

**TOASTMASTERS INTERNATIONAL DISTRICT 72**  
**NEW ZEALAND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

**DRAFT**

<b>Contents</b>	<b>Page</b>
<b>Non Financial Information</b>	
Entity Information	1
Statement of Service Performance	2
<b>Financial Information</b>	
Statement of Financial Performance	3
Statement of Financial Position	4
Statement of Movements in Equity	5
Statement of Cash Flows	6
Schedule of Fixed Assets	7
Accounting Policies	8 - 9
Notes to the Financial Statements	10 - 11

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District Finance Manager 2016-17  
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# **TOASTMASTERS INTERNATIONAL DISTRICT 72**

## **ENTITY INFORMATION**

### **Reporting Entity**

The reporting entity is Toastmasters International District 72 ("District 72").

### **Entity Structure**

District 72 is led by seven senior officers. These officers guide the activities and support functions of the District. The District Director, Program Quality Director, and the Club Growth Director are elected each May at the Annual Business Meeting.

The Immediate Past District Director (IPDD) is an automatic position. The IPDD acts as an advisor to the current three elected officers, who may also be referred to as the "Trio". The three remaining senior officers, who are appointed by the District Director, are the District Administration Manager, the District Finance Manager, and the District Public Relations Manager. The senior officers are also supported by a District Parliamentarian, appointed by the District Director.

District 72 covers the whole of New Zealand. There are nine Divisions in the District, and the Divisions are broken into 60 Areas. A Division Director heads each of the Divisions and the Division Directors are elected at the Annual Business Meeting.

Each Area consists of between 3 to 6 Toastmasters Clubs and is headed by an Area Director who reports to the Division Director heading the Division in which the Area resides. Area Directors are elected by their Area Councils (consisting of Club representatives) before the May Business Meeting. Area Directors not elected before the May Meeting may be appointed by the incoming District 72 Director

### **Sources of Cash & Resources**

Club Members pay subscriptions to their clubs, part of which are paid direct to Toastmasters International in the United States. Toastmasters International supports its network of Toastmaster Districts throughout the world by holding a "District Account" for each District at its Headquarters in California. Districts submit a budget each year and may requisition funds from their District Account in order to operate within the confines of the agreed budget. Toastmaster subscriptions paid to Clubs also include a portion which is a local payment to the District (referred to as the District Service Charge) which covers members entry fees to District events such as Area and Division Workshops and Contests.

### **Fundraising**

The District does not carry out any other fundraising other than the District Service Charge as described above.

### **Volunteer Services**

The District is fully reliant on volunteers as it does not employ any staff to carry out the District Officer roles. The District does not receive any donated goods of any material value.

**TOASTMASTERS INTERNATIONAL DISTRICT 72**  
**STATEMENT OF SERVICE PERFORMANCE**

**FOR THE YEAR ENDED 30 JUNE 2017**

**Outcomes**

The outcomes that District 72 seek are reflected in the Mission below.

Toastmasters International also sets goals for each District to achieve, which are outcomes that the District is currently working towards. The outcomes are achieved by members achieving education and leadership awards, attending club leadership training and attracting new members to clubs. Ensuring that administrative duties such as the payment of subscriptions and logging of club leadership and membership information is also part of the required outcomes.

**Mission**

The Mission of Toastmasters International

*We empower individuals to become more effective communicators and leaders.*

The Mission of the District

*We build new Clubs and support all Clubs in achieving excellence.*

The Mission of a Toastmasters Club

*We provide a supportive and positive learning experience in which members are empowered to develop communication and leadership skills, resulting in greater self-confidence and personal growth.*

**Outputs**

There are three key measurements that Toastmasters International uses to track the progress of Districts.

1. Paid Clubs consists of existing clubs which have paid dues for at least 8 members and newly chartered clubs.
2. Membership payments consists of subscriptions received from continuing existing 8 - 9 members.
3. Distinguished clubs measures the "health" of clubs by allocating points for members completing education and leadership awards, attending club leadership training and attracting new members to clubs.

