

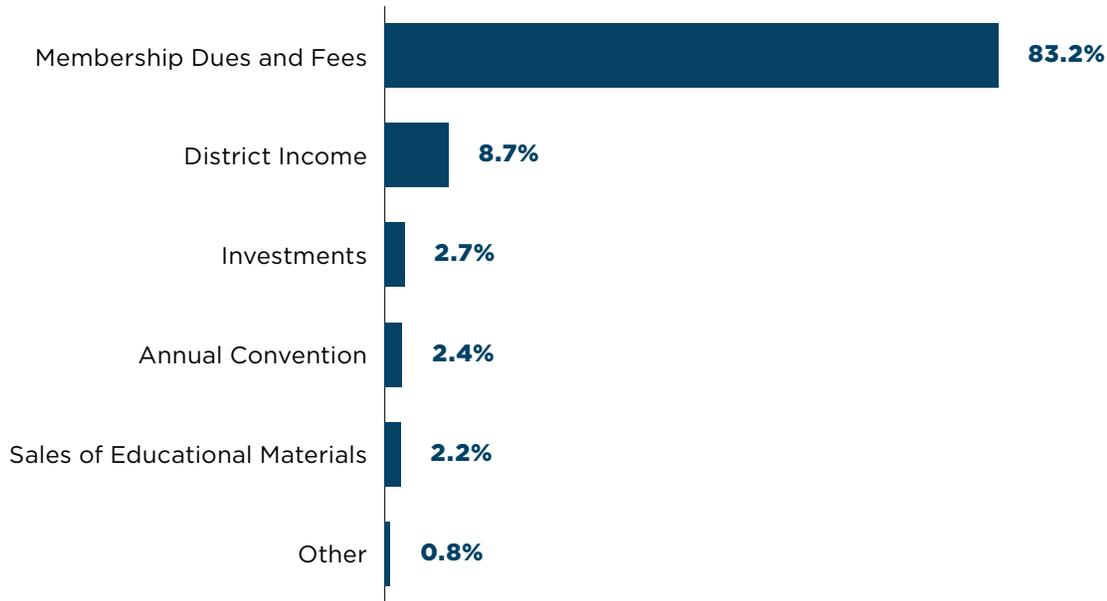
2019 FINANCIAL REPORT

The consolidated financial statements of Toastmasters International were audited by the independent certified public accounting firm of Squar Milner LLP. The auditors stated that the 2019 consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

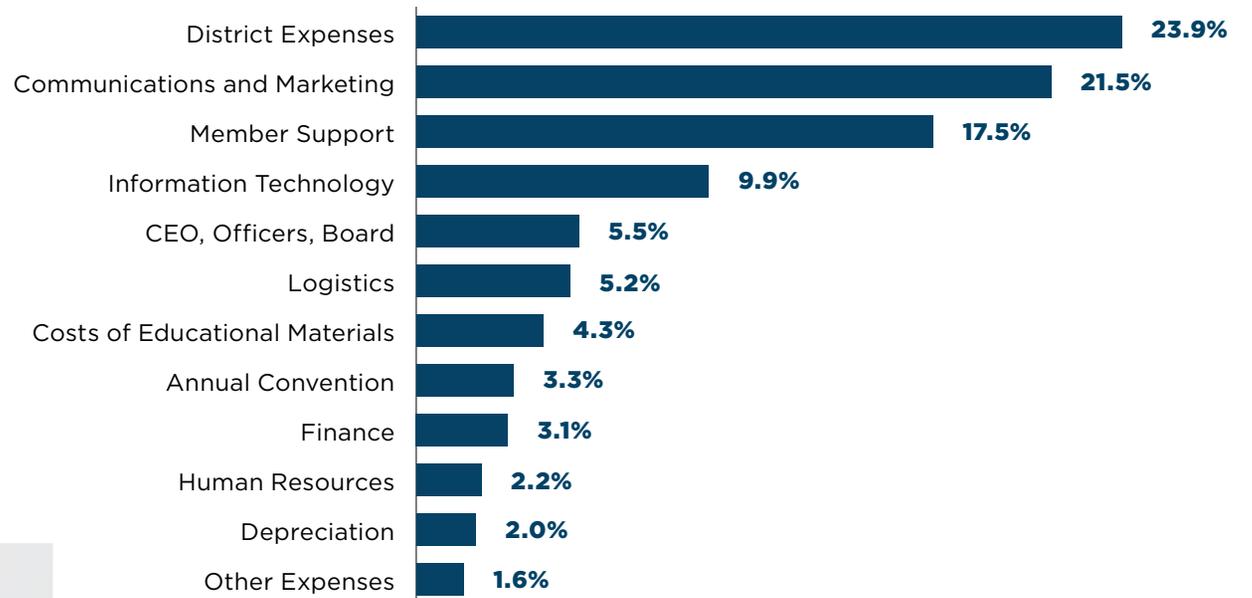
The majority of the organization's revenue is derived from membership dues and fees. This revenue category consists of membership dues, new member fees and charter fees. District income is the second- largest revenue source; it is earned from conferences, fundraising, district store sales and donations. 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 annual convention is the fourth-largest revenue source. Revenues derived from the annual convention consist of ticket registration, bookstore sales, convention on demand and sponsorships.

The organization's expenses are categorized in 12 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; Information Technology; Chief Executive Officer, Officers and Board; Logistics; Costs of Educational Materials; Finance; Annual Convention; Human Resources; Depreciation and Other Expenses. The following graphs provide a percentage breakdown of 2019 revenue and expenses:

2019 Revenue by Category



2019 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 2019 audited consolidated financial statements:

Consolidated Statement of Position as of December 31, 2019

ASSETS

Current assets

Cash and cash equivalents	\$16,946,638
Investments	8,407,941
Inventory, net	601,642
Prepaid expenses and other current assets	<u>2,559,194</u>
Total current assets	28,515,415

Restricted cash

Property and equipment, net

Total assets

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities	\$4,501,902
Deferred membership and other revenue	<u>8,051,600</u>
Total current liabilities	<u>12,553,502</u>

Net assets

Without donor restrictions	42,345,394
With donor restrictions	<u>24,447</u>
Total net assets	<u>42,369,841</u>
Total liabilities and net assets	<u>\$54,923,343</u>

Consolidated Statement of Activities for the Year Ended December 31, 2019

Net revenue

Membership dues	\$30,547,875
New member fees	4,205,884
Charter fees	221,500
District income	3,677,187
Net realized and unrealized losses on investments	629,786
Interest and dividends	467,346
Sales of educational materials	933,616
Annual convention	1,013,880
Other income	261,252
Contributions	<u>91,716</u>
Total net revenue	<u>\$42,050,042</u>

Functional expenses

Program-related expenses	
Member support	\$7,094,535
District expenses	9,691,608
Communications and marketing	8,715,580
Logistics	2,107,481
Costs of educational materials	1,748,085
Annual convention	<u>1,318,772</u>
Total program services	<u>\$30,676,061</u>
Support services	
Finance	\$1,273,506
Chief executive officer, officers, board	2,220,461
Information technology	3,996,061
Human resources	944,665
Other expenses	635,644
Depreciation	<u>796,047</u>
Total support services	<u>\$9,866,384</u>
Total functional expenses	<u>\$40,542,445</u>
Increase in net assets	<u>\$1,507,597</u>