**District 72, Toastmasters New Zealand**

**Interim Financial Report for the year ended   
30 June 2020**

**The Quarter Four Financial Report includes:**

* Draft Income Statement for the twelve months ended 30 June 2020
* Notes to the Income Statement
* Available Funds as at 30 June 2020
* Balance Sheet as at 30 June 2020
* Notes to the Balance Sheet

**Interim Income Statement for the year ended 30 June 2020**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Twelve Months Ended | | |  | Twelve Months Ended |
|  | Note | 30 June 2020 | | |  | 30 June 2019 |
|  |  | Actual | Budget | Variance |  | Actual |
| **District Revenue** |  |  |  |  |  |  |
| Membership Revenue | 1 | 75,339 | 78,584 | (3,245) |  | 78,894 |
| Conference Revenue | 2 | 0 | 28,800 | (28,800) |  | 21,694 |
| District Store Revenue | 3 | 5,292 | 11,700 | (6,408) |  | 13,824 |
| Speech Contest Revenue | 4 | 0 | 0 | 0 |  | 2,291 |
| Other Revenue | 5 | 4,650 | 15,695 | (11,405) |  | 10,256 |
| **Total District Revenue** |  | **68,142** | **134,779** | **(49,498)** |  | **126,959** |
| **District Expenses** |  |  |  |  |  |  |
| Conference Expenses | 2 | 2,948 | 28,785 | (25,837) |  | 21,078 |
| District Store Expenses | 3 | 3,665 | 9,855 | (6,190) |  | 18,026 |
| Marketing Expense | 6 | 42,010 | 50,000 | (7,990) |  | 13,195 |
| Communications & PR Expenses | 7 | 4,472 | 5,000 | (528) |  | 3,543 |
| Education & Training Expense | 8 | 10,970 | 32,260 | (21,290) |  | 17,548 |
| Speech Contest Expenses | 4 | 10,185 | 15,000 | (4,815) |  | 7,733 |
| Administration Expenses | 9 | 4,861 | 7,000 | (2,139) |  | 11,682 |
| Travel Expense | 10 | 31,596 | 40,900 | (9,304) |  | 32,396 |
| Other Expenses | 11 | 5,424 | 5,736 | (312) |  | 3,953 |
| **Total District Expenses** |  | **116,131** | **194,536** | **(78,405)** |  | **129,154** |
| **Surplus for the year ended 30 June** |  | **(30,850)** | **(59,757)** | **28,907** |  | **(2,195)** |

**Notes to the Interim Income Statement for the year ended 30 June 2020**

1. Membership revenue is currently behind budget due to Covid-19 ‘lockdown’ impacts on club renewals and awaiting final year end figures.
2. All conference revenue was refunded upon cancellation of the May Christchurch Conference. Some deposits were non-refundable or only partially refunded after deduction of administration fees resulting in net costs of $2,948.
3. District Store revenue is $6,408 below budget. The budget was set based on last year’s budget with expected lower demand due to the introduction of Pathways. The impact has been greater than anticipated with D112 also opting to not endorse the service. Low stock of legacy items also resulted in members ordering directly from TI rather than from the District Store. District Store expenses are also below budget ($6,190) as discussed above. A net gain of $1,627 has been achieved as those District 112 members electing to use our service were charged postage costs. The District 72 absorbs the cost of shipping and postage for members.

1. No speech contest revenue was budgeted for this year. Speech contest expenditure is currently well under budget due to good cost control by Division teams and because of Covid. All Area contests were completed by the end of February, but 2 Division contests were not able to be completed before lockdown. These contests were completed ‘on-line’ at a lower net cost.
2. Other revenue is made up of the District Service Charge levied on all clubs, recovery of shared services costs from District 112 plus interest. Interest is below budget by $75 with continued low interest rates and reducing cash reserves. The District Service Charge was increased by $2 to $8 per member (including GST) this year. Due to Covid-19 having negative impacts on clubs and reduced opportunity to provide services it was decided to refund this years DSC. $2,800 has yet to be refunded pending Clubs confirming valid bank account details. District 112 was charged $1,780 for a share of national website & 0800 freephone costs to 30 June.
3. Marketing expenditure is below budget by $7,990. Member growth expenditure was only $1,683 below budget with Billboard and ‘Back of the Bus” campaigns during the year. While Facebook advertising continued during lock-down, promotional budget assigned to build new Clubs was not used. New Visitor Booklets were also distributed after lock-down eased.
4. Communications and Public Relations expense is $528 under budget. It is for the New Zealand website which we continue to share with District 112, seeking reimbursement of half the cost.
5. Education and Training expenditure is $21,290 under budget. This is largely due to few workshops being physically held before ‘lockdown’, and none after, saving $10900. Club Leadership Training (CLT) costs were $4,963 below budget due to determined cost control by Division Directors. District Officer training was $3,764 below budget, due also to judicious venue and food cost management.
6. Administration costs are under budget by $2,139 with spending in most categories being lower than budgeted. Postage and Creditcard fees and postage are $1,485 lower with less District Stores sales. General printing and stationery costs are below budget with some costs to come.
7. Travel costs are below budget by $9,304 due to Covid restrictions. Costs of $3,000 for May District Officer training travel were reimbursed. As pandemics are excluded by the insurance it is hoped that future travel costs may be offset by some use of ‘credits’ once they are available to be practicably accessed.
8. Other expenses, while $312 below budget, are tracking as expected. The provision for miscellaneous expenses has not been spent.

