



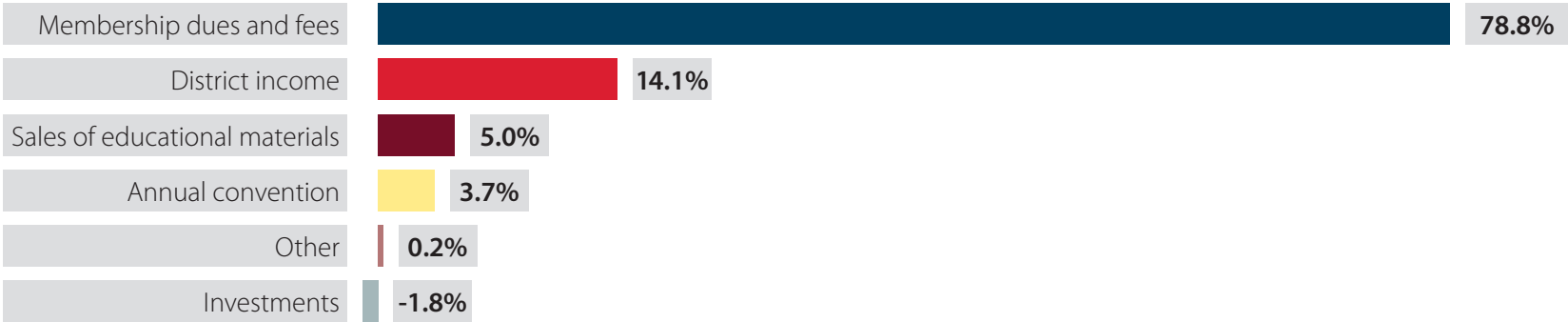
2015 FINANCIAL REPORT

The financial statements of Toastmasters International were audited by the independent certified public accounting firm of Squar Milner LLP. The auditors stated that the 2015 financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

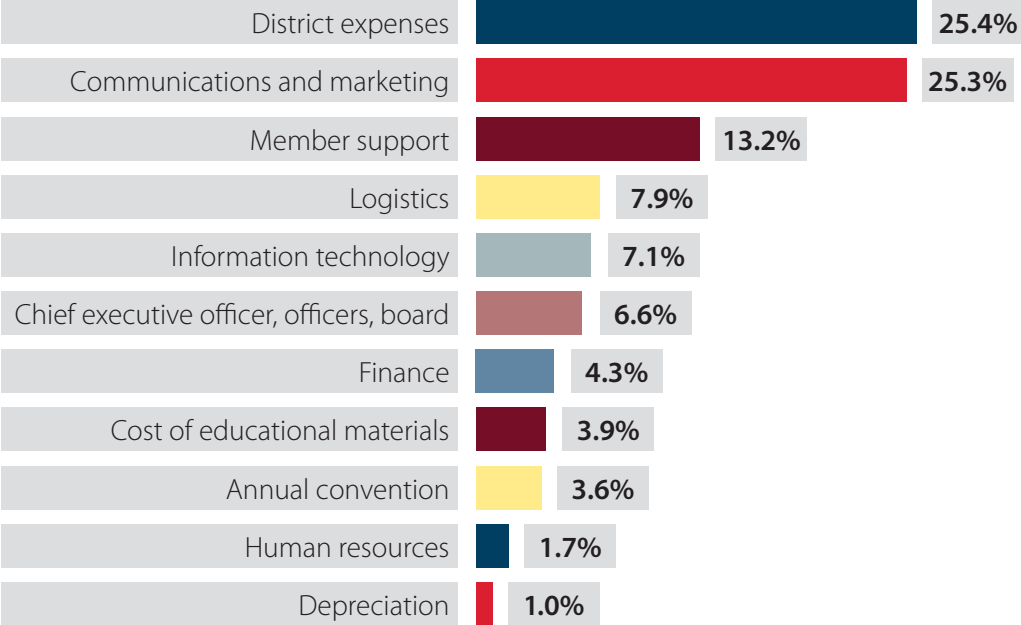
The majority of the organization's revenue is derived from membership dues and fees. This revenue category is up 5 percent over last year and consists of membership dues, new-member fees and charter fees. The district income is the second largest revenue source; it is earned from conferences, fundraising, 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 (loss) is earned in the form of interest, dividends, realized and unrealized gains and losses from the organization's investment portfolio.

The organization'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; Information Technology; Chief Executive Officer, Officers and Board; Finance; Cost of Educational Materials; Annual Convention; Human Resources and Depreciation. The following graphs provide a percentage breakdown of 2015 revenue and expenses:

2015 REVENUE BY CATEGORY



2015 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 2015 audited financial statements:

Statement of Position as of December 31, 2015

ASSETS	
Current assets	
Cash and cash equivalents	\$15,305,641
Investments	26,309,933
Accounts receivable, net of allowance for doubtful accounts of \$18,000	95,650
Inventory	873,907
Prepaid expenses and other current assets	<u>975,111</u>
Total current assets	43,560,242
Restricted cash and cash equivalents	17,310
Property and equipment, net	3,793,002
Other assets	<u>1,674,385</u>
Total assets	<u>\$49,044,939</u>
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable and accrued liabilities	\$2,797,444
Deferred membership and other revenue	<u>5,657,778</u>
Total current liabilities	8,455,222
Net assets	
Unrestricted	40,572,407
Temporarily restricted	<u>17,310</u>
Total net assets	40,589,717
Total liabilities and net assets	<u>\$49,044,939</u>

TOASTMASTERS
INTERNATIONAL

Statement of Activities for the Year Ended December 31, 2015

Net revenue	
Membership dues	\$22,967,649
New member fees	3,236,352
Charter fees	196,000
District income	4,727,172
Net realized and unrealized losses on investments	(1,241,488)
Interest and dividends	631,444
Sales of educational materials	1,679,825
Annual convention	1,225,045
Other income	21,259
Magazine advertising	20,000
Contributions	<u>21,837</u>
Total net revenue	\$33,485,095
Functional expenses	
Program-related expenses	
District expenses	\$8,971,569
Communications and marketing	8,933,028
Member support	4,644,871
Logistics	2,793,254
Cost of educational materials	1,375,521
Annual convention	<u>1,283,149</u>
Total program services	\$28,001,392
Support services	
Chief executive officer, officers, board	\$2,341,252
Information technology	2,490,575
Finance	1,509,119
Human resources	614,005
Depreciation	<u>348,102</u>
Total support services	<u>\$7,303,053</u>
Total functional expenses	\$35,304,445
Decrease in unrestricted net assets	<u>\$(1,819,350)</u>