL EFFICIENCY: reduce expenses 2.5% Cumulative
FORECAST WITH $0 ANNUAL DUES INCREASE 2021 - 2023

Deficit/Surplus

Reserves & Targets

FY18 FY19 FY20 FY21 FY22 FY23 FY24

Reserve Balance  Bylaw Target 85%  Board Target
FORECAST WITH $1 ANNUAL DUES INCREASE 2021 - 2023

Deficit/Surplus

Reserves & Targets

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
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</tbody>
</table>

- Reserve Balance
- Bylaw Target 85%
- Board Target
CLOSING THE GAP

- Review business process and procedures
- Move work to low cost jurisdictions
- Implement our financial system
- Change RI’s charitable status in the US
TOGETHER, WE
TRANSFORM

Rotary
PEOPLE OF ACTION