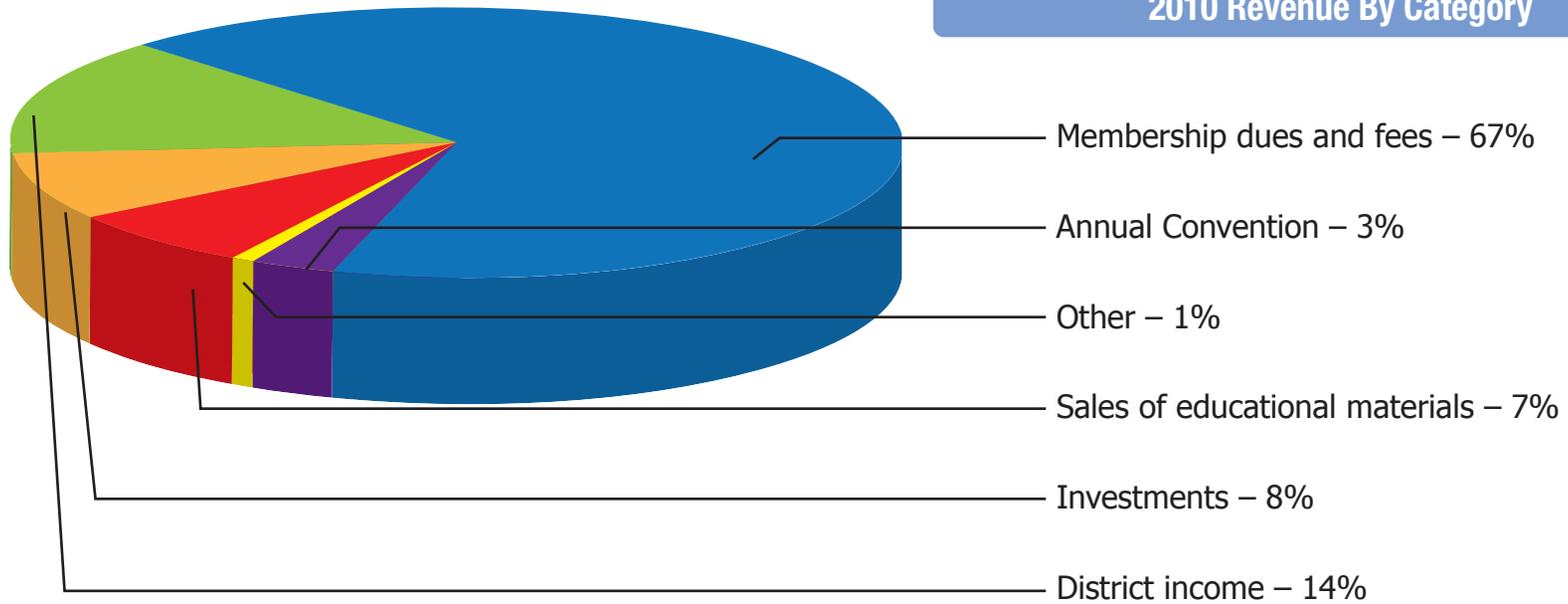


The financial statements of Toastmasters International were audited by the independent certified public accounting firm of SingerLewak, LLP. The auditors stated that the 2010 financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