Each year the District is given a base to start from in order to achieve the goals set by Toastmasters International. There are three levels of goals, from lowest to highest: Distinguished, Select Distinguished and Presidents Distinguished. District 72's status as at 30 June 2017 is detailed below.



**TOASTMASTERS INTERNATIONAL DISTRICT 72**  
**STATEMENT OF FINANCIAL PERFORMANCE**

**FOR THE YEAR ENDED 30 JUNE 2017**

	Actual \$	Budget \$	Variance \$	30-Jun-16 \$
<b><u>District Revenue</u></b>				
Membership Revenue	164,615	146,924	17,691	147,194
District Conference Revenue	85,786	91,599	(5,813)	80,106
District Store Revenue	26,739	35,000	(8,261)	33,292
Speech Contest Revenue	4,155	4,174	(19)	4,841
District Service Charge	25,785	29,520	(3,735)	23,556
Interest Revenue	72	120	(48)	65
<b>Total District Revenue</b>	<u>307,151</u>	<u>307,337</u>	<u>(185)</u>	<u>289,054</u>
<b><u>District Expenditure</u></b>				
<b>District Conference Expenses</b>	79,600	90,594	(10,995)	70,241
<b>District Store Expenses</b>	31,498	28,000	3,498	35,412
<b>Marketing</b>				
Building New Clubs	10,704	18,900	(8,196)	8,685
Membership Growth	13,688	20,855	(7,167)	25,163
Recognition	1,328	3,050	(1,722)	-
Other Expenses	1,275	780	495	251
	<u>26,995</u>	<u>43,585</u>	<u>(16,590)</u>	<u>34,099</u>
<b>Communications &amp; Public Relations</b>				
District Website	5,575	5,242	333	5,444
Other Expenses	-	-	-	-
	<u>5,575</u>	<u>5,242</u>	<u>333</u>	<u>5,444</u>
<b>Education &amp; Training</b>				
Training Club Officers	10,242	12,825	(2,583)	9,434
Training Division & Area Directors	5,894	8,590	(2,696)	5,008
Other Expenses	2,051	920	1,131	912
	<u>18,187</u>	<u>22,335</u>	<u>(4,148)</u>	<u>15,354</u>
<b>Speech Contests</b>				
Awards & Certificates	2,463	5,640	(3,177)	2,298
Other Expenses	11,386	19,910	(8,524)	10,738
	<u>13,849</u>	<u>25,550</u>	<u>(11,701)</u>	<u>13,036</u>
<b>Administration</b>				
Printing, Stationery & Photocopying	1,479	1,535	(56)	895
Telephone	-	840	(840)	-
Postage	1,321	1,120	201	1,022
Bank Charges	1,473	1,980	(507)	1,930
Other Expenses	302	3,000	(2,698)	834
	<u>4,576</u>	<u>8,475</u>	<u>(3,899)</u>	<u>4,681</u>
<b>Travel</b>				
Senior District Officers	25,081	27,086	(2,005)	17,102
Division Directors	11,632	10,151	1,481	9,391
Area Directors	38,482	46,980	(8,498)	36,536
Other District Officers	3,621	3,584	37	5,076
	<u>78,816</u>	<u>87,801</u>	<u>(8,985)</u>	<u>68,105</u>
<b>Other Expenses</b>				
Foreign Exchange Adjustment	8,594	-	8,594	10,101
Miscellaneous Expenses	743	600	143	(512)
	<u>9,337</u>	<u>600</u>	<u>8,737</u>	<u>9,589</u>
<b>Total District Expenditure</b>	<u>268,432</u>	<u>312,182</u>	<u>(43,750)</u>	<u>255,961</u>
<b>Net Surplus / (Deficit) for the year</b>	<u>38,719</u>	<u>(4,846)</u>	<u>43,565</u>	<u>33,093</u>
<b>Net Surplus to Equity</b>	<u>38,719</u>			<u>33,093</u>

