



REI INC. ANNUAL REPORT 2015



Dear REI Stakeholders,

Although Resource Exchange International (REI) was birthed in 1990, it was not until early 2010 that REI leaders concluded it was past time to give REI a total makeover. That decision took us on a six-year journey that can be summarized in three phases:

Clarifying our Calling (2010-2011)

During these years REI *modified* its existing Mission Statement and created a Vision Statement. Simply defined, “vision” is a captivating and compelling picture of a preferable and achievable future. In July 2011 our worldwide staff gathered at the first REI Global Forum, achieved near-universal buy-in to the Mission and Vision statements, and agreed on a statement of Beliefs and Values around which REI would build an organization committed to sustainable development—the development of human resources in the emerging world. Whereas a mission statement is about the organization’s task, a vision statement should be about the beneficiaries of the organization’s work. REI envisioned “*skilled, knowledgeable, and noble-hearted men and women in every sector of a nation investing their lives in others to build their nation and inspire hope for future generations.*” I will never forget the words of the deputy director of the brand new, state-of-the-art National Children’s Hospital in Vientiane, Laos in 2012. “*We have been handed a beautiful new hospital. We need REI to help us equip our staff to be worthy of such a place!*” He understands REI. That is exactly what we have in mind!

Realigning our Programs (2012-2013)

Naturally, when an organization “re-visions,” fallout is anticipated. Entering the realignment process we knew there were programs and people that would not fit within the new paradigm. Difficult decisions were made. We closed the REI work in three *countries*, closed a few *programs* in countries that remained open, and released a number of *REI staff* that did not fully embrace the new REI ethos. Today, new staff are recruited, and new programs and new *countries* are opened under stringent alignment guidelines. If all goes according to plan, REI will open a new medical training program in Nepal in 2017—the first new REI country to be opened since Laos in 2007. Our future is beginning to look suddenly brighter!

Funding our Future (2014-present)

In 2013 REI launched an Advancement Department, and 2015 was the best financial year in REI’s history. Through the combination of effective cost-cutting measures and the generosity of its donors, REI has begun to rebuild its reserves for the first time since 2008! We have seen a shift in donors’ perceptions about unrestricted giving in support of a nonprofit’s infrastructure. In an article that appeared in the *Stanford Social Innovation Review* the *Review* stated, “Unrestricted money makes an organization work smoothly, enables innovation, and provides fuel for growth. It unlocks potential and allows people to get down to business and do what they’re best at.” Although that was written in 2011, we in the nonprofit sector still find that such gifts are essential for *maintaining momentum and building a foundation* for future growth. We are indebted to the growing number of passionate donors who are helping REI fulfill its vision by building a *sustainable* financial foundation that will enable the strategic work of REI to flourish.

Your financial help is vital to the hundreds of beneficiaries of REI’s work—like the deputy director mentioned above—who plead with us to help *build their people*, so they can *build their nation*. With many more invitations to provide capacity-building assistance than we can currently accept, REI cannot continue to meet these critical needs, and respond to new ones without the participation of existing and new financial partners.

Please consider a generous gift to Resource Exchange International, and partner with us to fulfill the REI vision for the emerging world by “*building people to build nations.*”

“Unrestricted money makes an organization work smoothly, enables innovation, and provides fuel for growth. It unlocks potential and allows people to get down to business and do what they’re best at.”

- The Stanford Social Innovation Review

Gratefully Yours,



Roderick Beidler
President & CEO





About REI Inc.

Mission - To engage, encourage, equip, and empower people in emerging nations to strengthen the strategic sectors of their countries.

Vision - Skilled, knowledgeable and noble-hearted men and women in every sector of a nation investing their lives in others to build their nation and inspire hope for future generations.

Values - Who we are as persons is at the core of what we do as professionals — People are a nation's most valuable resource — Focused, intentional development through relevant, authentic education and training by gifted, qualified, and compassionate professionals builds capacity, creates opportunity, and strengthens individuals, families, communities, and nations in their strategic sectors — Enduring personal relationships are vital to the success of our work, thus, we work in partnership with individuals in positions that can effect long-term outcomes — Learning from the people we serve, just as they learn from us, is at the heart of “exchange.”

