

ANNUAL REPORT





Dear REI Stakeholders,

If you have been around REI for a while, you have heard the story.... Born in 1990, Resource Exchange International (REI) began to “toddle” in April 1992, shortly after receiving its official non-profit status from the IRS. That spring several survey teams deployed to East and Southeast Asia. Few of us had heard of REI, but one of us dared to ask team leader Doug Sparks, **“What is REI?”** to which Doug replied, **“It’s whatever we make it to be!”** And “make it” we did! April 2017 marked REI’s 25th anniversary, and how we have learned and grown in those 25 years!

Our approach was simple in 1992. Whereas many organizations came with their six-shooters loaded with silver bullets from the west, REI in its naiveté, came with a question: “What do you need? How can we help you?” At first we had no idea what to expect when we asked that question of government and institutional leaders, but we learned quickly. Their first response was always “Money!” We had no money, so our answer was always, **“We don’t send money. We send people,”** which left them puzzled. While all the others brought money, we only brought people. When the puzzled look disappeared from their faces, the conversation would move on to how we could help them in the area of human resource development. Twenty-five years later we still lead with that simple question; the only difference being that now we tell them up-front that REI is a human resource development organization.

It was in those early months that the idea of human resource development, or human capacity-building, took root in the hearts of REI’s leaders. Out of that came REI’s inspirational tagline, **“Building People to Build Nations.”** To this day, a full generation later, new government and institutional leaders – some of whom REI has trained – continue to be captivated by this vision of human capacity-building. I cannot count how many times one of those leaders has put a finger on the REI logo on my shirt and said, “Building people to build nations. I love it! That’s what we need.”

I recently received a report from one of our field leaders that begins with these words: **“2016 was a successful, and even honoring, year. Our services are being requested by more leaders than ever; more people are attending our (training) activities than ever; and we have reenlisted more volunteers to return with us than ever.”** Much of that same refrain could be repeated in virtually every nation in which we work. Notice how many times the word “leader” is used in the above paragraphs. Our leaders; their leaders. Nation-building is an exciting, hands-on, leader-to-leader value proposition built on mutual respect and trust.

Remember how we said, “We don’t send money. We send people?” Well, one of the things we have learned in 25 years is that it takes money to send people! Your contributions to REI in 2016 helped strengthen the work of REI in Djibouti, Egypt, Indonesia, Laos, and Vietnam – and soon in Nepal where REI has birthed a “provisional” program – and improved the knowledge, the skills, and the quality of scores of lives in every country! **I cannot stress enough how grateful we are for you, our donors!** My hope and prayer is that you will join us in 2017 as we launch into the next 25 years!

Gratefully Yours,

A handwritten signature in blue ink that reads "Roderick Beidler".

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.

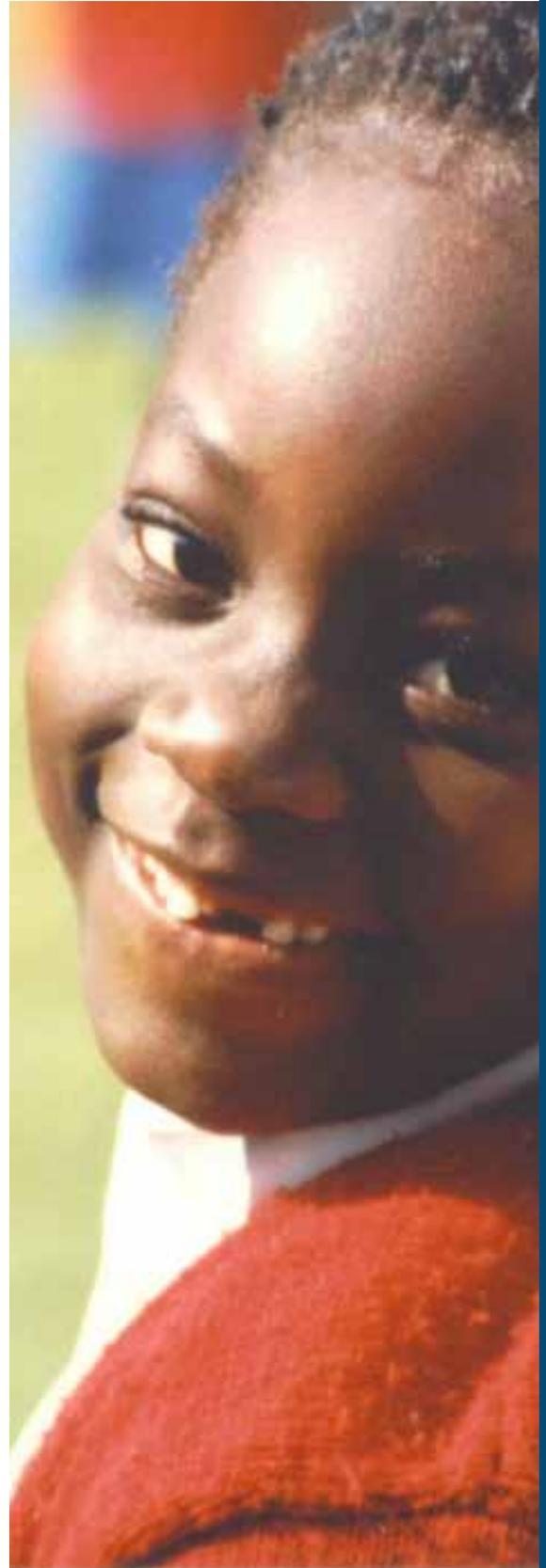
VALUES – Who we are as persons is at the core of what we do as professionals — People are a nation’s most valuable resource — Focused, intentional development through relevant, authentic education and training by gifted, qualified, and compassionate professionals builds capacity, creates opportunity, 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 Laos

