A journey can mean many things to different people. Some people seek enlightenment, some search out new adventures and yet others try to connect with their history. ISACA’s 40-year journey encompasses a bit of all three.

With a strong—and continually growing—chapter structure, ISACA® marked 2009 by continuing to deliver innovative benefits for members and for the business community as a whole. During the year, ISACA welcomed five new chapters and saw the Hong Kong Chapter expand and become the China Hong Kong Chapter. At the end of the year, ISACA had 186 chapters in 77 countries—providing a truly strong, global presence. The extensive drive and dedication of members worldwide helped our association maintain its position as an industry leader that contributes great value to professionals and their enterprises around the world.

The global economy continued to create new challenges for nearly all of our enterprises, regardless of size, industry or geographic location. All of our workplaces sought out innovative ways to maximize the return on investments. While we did experience many complex and often demanding situations, we also learned much about our resiliency and drive.

In times like these, ISACA and the IT Governance Institute® (ITGI®) have an even more critical role in supporting members as they, too, embrace change and view new horizons. In addition to creating new practical educational and training opportunities, ISACA enhanced study options for its three certifications—CISA®, CISM®, and CGEIT®—and an expert team laid the groundwork for a new risk-oriented certification, CRISC™.

As increased attention was placed on addressing business risks, ISACA also introduced Risk IT: Based on CoIT®, a major accomplishment and integral piece of the whole CoIT® package. Comprised of The Risk IT Framework and The Risk IT Practitioner Guide, it provides proven, real-world practices that help enterprises achieve their goals, seize opportunities and seek greater return with less risk.

ISACA itself also experienced a dramatic transformation this year. After spending a significant amount of time in 2008 studying where ISACA was situated and learning what needed to be accomplished to ensure that the association maintained its leadership position, a volunteer team developed a new strategy in 2009. Based on extensive research and planning, the new strategy closely followed the basic tenets of trust, value, leadership and a renewed focus on what ISACA does best.

ISACA’s new structure was streamlined, opportunities to volunteer were increased, and the functions of groups were aligned to support the strategy and key initiatives. Three new boards were formed to address the main focus of the strategy: community—Relations Board, certification—Credentialing Board, and professional guidance—Knowledge Board. Thanks to the tireless dedication of ISACA’s volunteers, the transition went smoothly and the new boards, committees, subcommittees and task forces all hit the ground running.

While our more than 95,000 constituents traveled their more than 95,000 roads in 160 countries, there is good reason they were involved with ISACA and benefited from the continued delivery of first-rate knowledge, community and global expertise. I am honored to lead this vibrant organization and help steer it as we move forward in the future.

Emil D’Angelo, CISA, CISM
International President, 2009-2010
ISACA and the IT Governance Institute

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For 40 years—since 1969—ISACA has been on an amazing journey. Hundreds of thousands of IT and business professionals around the world have traveled the ISACA highway and benefited from membership since the association was first formed.

Along the way, the road has taken many twists and turns. It has generated byways and groundbreaking pathways, but the important factor is that the road continues to lead to new and expanded horizons. Efforts by ISACA and ITGI have resulted in the resources and the strong foundation needed to help members and constituents position their careers and their enterprises in the right direction for the future.

In 2009, the barriers between work and personal life decreased and became more blurred than ever. People increasingly checked work e-mail from their phones and a growing number used a work-supplied mobile device to shop or update their social networking pages. As this mobility increased, so did the risk to enterprise IT data and systems, and concurrently, to the enterprise itself.

Instead of acting as a stop sign, though, this evolution of behavior actually presented an important green light to educate employees, implement and communicate common-sense policies, and add value to the enterprise. As a result, many IT and related departments focused on improving the control and protection of one of their enterprise’s most critical and valuable assets—its knowledge.

Even though there was extensive change in the industry, ISACA leaders took the necessary time to study the association’s strengths and weaknesses, with the main goal of keeping ISACA and its constituents ahead of the curve. As part of this journey, ISACA unveiled a new strategy that debuted in 2009. The strategy consisted of a new direction and an aggressive portfolio of initiatives designed to streamline operations and directly benefit members and their enterprises. It addressed a vision and mission based on the following tenets:

- Users and organizations must have trust in their information systems, and they must realize value from them. Trust and value are the outcomes of our members’ endeavors.
- ISACA has a global leadership position in knowledge, certifications, community, advocacy and education.
- ISACA focuses on certain specific professional spaces—information systems (IS) assurance and security, enterprise governance of IT, and IT-related risk and compliance.

This mission was supported by specific initiatives that were grouped within five major strategic themes:

1. Realize the full potential of COBIT via creation of new intellectual property (IP) and incorporation of existing IP under a single COBIT architecture.
2. Enhance commitment to the core constituency of IT audit, security and controls by developing more practical, how-to, benchmark and topical information, and input and response to major regulations affecting IT controls.
3. Distinctly serve the certification needs of IT professionals, specifically on the topics of using appropriate techniques to govern, manage and assure enterprise use of information and related technology; identify, quantify and manage business and technology risks; establish effective controls; and comply with regulations impacting information systems.
4. Maximize return on marketing through an expanded member retention program, regional growth efforts, segmented messaging and use of Web 2.0 functionality to build and enable ISACA’s community.
5. Build ISACA’s capabilities to deliver benefits to its constituents by focusing on such disparate activities as branding, open innovation to engage members in developing deeper content and new products, and more proactive partnerships with other organizations.

The following pages report on ISACA’s many initiatives and accomplishments in 2009 as they relate to the new strategy and to the many benefits delivered to members, their enterprises and the business community as a whole.
COBIT: Almost 15 years after it was first introduced, COBIT continued to be a trailblazer and leading tool set that all enterprises can use to ensure that their IT is helping them achieve their goals and objectives. To further reinforce the global use of the COBIT framework, ISACA delivered COBIT® User Guide for Service Managers, which bridges the use of COBIT and Information Technology Infrastructure Library (ITIL), and COBIT® and Application Controls. In addition, six new case studies, showing practical uses of COBIT and related guidance, were added to the ISACA website. As described in ISACA’s new strategy, a major initiative was started to tie together and reinforce all of ISACA’s framework-related knowledge assets through the design and development of an overarching COBIT 5 framework.

COBIT-related education offered in 2009 included:
- COBIT® Awareness Course (online)
- COBIT® Foundation Level Course (classroom and online)
- IT Governance Implementation Using COBIT® and Val IT™ Course (classroom)
- COBIT® for Sarbanes-Oxley Compliance (online)
- COBIT®: Strategies for Implementing IT Governance (Training Week)

Val IT: As the adoption and use of the Val IT™ framework gained additional momentum worldwide, a mapping of Val IT to major frameworks from the Office of Government Commerce (OGC) was completed and titled Val IT™ Mapping: Mapping of Val IT™ 2.0 to MSP™, PRINCE2™, and ITIL® V3. Work was progressed to develop a clear, practical business case guide with broad appeal across for-profit and not-for-profit organizations of all sizes. A project was also undertaken to develop guidance for assurance professionals on how to address value-related aspects of business. Value Management Guidance for Assurance Professionals—Using Val IT™ 2.0 and The Business Case Guide—Using Val IT™ 2.0 were scheduled to be available in early 2010.

