

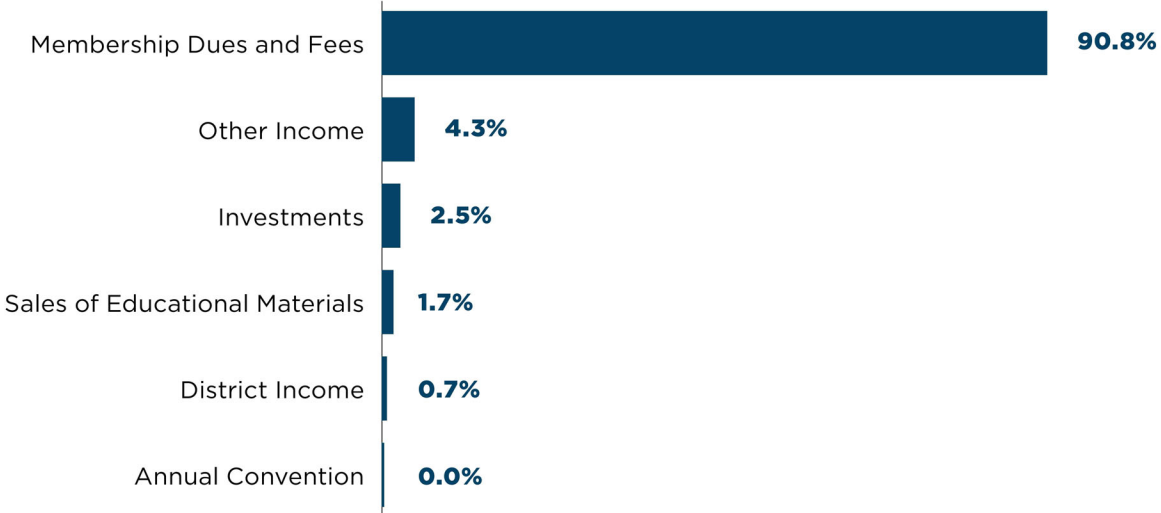
2020 FINANCIAL REPORT

The consolidated financial statements of Toastmasters International were audited by the independent certified public accounting firm of Baker Tilly US, LLP. The auditors stated that the 2020 consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

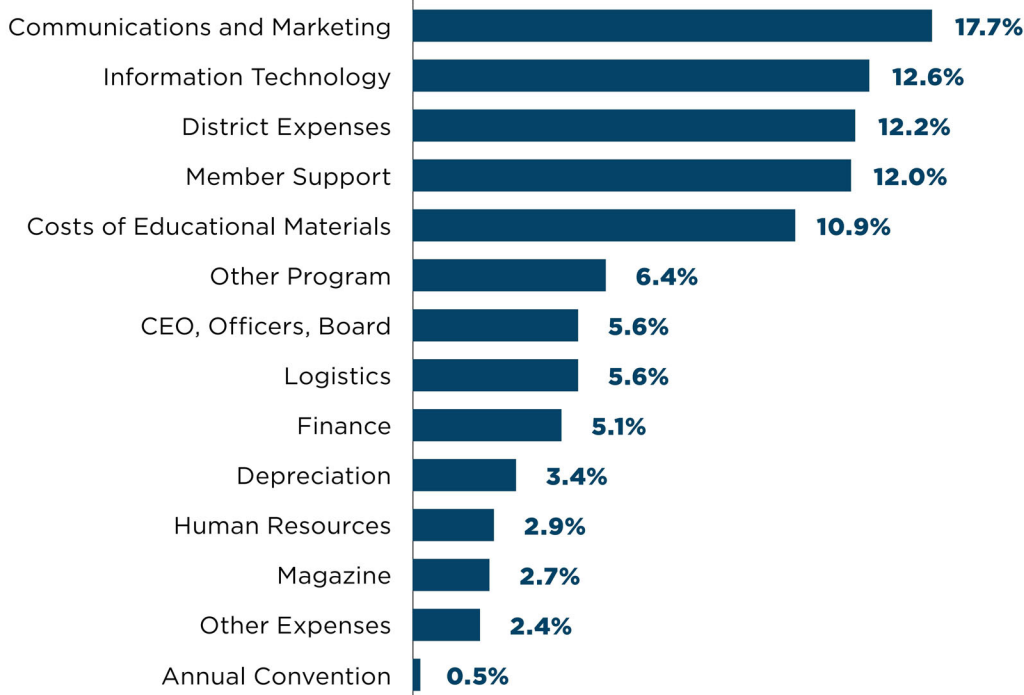
The majority of the organization's revenue is derived from membership dues and fees. This revenue category consists of membership dues, new member fees, and charter fees. Other income is the second-largest revenue source which is primarily earned as rental income from tenants occupying space within the Colorado building owned by the organization. The investment income is the third-largest revenue source. Investment income is earned in the form of interest, dividends and net realized and unrealized gains and losses from the organization's investment portfolio.

The organization's expenses are categorized in 14 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: Communications and Marketing; Information Technology; District Expenses; Member Support; Costs of Educational Materials; Other Program; Chief Executive Officer, Officers, and Board; Logistics; Finance; Depreciation; Human Resources; Magazine; Other Expenses, and Annual Convention. The following graphs provide a percentage breakdown of 2020 revenue and expenses:

2020 Revenue by Category



2020 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 2020 audited consolidated financial statements:

Consolidated Statement of Position as of December 31, 2020

ASSETS

Current assets

Cash and cash equivalents	\$21,389,351
Investments	9,212,426
Inventory, net	502,526
Prepaid expenses and other current assets	<u>2,366,150</u>
Total current assets	33,470,453

Restricted cash

Property and equipment, net

Total assets.....\$59,385,045

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities	\$2,233,582
Deferred membership and other revenue	6,208,102
Short-term loan	<u>2,188,515</u>
Total current liabilities	<u>10,630,199</u>

Net assets

Without donor restrictions	48,728,236
With donor restrictions.....	<u>26,610</u>
Total net assets.....	<u>48,754,846</u>

Total liabilities and net assets.....\$59,385,045

Consolidated Statement of Activities for the Year Ended December 31, 2020

Net revenue

Membership dues	\$27,816,480
New member fees	2,281,000
Charter fees	131,625
District income	241,919
Net realized and unrealized gains on investments	563,181
Interest and dividends	268,715
Sales of educational materials	560,846
Annual convention	6,154
Other income	1,376,646
Contributions	<u>53,881</u>
Total net revenue.....	<u>\$33,300,447</u>

Functional expenses

Program-related expenses

Member support	\$3,340,997
District expenses	3,381,522
Costs of educational materials	3,039,971
Communications and marketing.....	4,927,668
Logistics	1,533,244
Magazine.....	763,578
Annual convention.....	148,680
Other program	<u>1,777,791</u>
Total program services.....	<u>\$18,913,451</u>

Support services

Finance	\$1,403,324
Chief executive officer, officers, board.....	1,547,204
Information technology	3,486,177
Human resources	795,971
Other expenses.....	673,213
Depreciation	<u>952,727</u>
Total support services.....	<u>\$8,858,616</u>
Total functional expenses	<u>\$27,772,067</u>

Increase in net assets (See page 4).....\$5,528,380

Increase in Net Asset Breakdown

For the Year Ended December 31, 2020 (Unaudited)

For the calendar year ended December 31, 2020, the organization realized an increase of \$5,528,380 in net assets as outlined on the audited statement of activities. An increase in net assets results from revenue exceeding expenses. Areas of the business where revenues exceed expenses are show in the chart below.