**TOASTMASTERS INTERNATIONAL DISTRICT 72**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2017**

	<b>Jun-17</b>	<b>Jun-16</b>
	<b>\$</b>	<b>\$</b>
<b>Equity</b>		
Members Funds	<u>266,052</u>	<u>227,332</u>
<b>Represented by</b>		
<b>Current Assets</b>		
Bank Accounts		
BNZ Cheque Account	20,802	14,903
BNZ Convention Bank Accounts	17,474	13,016
BNZ US Dollar Account	27,372	14,094
District Reserve Account	<u>205,450</u>	<u>172,234</u>
Total Bank Accounts	271,098	214,247
Sundry Debtors	-	-
Prepayments	5,407	17,123
Goods & Services Taxation (GST)	3,248	6,450
Stock on Hand	<u>9,543</u>	<u>9,076</u>
	289,296	246,896
<b>Fixed Assets</b>		
As per Schedule	-	-
<b>Total Assets</b>	<u>289,296</u>	<u>246,896</u>
<b>Less Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	10,599	7,292
Accruals	2,895	1,262
Income in Advance	9,750	11,010
<b>Total Liabilities</b>	<u>23,244</u>	<u>19,564</u>
<b>Net Assets</b>	<u>266,052</u>	<u>227,332</u>

**TOASTMASTERS INTERNATIONAL DISTRICT 72**  
**STATEMENT OF MOVEMENTS IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Jun-17</b>	<b>Jun-16</b>
	<b>\$</b>	<b>\$</b>
<b><u>Equity</u></b>		
Members Funds as at 1st July 2016	227,332	194,239
Net Surplus for the period	38,719	33,093
<b>Member Funds as at 30th June 2017</b>	<b><u>266,052</u></b>	<b><u>227,332</u></b>
<b>Equity as at 30th June 2017</b>	<b><u>266,052</u></b>	<b><u>227,332</u></b>

**TOASTMASTERS INTERNATIONAL DISTRICT 72**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2017**

	30-Jun-17 \$	30-Jun-16 \$
<b>Cash flows from operating activities</b>		
Cash receipts from members & activities	309,022	288,136
Cash payments to suppliers	<u>(243,649)</u>	<u>(242,105)</u>
Cash generated from operating activities	65,373	46,031
Interest received	<u>72</u>	<u>65</u>
<b>Net cash from operating activities</b>	<u>65,445</u>	<u>46,096</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed asset	<u>-</u>	<u>-</u>
<b>Net cash from investing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	65,445	46,096
Cash & cash equivalents at 1 July 2016	214,247	178,252
Effect of exchange rate fluctuations on cash held	(8,594)	(10,101)
<b>Cash &amp; cash equivalents at 30 June 2017</b>	<u><u>271,098</u></u>	<u><u>214,247</u></u>

**RECONCILIATION TO NET SURPLUS**

**FOR THE YEAR ENDED 30 JUNE 2017**

	30-Jun-17 \$	30-Jun-16 \$
Surplus for the year	38,719	33,093
Adjustments for:		
Depreciation	-	509
Exchange rate fluctuations	<u>8,594</u>	<u>10,101</u>
	47,313	43,703
Change in debtors	-	-
Change in prepayments	11,716	(3,403)
Change in GST receivable	3,202	(1,082)
Change in inventories	(467)	5,437
Change in accounts payable & accruals	4,941	1,212
Change in income in advance	<u>(1,260)</u>	<u>229</u>
Cash generated from operating activities	65,445	46,096
<b>Net cash from operating activities</b>	<u><u>65,445</u></u>	<u><u>46,096</u></u>