Laos is formally known as the Lao Peoples' Democratic Republic, the Lao PDR, or simply "Lao." The country is Lao, the people are Lao, the language is Lao, and the national drink is Beerlao. If you prefer something more potent, the rice whiskey is called Lao-Lao. It has the color of a fine bourbon, but a kick like kerosene – or so we are told.

Lao is landlocked by China to the north, Vietnam to the east, Thailand and Cambodia to the south, and Myanmar to the west. It is one of the world's last countries governed by a Communist Party, along with China, Cuba, North Korea, and Vietnam. But apart from an occasional Communist Party flag flying over the entry-way of a business owned by a party member, or over government buildings, today one notices little difference between Lao and most of its neighboring non-Communist countries. And its 7,000,000 people are extraordinarily friendly and hospitable!

In April 2005 a 5-man REI team entered Lao without a single in-country contact, and without a translator, but with a simple plan for surveying a new country for a possible REI program. While very few understood English in 2005, the team asked that now-familiar question, "How can we help?" They sought out opportunities to help in the fields of agriculture, English education, and medicine. Agriculture and English struck out, but the medical team struck gold in the person of "Dr. P", deputy director of a large general hospital on the northern edge of the capital city of Vientiane. "Dr. P" invited the medical team to return the next day to speak with the hospital director, "Dr. E." Between them, they were able to communicate well enough in English to understand the team's interest in "building the Lao people to build the Lao nation." They extended an invitation to return the next spring to meet with the Lao Minister of Health. In 2006 the Minister pled with REI to help the Lao children by training doctors and nurses in the pediatric department of "Dr. E's" general hospital. With one of the world's highest infant and maternal mortality rates, the nation's priority was, and remains, the health of its mothers and children.

From that unlikely beginning, in 2016 the Lao Ministry of Health hosted six resident REI couples who regularly taught and trained in clinical pediatrics, pediatric surgery, general surgery, neonatal nursing, and pediatric intensive care at National Children's Hospital and Mittaphab General Hospital in Vientiane. Our staff also taught English and medical English at the two hospitals. Although a formal agreement with Lao's only medical college, the University of Health Sciences, was still in draft form at the close of 2016, REI staff were already teaching English, training Lao English teachers, and teaching, training, and coaching in the development of a 3-year English curriculum. Also in 2016, visiting volunteers continued their biannual seminar series in "Executive Leadership and Management" at National Children's Hospital, and in "Healthcare Management and Administration" at Mittaphab Hospital.

The future looks bright. REI's contribution is highly valued in the capital city, and extends into the provinces as trained Lao medical doctors train the next generation. We have many more invitations to teach and to train than we have human and financial resources to do it. There seems to be no end to the opportunities to "build people to build nations" in one of the world's most welcoming, appreciative, and underserved countries.



Country Highlights

DJIBOUTI

Several years ago the President of Djibouti called for the “Anglicization” of the K-12 public school system in order to stimulate national economic development. However, the University of Djibouti has no college of education in which to train teachers in the philosophy and principles of education, or to prepare them for the transition to an English-based curriculum. To help address this need, and in partnership with the Djiboutian non-profit “ISD Association,” **REI staff member Dr. Thomas Jones launched the International School of Djibouti (ISD) in the fall of 2016.** Enrollment included grades pre-K, mixed K-2, and mixed 3+. Although beset with the loss of its facilities just before the school year began, ISD initially found temporary quarters and then a perfectly-suited permanent home in December, just in time to begin the second semester in January 2017.