Risk IT: The new Risk IT: Based on COBIT guidance introduced in late 2009 supports enterprises in integrating IT-related risks into their overall approach to risk management. The initial documents published were The Risk IT Framework, to help establish effective governance and management of IT risks in enterprises, and The Risk IT Practitioner Guide, which provides practical, detailed guidance on how to accomplish some of the activities described in the framework. Both deliverables clearly harmonize with the use of COBIT and Val IT to manage risks more effectively.

BMIS: The Business Model for Information Security™ (BMIS™) provides an in-depth explanation of a holistic business model that examines information security issues from a systems perspective. An initial document, An Introduction to the Business Model for Information Security, was delivered in 2009. Development work continued on BMIS, and the full model and detailed information for practitioners were scheduled to be released in 2010.

ITAF: To further support the use of the Information Technology Assurance Framework™ (ITAF™), a project was initiated to revise and incorporate the existing IT Audit and Assurance Standards, develop a scripted presentation for
chapters, and update several audit programs as part of the tools and techniques section. Development of the second edition of ITAF was underway in 2009 and was scheduled for public exposure in 2010.

Taking Governance Forward: Development continued on the project formerly known as Governance on a Page, which was renamed Taking Governance Forward. It will offer web site visitors an opportunity to participate in and contribute to discussions and knowledge sharing for all aspects of governance, including what it is, who is responsible for it, what its components are, how different elements interact, how management and governance differ, different types of governance, and governance tools and frameworks.

Membership

Many new initiatives were undertaken to provide additional services and benefits for ISACA members, including:

- The introduction of the eLibrary with more than 300 books from ISACA and third-party publishers in an online searchable format. The eLibrary was recognized in the annual Member Needs survey as one of the top benefits of ISACA membership.
- The Career Centre was expanded to include additional career management information as well as a job exchange function for members who are consultants or freelance workers.
- Recognizing the need for employer support for members, a return on investment (ROI) brochure was developed for professionals to use when discussing membership with their supervisors. It conveyed the benefits that organizations receive when employees are members of ISACA.
- An ISACA Student Group (ISG) program was created to encourage students to learn beyond the classroom by networking with their peers, professors and the professional community through their local ISACA chapter. The ISG program was designed to help students position themselves far ahead of others when the time is right to begin their career.
- Members in mainland China were able to expand their professional development by participating in newly formed committees in Beijing, Shanghai and Shenzhen through the auspices of the renamed China Hong Kong Chapter.

Certification

CISA: The Certified Information Systems Auditor™ designation celebrated its 31st year with a combined June and December exam registration of more than 24,000. The exam was available in 12 languages at more than 240 locations. The designation has been earned by more than 70,000 professionals since its inception. CISA also won SC Magazine’s Best Professional Certification Program Award in 2009.

CISM: The Certified Information Security Manager® designation, which was launched in 2002, was offered in four languages and had more than 4,700 candidates registered for the June and December exams. By year end, more than 12,500 CISMs were certified since the program’s inception.

Both CISA and CISM have earned accreditation under international standards ANSI/ISO/IEC 17024 from the International Organization for Standardization (ISO) and have been accredited by ANSI. To maintain this accreditation, ISACA is required to adhere to a set of requirements or procedures related to quality, openness and due process.

CGEIT: The Certified in the Governance of Enterprise IT® certification was first offered in 2007, and more than 750 candidates registered for the June and December exams. Since inception, it has been awarded to more than 4,000 individuals who have a management, advisory or assurance role related to the governance of IT.

CRISC: Responding to market demand, ISACA began development of a new risk-related certification. The Certified in Risk and Information Systems Control™ designation was scheduled to be unveiled in 2010. It was being designed to recognize IT professionals who identify and manage risks through the development, implementation and maintenance of information systems controls.

Research, Standards and Academic Relations

Among many other activities, this area issued approximately 40 documents in 2009, from the popular 461-page Security, Audit and Control Features SAP® ERP, 3rd Edition, to the seven-page IT Audit and Assurance Guideline G17 Effect of Nonaudit Role on the IT Audit and Assurance Professional’s Independence.

Model Curriculum for IS Audit and Control, 2nd Edition: Four additional programs were approved and three programs were renewed, for a total of 20 universities that are in alignment with the model curriculum, a 20 percent increase from 1 January to 31 December 2009. Graduates of these programs qualify for one year of work experience toward the CISA designation.
Model Curriculum for Information Security Management: This model curriculum was issued to help academic institutions worldwide meet the demand for future information security management professionals.

The following research publications were published in 2009:

*An Executive View of IT Governance*  
*Audit/assurance programs:*  
- Change Management  
- Generic Application  
- Identity Management  
- IT Continuity Planning  
- Network Perimeter Security  
- Outsourced IT Environments  
- Security Incident Management  
- Systems Development and Project Management  
- UNIX/Linux Operating System Security  
- z/OS Security  

*Building the Business Case for COBIT® and Val IT®: Executive Briefing*  
*Cloud Computing: Business Benefits With Security, Governance and Assurance Perspectives*  
*IT Governance Roundtable: Defining IT Governance*  
*IT Governance Roundtable: Unlocking Value*  
*IT Governance Roundtable: Value Delivery*  
*ITGI Enables ISO/IEC 38500:2008 Adoption*  
*Security, Audit and Control Features Oracle® Database, 3rd Edition*  
*Security, Audit and Control Features SAP® ERP, 3rd Edition*  

Issued in conjunction with the Alliance for Enterprise Security Risk Management (AESRM):

*Business Impact Analysis: A Paradigm Shift*  
*The Convergence of IT Security and Enterprise Risk Management: A Security Professional’s Point of View*  
*A Case for the Convergence of Corporate Physical and IT Security Management*  
*Risk Management for Identity Management Solutions*  
*Forming a Consolidated View of Risk From the Perspective of Traditional and Information Security*  

Guidance for monitoring internal control systems and IT was under development. A global exposure period and a final document were scheduled for 2010.

ISACA Journal, Global Communiqué and CoSiT Focus  
The *Information Systems Control Journal®* was renamed *ISACA® Journal* and the design was completely overhauled beginning with volume 1, 2009. Planning and development were also underway for @ISACA, which was scheduled to launch in January 2010, transitioning from the formal newsletter structure of *Global Communiqué* to a more up-to-date and timely e-newsletter format. *CoSiT® Focus*, which is published quarterly, continued to provide CoSiT users with practical content and was expanded to include coverage of ISACA’s other frameworks—Val IT, Risk IT, BMIS and ITAF.