The Demand - REI's services are increasing in demand due to the expertise of our resident staff and short-term teams of doctors, businessmen, educators, agriculturalists, and other specialists. REI plays a unique role in building human capacity among the professional class of the emerging world—those positioned to bring real and lasting transformation to their countries through transformational leadership.

History - REI is in the business of “building people to build nations.” Since 1990, REI has sent skilled and credentialed professionals, and a staff of servant leaders, to broker field-driven programs in Bulgaria, China, Croatia, Cuba, Djibouti, Egypt, Indonesia, Kazakhstan, Kyrgyzstan, Laos, Morocco, Russia, United Arab Emirates, Uzbekistan, and Vietnam. The programs in Djibouti, Egypt, Indonesia, Laos, and Vietnam are still active. In each nation we equip and empower people to strengthen their nations and improve their quality of life. We provide education and training, develop skills, and build human capacity. It achieves sustainability by building future generations and expanding opportunities. We eradicate poverty—not just material poverty, but poverty of education, poverty of opportunity, poverty of health, and poverty of soul—the poverty of individuals, families, communities, and nations.

To learn more about our work in partner countries, please visit us at: www.ResourceExchangeInternational.com

Volunteer With Us - We invite professionals (in many fields!) to serve overseas with us. If your goals for humanitarian development match ours, we would love to have you come with us! Join us for a short-term trip (1-4 weeks) in one of the five countries where we serve. You will be led and coached by REI staff, both Americans and nationals, and will have the opportunity to contribute your time and skills to develop eager nationals who desire to grow and learn alongside you. This is a life-changing opportunity for both you and the nationals we serve.



Focus on Vietnam - 2015

Although it might at first sound unusual to label the 23rd year of REI's work in Vietnam "Our Preparatory Year," in many important ways this title captures the overall tone of 2015 for us. Whether we are speaking of our resident professionals, our non-resident professionals, or our Vietnamese colleagues, new relationships and initiatives were begun in 2015 that hold much promise for the future.

In the medical sector, our ENT specialists began to rotate through geographical areas of concentration, with 2015 focused on Hanoi, and 2016 dedicated to Ho Chi Minh City (HCMC). REI's dental specialists deepened their ties in Hanoi while simultaneously opening the door to a critical new partner in HCMC. Our team of nurse educators concentrated on "Patient Safety" through major seminars in both the northern and southern regions, while one nursing specialist saw a critical advancement in the field of neo-natal ICU care. Urology became our 22nd area of medical specialization in Vietnam, with the foundation laid for further expansion in the near future. This year, REI and our volunteer ENT surgeons received honors from the People's Committee of HCMC.

Meanwhile our community health training program began to creatively blend elements of epidemiology with social work and witnessed an enthusiastic response to their efforts. The Tea Talk socio educational coffee shop and training center received national recognition when the Singaporean Ambassador to Vietnam was a featured speaker at a Tea Talk Benefit gala. Tea Talk's non-profit division expanded its social services training and educational seminars. Our resident community Team Leader joined the Tea Talk network to launch 'Tea Talk English' training, while our two newest English teachers began teaching at a branch of the National University, and at a provincial technical university.

Our summer student exchange program was hosted by a national university in Hanoi for the fourth consecutive year under the co-leadership of our staff linguistic and English-teaching specialists.

Our business educators expanded their contributions in both Hanoi and HCMC to new universities while connecting with our major sponsoring university to plan the next generation of coursework for an honors program. Doors continue to open and opportunities multiply for these professionals.

Finally, REI received two national awards from the Vietnamese government during 2015. First, the Vietnam Union of Friendship Organizations honored social worker and Tea Talk advisor, Mr. Michael Ong, for his outstanding service to Vietnam. Later in the year, REI was honored organizationally by this same government agency for the impact of its service in Vietnam since 1992. We believe these honors are a reflection of Vietnam's appreciation for what REI does, and affirms our significant and lasting contribution to the building up of Vietnam. Happily, that is precisely what is happening to this day.

"The Tea Talk socio-educational coffee shop and training center received national recognition when the Singaporean Ambassador to Vietnam was a featured speaker at a Tea Talk Benefit Gala."

