

District 72, Toastmasters New Zealand

Financial Report for the six months ended 31 December 2019

The Quarter Two Financial Report includes:

- Income Statement for the six months ended 31 December 2019
- Notes to the Income Statement for the six months ended 31 December 2019
- Available Funds as at 31 December 2019
- Balance Sheet as at 31 December 2019
- Notes to the Balance Sheet as at 31 December 2019

Income Statement for the six months ended 31 December 2019

	Note	Six Months Ended			Six Months Ended
		31 Dec 2019			31 Dec 2018
		Actual	Budget	Variance	Actual
District Revenue					
Membership Revenue	1	40,610	38,626	1,984	40,084
Conference Revenue	2		0	0	0
District Store Revenue	3	2,627	7,250	(4,623)	4,594
Speech Contest Revenue	4		0	0	0
Other Revenue	5	8,432	14,205	(5,773)	6,312
Total District Revenue		51,669	60,081	(8,412)	50,990
District Expenses					
Conference Expenses	2	52	0	52	0
District Store Expenses	3	1,866	5,980	3,134	9,114
Marketing Expense	6	12,671	20,490	(7,819)	4,598
Communications & PR Expenses	7	2,211	2,500	(289)	1,564
Education & Training Expense	8	7,183	17,930	(10,747)	8,372
Speech Contest Expenses	4	1,850	2,650	(800)	1,780
Administration Expenses	9	1,382	3,295	(1,913)	3,892
Travel Expense	10	22,182	21,920	262	18,911
Other Expenses	11	2,048	2,868	(820)	1,983
Total District Expenses		51,445	77,633	(26,187)	50,213
Surplus for six months ended 31 Dec 2019		224	(17,552)	17,776	776

Notes to the Income Statement for the six months ended 31 December 2019

1. Membership Revenue is currently \$1,984 ahead of budget, a position that District 72 hopes to build on throughout the remaining year.
2. There is no conference revenue included as at 31 December as the revenue and expenses for the May 2020 conference to be held in Christchurch are held on the balance sheet as Deferred Revenue and Prepaid Expenses until the event occurs in May.
3. District Store revenue is below budget by \$4,623. The budget was set based on last year's budget with expected lower demand due to the introduction of Pathways. But so far this impact has been greater than anticipated with D112 also declining to use this service. Low stock held of legacy system items also resulted in members ordering directly from TI rather than from the District Store. District Store expenses are also below budget by \$4,113 with volumes well below anticipated levels as discussed above. A net gain of \$761 has been achieved so far though as District 112 members electing to use our service are charged postage costs. The District 72 absorbs the cost of shipping and postage for members.
4. No speech contest revenue was budgeted for during the quarter. Speech contest expenditure is currently under budget by \$800 due to the timing of contests in Areas.
5. Other revenue is made up of the District Service Charge levied on all clubs, recovery of shared services costs from District 112 plus a small amount of interest income. Interest income is below budget by \$20 with continued low interest rates and reduced cash reserves. The District Service Charge was increased \$2 to \$8 per member (including GST) this year. Delays in invoicing have delayed payment by clubs which is below budget by \$5,695. At the end of December 46% of clubs had paid the charge (similar to last year's rate). District 112 was invoiced \$1,192 for a share of the costs to provide a Toastmasters website and 0800 service across New Zealand.
6. Marketing expenditure is currently below budget by \$7,819. While Facebook advertising has continued a planned continuation of the Billboard campaign was delayed. This is now scheduled for the second half of the year.
7. Communications and Public Relations expense is \$289 under budget. It is for the New Zealand website which we continue to share with District 112, seeking reimbursement of half the cost.
8. Education and Training expenditure is \$10,747 under budget. This is largely due to fewer Area and Division workshops being held than budgeted. Club Leadership Training (CLT) venue and refreshment cost are also below budget for the first 6 months with the second round of CLT round incomplete at this stage.
9. Administration costs are under budget by \$1,913 with spending in most categories being lower than budgeted. A cheaper than anticipated bill for videoing the International speech last year means we have a credit of \$800 this year. While creditcard fees and postage are lower with less District Stores sales. General printing and stationery costs are also below budget.
10. Travel costs are above budget by \$262. The budget did not allow for flights associated with the Regional Advisor's visit but the budget this year was not based on all District Officers attending the September training. Also many district officers were able to book cheaper flights which helped to keep travel costs down.
11. Other expenses, while \$820 below budget, are tracking as expected. The provision for miscellaneous expenses has not been spent. The translation of the monthly TI allocation to NZD was slightly higher than budgeted.

Available Funds as at 31 December 2019

Main District 72 Operating Account	8,185.38
USD Account	37,283.19
Convention A – Christchurch May 2020	6,258.25
Convention B - not in use (Waipuna May 2018)	1.08
Convention C - not in use (Hamilton May 2019)	0.64
Convention D – not in use (Dunedin May 2019)	0.20
Total Cash	51,728.74
District Reserve	64,491.48
Total Cash & District Reserve	116,220.22
Minimum District Reserve Required at Year End	(19,646.05)
Total Available Funds	96,574.17

Balance Sheet as at 31 December 2019

	Note	As At 31 Dec 2019	As At 31 Dec 2018
Current Assets			
Cash and Cash Equivalents	1	116,220	147,667
Prepaid Expenses	2	5,748	3,039
Stock on Hand	3	8,579	4,735
Accounts Receivable	4	1,371	4,464
Other Current Assets	5	1,842	3,771
Total Current Assets		133,760	163,677
Fixed Assets			
Fixed Assets	6	938	938
Accumulated Depreciation	6	625	313
Net Fixed Assets		313	625
Total Assets		134,073	164,302
Current Liabilities			
Accounts Payable	7	-	1,902
Accrued Liabilities	8	662	662
Deferred Revenue	9	8,598	5,943
Total Current Liabilities		9,260	8,507
Total Liabilities		9,260	8,507
Members' Equity			
Cumulative Translation Adjustment	10	18,124	21,732
Equity	11	106,465	133,286
Quarter Two Surplus	12	224	776
Total Members' Equity		124,813	155,795
Total Liabilities and Equity		134,073	164,302

Notes to the Balance Sheet as at 31 December 2019

1. Cash comprises all the bank accounts held by District 72 and the District 72 Reserve which is held in the US by Toastmasters International. For detail please refer to the listing of Available Funds as at 31 December 2019 above.
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 as at 31 December 2019 are comprised of costs associated with the May 2020 Christchurch conference and the associated District Officer travel costs.
3. Stock on hand comprises the inventory relating to the District Store which is held by the District Supplies officer as at 31 December 2019.
4. Accounts receivable comprises of funds owed to District 72 by District 112 for shared services.
5. Other Current Assets is the current balance of Goods and Services Tax 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 31 December 2019.
6. 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.
7. The accounts payable balance comprises invoices that were entered into the accounting system during December but were paid during January.
8. 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.
9. Deferred Revenue comprises the registration fees for the Christchurch May 2020 Conference. The registrations are held on the balance sheet until the event occurs and will be released to the Income Statement in May 2020.
10. 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.
11. 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.
12. This figure represents the surplus for the period ended 31 December 2019 - refer to the Income Statement above.

Philip Smith

District 72 Finance Manager 2019-20

Report drafted as at 6 February 2020