

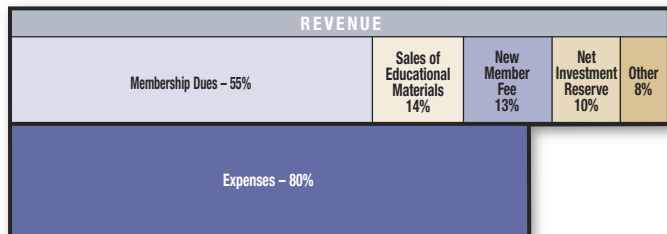
# Financial Activities: Jan.–Dec. 2007

The financial statements of Toastmasters International were audited by the independent certified public accounting firm of Moore Stephens Wurth Frazer and Torbet, LLP. The statements were prepared in conformity with generally accepted accounting principles.

The Board of Directors of Toastmasters International controls the organization’s funds and, with the Executive Director, is responsible for assuring that management fulfills its fiduciary responsibility. The Bylaws of Toastmasters International require that the corporation’s financial status be reported to its member clubs annually. To keep our entire membership informed, we are exceeding this requirement by reporting our financial results to all members.

Following is selected information from the year-end financial statements, including a bar graph and pie chart to provide a clearer picture of Toastmasters International’s 2007 financial activities.

**Exhibit A**



### Revenues/Expenses

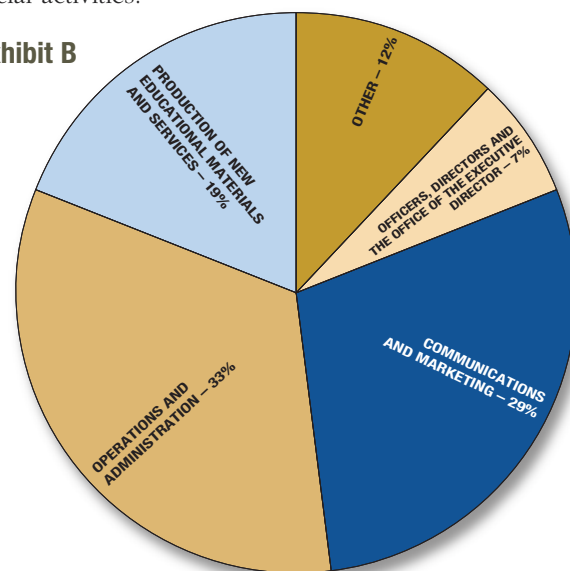
Exhibit A shows the relationship of individual revenue sources to expenses. You can see that income generated from dues renewals, new-member fees, charter fees and miscellaneous sources was sufficient to cover expenses.

Exhibit B shows how revenue is spent. The glossary below and on the next page gives an explanation of expenses.

### Glossary of Expenses:

- **Officers, Directors and the Office of the Executive Director** – Includes travel and expenses for Board meetings, district visits, regional conferences and outside professional services, such as legal counsel. Board meetings ensure smooth operation of the organization and ideas for new and exciting programs. District visits help in building new clubs, strengthening membership and bringing new ideas to members.
- **Communications and Marketing** – This section includes information systems and technology and covers the development of new-member and new-club materials, membership and club-building programs, promotions and awards as well as the costs of producing and mailing the *Toastmaster* magazine.

**Exhibit B**



- **Operations and Administration** – This section includes member services and administrative services to clubs and districts and covers processing of dues renewals, officer lists, club and district billings, new-member applications and educational awards, as well as updating member and officer information. It also includes accounting and financial reporting, governing documents administration and meeting planning.
- **Production of New Educational Materials and Services** – Production of materials and distribution of educational, promotional and administrative materials. The most useful, up-to-date materials are available through the *TI Supply Catalog* or online at [www.toastmasters.org](http://www.toastmasters.org) to help every member succeed.
- **Other** – Includes annual convention expense, magazine advertising commissions, interest on operating accounts and depreciation.

