



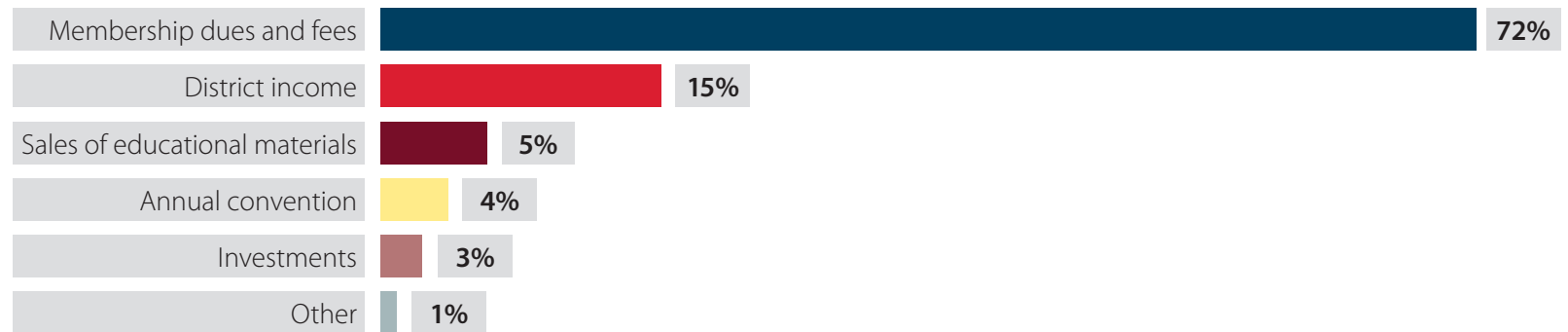
2014 FINANCIAL REPORT

The financial statements of Toastmasters International were audited by the independent certified public accounting firm of Squar, Milner, Peterson, Miranda & Williamson, LLP. The auditors stated that the 2014 financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

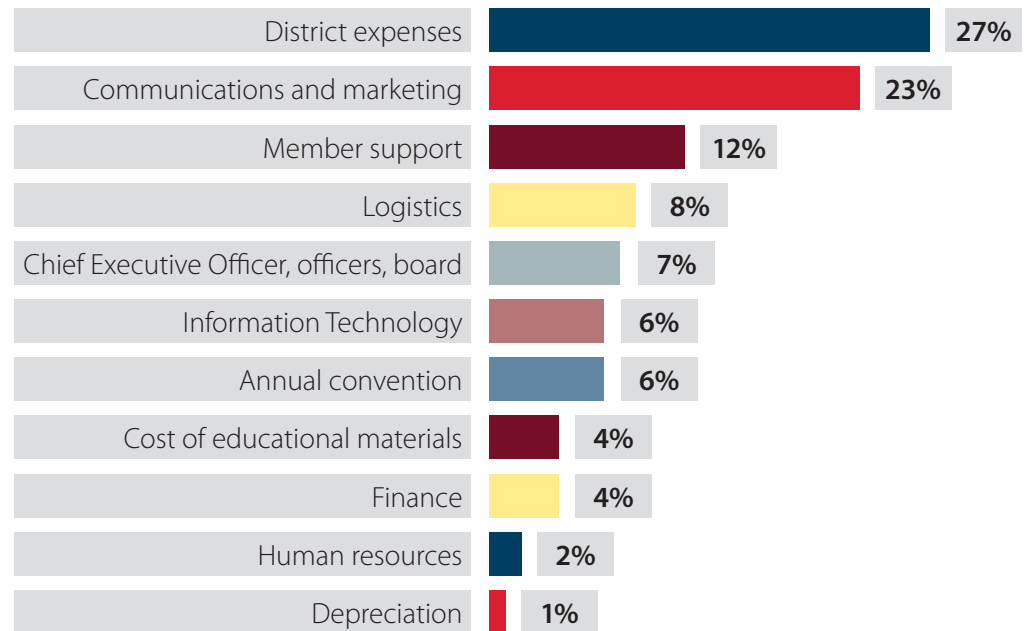
The majority of the organization's revenue is derived from membership dues and fees. This revenue category is up 6 percent over last year and consists of membership dues, new-member fees and charter fees. The district income is the second largest revenue source; it is earned from conferences, fundraising, district store sales and donations. Sale of educational materials is the third largest revenue source. Revenues derived from the Annual Convention consist of ticket registration, bookstore sales and sponsorships. Investment income is earned in the form of interest, dividends, realized and unrealized gains and losses from the organization's investment portfolio.

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; Communications and Marketing; Member Support; Logistics; Annual Convention; Cost of Educational Materials; Chief Executive Officer, Officers and Board; Information Technology; Finance; Human Resources; and Depreciation. The following graphs provide a percentage breakdown of 2014 revenue and expenses:

2014 REVENUE BY CATEGORY



2014 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 2014 audited financial statements:

Statement of Position as of December 31, 2014

ASSETS	
Current assets	
Cash and cash equivalents	\$18,241,307
Investments	25,987,368
Accounts receivable, net of allowance for doubtful accounts of \$23,000	117,241
Inventory	736,049
Prepaid expenses and other current assets	<u>827,097</u>
Total current assets	45,909,062
Restricted cash and cash equivalents	15,179
Property and equipment, net	4,113,911
Other assets	<u>746,454</u>
Total assets	<u>\$50,784,606</u>
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable and accrued liabilities	\$2,897,685
Deferred membership and other income	<u>5,477,854</u>
Total current liabilities	8,375,539
Net assets	
Unrestricted	42,393,888
Temporarily restricted	<u>15,179</u>
Total net assets	42,409,067
Total liabilities and net assets	<u>\$50,784,606</u>

TOASTMASTERS
INTERNATIONAL

Statement of Activities for the Year Ended December 31, 2014

Net revenue	
Membership dues	\$21,848,706
New member fees	3,106,044
Charter fees	198,125
District income	5,240,494
Net realized and unrealized gains on investments	550,748
Interest and dividends	555,969
Sales of educational materials	1,772,909
Annual convention	1,379,032
Other income	13,056
Magazine advertising	31,000
Contributions	<u>66,669</u>
Total net revenue	\$34,762,752
Functional expenses	
Program-related expenses	
District expenses	\$9,205,770
Communications and marketing	8,079,288
Member support	4,000,388
Logistics	2,788,981
Annual convention	2,062,325
Cost of educational materials	<u>1,558,304</u>
Total program services	\$27,695,056
Support services	
Chief Executive Officer, officers, board	\$2,309,101
Information Technology	2,107,265
Finance	1,269,435
Human resources	568,599
Depreciation	<u>332,992</u>
Total support services	<u>\$6,587,392</u>
Total expenses	<u>\$34,282,448</u>
Increase in unrestricted net assets	<u>\$480,304</u>