Good afternoon everyone. My name is Frederick Lin and I am the treasurer of Rotary International.

I would like to thank you for the opportunity to serve as Rotary International’s Treasurer for Rotary’s 2016 - 2017 year. It is my duty under our bylaws, to provide you with a report on our organization’s finances. Note that all values are in U.S. dollars.

RI Financial Performance for the 10 Months Through April 2017

For the ten months ended 30 April, dues revenue is as budgeted at $56.7 million year-to-date and on target to reach $69.0 million by June 30. This year global financial markets have been strong resulting in net investment returns that are $8.2 million year to date or nearly 3 times our expected results by the end of April.

Investment performance has been positive across all asset classes. While these markets are volatile and the final results may vary depending on global economic events, it appears that net investment return will be higher than budgeted and result in additional funds for Rotary International’s reserves.
The final element of Rotary International’s revenue is generated from Services and Other Activities which are largely designed to be self-funding. For example, registration revenue for the convention covers the expenses of running the convention. This year, The Rotary Foundation centennial year, we have exceeded our expected convention attendance by nearly 30%. This has resulted in significantly higher revenues that expected.

RI’s operating expenses for the period are $62.5 million, or $2.6 million less than budgeted. Some of this is forecasted to be permanent savings for the year.

Expenses related to Services and Other Activities are lower than expected through April, however, we are expected to be at or close to budget by year end.

RI’s reserve remains healthy and continues to protect the organization from unpredictable, situations. The reserve, also known as the General Surplus Fund ensures Rotary’s ability to carry out its mission and fund future strategic initiatives.

Membership

Our membership stood at just under 1,238,000 as of 30 April 2017. This represents growth of over 30,000 members from the 1 July start figure which is close to 1,208,000. While the growth appears impressive, it is important to note that each year during the May/June timeframe we experience a drop of 2 to 3% in our members as the clubs update their figures. Based on these historical trends, it is likely that membership figures will be similar or slightly higher than the 1 July start.
Update on The Rotary Foundation

This year, the centennial year, is a very important year for The Rotary Foundation. The Foundation set an ambitious goal of $300 million in contributions by 30 June. I am happy to say that we are on track to meet that target. Congratulations to the Trustees on that exciting accomplishment and many thanks to all the donors.

Similar to Rotary International, The Rotary Foundation has significantly higher year to date net investment returns through April. If these returns continue through year end, there will be sufficient funds to begin to replenish The Rotary Foundation Operating Reserve.

Outlook and Conclusion

As I conclude my year as Rotary International’s Treasurer, I look back fondly at all that has been accomplished. Not only will we conclude 2016 – 2017 in strong financial terms 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 3 years beginning in 2017 - 2018. This increase will be invested to strengthen the future of Rotary. You have already begun to see the results through the improvements in Rotary.org and Rotary Club Central.

Through your additional dues, we can fund what Rotarians have requested, further membership initiatives to support cultivation and retention of members, tools to communicate with future generations of Rotarians and updated systems to ensure we are globally compliant in the countries in which 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 Rotary Board members, the Finance Committees, and the Secretariat for their support. I have the greatest respect for my successor, RI Director Mikael Ahlberg. I am confident that he will serve Rotary well as treasurer throughout fiscal 2018.

Frederick Lin
2016-17 RI Treasurer

Note: Additional financial information for both Rotary International and The Rotary Foundation, including audited financial statements, annual reports, government filings, and a list of frequently asked questions, is available at My Rotary.