# TI SELECTED FINANCIAL INFORMATION JANUARY-DECEMBER 2007

## STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2007

<b>ASSETS</b>	
Cash and short-term investments .....	\$ 3,901,365
Restricted cash and short-term investments.....	\$ 1,770,317
<b>Total cash, restricted cash and short-term investments .....</b>	<b>\$ 5,671,682</b>
Marketable securities.....	\$ 21,681,657
Accounts receivable, net of allowance for doubtful accounts of \$5,000.....	\$ 20,639
Inventories, net.....	\$ 1,162,048
Deposits, prepaid postage and other.....	\$ 356,346
Land, building and equipment, net of accumulated depreciation.....	\$ 3,431,629
<b>Total Assets .....</b>	<b>\$ 32,324,001</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities:</b>	
Accounts payable and accrued liabilities.....	\$ 642,875
Funds held for Toastmasters International regions	\$ 186,335
<b>Total Liabilities.....</b>	<b>\$ 829,210</b>
<b>Net Assets:</b>	
Unrestricted.....	\$ 8,088,675
Unrestricted – reserved per policy.....	\$ 20,836,481
Temporarily restricted .....	\$ 2,569,635
<b>Total Net Assets.....</b>	<b>\$ 31,494,791</b>
<b>TOTAL LIABILITIES AND NET ASSETS .....</b>	<b>\$ 32,324,001</b>

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2007

### CHANGES IN UNRESTRICTED NET ASSETS:

#### REVENUE:

<b>Membership dues and fees:</b>	
Member dues .....	\$ 8,868,327
New member fees.....	\$ 2,033,732
Charter fees .....	\$ 147,529
<b>Total membership dues and fees .....</b>	<b>\$ 11,049,588</b>

#### Marketable securities

Interest and dividend income .....	\$ 912,895
Net realized gain on marketable securities .....	\$ 2,804,763
Capital gain distributions.....	\$ -
Net unrealized (loss) gain on marketable securities .....	\$ (2,079,470)
<b>Total investment revenues, net .....</b>	<b>\$ 1,638,188</b>

#### Other revenues:

Sales of educational materials.....	\$ 2,285,071
Annual convention.....	\$ 583,526
Interest.....	\$ 214,857
Royalties.....	\$ 13,504
Magazine advertising .....	\$ 156,672
Contributions .....	\$ 1,425
Other .....	\$ 67,038
<b>Total other revenues.....</b>	<b>\$ 3,322,093</b>
<b>Total revenue .....</b>	<b>\$ 16,009,869</b>

#### EXPENSES:

Executive director; officers; board .....	\$ 937,950
Communications and marketing .....	\$ 3,740,171
Operations and administration.....	\$ 4,198,505
Production .....	\$ 837,231
Cost of educational materials.....	\$ 1,626,575
Annual convention.....	\$ 779,656
Magazine advertising .....	\$ 31,332
Depreciation – other.....	\$ 247,461
Depreciation – technology .....	\$ 222,725
Investment Fees.....	\$ 126,564
<b>Total expenses .....</b>	<b>\$ 12,748,170</b>

**INCREASE IN UNRESTRICTED NET ASSETS ...** **\$ 3,261,699**

## The Ralph C. Smedley Memorial Fund

This fund was established to provide financial support for Toastmasters International's educational programs. These include the creation of new and innovative educational materials for club and member use, the development of promotional material designed to spread the word about Toastmasters, and development of new educational programs, such as the Leadership Excellence Series. It also includes market and member research.

The fund is composed of donations from individual Toastmasters and Toastmasters clubs, interest earned and the increase in the value of investments on those donations. Contributions from January 1 - December 31, 2007 totaled \$17,219. The fund had a balance of \$799,318 as of December 31, 2007.

# Welcome to Toastmasters!

Helping you become the speaker and leader you want to be.



### Meet Eduardo:

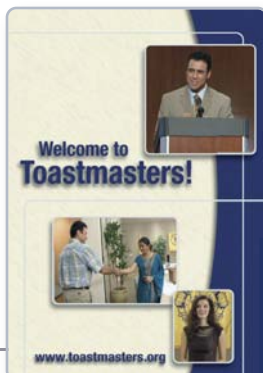
Needs to improve his public speaking skills.

### Meet Sheila:

Shows Eduardo how Toastmasters can help him.

### Meet Toastmasters:

Helps people to become better communicators and leaders.



Take 15 minutes to view this DVD and experience Eduardo's story. Watch as he evolves from nervous novice to dynamic presenter with the help of some friends in Toastmasters. Discover how the Toastmasters program builds confidence and skills in people of all backgrounds and experience levels and how you, too, can benefit from this proven program.

Order online at [toastmasters.org/shop](http://toastmasters.org/shop)  
or call 949-858-8255

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INTERNATIONAL