



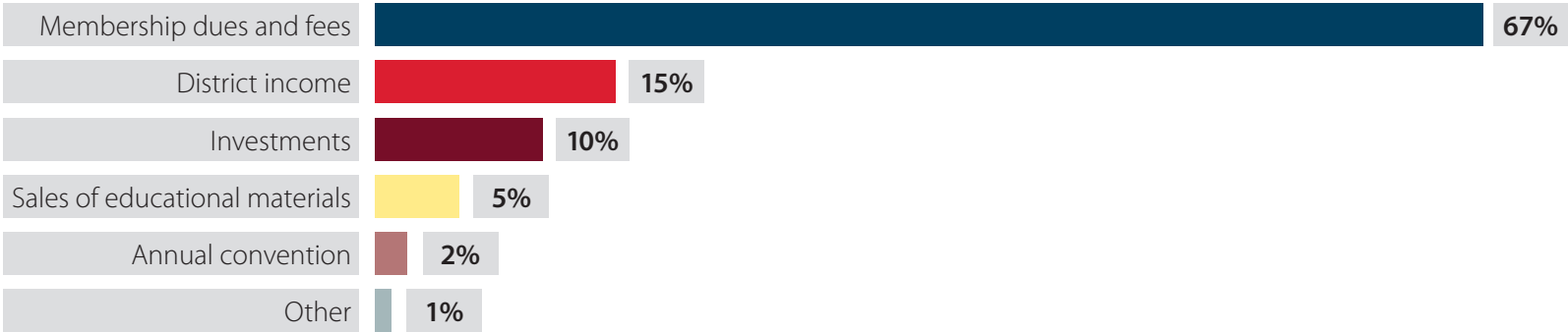
2013 FINANCIAL REPORT

The financial statements of Toastmasters International were audited by the independent certified public accounting firm of SingerLewak LLP. The auditors stated that the 2013 financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

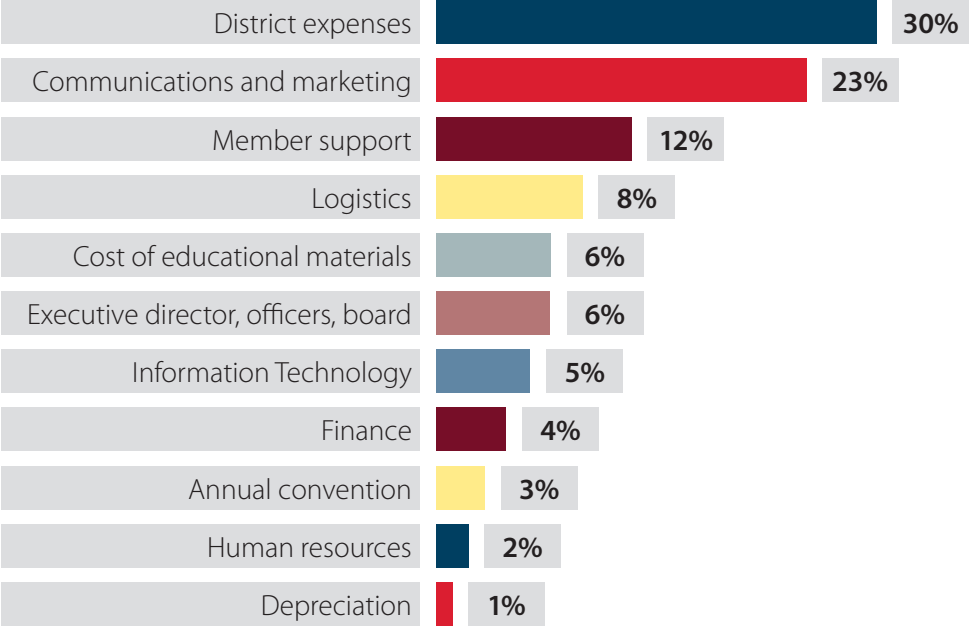
The majority of the company's revenue is derived from membership dues and fees. This revenue category is up 6 percent over last year and consists of membership dues, new-member fees and charter fees. The district income is the second-largest revenue source; it is earned from conferences, fundraising, 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; Logistics; Information Technology; Executive Director, Officers and Board; Finance; Annual Convention; Human Resources; and Depreciation. The following graphs provide a percentage breakdown of 2013 revenue and expenses:

2013 REVENUE BY CATEGORY



2013 EXPENSE BY FUNCTIONAL AREA



The Toastmasters International Board of Directors controls the organization's funds and, with the Chief Executive Officer, is responsible for ensuring fiduciary compliance. The following is condensed information from the 2013 audited financial statements:

Statement of Position as of December 31, 2013

ASSETS	
Current assets	
Cash and cash equivalents	\$17,681,689
Investments	25,179,985
Accounts receivable, net of allowance for doubtful accounts of \$7,000	131,952
Inventory	778,391
Prepaid expenses and other current assets	<u>800,410</u>
Total current assets	<u>44,572,427</u>
Restricted cash and cash equivalents	14,380
Property and equipment, net	<u>4,514,692</u>
Total assets	<u>\$49,101,499</u>
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable and accrued liabilities	\$2,035,871
Deferred membership and other income	<u>5,136,865</u>
Total current liabilities	7,172,736
Net assets	
Unrestricted	41,914,383
Temporarily restricted	<u>14,380</u>
Total net assets	41,928,763
Total liabilities and net assets	<u>\$49,101,499</u>

Statement of Activities for the Year Ended December 31, 2013

Net revenue	
Membership dues	\$20,497,346
New member fees	2,957,759
Charter fees	192,875
District income	5,111,492
Net realized and unrealized gains on investments	3,086,067
Interest and dividends	555,499
Sales of educational materials	1,828,251
Annual convention	790,440
Other income	58,424
Magazine advertising	28,750
Contributions	<u>15,474</u>
Total net revenue	\$35,122,377
Functional expenses	
Program-related expenses	
District expenses	\$8,925,562
Communications and marketing	7,067,833
Member support	3,512,619
Logistics	2,567,981
Cost of educational materials	1,681,328
Annual convention	<u>805,980</u>
Total program expenses	\$24,561,303
Support services	
Executive director, officers, board	\$1,809,106
Information Technology	1,506,812
Finance	1,164,469
Human resources	591,527
Depreciation	<u>376,168</u>
Total support services	<u>\$5,448,082</u>
Total expenses	<u>\$30,009,385</u>
Increase in unrestricted net assets	<u>\$5,112,992</u>