Country Summaries

VIETNAM

REI has served in Vietnam since 1992, making it our longest-running program. Since its beginning, more than 450 professionals from nine nations have served with REI-Vietnam, including 26 staff members who have lived in Hanoi for one or more years. During this same time-frame, 96 Vietnamese professionals have been brought to the United States as “REI Fellows” for observational training fellowships. Our REI staff professionals serve in the fields of English Education, Teacher Training, Medicine, Social Work, Agronomy & Veterinary Sciences, and Business. The single factor that links our projects and staff together is our unwavering commitment to invest in Vietnamese professionals and future leaders by emphasizing professional excellence within an environment of deepening interpersonal relationships.

EGYPT

REI provides staff for two unrelated programs in Egypt. The first is the “Lydia Education Center,” a small training facility just outside Cairo that educates families in health practices that have not been customary in Egypt in recent history, including health and nutrition for expectant mothers, natural childbirth, breastfeeding, and well-baby care. The center, conceived of and staffed by a single REI staff member, draws mainly on the expertise of volunteer Egyptian OB-GYN and pediatric specialists to provide the training. “Doulas,” women specifically trained to assist midwives in the natural delivery of babies, are also trained at the center. The second initiative is in collaboration with an Egyptian organization that provides a broad array of training for businesses, educational institutions, and government entities. The REI staff member’s primary contribution is training in “Conflict Transformation,” with much-needed applications in interpersonal, intercultural, and interagency relationships.

INDONESIA

Founded in 2011, the SunREI dehydrated fruits enterprise continues to grow, and is raising capital to expand production facilities to a second rural village. Product quality has improved significantly, and the SunREI marketing team continues to seek out new markets. The biggest issue facing SunREI is a new law that required that expatriate-owned agriculture, agronomy, or horticulture businesses be 70% Indonesian-owned by the end of 2015. We have worked with legal counsel in both the U.S. and Indonesia to chart a path toward a greater percentage of local ownership. SunREI currently has 90% foreign ownership.

LAOS

Established in 2007, the REI work in Laos consists of seven staff members and their families, along with several visiting professionals, who focus on the training and development of hospital staff at two major hospitals that share the same campus in Vientiane. At these two hospitals REI is building professional capacity in: clinical pediatrics, pediatric intensive care, general and pediatric surgery, general and medical English, executive leadership and management, and, more specifically at one of the hospitals, hospital management and administration. An informal request from the Ministry of Health, that REI provide a trainer who can help train Lao English teachers at the University of Health Sciences (the only medical school in the country), was under consideration in 2015.

DJIBOUTI

REI has been working with the Djiboutian government to promote and provide English language programs for the last ten years. In 2014 and 2015 REI consultants completed the 12th grade curriculum for the country, and opened a new English program at the Institute for Diplomatic Studies. In 2015 REI-Djibouti began to investigate the possibility of establishing a K-12 school in Djibouti City. The mission of the school would be twofold: (1) to prepare prospective Djiboutian teachers and administrators to teach and lead in the development of an English-based curriculum for the country, and (2) to provide a limited number of students in Djibouti a high caliber, English-based K-12 education that focuses on discovery, creativity, and problem-solving in order to develop noble-hearted, global citizens.

KAZAKHSTAN

In 2015 REI successfully wrapped up its direct involvement in Kazakhstan. From its beginnings in 1994, REI staff members have led a community development initiative which provided micro-loans and small business training in rural villages, and created and provided oversight to a Kazakh nonprofit organization in order to expand the contribution of REI staff to include the teaching of Kazakh, Russian, English, and Human Resource Development. The Kazakhstan initiative has been turned over to Kazakhstanians who continue to “build people to build their nation,” with occasional oversight by a former REI staff member who travels to the region.



2016 Initiatives to Build People to Build Nations

SunREI Project - After some 10 years of perfecting dehydration technology with materials that are readily available in villages in East Java, the REI team is ready to take the SunREI project to the next level by constructing a facility that will serve as the SunREI Food Products headquarters, and as a dehydrated fruit production training facility. The project prioritizes employee development so that marketable skills can be honed, and leaders can emerge to carry on the company's vision for replicating the small production facilities. By expanding into other dehydrated fruit products, village production facilities can be kept running on a year-round basis, providing long-term jobs for hundreds of working poor.