**TOASTMASTERS INTERNATIONAL DISTRICT 72**  
**FIXED ASSET SCHEDULE AS AT 30 JUNE 2017**

	Location	Depn Rate p.a.	Cost 01.07.16	Accum Depn 01.07.16	NBV 01.07.16	Cost 30.06.17	Additions 30.06.17	Depn Expense 30.06.17	Accum Depn 30.06.17	NBV 30.06.17
Jolyon Firth Cup -International				-				-	-	-
Maurice Hayes Cup - Entertainment	Awarded	10%	200	-	-	200		-	-	-
John Fauvel Cup - Table Topics	Awarded	10%	150	-	-	150		-	-	-
Ray Morse Cup - Humorous	Awarded	10%	180	-	-	180		-	-	-
Rob Henry Cup - Evaluation	Awarded	10%	200	-	-	200		-	-	-
Don Harden Memorial Trophy	Awarded	10%	150	-	-	150		-	-	-
Jack Duffy Memorial Award	Awarded	10%	150	-	-	150		-	-	-
Toastmaster of the year Cup	Awarded	10%	200	-	-	200		-	-	-
Dan Coomey Shield	Awarded	10%	150	-	-	150		-	-	-
Bulletin Award Cup	Awarded	10%	150	-	-	150		-	-	-
IPDG Trophy	Awarded	10%	200	-	-	200		-	-	-
District Banner	D72 DD	10%	100	-	-	100		-	-	-
Convention Banner	Gisborne	10%	100	-	-	100		-	-	-
DG Gavel & Stand	D72 DD	10%	100	-	-	100		-	-	-
Convention Stand & Gavel	Gisborne	10%	600	-	-	600		-	-	-
Timing Lights	D72 DD	10%	150	-	-	150		-	-	-
Computer Server (purchased 1 July 2013)	Auckland	33.3%	2,179	2,179	-	2,179		-	2,179	-
			<b>4,959</b>	<b>2,179</b>	-	<b>4,959</b>	-	-	<b>2,179</b>	-



## **TOASTMASTERS INTERNATIONAL DISTRICT 72**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

#### **1. Statement of Accounting Policies**

The reporting entity is Toastmasters International District 72.

The financial statements are prepared in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-for-Profit) as promulgated by the XRB

This is applicable as Toastmasters International District 72 does not have public accountability and has total expenses of less than \$2million per annum.

With the application of the new XRB Accounting Framework, the Financial Report Act 2013 and the amendment to the Charities Act 2005, Toastmasters International District 72 will be required to report as a Not for Profit Entity under Public Benefit Entities Standards. Toastmasters International District 72 meets the requirements to elect to report under Tier Three as it does not have public accountability as per the definition contained in XRB A1, and has total expenses less than or equal to \$2 million. Accordingly, these financial statements are prepared in compliance with Tier Three of the PBE Standards for Not for Profit entities.

#### **Measurement System**

The measurement system adopted is that of historical cost.

#### **(a) Changes in Accounting Policies**

Accounting Policies have been updated to reflect the transition from Old New Zealand GAAP being FRs and SSAPs to the Public Benefit Entity Simple Format Reporting - Accrual (Not-for-Profit) Accounting Standard, being the appropriate standard to apply when accounting under Tier 3 of the NfP PBE Standards contained within the XRB Accounting Framework.

The updating has not had a significant impact on the policies.

#### **(b) Revenue Recognition**

Revenue is recorded on the occurrence of a recognition event. Such an event occurs when District 72 has a legal right to receive cash either now or in the future.

All revenue received must be used in line with the requirements of Toastmasters International and with District 72 procedures. Revenue received from Toastmasters International is not required to be returned if it is not fully utilised in the current accounting period.

#### **(c) Expense Recognition**

Expenses are recorded on the occurrence of a recognition event. This is where District 72 has a legal obligation to pay cash either now or in the future. All expenditure must be in line with the requirements of Toastmasters International and with District 72 procedures.

#### **(d) Goods & Services Taxation**

The Statement of Financial Performance has been prepared on a GST exclusive basis.

#### **(e) Debtors**

Debtors are recorded at face value being the amount owed.

#### **(f) Prepayments**

Prepayments are recorded at the amount relating to the future goods or services to be received.

#### **(g) Valuation of Inventories**

Inventories are valued at the lower of cost and net realisable value.