**Available Funds as at 30 June 2020**

|  |  |
| --- | --- |
| Main District 72 Operating Account | 23,942.78 |
| USD Account | 22,489.47 |
| Convention A – Christchurch May20 | 351.16 |
| Convention B - Silverstream May 2021 | 1.09 |
| Convention C - not in use (Hamilton May 2019) | 0.71 |
| Convention D – not in use (Dunedin May 2019) | 0.26 |
| Total Cash | 46,785.47 |
| District Reserve | 45,689.64 |
| Total Cash & District Reserve | 92,475.11 |
| Minimum District Reserve Required at Year End | (19,646.05) |
| **Total Available Funds** | **72,829.06** |

**Interim Balance Sheet as at 30 June 2020**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | As At |  | As At |
|  | Note | 30 June 2020 |  | 30 June 2019 |
|  |  |  |  |  |
| **Current Assets** |  |  |  |  |
| Cash and Cash Equivalents | 1 | 92,475 |  | 116,234 |
| Prepaid Expenses | 2 | 870 |  | 1,018 |
| Accounts Receivable | 3 | 69 |  | 2,881 |
| Other Current Assets | 4 | 6,321 |  | 2,968 |
| **Total Current Assets** |  | 99,735 |  | 123,100 |
|  | | |  |  |  |
| **Fixed Assets** |  |  |  |  |
| Fixed Assets | 5 | 938 |  | 938 |
| Accumulated Depreciation | 5 | 756 |  | 469 |
| **Net Fixed Assets** |  | 182 |  | 469 |
|  | | |  |  |  |
| **Total Assets** |  | **99,917** |  | **123,569** |
|  | | |  |  |  |
| **Current Liabilities** |  |  |  |  |
| Accounts Payable | 6 | 4,263 |  | 3,809 |
| Accrued Liabilities | 7 | 662 |  | 1,752 |
| Deferred Revenue | 8 | - |  | - |
| **Total Current Liabilities** |  | 4,924 |  | 5,561 |
|  | | |  |  |  |
| **Total Liabilities** |  | 4,924 |  | 5,561 |
|  | | |  |  |  |
| **Members' Equity** |  |  |  |  |
| Cumulative Translation Adjustment | 9 | 27,957 |  | 20,122 |
| Equity | 10 | 97,886 |  | 100,081 |
| Quarter Three Surplus / (Deficit) | 11 | (30,851) |  | (2,195) |
| **Total Members’ Equity** |  | 99,992 |  | 118,008 |
|  | | |  |  |  |
| **Total Liabilities and Equity** |  | **99,917** |  | **123,569** |

**Notes to the Interim Balance Sheet as at 30 June 2020**

1. Cash and Cash Equivalents comprises the District Reserve and all the bank accounts held by District 72. The District Reserve is held in the US by Toastmasters International. For detail please refer to the listing of Available Funds.
2. Prepaid expenses comprise expenses that have been paid before the event has taken place. Such expenses are held on the Balance Sheet until the event occurs. Prepaid expenses are comprised of the deposit of $870 for the May 2021 Silverstream conference.
3. Accounts receivable comprises a timing difference on a District Stores refund adjustment that will clear in July.

1. Other Current Assets is the current balance of Goods and Services Tax (GST) that the District expects to be able to claim as a refund from the Inland Revenue Department on completion of the six-monthly GST Return as at 30 June 2020.
2. The Fixed Asset is the Surface Pro tablet purchased in January 2018, which is being depreciated on a straight-line basis over 3 years. Accumulated Depreciation is the sum of monthly depreciation charges over the useful life of the asset.
3. The accounts payable balance comprises invoices that were entered into the accounting system during June but were paid during July.
4. The accrued liabilities balance relates to outstanding cheques that have not been cashed against the District bank accounts. These are historic in nature and we are unlikely to be called upon to issue new cheques but WHQ had previously elected to retain the liability due to the requirement of Californian law, which states that cheques must be honoured whenever presented.
5. Deferred Revenue usually comprises the registration fees for the next Conference received to date, but no registration fees have been received yet. The amounts are usually held on the balance sheet until the event occurs (May 2021) and then released to the Income Statement along with the relevant prepaid expenses – refer note 2 above.
6. The Cumulative Translation Adjustment is the sum of foreign exchange gains and losses made on the translation of the District Reserve and USD Bank Account which are denominated in USD and translated to NZD for financial reporting purposes. This figure is built up over the years District 72 has been preparing financial reports and fluctuates depending on exchange rate movements.
7. This figure represents the equity of District 72, being the value of the assets owned after deducting liabilities due and the other items of equity being the Cumulative Translation Adjustment and the year to date result, which are shown separately.
8. This represents the interim surplus or deficit for the period ended 30 June 2020 - refer Income Statement above. Final year end adjustments have yet to be made.

**Philip Smith**

**District 72 Finance Manager 2019-20**

Report drafted as at 16 July 2020