



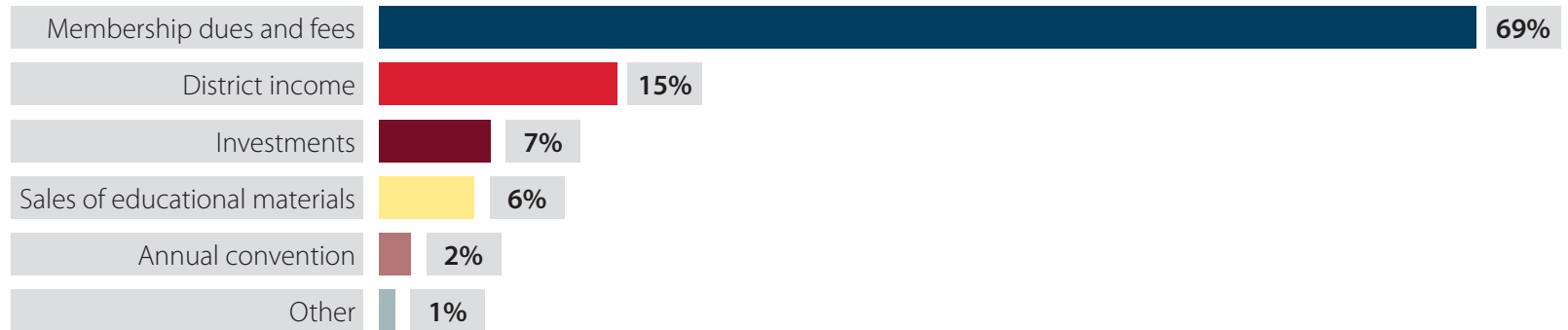
# 2012 FINANCIAL REPORT

The financial statements of Toastmasters International were audited by the independent certified public accounting firm of SingerLewak, LLP. The auditors stated that the 2012 financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

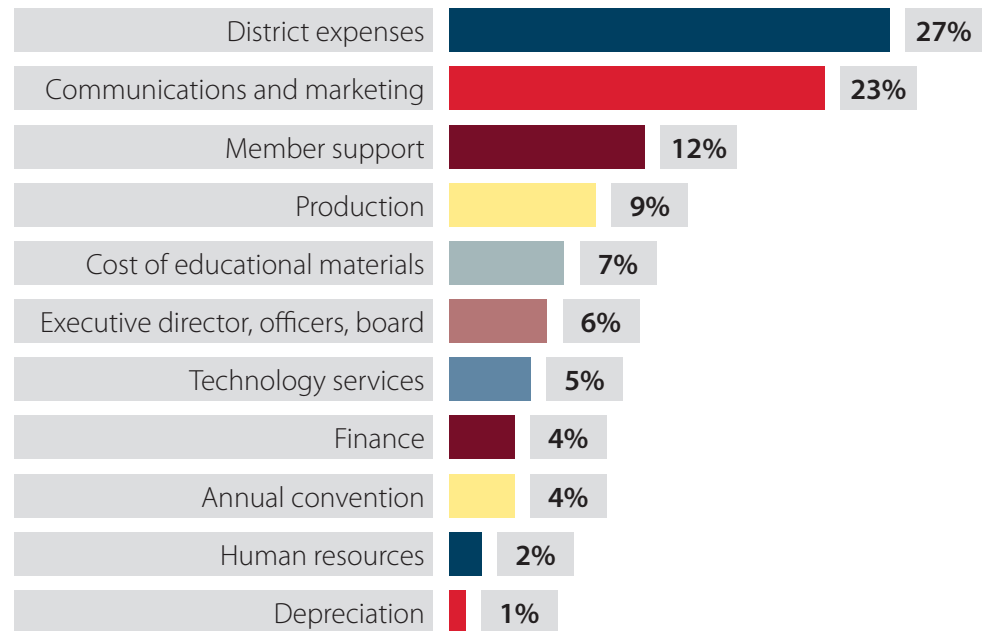
The majority of the company's revenue is derived from membership dues and fees. This revenue category is up 26 percent over last year and consists of membership dues, new-member fees and charter fees. The district income is the second-largest revenue source; it is earned from conferences, fundraising, district store sales and donations. Investment income is the third largest revenue source; it is earned in the form of interest, dividends, realized and unrealized gains and losses from the organization's investment portfolio. The largest component of investment income is the unrealized gains and losses, which are dependent on global markets. Sale of educational materials is the fourth largest revenue source. Revenues derived from the Annual convention consist of ticket registration, bookstore sales and sponsorships.

The company's expenses are broken into 11 functional areas. Each functional area includes all costs associated with operating that particular area, including payroll, supplies, technology, postage and utilities. The functional expense categories are: District Expenses; Member Support; Communications and Marketing; Cost of Educational Materials; Production; Technology Services; Executive Director, Officers and Board; Finance; Annual Convention; Human Resources; and Depreciation. The following graphs provide a percentage breakdown of 2012 revenue and expenses:

## 2012 REVENUE BY CATEGORY



## 2012 EXPENSE BY FUNCTIONAL AREA



The Toastmasters International Board of Directors controls the organization's funds and, with the Executive Director, is responsible for ensuring fiduciary compliance.

The following is condensed information from the 2012 audited financial statements:

### Statement of Position as of December 31, 2012

<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents .....	\$14,314,061
Investments .....	22,614,442
Accounts receivable, net of allowance for doubtful accounts of \$33,930 .....	72,080
Inventory .....	978,828
Prepaid expenses and other current assets .....	<u>747,407</u>
Total current assets .....	<u>38,726,818</u>
<b>Restricted cash and cash equivalents</b> .....	17,225
<b>Property and equipment, net</b> .....	<u>4,528,302</u>
<b>Total assets</b> .....	<u>\$43,272,345</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current liabilities</b>	
Accounts payable and accrued liabilities .....	\$1,767,004
Deferred membership and other income .....	<u>4,689,570</u>
Total current liabilities .....	6,456,574
<b>Net assets</b>	
Unrestricted .....	36,798,546
Temporarily restricted .....	<u>17,225</u>
Total net assets .....	36,815,771
<b>Total liabilities and net assets</b> .....	<u>\$43,272,345</u>

### Statement of Activities for the Year Ended December 31, 2012

<b>Net revenue</b>	
Membership dues .....	\$19,437,343
New member fees .....	2,735,333
Charter fees .....	179,875
District income .....	4,758,964
Net realized and unrealized gains on investments .....	1,744,047
Interest and dividends .....	619,257
Sales of educational materials .....	1,954,847
Annual convention .....	756,927
Other income .....	64,670
Magazine advertising .....	55,250
Contributions .....	<u>28,817</u>
Total net revenue .....	\$32,335,330
<b>Functional expenses</b>	
Program-related expenses	
District expenses .....	\$7,629,142
Communications and marketing .....	6,344,131
Member support .....	3,178,659
Production .....	2,568,628
Cost of educational materials .....	1,976,627
Annual convention .....	<u>1,094,413</u>
Total program expenses .....	\$22,791,600
<b>Support services</b>	
Executive director, officers, board .....	\$1,678,932
Technology services .....	1,481,378
Finance .....	1,217,643
Human resources .....	417,614
Depreciation .....	<u>365,746</u>
Total support services .....	\$5,161,313
Total expenses .....	<u>\$27,952,913</u>
<b>Increase in unrestricted net assets</b> .....	<u>\$4,382,417</u>