#### **(h) Fixed Assets & Depreciation**

Fixed Assets are included at their depreciated historic cost. Most Fixed Assets are depreciated at 10% of cost, with the exception of the computer server which is depreciated at 33.3% of cost. All assets are now fully depreciated.

## **TOASTMASTERS INTERNATIONAL DISTRICT 72**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2017**

- (i) **Creditors & Accrued Expenses**  
Creditors and Accrued Expenses are recorded at the amount owing.
- (j) **Income in Advance**  
Income in Advance is recorded at face value, being the amount to be refunded if the event it relates to does not eventuate.
- (k) **Taxation**  
No Income Tax Provision has been provided as Toastmasters International District 72 is a Registered Charity and therefore exempt from income tax.
- (l) **Foreign Exchange**  
Toastmasters International requires District 72 to enter all transactions entered into during the accounting period into a Cloud Based Accounting Package (Intacct). This is translated from NZD to USD for Toastmasters International's reporting purposes. As the District Reserve (which is 71% of Total assets as at 30 June 2017) is held in USD, the translation back to NZD results in forex difference. The impact is taken to the District Reserve Account and the other side to the Statement of Financial Performance.
- (m) **Audit**  
Under the amendments to the Charities Act 2005, Toastmasters International District 72 does not require an audit or a review due to total expenses being under the \$500,000 threshold. WHQ Audit Committee Guidelines have been fully complied with for all periods shown.

## **TOASTMASTERS INTERNATIONAL DISTRICT 72**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 30 JUNE 2017**

The overall result for the 2016-17 year was a surplus of \$38k compared to a budgeted loss of \$4.8k, this was due to marketing expenses being substantially lower than expected, but also due to good cost control, especially within conference expenses, travel expenses & speech contest expenses.

#### **Membership Revenue**

Membership Revenue is \$17.6k ahead of budget. As the number of membership payments are below budget, revenue above budget can be attributed to the increase in USD membership fees, along with exchange rate fluctuations.

#### **Expenditure**

##### **Membership & Club Extension / Marketing**

The marketing spend is \$16.6k behind budget. Spending is under budget for marketing related to new clubs and membership growth as requests for promotional funding were lower than expected. During the year advertising expenditure was in the form of a magazine advertorial in September as well as a nationwide media campaign during Toastmasters week in October and ongoing District advertising via Facebook which was a major focus during the second half of the Toastmasters year.

##### **Communications**

The Communications and PR expenses relate to the District 72 website and spending for the year was on budget.

##### **Education & Training**

The Education and Training spend is behind budget by \$4.1k due to the Divisions and Areas exercising good cost control when running Club Leadership Training & Workshops. Spending relating to the training of Division and Area leaders was also under budget due to savings on venue hire and meal events. These savings were partially offset by spending over budget relating to educational awards which were presented at the District conferences.

##### **Speech Contest and Awards**

Speech Contests - some of the Areas and Divisions have levied a door charge, hence the \$4.2k income. Expenditure is behind budget by \$11.7k due to excellent cost control by Divisions and Areas.

##### **Administration**

The total administration expense is \$3.9k under budget due to good cost control.

## **TOASTMASTERS INTERNATIONAL DISTRICT 72**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 30 JUNE 2017**

##### **Travel**

Travel expenditure is under budget by \$9k. This is due to District Officers showing excellent cost control by booking early to get the best fares for flights, & by carpooling where possible. Further, the budget was based on 100% of officers attending all training, and there have been a number who have not attended training.

##### **Other**

##### **District Conference**

Conference revenue is \$5.8k below budget. Conference expenses are \$11k below budget resulting in a net variance of \$5.2k ahead of budget. The November 2016 conference was held in Invercargill and has returned net income of \$4,3k. The May 2017 conference was held in Wellington and returned net income of \$1,9k. The surpluses were due to good cost control by the conference committees.

##### **District Supplies**

District Store revenue is \$8.3k behind budget due to demand being lower than expected. District Store expenses are \$3.5k above budget for the year, largely due to shipping costs and the impact of exchange rate fluctuations.