

THE ROTARY FOUNDATION FINANCIALS

What the Foundation received

Contributions

Rotarians' generous contributions to The Rotary Foundation increased over the prior year even with a difficult global economy.

The Annual Programs Fund (APF) received contributions of \$100.4 million, despite the recession and a shift in contributions from the APF to PolioPlus in response to Rotary's US\$200 Million Challenge. Six countries and geographical areas — Canada, Hong Kong, Japan, Korea, Taiwan, and the United States — exceeded the Every Rotarian, Every Year initiative's worldwide \$100 per capita goal.

Permanent Fund contributions of \$10.5 million decreased 9.5 percent from \$11.6 million in fiscal 2008-09.

PolioPlus received \$151.6 million in contributions to support the Global Polio Eradication Initiative, including \$110.0 million from the Gates Foundation.

Total contributions of \$268.5 million do not include \$16.6 million in flow-through funds received.

What the Foundation spent

Program spending

Program spending increased by \$37.3 million over the previous year, primarily due to an increase in PolioPlus program awards of \$30.3 million. In addition, spending on humanitarian programs increased by \$6.0 million, primarily due to an increase in the budget for fiscal 2009-10. Total program spending for fiscal 2009-10 was \$204.9 million, which included \$120.2 million of PolioPlus program awards and operations. Program awards of \$187.0 million were spent directly on humanitarian programs, polio eradication, educational programs, and other programs.

Fund development expenses were \$16.5 million for fiscal 2009-10. These expenses included personnel, services, communications, publications, public relations, supplies, computer support, legal counsel, and recognition items involved in raising contributions and acknowledging donors.

General administration expenses were \$5.2 million for fiscal 2009-10. These expenses included personnel, services, communications, computer support, supplies, legal counsel, audit fees, and services to the Trustees (administrative support, cost of meetings, travel) to manage the Foundation's assets. General administration expenses included travel-related expenses (airfare, hotel, and meals) of \$579,200 for the Trustees. These travel expenses are incurred to promote the Foundation's programs, to raise contributions and awareness for the Foundation, and to attend the International Assembly, RI Convention, Trustees meetings, and Rotary institutes.

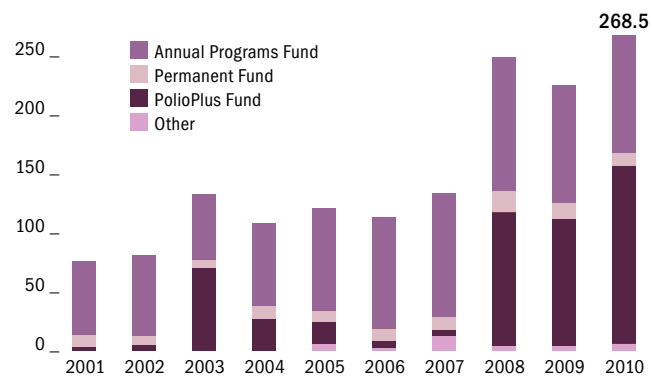
Over the past 10 years, 88 percent of the Foundation's total spending was for programs, which compares favorably with the minimum industry standard of 65 percent.

Foundation net assets

The Foundation's net assets increased by \$95.6 million over the previous year, primarily due to realized and unrealized investment gains.

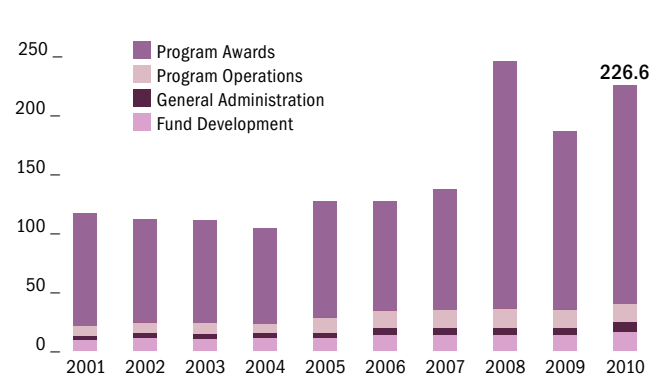
Contributions to The Rotary Foundation

US\$ (millions)



Program Awards, Operations, and Expenses

US\$ (millions)



The Rotary Foundation of Rotary International Fiscal Year Financial Results

US\$ (millions)