Lydia Project - After laying the groundwork in 2015, in 2016 the "Lydia Family Center" near Cairo, Egypt will pursue a full schedule of prenatal nutrition, pregnancy exercise and labor, natural childbirth, and breastfeeding classes for mothers-to-be. Dads-to-be will learn how to change diapers and wash their babies. The Center will also provide a well-baby clinic, baby weigh-in, pregnancy and newborn photographs, "Mommy and Me" classes for young mothers and their youngsters, along with Arabic literacy classes and micro-business training.

International School of Djibouti (ISD) - Although the President of Djibouti has called for the "Anglicization" of the K-12 public school system in order to stimulate economic development, the University of Djibouti does not have an education major. To address this need, in partnership with the newly formed Djiboutian nonprofit organization, "ISD Association," REI will take the lead role in launching ISD in the fall of 2016 with grades K and 1/2. In addition to providing high-quality education for students, a significant number of Djiboutians will work with the school. REI will recruit graduates from the University of Djibouti's English program to serve as teaching assistants and administrative interns at ISD, with the aim of training them to become effective teachers and school administrators within the Djiboutian elementary and secondary school system.

Laos - Blood-borne bacterial infections can quickly turn deadly—and more quickly in newborns or children with compromised immune systems. A delay in obtaining clear diagnoses can spell the difference between life and death. Only one hospital in Vientiane, Laos has the ability to perform tests for blood pathogens. Others must either send specimens to that hospital for testing, or attempt trial and error diagnosis through the use of various antibiotics to see if the infection can be halted. REI's desire is to help Lao Children's Hospital establish a small microbiology unit in its laboratory, including the provision of necessary equipment and supplies, and training in its use.

Vietnam - Already well-known for their popular and successful management seminars at several universities in Vietnam, the REI traveling business teams will begin to offer an advanced certificate program for business majors at Hanoi University (HANU). In collaboration with HANU leaders, approximately 25 top students will be selected for the program which will offer advanced seminars and workshops, personal mentoring, and 1-2 scholarships per year to participate in the REI Fellows program.

REI Builders - In 2015 REI Launched the "REI Builder's Initiative" to recruit 60 new "builders" to become sustaining donors to REI's Annual Fund, which the Wall Street Journal once called the "lifeblood" of a non-profit organization. In 2016 REI will continue its "drive for 60" in pursuit of its annual goal of \$180,000 in unrestricted funding.

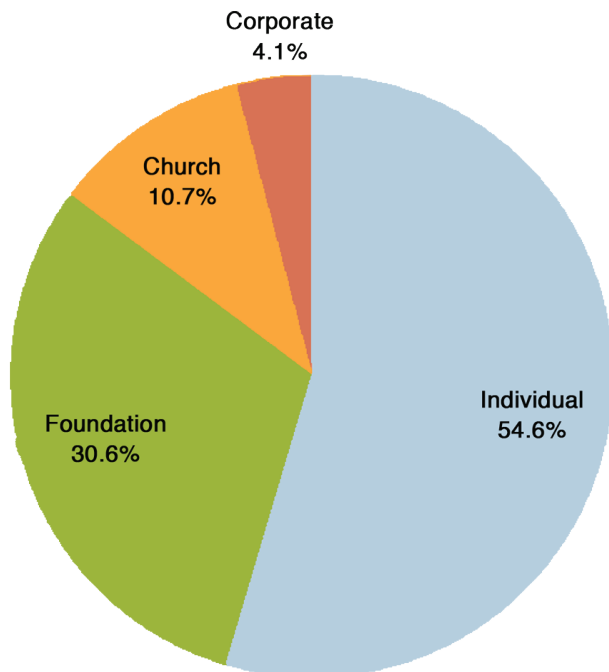


CHARITY NAVIGATOR
Your Guide To Intelligent Giving

2015 Financials

RESOURCE EXCHANGE INTERNATIONAL, INC. STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily restricted	Total
Support and revenue			
Contributions	\$ 311,526	\$ 726,999	\$ 1,038,525
Non-cash contributions			
Gifts in kind	-	9,950	9,950
Contributed services	-	1,012,204	1,012,204
Interagency support	12,462	-	12,462
Investment income	1,048	-	1,048
Other income	2,700	-	2,700
Change in beneficial interest	(626)	-	(626)
	327,110	1,749,153	2,076,263
Net assets released from restrictions			
Program	1,603,431	(1,603,431)	-
Total support and revenue	1,930,541	145,722	2,076,263
Expense			
Program	1,389,580	-	1,389,580
Support			
Management and general	330,295	-	330,295
Fundraising	209,529	-	209,529
Total support	539,824	-	539,824
Total expense	1,929,404	-	1,929,404
Change in net assets	1,137	145,722	146,859
Beginning net assets	203,341	193,796	397,137
Ending net assets	\$ 204,478	\$ 339,518	\$ 543,996



