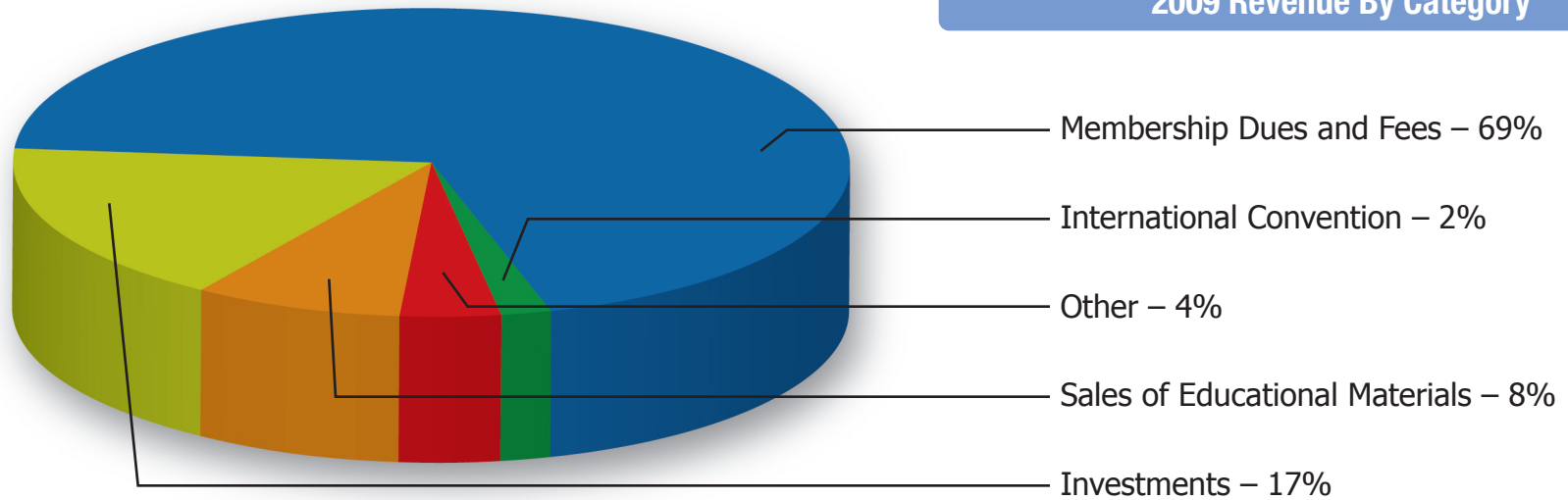


The financial statements of Toastmasters International were audited by the independent certified public accounting firm of SingerLewak, LLP. The auditors stated that the 2009 financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

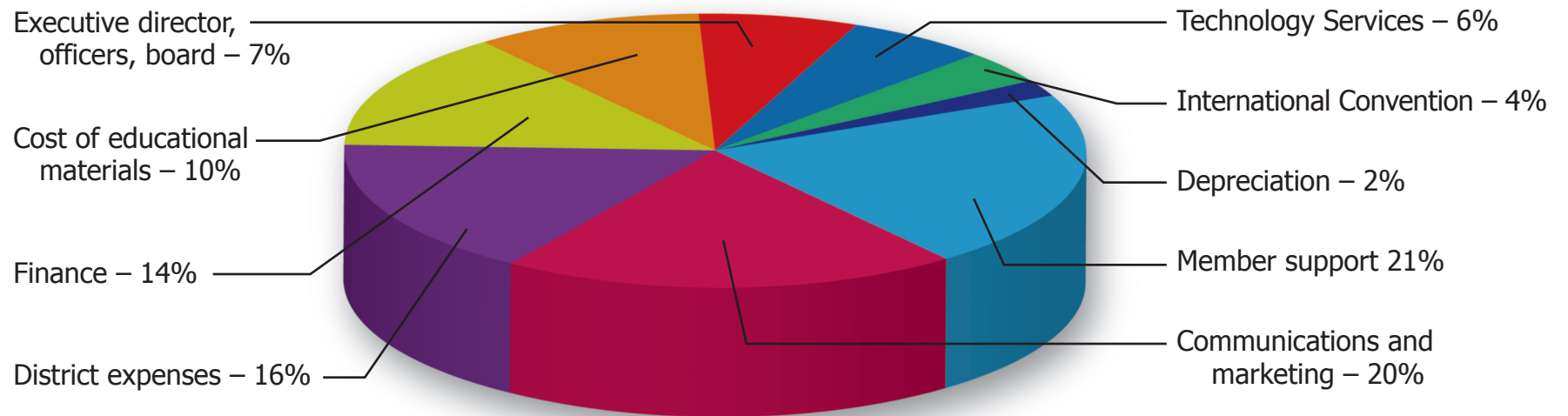
The majority of the company's revenue is derived from membership dues and fees. This revenue category is up 5 percent over last year and consists of membership dues, new member fees and charter fees. Investment income is the second largest revenue source; it is earned in the form of interest, dividends, realized and unrealized gains and losses from the organization's investment portfolio. The largest component of investment income is the unrealized gains and losses, which are dependent on global markets. Revenues derived from the International Convention consist of ticket registration, bookstore sales, and sponsorships. The majority of other income is revenue earned by districts from conferences, fundraising, district store sales and donations.

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 and Depreciation. The following graphs provide a percentage breakdown of 2009 revenue and expenses:

2009 Revenue By Category



2009 Expense By Functional Area



During the year ended December 31, 2009, Toastmasters International recorded prior-period adjustments to restate the 2008 financial statements to (1) include the cash, income and expenses for its 82 districts and (2) execute a change in the method of accounting for membership income from a cash basis to an accrual basis.

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 2009 audited financial statements:

Statement of Position as of December 31, 2009

ASSETS	
Current assets	
Cash and cash equivalents.....	\$ 8,816,210
Restricted cash and cash equivalents.....	22,540
Marketable securities.....	18,636,408
Accounts receivable, net of allowance of doubtful accounts of \$5,000	6,756
Inventory, net.....	923,407
Prepaid expenses and other current assets	306,640
Total current assets.....	28,711,961
Property and equipment, net	4,170,060
Total assets	\$ 32,882,021
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable and accrued liabilities.....	\$ 914,936
Deferred membership income	2,999,635
Total current liabilities	3,914,571
Net assets	
Unrestricted.....	28,945,158
Temporarily restricted.....	22,292
Total net assets	28,967,450
Total liabilities and net assets	\$ 32,882,021

Statement of Activities for the Year Ended December 31, 2009

Net revenue	
Membership dues.....	\$ 12,942,308
Net realized and unrealized gains (losses) on marketable securities ..	3,192,673
Sales of educational materials.....	1,760,696
New member fees.....	2,280,999
Interest and dividends.....	693,527
Annual convention	531,273
Charter fees	160,871
Magazine advertising.....	149,313
Contributions.....	12,590
Other income (expense)	657,656
Net assets released from restriction.....	17,248
Total net revenue	22,399,154
Functional expenses	
Program-related expenses	
Member support	3,676,171
Communications and marketing	3,430,473
District expenses.....	2,986,695
Cost of educational materials	1,884,281
Annual convention	807,419
E-Learning.....	89,025
Magazine advertising.....	29,731
Total program expenses.....	12,903,795
Support services	
Finance	2,542,086
Executive director, officers, board.....	1,279,890
Technology services	1,058,173
Depreciation	403,259
Total support services.....	5,283,408
Total expenses	18,187,203
Increase (decrease) in unrestricted net assets	\$ 4,211,951