	2009-10	2008-09	2007-08	2006-07	2005-06
REVENUES					
Contributions¹					
Annual Programs Fund	\$ 100.4	\$ 99.3	\$ 114.8	\$ 102.8	\$ 92.6
Permanent Fund	10.5	11.6	13.9	13.3	12.1
PolioPlus Fund	151.6	109.7	114.1	3.1	5.6
Temporarily Restricted Other	2.4	1.1	0.5	0.3	1.6
Unrestricted Other	3.6	2.1	2.4	13.5	
Total Contributions	\$ 268.5	\$ 223.8	\$ 245.7	\$ 133.0	\$ 111.9
Investment Income					
Annual Programs Fund	\$ 36.9	\$ (106.2)	\$ (30.4)	\$ 70.7	\$ 34.5
Permanent Fund	15.2	(59.3)	(18.5)	31.8	14.6
PolioPlus Fund	1.8	2.1	4.7	2.4	1.1
Other Programs	0.4	(0.5)	(0.1)	0.9	
Total Investment Income (Loss)	\$ 54.3	\$ (163.9)	\$ (44.3)	\$ 105.8	\$ 50.2
TOTAL REVENUES	\$ 322.8	\$ 59.9	\$ 201.4	\$ 238.8	\$ 162.1
PROGRAM AWARDS, OPERATIONS, AND EXPENSES					
Program Awards					
Humanitarian Grants Program	\$ 44.2	\$ 38.2	\$ 56.7	\$ 44.8	\$ 44.3
Educational Programs	23.5	22.0	23.4	23.3	21.9
PolioPlus Program	118.1	87.8	126.7	23.7	24.9
Other Programs	1.2	1.0	1.2	8.4	
Total Program Awards	\$ 187.0	\$ 149.0	\$ 208.0	\$ 100.2	\$ 91.1
Program Operations					
Humanitarian Grants Program	\$ 7.5	\$ 9.4	\$ 10.2	\$ 9.6	\$ 8.7
Educational Programs	5.9	6.6	7.1	6.7	6.1
PolioPlus Program	2.1	2.2	2.1	2.3	2.1
Other Programs	2.4	0.4	0.1		
Total Program Operations	\$ 17.9	\$ 18.6	\$ 19.5	\$ 18.6	\$ 16.9
Total Program Awards and Operations	\$ 204.9	\$ 167.6	\$ 227.5	\$ 118.8	\$ 108.0
Operating Expenses					
Fund Development	\$ 16.5	\$ 14.5	\$ 13.6	\$ 12.6	\$ 13.7
General Administration	5.2	5.7	6.3	6.3	6.6
Total Operating Expenses	\$ 21.7	\$ 20.2	\$ 19.9	\$ 18.9	\$ 20.3
TOTAL PROGRAM AWARDS, OPERATIONS, AND EXPENSES	\$ 226.6	\$ 187.8	\$ 247.4	\$ 137.7	\$ 128.3
Pension-related changes ²	\$ (0.6)	\$ (1.9)	\$ (0.3)	\$ (0.5)	\$ 0.7
INCREASE (DECREASE) IN FOUNDATION NET ASSETS	\$ 95.6	\$ (129.8)	\$ (46.3)	\$ 100.6	\$ 34.5

	2009-10	2008-09	2007-08	2006-07	2005-06
ROTARY FOUNDATION ASSETS³					
Cash, Pledges, and Other Assets	\$ 59.9	\$ 43.2	\$ 42.8	\$ 37.4	\$ 34.7
Investments					
Invested Cash and Short-Term Investments	\$ 16.3	\$ 19.7	\$ 16.7	\$ 28.8	\$ 24.2
Bonds	268.6	226.3	234.2	150.0	159.8
Stocks	283.2	261.2	383.6	468.1	378.8
Alternative Investments	78.9	81.0	124.2	93.0	89.8
Split-Interest Agreements	24.4	22.8	27.3	27.2	21.9
Total Investments	\$ 671.4	\$ 611.0	\$ 786.0	\$ 767.1	\$ 674.5
TOTAL ASSETS	\$ 731.3	\$ 654.2	\$ 828.8	\$ 804.5	\$ 709.2
ROTARY FOUNDATION LIABILITIES AND NET ASSETS					
Liabilities					
Accrued Program Awards	\$ 51.5	\$ 72.5	\$ 115.7	\$ 45.8	\$ 47.3
Accounts Payable and Accrued Expenses	22.3	19.8	21.4	20.7	24.5
Total Liabilities	\$ 73.8	\$ 92.3	\$ 137.1	\$ 66.5	\$ 71.8
Net Assets⁴					
Annual Programs Fund	\$ 329.1	\$ 310.1	\$ 434.3	\$ 475.3	\$ 405.0
PolioPlus Fund	130.0	77.4	42.7	37.3	52.6
Permanent Fund	187.2	168.0	207.9	219.6	179.6
Temporarily Restricted Other	2.1	0.3	0.7	0.3	0.2
Unrestricted Other	9.1	6.1	6.1	5.5	
Total Net Assets	\$ 657.5	\$ 561.9	\$ 691.7	\$ 738.0	\$ 637.4
TOTAL LIABILITIES AND NET ASSETS	\$ 731.3	\$ 654.2	\$ 828.8	\$ 804.5	\$ 709.2
Flow-Through Funds Received					
Matching Grants	\$ 16.1	\$ 15.1	\$ 18.5	\$ 14.5	\$ 13.6
PolioPlus Partners			4.4	1.6	1.2
Other Restricted	0.5	0.5	0.7	0.2	0.5
TOTAL FLOW-THROUGH FUNDS RECEIVED	\$ 16.6	\$ 15.6	\$ 23.6	\$ 16.3	\$ 15.3

1 Flow-through funds are not included. These funds pass through the Foundation for donor recognition but are not reported as contributions in the financial statements in accordance with U.S. accounting standards.

2 U.S. accounting standards require pension-related changes to be made when the fair value of retirement plan assets are not equal to the plan's projected benefit obligation. Rotary International allocated the effect of ASC 715 to The Rotary Foundation, based on the Foundation's proportionate share of payroll expenses.

3 Certain reclassifications have been made to balances for previous years to conform to the 2009-10 presentations.

4 Net assets are the difference between a company's total assets and its liabilities.