Translators  
Documents included in ISACA’s translation program included:

- CoSiT® 4.1 in Bulgarian and Spanish  
- The Val IT™ Framework 2.0 and Getting Started With Value Management in Japanese  
- ISACA Code of Professional Ethics in Chinese Simplified, Chinese Traditional, Dutch, French, German, Hebrew, Italian, Japanese, Korean, Polish and Spanish  
- ISACA® Review Manual 2009 in French, Italian, Japanese, Korean and Spanish  
- Presentation slides for the ISACA® Review Course in Italian, Japanese and Spanish  
- CISA exam in Chinese Simplified, Chinese Traditional, Dutch, French, German, Hebrew, Italian, Japanese, Korean, Polish and Spanish  
- CISA Bulletin of Information in Chinese Simplified, Chinese Traditional, Dutch, French, German, Italian, Japanese, Korean, Polish and Spanish  
- Candidate’s Guide to the CISA® Exam and Certification in Chinese Simplified, Chinese Traditional, Dutch, French, German, Italian, Japanese, Korean, Polish and Spanish  
- Presentation slides for CISM® Review Course in Japanese and Spanish  
- CISM exam in Japanese, Korean and Spanish  
- CISM Bulletin of Information in Japanese, Korean and Spanish  
- Candidate’s Guide to the CISM® Exam and Certification in Japanese, Korean and Spanish  
- CoSiT® Foundation Exam in French, German, Japanese and Portuguese  
- IT Auditing Standards, Guidelines, and Tools and Techniques for Audit and Assurance and Control Professionals (current as of May 2009) in Estonian

Conferences and Education  
In addition to hosting the full schedule of events, including the International Conference, the regional Computer Audit, Control and Security (CACS®) conferences and other educational events listed on the Year at a Glance page, ISACA debuted several new events and activities in 2009, including:

- Virtual conference—GRC and IT: Frameworks, Controls and Implementations  
- Sessions at key events were live-captured and made available for those who could not attend the events.  
- The Onsite Training Program was initiated to bring valuable education courses to the participants. Designed for groups of 10 or more, this program enables organizations to meet an enterprise’s specific staff training needs while eliminating the need for staff travel.
ISACA-accredited trainers go to organizations and deliver the following courses:
- COBIT Training Week
- Fundamentals of IT Assurance and Audit
- IT Assurance and Audit Practices
- Information Security Management

The CISA® Online Review Course continued to be available on the ISACA e-Learning Campus to provide a cost-effective tool for exam preparation and for performing information systems audits and reviews.

**Strategic Alliances and Affiliations**

**International Organization for Standardization (ISO):** ISACA is an approved Category C liaison with SC7 and SC27, as well as JTC1.

**International Federation of Accountants—International Auditing and Assurance Standards Board (IFAC-IAASB):** ISACA provided input on IAASB Consultative Advisory Group strategy.

**Standards Australia:** ISACA participated on the IT03 Committee on IT Governance Standards.

**IT Policy Compliance Group (ITPCG):** ISACA supported the development of research initiatives and reports.

**Open Compliance and Ethics Group (OCEG):** An affiliate agreement was in place between OCEG and ISACA.

**International Information Systems Security Certification Consortium (ISC)²:** A memorandum of understanding was in place to promote cooperation.

**IT Service Management Forum International (ITSMFI):** A memorandum of understanding was signed to support collaboration and member benefits.

**Cloud Security Alliance (CSA):** ISACA is a founding association member.

**Office of Government Commerce:** A COBIT guide and a document mapping, Val IT™ Mapping: Mapping of Val IT™ 2.0 to MSP™, PRINCE2™ and ITIL® V3, were published.

**American Institute of Certified Public Accountants (AICPA):** ISACA and AICPA offered several cooperative member benefits.

**US Department of Defense (DoD):** ISACA and DoD executed a license agreement to provide CISA and CISM training to DoD Air Force Communications Agency information assurance personnel.

**Web Site**

ISACA also reinvested in membership and constituent benefits with a web team that worked throughout the year to develop a new, multifunctional web site for ISACA. Some of the major enhancements expected to be available in 2010 include:
- Employers will be able to verify certification online.
- Enhanced search will allow users to filter results by categories.
- Users will be able to establish alerts to be notified of new content.
- Chapter events will display in multiple areas of the site and will be specific to the logged-in user.
- Users will have a quick view into membership/certification status.
- Users will be able to create and choose to share their profile.
- Discussions, documents, blogs and wikis will be available to create community around topics.
- Users will be able to add bookmarks and save searches; quick links will allow users to navigate to popular content.

“Make your work to be in keeping with your purpose.”
— Leonardo da Vinci
Membership and Chapters
Membership at year-end: 95,092, which represents a 2 percent growth from 31 December 2008

Membership at year-end by geographic area:
- Asia—22,369
- Europe/Africa—24,208
- Latin America—3,684
- North America—41,903
- Oceania—2,928

New chapters added: Istanbul, Turkey; Accra, Ghana; Kyiv, Ukraine; Dhaka, Bangladesh; and Bahrain

Number of chapters at year-end: 186 chapters in 77 countries

Number of chapters with membership in excess of 2,000: 7

Number of chapters with membership between 1,000-2,000: 18

Certifications
Certified Information Systems Auditor (CISA)
- Number of exam registrants: More than 24,000 (June and December combined)
- Number of languages: 12
- More than 70,000 professionals have been certified as a CISA since it was established in 1978.

Certified Information Security Manager (CISM)
- Number of exam registrants: More than 4,700 (June and December combined)
- Number of languages: 4
- More than 12,500 professionals have been certified as a CISM since it was established in 2002.

Certified in the Governance of Enterprise IT (CGEIT)
- Number of exam registrants: More than 750 (June and December combined)
- Number of languages: 1
- More than 4,000 professionals have been certified as a CGEIT since it was established in 2007.

Academia
- Number of Academic Advocates: 251, an increase of nearly 7 percent from 1 January to 31 December 2009

Standards
- Revised guidelines issued:
  - G16 Effect of Third Parties on an Enterprise’s IT Controls
  - G17 Effect of Nonaudit Role on the IT Audit and Assurance Professional’s Independence

- Exposure drafts issued:
  - G15 Audit Planning
  - G18 IT Governance
  - G42 Continuous Assurance

CostIT-related Research
CosIT-related materials and publications developed include:
- CosIT® and Application Controls: A Management Guide
- CosIT® User Guide for Service Managers
- Implementing and Continuously Improving IT Governance

Bookstore
- Number of books added in 2009: 61, including all ISACA research projects, CISA and CISM study aids, and third-party publishers (43 English, one Polish, two French, three Italian, five Japanese and seven Spanish)
- Total number of books available: 310, including books on sale and web downloads

ISACA best sellers:
- CISA® Review Manual 2009
- CISA Practice Question Database v9 (CD-ROM or download)
- CISM® Review Manual 2009
- CISM Practice Question Database v9 (CD-ROM or download)
- Excluding CISA and CISM study aids, Security, Audit and Control Features of SAP® ERP, 3rd Edition sold the highest number of copies.