EGYPT

The “Lydia Family Center,” founded near Cairo in 2015, offered a full schedule of classes in prenatal nutrition, pregnancy exercise and labor, natural childbirth, and breastfeeding. Fathers-to-be learn how to change diapers, wash their babies, and engage with their newborns. The Center hosts a monthly well-baby clinic with baby weigh-ins, and pregnancy and newborn photographs by an award-winning photographer. “Mommy and Me” classes for young mothers and their youngsters, along with Arabic literacy classes and “cottage business” training, enable young moms to help support their families. **Finally, 2016 brought a new collaborative relationship with a state-of-the-art private maternity center seeking to become the premier natural childbirth center in Egypt.** This is an ideal fit for REI’s staff member who is a certified doula, trains doulas, and is an increasingly influential thought-leader in natural child-birth in Egypt.

INDONESIA

With more than 10 years of tropical fruit dehydration experience in a village setting, in 2016 the REI-Indonesia team drafted plans to expand. The plans call for SunRei Food Products to increase its capacity by constructing a 40,000 sq. ft. facility to serve as SunRei’s headquarters and production, employee training, and leader development facility in the city of Malang. **SunRei prioritizes employee development to refine the skills of workers, leaders, and managers who will eventually staff a “constellation” of high-quality village production facilities.** By expanding into dehydrated banana, papaya, and pineapple, village production facilities will be kept working year-round. This allows REI-Indonesia to provide long-term jobs for a new generation of entrepreneurial leaders and hundreds of working poor in this resource-rich region.

LAOS

While routine medical education and training programs at National Children’s Hospital and Mittaphab Hospital continued in 2016 (see opposite page), two significant projects began to move from the drawing board toward a near reality in 2016. To address the problem of blood-borne bacterial infections which can quickly turn deadly in newborns or children with compromised immune systems, REI and local leaders made great progress on a draft plan to help National Children’s Hospital establish a small microbiology laboratory immediately adjacent to its relatively modern general laboratory. The plan includes the installation of equipment, and the provision of supplies and training. In partnership with Mittaphab Hospital REI also created a plan to help develop a Level II-B Neonatal Special Care unit in the OB-GYN department, and to provide extensive neonatal training for doctors and nurses. Both hospitals are making significant facility renovations in preparation for the new equipment.

VIETNAM

REI-Vietnam again won national awards for effectiveness in programming. Already well-known for their popular and successful management seminars at several universities in Vietnam, **in 2016 the REI traveling business teams began to offer an advanced certificate in applied business management for business majors at Hanoi University (HANU).** In collaboration with HANU leaders, approximately 15 top students will be selected each year for the program involving advanced seminars and workshops, personal mentoring, and 2-3 annual scholarships for the REI Fellows program here in the U.S. Similarly, multiple REI teams of surgeons, physicians, and dentists again taught and trained in multiple disciplines of medical practice at Vietnamese hospitals. In 2016 REI sponsored 5 “REI Fellows,” including a medical doctor, a faculty member, a top-ranked student, and three enterprising young leaders to participate in observational fellowships in the U.S. Resident REI staff taught English at two major universities in Vietnam, and expanded CoRE. This nationally-recognized socio-educational training center operates as the non-profit division of the highly-acclaimed coffee shop “Tea Talk.” Already providing local, supervised internships in social work, CoRE added English training in 2016.



Capacity Building:

What it is and how we do it

In the under-resourced world many outstanding organizations build houses, dig wells, or jumpstart small businesses through microfinancing—all important contributions! Everyone needs shelter, clean water, and a living wage. But eventually buildings fall down, wells dry up, and 80+% of startup businesses fail.

International development organizations have a choice of investing in property, projects, or people. Based on our conviction that “focused, intentional development builds capacity, creates opportunity, and strengthens individuals, families, communities, and nations,” **REI believes the most strategic and sustainable investment it can make is building human capacity.**

REI works with prospective hosts to understand what they consider to be their priority capacity development needs, considers what REI’s involvement could be, and if there is a contribution to make, begins by addressing those needs. That is what we mean by “focused.”

“Intentional” defines how REI equips people. REI creates a training plan, follows it, and adjusts as necessary. Although frequently faced with the temptation to stop training and simply do it for them, **we remain focused on our goal of transferring knowledge and skill.** Our approach requires patience and persistence, but almost always results in increased human capacity. Education and training opens new doors of opportunity for qualified individuals, strengthens their associated institutions or businesses, and ultimately impacts families, communities, and nations.