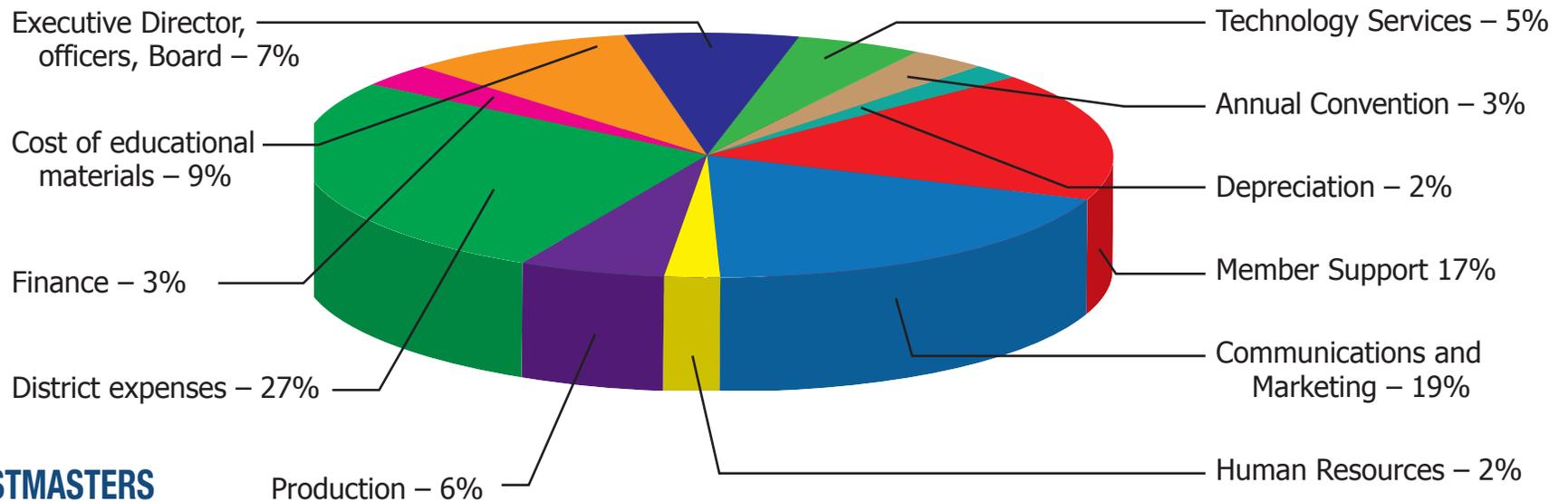
The majority of the company's revenue is derived from membership dues and fees. This revenue category is up 4 percent over last year and consists of membership dues, new-member fees and charter fees. The district income is the second largest revenue source; it is earned from conferences, fundraising, district store sales and donations. Investment income is the third 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 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 2010 revenue and expenses:

### 2010 Revenue By Category



### 2010 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 2010 audited financial statements:

#### Statement of Position as of December 31, 2010

<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents.....	\$ 10,679,139
Restricted cash and cash equivalents.....	20,614
Marketable securities.....	20,658,405
Accounts receivable, net of allowance for doubtful accounts of \$5,000 .....	10,640
Inventory, net.....	639,235
Prepaid expenses and other current assets .....	370,190
<b>Total current assets.....</b>	<b>32,378,223</b>
<b>Property and equipment, net .....</b>	<b>4,556,632</b>
<b>Total assets.....</b>	<b>\$ 36,934,855</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current liabilities</b>	
Accounts payable and accrued liabilities.....	\$ 1,323,908
Deferred membership income .....	3,181,268
<b>Total current liabilities .....</b>	<b>4,505,176</b>
<b>Net assets</b>	
Unrestricted.....	32,408,712
Temporarily restricted.....	20,967
<b>Total net assets .....</b>	<b>32,429,679</b>
<b>Total liabilities and net assets .....</b>	<b>\$ 36,934,855</b>

#### Statement of Activities for the Year Ended December 31, 2010

<b>Net revenue</b>	
Membership dues.....	\$ 13,465,127
Net realized and unrealized gains (losses) on marketable securities ..	1,376,863
Sales of educational materials.....	1,719,625
New member fees.....	2,329,384
Interest and dividends.....	669,433
Annual convention .....	664,318
Charter fees .....	160,750
Magazine advertising.....	43,000
Contributions .....	27,927
District income.....	3,408,118
Other income (expense) .....	68,796
<b>Total net revenue .....</b>	<b>23,933,341</b>
<b>Functional expenses</b>	
Program-related expenses	
Member support .....	3,503,339
Communications and marketing .....	3,906,360
District expenses.....	5,441,521
Cost of educational materials .....	1,873,781
Annual convention .....	668,179
E-Learning.....	8,259
Production.....	1,141,832
<b>Total program expenses.....</b>	<b>16,543,271</b>
Support services	
Finance .....	717,383
Human Resources .....	472,490
Executive Director, officers, Board .....	1,371,282
Technology Services .....	1,003,678
Depreciation .....	363,008
<b>Total support services.....</b>	<b>3,927,841</b>
<b>Total expenses .....</b>	<b>20,471,112</b>
<b>Increase (decrease) in unrestricted net assets .....</b>	<b>\$ 3,462,229</b>