ITGI best sellers:
- Board Briefing on IT Governance, 2nd Edition
- CobiT 4.1
- Information Security Governance: Guidance for the Information Security Manager
- The Val IT Framework 2.0

Third-party best sellers:
- Frameworks for IT Management
- Governance of the Extended Enterprise: Bridging Business and IT Strategies
- Information Technology Control and Audit, 3rd Edition
- IT Risks: Turning Business Threats Into Competitive Advantage
- Implementing Information Technology Governance: Models, Practices and Cases

Conferences and Education
- Computer Audit, Control and Security (CACS) conference sites:
  - Asia-Pacific CACS—Kyoto, Japan
  - EuroCACS—Frankfurt, Germany
  - Latin America CACS—San Jose, Costa Rica
  - North America CACS—Orlando, Florida, USA
  - Oceania CACS—Canberra, ACT, Australia

International Conference site: Los Angeles, California, USA

Training Week locations:
- Houston, Texas, USA; Nashville, Tennessee, USA; Denver, Colorado, USA; Vienna, Austria; Boston, Massachusetts, USA; Toronto, Ontario, Canada; San Francisco, California, USA

IT Governance, Risk and Compliance Conference: Las Vegas, Nevada, USA

Information Security and Risk Management Conference: Bogota, Colombia; Las Vegas, Nevada, USA; Amsterdam, The Netherlands

e-Symposium topics:
- Effectively Managing Risk in Today’s Economy
- Optimizing Your Enterprise GRC Program
- Security Vulnerabilities and Safeguards
- IT Audit: Challenges and Opportunities
- Web Application Security: Intelligent Choices
- Harmonizing Security and Compliance
- PCI Compliance: A Holistic View
- Data Protection Planning: How and Why?
- The Cloud and Service Management: How Do They Connect?
- Mobile Communication When Disaster Strikes—Your Business Continuity Management Plan
- Protecting Yourself and Your Enterprise From Data-based Vulnerabilities
- The Ultimate DLP Project Planning Tool

Number of accredited CosIT trainers: 61
Number of CosIT Foundation certificates awarded: 3,192

Financial
- In line with the economic downturn that has impacted many individuals and enterprises worldwide, revenues for the organization declined in 2009. However, through the efficient management of resources, the results from operations were consistent with those achieved the previous year. In addition to operations, the organization’s investment portfolio experienced significant gains, recovering a sizeable portion of the losses reported in 2008 and accounting for more than 50 percent of the overall surplus for 2009. Looking forward, management will continue to monitor economic conditions and their impact on our constituents and their operations in 2010. The 2009 audited financial statements for the organization are presented within this annual report.
Combined Financial Statements

All monetary amounts included in the financial statements are in US dollars.

2009 Operating Revenues

- Publications 10%
- Interest, dividends, IP use, royalties and other 3%
- Education 14%
- Membership 30%
- Certification 43%

2009 Operating Expenses

- Education 18%
- Research 10%
- Publications 9%
- Supporting services and administration 20%
- Membership 21%
- Certification 22%

ISACA/ITGI Historical Revenues

(In millions of US dollars)
We have audited the accompanying combined statements of financial position of ISACA, Inc. and the IT Governance Institute, Inc. (collectively, the “Organization”) as of 31 December 2009 and 2008, and the related combined statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management.

Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of ISACA, Inc. and the IT Governance Institute, Inc. as of 31 December 2009 and 2008, and the combined changes in their net assets and their combined cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The combining information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations and cash flows of the individual entities. The combining information has been subjected to the auditing procedures applied in the audits of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Chicago, Illinois
2 April 2010
Combined Statements of Financial Position
ISACA, Inc. and IT Governance Institute, Inc.

31 December

### ASSETS

#### CURRENT ASSETS

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<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
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<tr>
<td>Cash and cash equivalents</td>
<td>$1,064,772</td>
<td>$1,509,712</td>
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<td>Investments</td>
<td>51,924,717</td>
<td>45,293,904</td>
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<td>Accounts receivable, net</td>
<td>508,301</td>
<td>639,801</td>
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<tr>
<td>Prepaid expenses</td>
<td>1,245,000</td>
<td>1,606,429</td>
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<tr>
<td>Inventory</td>
<td>808,580</td>
<td>737,660</td>
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<td>Other current assets</td>
<td>86,128</td>
<td>162,879</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>$55,637,498</td>
<td>$49,950,385</td>
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#### FIXED ASSETS

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<th>2009</th>
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<tr>
<td>Leasehold improvements</td>
<td>761,085</td>
<td>757,207</td>
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<tr>
<td>Furniture and fixtures</td>
<td>293,703</td>
<td>311,153</td>
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<tr>
<td>Office equipment</td>
<td>201,211</td>
<td>260,335</td>
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<tr>
<td>Computer system</td>
<td>2,627,207</td>
<td>2,320,936</td>
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<tr>
<td><strong>Less accumulated depreciation</strong></td>
<td>(2,639,430)</td>
<td>(2,442,513)</td>
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<tr>
<td><strong>Net fixed assets</strong></td>
<td>$1,243,776</td>
<td>$1,207,118</td>
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**TOTAL ASSETS** $56,881,274 $51,157,503

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES

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<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
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<tbody>
<tr>
<td>Accounts payable</td>
<td>$4,324,601</td>
<td>$5,901,505</td>
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<tr>
<td>Deferred revenues</td>
<td>8,186,999</td>
<td>9,809,871</td>
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<tr>
<td>Other liabilities</td>
<td>189,369</td>
<td>233,143</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>$12,700,969</td>
<td>$15,944,519</td>
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#### NET ASSETS

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<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>26,917,020</td>
<td>29,009,205</td>
</tr>
<tr>
<td>Board-designated</td>
<td>17,161,177</td>
<td>6,101,671</td>
</tr>
<tr>
<td><strong>Total unrestricted</strong></td>
<td>44,078,197</td>
<td>35,110,876</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>60,997</td>
<td>60,997</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>41,111</td>
<td>41,111</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$44,180,305</td>
<td>$35,212,984</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET ASSETS** $56,881,274 $51,157,503

The accompanying notes are an integral part of these statements.
# Combined Statements of Activities

ISACA, Inc. and IT Governance Institute, Inc.

## Years ended 31 December

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership</td>
<td>$11,102,026</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Certification</td>
<td>15,804,825</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Education</td>
<td>5,371,794</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Publications</td>
<td>3,553,336</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions and sponsorships</td>
<td>129,920</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Interest, dividends, IP use, royalties, and other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Membership</td>
<td>6,970,456</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Certification</td>
<td>7,167,564</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Education</td>
<td>5,855,109</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Publications</td>
<td>2,829,853</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Research</td>
<td>3,341,715</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Supporting services</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Board and administrative</td>
<td>6,591,165</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>OTHER GAINS AND LOSSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gain/(loss) on investments</td>
<td>4,566,336</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(976,651)</td>
<td>(824)</td>
<td>-</td>
<td>(977,475)</td>
</tr>
<tr>
<td><strong>NET ASSETS, beginning of year</strong></td>
<td>35,110,876</td>
<td>60,997</td>
<td>41,111</td>
</tr>
<tr>
<td><strong>NET ASSETS, end of year</strong></td>
<td>$44,078,197</td>
<td>$60,997</td>
<td>$41,111</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
Combined Statements of Cash Flows
ISACA, Inc. and IT Governance Institute, Inc.