REI utilizes three primary approaches in building capacity:

- **RESIDENT STAFF** – REI assigns resident staff to each REI program country. They bring the advantage of understanding cultural nuances, and helping nationals translate knowledge into practice through ongoing observation and evaluation. Without the reinforcement by on-scene mentors it takes greater effort and considerably more time for the beneficiaries of the training to form new habits that produce improved results.
- **VISITING PROFESSIONALS** – Every REI country employs the services of visiting professionals, some to a greater extent than others. These short-term volunteers contribute additional knowledge, skills, or credentials and serve to augment the teaching of resident staff. In the eyes of nationals, a highly credentialed visiting professional may naturally have greater stature and authority than the resident staff they see daily.
- **REI FELLOWS PROGRAM** – The REI Fellows program stands near the pinnacle of REI’s practices. From those we have trained and equipped overseas, REI selects the “best of the best” to participate in a 1-3 month REI Fellowship in the U.S. to observe and learn first-hand from their American professional counterparts. Due to the prestigious reputation of the program, REI Fellows often become leaders and influencers in their fields.



2016 Financials

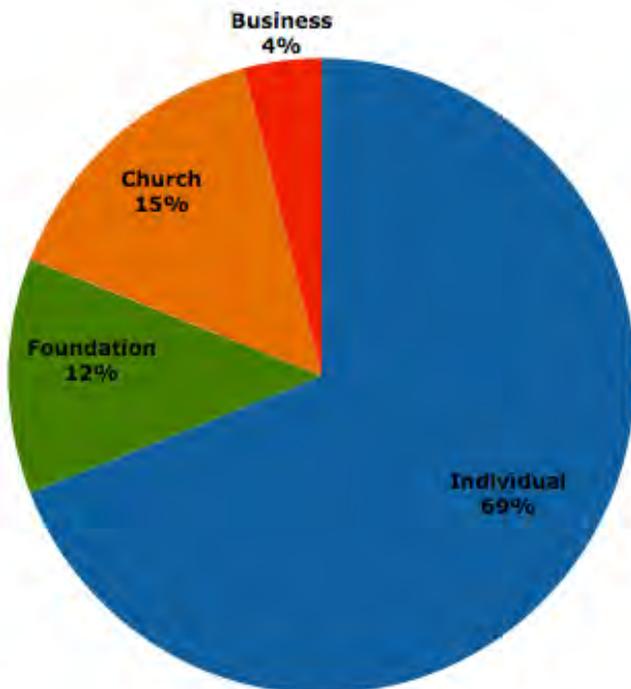
RESOURCE EXCHANGE INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS	2016	2015
Cash and cash equivalents	\$ 225,888	\$ 294,852
Investments	106,474	165,990
Interest in net assets of New Horizons Foundation, Inc.	25,295	27,995
Pledges and other receivables	57,443	114,824
Contributions receivable - related party	13,371	6,800
Prepaid expense	10,395	10,366
Deposits	3,500	3,500
Total assets	\$ 442,766	\$ 564,327
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 15,969	\$ 7,596
Rent payable	3,529	6,800
Accrued expense	6,939	5,935
Total liabilities	26,437	20,331
Net assets		
Unrestricted	95,272	204,478
Unrestricted, board designated	39,560	-
Total unrestricted	134,772	204,478
Temporarily restricted	261,566	339,518
Total net assets	416,338	543,996
Total liabilities and net assets	\$ 442,766	\$ 564,327

RESOURCE EXCHANGE INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Contributions:	\$ 251,299	\$ 655,925	\$ 907,224
Non-cash contributions:			
Gifts in kind	-	26,192	26,192
Contributed services	-	793,009	793,009
Investment income	1,277	-	1,277
Other income	2,399	-	2,399
Change in historical interest	(2,700)	-	(2,700)
	252,275	1,475,126	1,727,401
Net assets released from restrictions:			
Programs	1,553,078	(1,553,078)	-
Total support and revenue	1,605,353	(77,952)	1,727,401
Expense			
Program:	1,410,281	-	1,410,281
Support:			
Management and general	277,503	-	277,503
Fundraising	167,275	-	167,275
Total support	444,778	-	444,778
Total expense	1,855,059	-	1,855,059
Change in net assets	(49,706)	(77,952)	(127,658)
Beginning net assets	204,478	339,518	543,996
Ending net assets	\$ 154,772	\$ 261,566	\$ 416,338

2016 Giving to REI



*“The difference between human capital and physical capital is that the physical capital is going to wear out, and it’s going to have to be replaced. So what really matters is do they (emerging nations) have the human capital to replace the physical capital for themselves? Foreign aid is the transfer of wealth – including physical capital – that has already been created, but it does not transfer **the ability to create that wealth through the transfer of knowledge, skills, experiences, and habits** that lead to economic growth.”*

—Dr. Thomas Sowell, Hoover Institute of Stanford University

Board and Corporate Officers



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
Vice-president of Administration

Jay joined the REI team as the Director of Operations in the spring of 2014, and was appointed to his current role in January 2015. 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.