RESOURCE EXCHANGE INTERNATIONAL, INC. STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

ASSETS		
	2015	2014
Cash and cash equivalents	\$ 294,852	\$ 234,389
Interest in net assets of New Horizons Foundation, Inc.	27,995	28,621
Investments	105,990	110,566
Pledges and other receivables	121,624	18,983
Inventory	-	4,286
Prepaid expense	10,366	3,990
Deposits	3,500	3,500
Furniture and equipment, net	-	451
Total assets	\$ 564,327	\$ 404,786
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 7,596	\$ 169
Rent payable	6,800	7,480
Accrued expense	5,935	-
Total liabilities	20,331	7,649
Net assets		
Unrestricted		
Undesignated	204,478	202,890
Equity in furniture and equipment	-	451
Total unrestricted net assets	204,478	203,341
Temporarily restricted	339,518	193,796
Total net assets	543,996	397,137
Total liabilities and net assets	\$ 564,327	\$ 404,786

2015 Giving to REI

"Human resources are the single resource in the world that continues to increase in supply. Therefore, an investment in human resources has a compounding effect on an ever-increasing resource, and yields long-term dividends in terms of human capital."

-Roderick Beidler, REI President & CEO



Our global impact and financial standing are true measures of our most valuable, intangible asset of all—people.



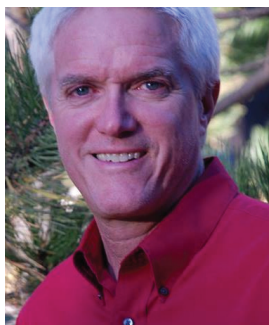
Priscilla Sparks
Chairman, Board of Directors

Priscilla has been in and around REI for over 23 years, and currently serves as the Chairman of the Board of Directors. She was drawn to REI's vision of building people so that they may, in turn, build their country. Priscilla taught informally for many years, and now enjoys being involved in the lives of her two married children and grandchildren, and driving her ATV in the back roads of the Rocky Mountains.



Roderick Beidler
President & CEO

Roderick was first attracted to REI because of REI's authentic and sustainable approach to development as a means to help improve the quality of human life in emerging nations. He appreciates that REI's work is also relational, creating an opportunity for long-term relationships. As President and CEO of REI, his passion is to cast vision, build teams, and grow and develop REI into an organization that makes a lasting difference in the lives, families, communities, and nations of the people among whom REI works. He brings 35 years of experience in nonprofit leadership to REI.



Jay Smidt
CFO

Jay joined the REI team as the Director of Operations in the spring of 2014. His role includes four distinct functions – Chief Financial Officer, Director of Administration, Corporate Treasurer and Corporate Secretary. Jay has a BA in Business Administration from Dordt College and brings to his roles over 30 years of non-profit leadership experience, specializing in both finance and human resources. Jay has lived in the Colorado Springs area for a majority of his life and enjoys the Colorado Rocky Mountains and simply being outdoors with his wife and two sons.



Anna Parrish
Vice President for Advancement

Anna graduated from Appalachian State University with a degree in Communications/Public Relations. After graduating, she worked for a U.S. Congressman in Virginia as a press assistant. After ten months of serving in this role, she transitioned into fundraising for the candidate's district and statewide efforts. Her experience with campaign fundraising confirmed her desire to pursue fundraising as a career and after her candidate's successful re-election, Anna turned her focus to fundraising in the nonprofit sector. In August of 2013, Anna became the VP for Advancement of Resource Exchange International. Anna feels very fortunate to have found a place and position with REI.

For more information, find us online at REIinc.org or follow us on Facebook & Twitter
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