Years ended 31 December

<table>
<thead>
<tr>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>$ 8,967,321</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>442,513</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
</tr>
<tr>
<td>Loss on sale of fixed assets</td>
<td>590</td>
</tr>
<tr>
<td>Net (gain) loss on investments</td>
<td>(4,566,336)</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>131,500</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>438,180</td>
</tr>
<tr>
<td>Inventory</td>
<td>(70,920)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(1,576,904)</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>(1,622,872)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(43,774)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>2,099,298</td>
</tr>
</tbody>
</table>

Cash flows from investing activities

<table>
<thead>
<tr>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of fixed assets</td>
<td>(479,761)</td>
</tr>
<tr>
<td>Proceeds from the sale of investments</td>
<td>17,473,680</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(19,538,157)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(2,544,238)</td>
</tr>
</tbody>
</table>

NET CHANGE IN CASH AND CASH EQUIVALENTS | (444,940) | 511,836 |

Cash and cash equivalents, beginning of year | 1,509,712 | 997,876 |

Cash and cash equivalents, end of year | $ 1,064,772 | $ 1,509,712 |

The accompanying notes are an integral part of these statements.
Notes to Combined Financial Statements
ISACA, Inc. and IT Governance Institute, Inc.

31 December 2009 and 2008

Note A—Organization
The “Organization” consists of ISACA, Inc. (the “Association”) and the IT Governance Institute, Inc. (the “Institute”). The Association’s and Institute’s financial statements are presented on a combined basis due to a majority of Board members serving both entities and the Association’s economic interest in the Institute. The Organization operates on a global basis, with the majority of revenues and net assets attributable to the Association, the predominant entity within the Organization. The Organization maintains its books and records at its headquarters building located in Rolling Meadows, Illinois, USA.

The Association was incorporated in 1969 under the name of the Electronic Data Processing Auditors Foundation. In 1993, to reflect the evolving state of technology as well as the Association’s expanding constituency base, the name was changed to Information Systems Audit and Control Association, Inc. The Association now presents itself by its acronym, ISACA. With more than 95,000 members and 186 chapters at year-end 2009, ISACA is a leading global provider of knowledge, certifications, community, advocacy and education on IS assurance and security, enterprise governance of IT, and IT-related risk and compliance. ISACA sponsors international conferences, publishes the ISACA® Journal, and develops international IS auditing and control standards. It also administers the globally respected Certified Information Systems Auditor (“CISA”), Certified Information Security Manager (“CISM”) and Certified in the Governance of Enterprise IT (“CGEIT”) designations.

The Institute was incorporated in 1976 under the name Electronic Data Processing Auditors Foundation, a California (USA) not-for-profit corporation. In 1994, its name was changed to Information Systems Audit and Control Foundation, to align with the changed name of the Association, and was changed again in 2003 to IT Governance Institute, Inc. The Institute’s role in the mission it shares with ISACA focuses on provision of knowledge through conduct of empirical research on IT governance and related topics. The Institute performs research to advance international understanding of good practices to direct and control an enterprise’s IT. Through its collaborative development model, the Institute brings global perspectives to critical issues facing enterprise leaders and practitioners in its IT governance responsibilities.

The Organization developed and maintains the CoIT, Val IT and Risk IT frameworks, which help IT professionals and enterprise leaders fulfill their IT governance responsibilities and deliver value to the business. In addition, ISACA offers the Business Model for Information Security (BMIS) and the IT Assurance Framework (ITAF).

Note B—Summary of Significant Accounting Policies

Basis of Presentation
The combined financial statements include the assets, liabilities, net assets and financial activities of the Organization. Significant intercompany balances have been eliminated. The chapters are not fiscally accountable to the Organization and, accordingly, have not been included in the accompanying combined financial statements.

Cash and Cash Equivalents
Cash and cash equivalents consist primarily of interest-bearing deposits to be used for operating purposes. These deposits are carried at fair value, which approximates cost.

Investments

Fair Value Measurements
The investments of the Organization are reflected in the accompanying financial statements at fair value according to generally accepted accounting principles (“GAAP”). GAAP has established a framework for measuring fair value as well as a fair value hierarchy based on the inputs used to measure fair value. In addition, the disclosure requirements for fair value measurements have been enhanced, maximizing the use of observable inputs and minimizing the use of unobservable inputs by requiring observable inputs be used when available.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement; however, the determination of what constitutes observable requires significant judgment. The Organization defines observable inputs as those market participants would use in pricing the asset or liability, based on market data obtained from independent sources. Unobservable inputs are defined as those that reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

- **Level 1** - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

- **Level 2** - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but which are traded less frequently and investments that are fairly valued using other securities, the parameters of which can be directly observed.

- **Level 3** - Securities that have little to no pricing observability as of the report date. These securities are measured using management’s best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

...
All of the Organization’s investments are classified as Level 1 in the fair value hierarchy noted above as of 31 December 2009 and 2008.

Investment gains and losses include net realized and unrealized gains and losses and are reflected in the financial statements as non-operating activities, while interest income and dividends are considered operating revenue.

Concentration of Credit Risk
The Organization maintains cash balances at several financial institutions, which are insured by the Federal Deposit Insurance Corporation up to $250,000. Uninsured balances totaled $6,043,375 and $4,901,330 at 31 December 2009 and 2008, respectively. The Organization has not experienced any losses in such accounts, and believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable
Accounts receivable are due within 30 days and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. The Organization determines its allowance for doubtful accounts by considering a number of factors, including the length of time trade accounts receivable are past due, the Organization’s previous loss history, the customer’s current ability to pay its obligation to the Organization, and the condition of the general economy and the industry as a whole. The Organization writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Inventory
Inventory consists solely of study aids and other publications printed for the Organization for sale to its members and interested outside parties. Inventory is valued at the lower of cost or market, and cost is determined by the average cost method. Provisions for obsolete items are based on estimated future usage as related to quantities of stock on hand.

Fixed Assets
Fixed assets are carried at cost. Depreciation is computed using the straight-line method. The estimated useful lives of the related assets range from two to 10 years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease terms or their estimated useful lives. Depreciation expense totaled $442,513 and $500,961 for 2009 and 2008, respectively.

Net Assets
The net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions, using the following classifications:

- Unrestricted - Represents unrestricted resources available for support of daily operations and contributions received for which no donor restriction has been put on their use. The Board may designate certain net assets for a particular function or activity.
- Temporarily Restricted - Represents resources for which the use has been temporarily restricted by the contributor. When a donor restriction has been satisfied by incurred expenses consistent with the designated purpose, temporarily restricted net assets are reclassified to unrestricted net assets for reporting of related expenses.
- Permanently Restricted - Represents resources that are subject to restrictions of gift instruments requiring that the principal be invested and maintained in perpetuity. The income generated from these funds is classified based on the terms of the gift instruments.

