



# 2018 FINANCIAL REPORT

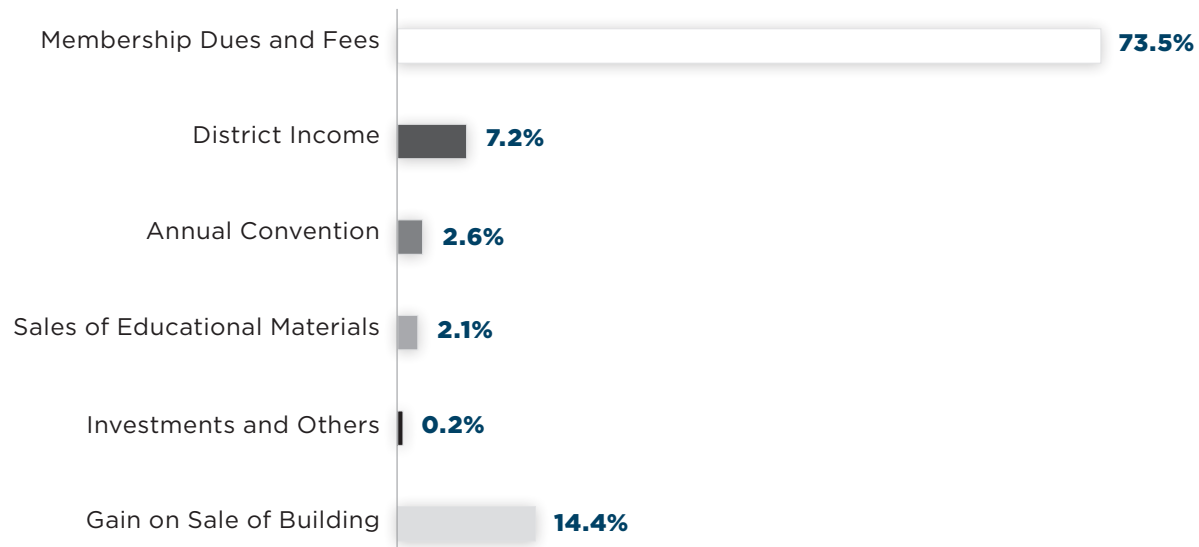
The consolidated financial statements of Toastmasters International were audited by the independent certified public accounting firm of Squar Milner LLP. The auditors stated that the 2018 consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles 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 annual convention is the third-largest revenue source. Revenues derived from the annual convention consist of ticket registration, bookstore sales, convention on demand and sponsorships. Sales of educational materials is the fourth-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.

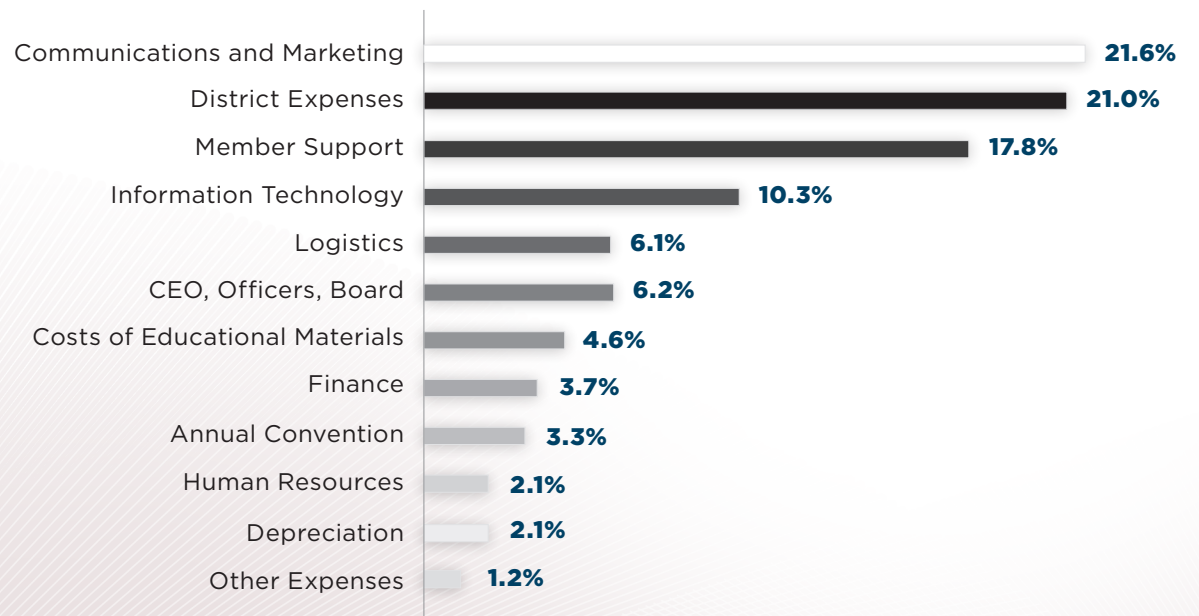
During April 2018, the organization sold the office facility in California. The sale of the building resulted in a gain.

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: Communications and Marketing; District Expenses; 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 2018 revenue and expenses:

## 2018 REVENUE BY CATEGORY



## 2018 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 2018 audited consolidated financial statements:

## Consolidated Statement of Position as of December 31, 2018

### ASSETS

#### Current assets

Cash and cash equivalents	\$17,323,225
Investments	7,526,305
Inventory, net	691,482
Prepaid expenses and other current assets	<u>1,402,920</u>
Total current assets	26,943,932

Restricted cash	20,272
Property and equipment, net	<u>25,924,644</u>
Total assets	<u>\$52,888,848</u>

### LIABILITIES AND NET ASSETS

#### Current liabilities

Accounts payable and accrued liabilities	\$3,837,469
Deferred membership and other revenue	<u>8,189,135</u>
Total current liabilities	12,026,604

#### Net assets

Without donor restrictions	40,841,972
With donor restrictions	<u>20,272</u>
Total net assets	<u>40,862,244</u>

Total liabilities and net assets	<u>\$52,888,848</u>
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## Consolidated Statement of Activities for the Year Ended as of December 31, 2018

### Net revenue

Membership dues	\$30,253,591
New member fees	2,892,760
Charter fees	192,125
District income	3,248,286
Net realized and unrealized losses on investments	(253,302)
Interest and dividends	278,045
Sales of educational materials	933,671
Annual convention	1,180,846
Gain on sale of building	6,519,172
Other income (expense)	(8,333)
Contributions	<u>104,141</u>
Total net revenue	<u>\$45,341,002</u>

### Functional expenses

#### Program-related expenses

Member support	\$7,385,642
District expenses	8,691,160
Communications and marketing	8,946,913
Logistics	2,538,556
Costs of educational materials	1,893,335
Annual convention	<u>1,366,983</u>
Total program services	<u>\$30,822,589</u>

### Support services

Finance	\$1,528,650
Chief executive officer, officers, board	2,547,602
Information technology	4,275,332
Human resources	871,301
Other expenses	484,907
Depreciation	<u>858,967</u>
Total support services	<u>\$10,566,759</u>
Total functional expenses	<u>\$41,389,348</u>
Increase in net assets	<u>\$3,951,654</u>