



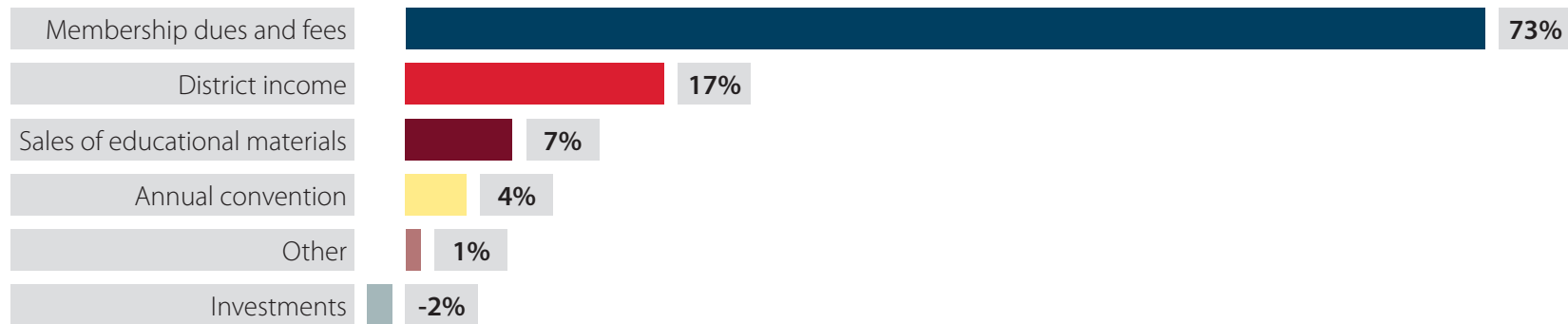
2011 **FINANCIAL REPORT**

The financial statements of Toastmasters International were audited by the independent certified public accounting firm of SingerLewak, LLP. The auditors stated that the 2011 financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

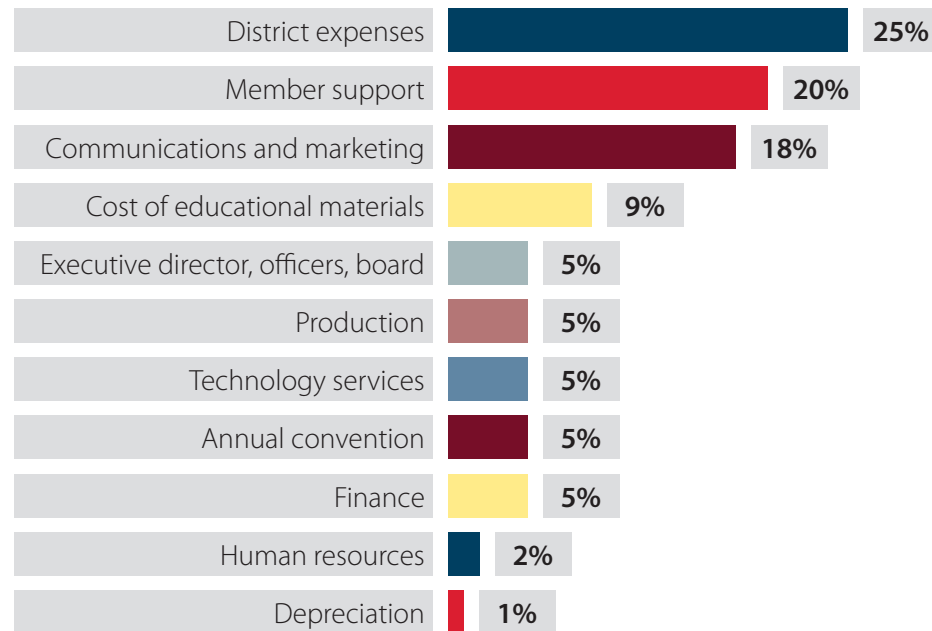
The majority of the company's revenue is derived from membership dues and fees. This revenue category is up 12 percent over last year and consists of membership dues, new-member fees and charter fees. The district income is the second-largest revenue source; it is earned from conferences, fundraising, 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.

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: Member Support; Communications and Marketing; District Expenses; Finance; Cost of Educational Materials; Executive Director, Officers and Board; Technology Services; Annual Convention; Human Resources; Production and Depreciation. The following graphs provide a percentage breakdown of 2011 revenue and expenses:

2011 REVENUE BY CATEGORY



2011 EXPENSE BY FUNCTIONAL AREA



The Toastmasters International Board of Directors controls the organization's funds and, with the Executive Director, is responsible for ensuring fiduciary compliance.

The following is condensed information from the 2011 audited financial statements:

Statement of Position as of December 31, 2011

ASSETS

Current assets

Cash and cash equivalents	\$12,694,545
Investments	20,067,820
Accounts receivable, net of allowance for doubtful accounts of \$20,000	31,886
Inventory	723,128
Prepaid expenses and other current assets	495,558
Total current assets	<u>34,012,937</u>

Restricted cash and cash equivalents 19,821

Property and equipment, net 4,490,204

Total assets \$38,522,962

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities	\$1,559,797
Deferred membership income and other income	4,529,811
Total current liabilities	6,089,608

Net assets

Unrestricted	32,413,533
Temporarily restricted	19,821
Total net assets	32,433,354

Total liabilities and net assets \$38,522,962

TOASTMASTERS
INTERNATIONAL

Statement of Activities for the Year Ended December 31, 2011

Net revenue

Membership dues	\$15,093,352
New member fees	2,537,263
Charter fees	169,375
District income	4,003,759
Sales of educational materials	1,776,925
Annual convention	925,289
Interest and dividends	535,497
Other income	220,570
Magazine advertising	42,500
Contributions	40,950
Net realized and unrealized (losses) gains on investments ...	(1,023,777)
Total net revenue	\$24,321,703

Functional expenses

Program-related expenses	
District expenses	\$6,035,537
Member support	4,800,124
Communications and marketing	4,322,582
Cost of educational materials	2,258,453
Production	1,227,856
Annual convention	1,099,553
Total program expenses	\$19,744,105

Support services

Technology services	\$1,321,129
Executive director, officers, board	1,307,638
Finance	1,138,487
Human resources	474,747
Depreciation	331,922
Total support services	\$4,573,923
Total expenses	<u>\$24,318,028</u>

Increase (decrease) in unrestricted net assets \$3,675