Revenue Recognition
Revenues received by the Organization consist primarily of annual membership dues and new member fees; CISA, CISM and CGEIT examination and annual maintenance fees; attendance fees for educational conferences; the sale of advertising space; charges for various publications; sponsorships and contributions; and license fees. Membership dues and annual maintenance fees for CISA, CISM and CGEIT are recognized as revenue in the applicable membership period. New member fees are recorded in the period in which the membership application is processed, with chapter membership dues collected by the Association recorded as a liability until remitted to the chapters. The Organization recognizes unrestricted, restricted and endowment contributions in accordance with donor restrictions in the period in which the commitment for support is obtained, with other revenues being recognized over the period in which the goods or services are provided. Unearned dues, fees and subscriptions are classified as deferred revenue.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

Accounting for Income Taxes
The Organization adopted Accounting Standards Codification (“ASC”) 740-10 as of 1 January 2009. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. The Organization is exempt from income tax under Internal Revenue Code (“IRC”) sections 501(c)(3) and 501(c)(6), though it is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the IRC. The tax years ended 2006, 2007 and 2008 may still be selected for audit for both Federal and state purposes based on Internal Revenue Code sections 501(c)(3) and 501(c)(6).
NOTES TO COMBINED FINANCIAL STATEMENTS

Service statute of limitations. The adoption of ASC 740-10 did not have any impact on the Organization’s financial statements.

Subsequent Events
In May 2009, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 165, “Subsequent Events,” now referred to as ASC 855.10, to incorporate the accounting and disclosure requirements for subsequent events into US GAAP. ASC 855.10 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the balance sheet date. The Organization adopted ASC 855.10 as of 31 December 2009, which was the required effective date.

The Organization evaluated its 31 December 2009 financial statements for subsequent events through 2 April 2010, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Note C—Investments
The following table presents information about the Organization’s assets, measured at fair value on a recurring basis as of 31 December 2009. All of the Organization’s investments are classified as Level 1 in the fair value hierarchy of investments as of 31 December and consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds</td>
<td>$39,347,920</td>
<td>$32,575,512</td>
</tr>
<tr>
<td>Equities</td>
<td>6,763,369</td>
<td>8,154,389</td>
</tr>
<tr>
<td>Government debt securities</td>
<td>5,690,694</td>
<td>4,391,967</td>
</tr>
<tr>
<td>Money market/interest-bearing deposits</td>
<td>122,734</td>
<td>172,016</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$51,924,717</strong></td>
<td><strong>$45,293,904</strong></td>
</tr>
</tbody>
</table>

The components of investment income for the years ended 31 December are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$ 856,247</td>
<td>$ 1,458,489</td>
</tr>
<tr>
<td>Net realized and unrealized gain (loss) on marketable securities</td>
<td>4,566,336</td>
<td>(5,600,268)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,422,583</strong></td>
<td><strong>$(4,141,779)</strong></td>
</tr>
</tbody>
</table>

Note D—Accounts Receivable
Accounts receivable consist of the following at 31 December:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>$566,103</td>
<td>$ 750,166</td>
</tr>
<tr>
<td>Less allowance for doubtful accounts</td>
<td>(57,802)</td>
<td>(110,365)</td>
</tr>
<tr>
<td><strong>Net receivables</strong></td>
<td><strong>$508,301</strong></td>
<td><strong>$ 639,801</strong></td>
</tr>
</tbody>
</table>

Changes in the Association’s allowance for doubtful accounts are as follows for the years ended 31 December:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$110,365</td>
<td>$109,682</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>25,688</td>
<td>78,532</td>
</tr>
<tr>
<td>Accounts written off</td>
<td>(78,251)</td>
<td>(77,849)</td>
</tr>
<tr>
<td><strong>Ending balance</strong></td>
<td><strong>$  5,782</strong></td>
<td><strong>$110,365</strong></td>
</tr>
</tbody>
</table>

Note E—Board-Designated Net Assets
The Association/Institute Board of Directors/Trustees designates a portion of the Organization’s unrestricted net assets for contingency purposes in order to protect the Organization against unforeseen global events and economic downturn. The designated amount, calculated based on annual operating expenses, totals $26,917,020 as of 31 December 2009. Additional funds totaling $15,780 have been designated by the Association/Institute Board of Directors for various research projects. These funds, while designated for the purposes noted above, are categorized within the Organization’s financial statements as unrestricted net assets.

Note F—Temporarily Restricted Net Assets
Temporarily restricted net assets at 31 December have been designated by donors for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>$51,048</td>
<td>$51,048</td>
</tr>
<tr>
<td>Membership</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td>Education</td>
<td>2,139</td>
<td>2,139</td>
</tr>
<tr>
<td>Standards</td>
<td>155</td>
<td>155</td>
</tr>
<tr>
<td>Certification</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>IS hardware and software</td>
<td>5,250</td>
<td>5,250</td>
</tr>
<tr>
<td>Building</td>
<td>1,755</td>
<td>1,755</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$60,997</strong></td>
<td><strong>$60,997</strong></td>
</tr>
</tbody>
</table>

Note G—Net Assets Released from Restrictions
During 2009 and 2008, net assets were released from restrictions to satisfy the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>General research</td>
<td>$</td>
<td>$5,825</td>
</tr>
<tr>
<td>CoeIT</td>
<td>2,500</td>
<td>515</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,500</strong></td>
<td><strong>$6,340</strong></td>
</tr>
</tbody>
</table>

Note H—Permanently Restricted Net Assets
Permanently restricted net assets are restricted as investments in perpetuity. The Organization’s endowment consists only of donor-restricted endowment funds. Net assets associated with the Organization’s endowment funds are classified and reported based on the existence of donor-imposed restrictions. There are no donor restrictions on the earnings of the Organization’s endowment funds.

The Organization accounts for endowment net assets by preserving the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent
explicit donor stipulations to the contrary. As a result, the Organization classifies the original value of the gifts donated to the permanent endowment as permanently restricted net assets. All earnings on the endowment funds are unrestricted and appropriated for current-year operating expenses as allowed by the donor.

As of 31 December 2009 and 2008, endowment assets include only those assets of donor-restricted funds that the Organization must hold in perpetuity. The Organization does not have any Board-designated endowment funds.

The Organization’s Finance Committee meets on a regular basis to ensure that the objectives of the Organization’s investment policy are being met, and that the investment approach used to meet the objectives is in accordance with the investment policy approved by the Board of Directors. Under this policy, the endowment assets are invested in a manner that is intended to provide adequate liquidity and maximize returns on funds invested. Interest and dividends earned on endowment funds are appropriated for current-year operating expenses.

During 2009 and 2008, the Organization had the following endowment-related activities:

<table>
<thead>
<tr>
<th>Endowment net assets, 31 December 2009</th>
<th>Unrestricted restricted</th>
<th>Permanently restricted</th>
<th>Total endowment funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$41,111</td>
<td>$41,111</td>
<td></td>
</tr>
</tbody>
</table>

Interest and dividends

<table>
<thead>
<tr>
<th>Appropriation of endowment assets for expenditure</th>
<th>Unrestricted restricted</th>
<th>Permanently restricted</th>
<th>Total endowment funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Total change in endowment net assets

<table>
<thead>
<tr>
<th>Total change in endowment net assets</th>
<th>Unrestricted restricted</th>
<th>Permanently restricted</th>
<th>Total endowment funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>(67)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Endowment net assets, 31 December 2009

<table>
<thead>
<tr>
<th>Endowment net assets, 31 December 2009</th>
<th>Unrestricted restricted</th>
<th>Permanently restricted</th>
<th>Total endowment funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$41,111</td>
<td>$41,111</td>
<td></td>
</tr>
</tbody>
</table>

Note J—Leases

The Organization has an office facilities operating lease through 31 January 2018, which requires monthly payments comprised of rent, property taxes, pro rata share of common operating expenses and insurance. The Organization also rents office equipment under three non-cancelable leases with terms in excess of one year.

As of 31 December 2009, the minimum future rentals payable under these noncancelable operating lease commitments were as follows:

<table>
<thead>
<tr>
<th>Years ending 31 December</th>
<th>Office equipment</th>
<th>Facilities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$37,900</td>
<td>$492,700</td>
<td>$530,600</td>
</tr>
<tr>
<td>2011</td>
<td>19,900</td>
<td>505,800</td>
<td>525,700</td>
</tr>
<tr>
<td>2012</td>
<td>6,400</td>
<td>518,800</td>
<td>525,200</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>531,900</td>
<td>531,900</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>544,900</td>
<td>544,900</td>
</tr>
<tr>
<td>2015 and thereafter</td>
<td>-</td>
<td>1,859,900</td>
<td>1,859,900</td>
</tr>
</tbody>
</table>

Rent expenses under these leases for the years ended 31 December 2009 and 2008, were $607,053 and $561,500, respectively.

Note K—Income Taxes

The Association and the Institute have received favorable determination letters from the Internal Revenue Service stating that they are exempt from Federal income taxes under Section 501(a) of the IRC, as organizations described in Sections 501(c)(6) and 501(c)(3), respectively. However, unrelated business income is subject to taxation. In 2009 and 2008, the Association did not incur a tax liability resulting from unrelated business activities.

Note L—Employee Benefit Plan

The Association maintains a defined contribution retirement plan for qualified employees. Participation in the plan is optional. The Association will match the first 5% contributed by the employee. The Association’s contributions to the Plan for the years ended 31 December 2009 and 2008, were $419,880 and $398,812, respectively.
The Audit Committee of the Board of Directors/Trustees (the Board) of ISACA/IT Governance Institute (the Organization) oversees the Organization's financial reporting process on behalf of the Board, and is composed of six independent members. In fulfilling its responsibility, the committee recommended to the Board the selection of the Organization’s independent certified public accountants.

The committee discussed with the independent certified public accountants the overall scope and specific plans for their audit. The committee also discussed the Organization’s combined financial statements and the adequacy of its internal controls.

The management of ISACA/IT Governance Institute (the “Organization”) has the responsibility for the preparation, integrity and fair presentation of the accompanying financial statements. The statements were prepared in conformity with accounting principles generally accepted in the United States of America. These principles were applied on a consistent basis and, as such, include amounts that are based on management’s best estimates and judgments. Management also prepared the other information in the annual report and is responsible for its accuracy and consistency with the financial statements.

The Organization’s financial statements for 2009 have been audited by Grant Thornton LLP, independent certified public accountants appointed by the Board of Directors/Trustees (the Board). Management has made available to Grant Thornton LLP all of the Organization’s financial records and related data, as well as the minutes of the Board’s meetings. Management believes that all representations made to Grant Thornton LLP during its audit were valid and appropriate.

The Organization maintains a system of internal control that is designed to provide reasonable assurance to management and to the Board regarding the preparation and publication of reliable and accurate financial statements, the effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The system includes a documented organizational structure and division of responsibility, established policies and procedures that are communicated throughout the Organization, and the careful selection, training and development of personnel. Management also recognizes its responsibility for fostering a strong ethical climate so that the Organization’s affairs are conducted according to the highest standards of personal and corporate conduct.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation.

The Organization evaluates its internal control system in relation to criteria for effective internal control over financial reporting described in Internal Control-Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission, and as of 31 December 2009, the Organization believes that its system of internal control over financial reporting met those criteria.

As part of its audit of the Organization’s financial statements, Grant Thornton LLP assessed the Organization’s internal accounting controls structure to establish a basis for reliance thereon in determining the nature, timing and extent of audit tests to be applied. Management and Grant Thornton LLP have reviewed the internal control assessment with the Audit Committee as part of the committee’s acceptance of the financial statements. The Board, operating through its Audit Committee, which is composed entirely of members who are not officers or employees of the Organization, provides oversight to the financial reporting process.
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Not pictured:
Rolf von Roessing, CISA, CISM, CGET
Vice President
Germany

Susan M. Caldwell
Secretary
USA
Letter From the International President and the CEO

ISACA proactively restructured itself in 2009 and, despite the significant change, the transition was amazingly seamless. After the Annual Meeting of the Membership, when the conversion officially took place, the new boards, committees and task forces were up and running efficiently. This could happen only with the drive and dedication of the incoming and outgoing Board of Directors, Board of Trustees, chairs and members of boards, committees, task forces, and working groups, as well as the thousands of members who contributed in so many ways to the successful transformation.

We send a sincere note of appreciation to all who were involved for their considerable efforts and the expertise they shared during this time of change and throughout the year. Your contributions are appreciated today, and we know that they will continue to benefit the association for years to come. Thank you.

Emil D’Angelo, CISA, CSEM
International President 2009-2010
ISACA and the IT Governance Institute

Susan M. Caldwell
Chief Executive Officer
ISACA and the IT Governance Institute

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The Netherlands

Akilesh Chandra, CISA, CGEIT, ACS
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USA

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India

Anand Shenoy, CISA
Asia-Pacific CACIS Partnering Chapter Task Force
India

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Switzerland

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CACIS Certification Committee
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CACIS Test Enhancement Subcommittee
USA

Chush Yik Ng, CISA, CGEIT, CPA
Chapter Support Committee
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Hong Kong

Vincent Chan, CISA, CGEIT, CPA
China Task Force
Hong Kong

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CACIS Certification Committee
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CACIS Job Practice Task Force
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CACIS Test Enhancement Subcommittee
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CACIS Certification Committee
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CACIS Test Enhancement Subcommittee
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COSL 5 Task Force
USA

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COSL 5 Task Force
UK

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COSL Enterprise Certification Task Force
Australia

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Belgium

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UK

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Credentiaing Board
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CPBS Task Force
Switzerland

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eLearning Task Force
USA

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EuroCACIS Partnering Chapter Task Force
Hungary

Sándor P. Bartók, CISA, CGEIT
EuroCACIS Conference Task Force
Hungary

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Greece

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Finance Committee
UK

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Framework Committee
France

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Governance Advisory Council
USA

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India

Jorge Garibay Orozco, CISA
GAC Regional Subcommittee Region 2
Mexico

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GAC Regional Subcommittee Region 5
Australia

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India Growth Initiative Task Force
India

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International Conference Partnering Chapter Task Force
USA

Alexander Zapata Léris, CISA, CGEIT
International Conference Task Force
Mexico

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Lynn C. Wadston, CISA, HCBS CTP, FCA, FIA
ITGI Nominating Committee
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Knowledge Management Task Force
Canada

Jose Angel Pena Barra, CISA
Latin America Task Force
Mexico

Michael E. Field, CISA
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Jeffrey M. Knut, CISA
North America CACIS Conference Task Force
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Singapore

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Publications Committee
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UK

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Jotham Nyamari, CISA
Young Professionals Subcommittee
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Web Site Implementation Task Force
Belgium

Paul A. Williams, CITP, FCA, MBICS
Strategic Advisory Council
UK

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Web Site Implementation Task Force
Belgium
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New Delhi, India
Pune, India
Vijayawada, India
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Negoya, Japan
Osaka, Japan
Tokyo, Japan
Korea
Lebanon
Macau
Malaysia
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Karachi, Pakistan
Lahore, Pakistan
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Riyadh, Saudi Arabia
Singapore
Riyadh, Saudi Arabia
Jeddah, Saudi Arabia
Manila, Philippines

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Bogota, Colombia
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Quito, Ecuador
Guadalajara, Mexico
Merida, Yucatan, Mexico
Mexico City, Mexico
Monterrey, Mexico
Panama
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Lima, Peru
Puerto Rico
Montevideo, Uruguay
Venezuela

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Belgium
Sofia, Bulgaria
Croatia
Czech Republic
Denmark
Estonia
Finland
France (Paris)
Germany
Accra, Ghana
Athens, Greece
Budapest, Hungary
Ireland
Tel-Aviv, Israel
Milan, Italy
Rome, Italy
Kenya
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Abuja, Nigeria
Lagos, Nigeria
Norway
Warsaw, Poland
Moscow, Russia
Romania
Slovenia
Slovak Republic
South Africa
Barcelona, Spain
Madrid, Spain
Valencia, Spain
Sweden
Switzerland
Tanzania
Istanbul, Turkey
Kampala, Uganda
Kyiv, Ukraine
London, UK
Central UK
Northern England, UK
Scotland, UK

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Edmonton, AB
Vancouver, BC
Victoria, BC
Winnipeg, MB
Atlantic Provinces
Ottawa Valley, ON
Toronto, ON
Montreal, PQ
Quebec City, PQ

Islands
Bermuda
Trinidad & Tobago

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Illini (Springfield, IL)
Central Indiana (Indianapolis)
Iowa (Des Moines)
Kentuckiana (Louisville, KY)

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Western Michigan
Minnesota
Omaha, NE
Central Ohio (Columbus)
Greater Cincinnati, OH
Northeast Ohio (Cleveland)
Northwest Ohio
Kettle Moraine, WI (Milwaukee)
Quad Cities

Northeastern United States
Greater Hartford, CT
Central Maryland (Baltimore)
New England
New Jersey
Central New York (Syracuse)
Hudson Valley, NY (Albany)
New York Metropolitan
Western New York (Buffalo)
Harrisburg, PA
Philadelphia, PA
Pittsburgh, PA
Rhode Island
National Capital Area, DC

Southeastern United States
Birmingham, AL
Jacksonville, FL
Central Florida (Orlando)
South Florida
West Florida (Tampa)
Atlanta, GA
Charlottesville, NC
Research Triangle (Raleigh, NC)
South Carolina Midlands (Columbia, SC)
Memphis, TN
Middle Tennessee (Nashville)
Virginia

Southwestern United States
Central Arkansas (Little Rock)
Denver, CO
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Greater New Orleans, LA
Greater Kansas City, MO
St. Louis, MO
New Mexico (Albuquerque)
Central Oklahoma (Oklahoma City)
Tulsa, OK
Austin, TX
Greater Houston Area, TX
North Texas (Dallas)
San Antonio/San Antonio

Western United States
Anchorage, AK
Phoenix, AZ
Los Angeles, CA
Orange County, CA (Anaheim)
Sacramento, CA
San Francisco, CA
San Diego, CA
Silicon Valley, CA (Sunnyvale)
Hawaii (Honolulu)

Boise, ID
Las Vegas, NV
Williamette Valley, OR (Portland)
Utah (Salt Lake City)
Mt. Rainier, WA (Olympia)
Puget Sound, WA (Seattle)

Oceania
Adelaide, Australia
Brisbane, Australia
Canberra, Australia
Melbourne, Australia
Perth, Australia
Sydney, Australia
Auckland, New Zealand
Wellington, New Zealand
Papua New Guinea

Chapters in Formation
Baku, Azerbaijan
Aurangabad, India
Trivandrum, India
Fukuoka City, Japan
Al Kuwait, Kuwait
Islamabad, Pakistan
Dhahran (Eastern Province), Saudi Arabia
Abu Dhabi, UAE
Rosario, Argentina
Porto Alegre, Brazil
Santo Domingo, Dominican Republic
Guatemala City, Guatemala
Tegucigalpa, Honduras
Managua, Nicaragua
Chiclayo, Peru
Yerevan, Armenia
Nicosia, Cyprus
Winchester, England
Reykjavik, Iceland
Lisbon, Portugal
St. Petersburg, Russia
Malaga, Spain
Gaborone, Botswana
Douala, Cameroon
Caïro, Egypt
Port Louis, Mauritius
Casablanca, Morocco
Ibadan, Nigeria
Port Harcourt, Nigeria
Tunis, Tunisia
Lusaka, Zambia
Harare, Zimbabwe
Huntsville, AL, USA
Barbados
Saguenay, Quebec, Canada
Kingston, Jamaica
Knoxville, TN, USA
Portland, ME, USA
Tallahassee, FL, USA
History of ISACA and ITGI

ISACA’s journey began more than 40 years ago, in 1967, when a small, but visionary, group of professionals realized that their work auditing controls for computer systems was becoming increasingly vital to the overall operational success of their enterprises. Together they discussed the benefits of developing a centralized source of information and guidance for their growing field. In 1969, the group formalized and incorporated as the EDP Auditors Association (EDPAA). The organization began operating as the Information Systems Audit and Control Association (ISACA) in 1994, and by 2006 the acronym ISACA had become so well known and respected globally—and it more accurately reflected the broad membership base—that it became the association’s official name.

Affiliated with ISACA, the IT Governance Institute (ITGI) was created in 1998 to assist enterprise leaders in their responsibility to make IT successful in supporting the mission and goals of enterprises around the world. ITGI’s goals are to raise awareness among, and provide guidance and tools to, boards of directors, executive management and chief information officers (CIOs) to enable them to ensure that their enterprise IT meets and exceeds expectations, and its risks are mitigated.

In the years since their inception, ISACA and ITGI have been drivers of extensive innovation and, as a result, have become pace-setting global organizations for IT governance, security, control and assurance professionals. Together, ISACA and ITGI are leaders that serve management and practitioners by providing elements critical to this quickly evolving industry: a code of ethics, research, a common body of knowledge, standards, certifications, publications and education.

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