

Toastmasters New Zealand Financial Report for the Quarter ended 30 September 2017

The Quarter One Financial Report includes:

- Income Statement for the quarter ended 30 September 2017
- Notes to the Income Statement for the quarter ended 30 September 2017
- Available Funds as at 30 September 2017
- Balance Sheet as at 30 September 2017
- Notes to the Balance Sheet as at 30 September 2017

Income Statement for the quarter ended 30 September 2017

	Note	Quarter Ended 30 Sept 2017			Quarter Ended 30 Sept 2016
		Actual	Budget	Variance	Actual
District Revenue					
Membership Revenue	1	63,645	61,675	1,970	66,650
Conference Revenue	2	46	0	46	0
District Store Revenue	3	7,446	7,500	(54)	7,862
Speech Contest Revenue	4	0	0	0	169
Other Revenue	5	11,313	9,030	2,283	12,831
Total District Revenue		82,450	78,205	4,245	87,512
District Expenses					
Conference Expenses	2	947	0	947	0
District Store Expenses	3	7,890	5,500	2,390	14,756
Marketing Expense	6	6,479	9,035	(2,556)	5,528
Communications & PR Expenses	7	1,189	1,163	26	1,745
Education & Training Expense	8	10,616	11,160	(544)	7,618
Speech Contest Expenses	4	3,486	7,820	(4,334)	1,744
Administration Expenses	9	1,662	2,145	(483)	1,547
Travel Expense	10	36,304	34,475	1,829	23,218
Total District Expenses		68,573	71,298	(2,725)	56,156
Surplus for Quarter ended 30 Sept 2017		13,877	6,907	6,970	31,356

Notes to the Income Statement for the year ended 30 September 2017

1. Membership Revenue is currently \$1970 ahead of budget, which is a good position District 72 hopes to build on throughout the year.
2. The conference income of \$46 was the repayment of an incorrect supplier payment for the May 2017 conference. This was identified and repaid after the conference (in July), and after the year had closed off. Conference expenses of \$947 are expenses relating to the May 2017 conference which were paid after the year had closed off. There is no other conference income & expenses included as at 30 September as the income and expenses for the November 2017 conference to be held in Gisborne are as yet held on the balance sheet as Deferred Income and Prepaid Expenditure until the event occurs in November.

3. District Store income is very close to budget. District Store expenses are over budget due to extra stock being purchased ready for the November conference, and expenses have been budgeted on the conservative side due to Pathways about to roll-out in our District. There is an expectation that sales will drop due to Pathways, but it is hard to anticipate how many members will continue to purchase manuals from the previous programme during the remainder of the year.
4. There has been no speech contest income to date. Speech contest expenditure is behind budget by \$4.3k which is partly due to good cost control by Areas & Divisions when holding their speech contests. However, a lot of area contests were not held until the second half of September, and subsequently expense claims have not yet been received, so this expenditure will be included in the second quarter.
5. Other Revenue is made up of District Service Charge received from clubs. This is ahead of budget due to the willingness of clubs to pay the charge promptly. 46% of clubs have paid this charge to date, with final due date being 31 March 2018
6. Marketing expenditure is currently under budget by \$2556. The bulk of the marketing spend to date has been the Neighbourly promotion. The budgeted amount includes Facebook & bus/billboard advertising which has not yet been incurred. Funding has been approved to some clubs in formation and newly chartered, to assist them in purchasing promotional materials. This funding has not yet been claimed for by those clubs, and is expected in the next quarter.
7. Communications and Public Relations expense relates to the District 72 website and is tracking as expected.
8. The education and training expense is \$544 behind budget as funds budgeted by the Divisions for workshops and area council meetings have not been spent during quarter one. There has been good cost control in club leadership training, and district officer training. To date there has been a successful round of Club Leadership Training, along with 2 District Officer Training weekends, and a District Admin weekend. All of these events have been very well attended.
9. Administration costs are tracking as expected.
10. Travel is currently \$1,829 over budget. This is due to Quintet convention registrations & lodging expenses for the Vancouver International Convention were higher than budgeted for. Also, Area Director travel was higher than budgeted for. District Officers are doing well to book early and ensure cost effective travel. The District Finance Manager regularly reminds District Officers of the 60 day expense claim submission requirement, to ensure claims are submitted and reimbursed promptly.

Available Funds as at 30 September 2017

Main District 72 Operating Account	25,481.40
USD Account	14,463.68
Convention A - Gisborne November 2017	24,168.19
Convention B - not yet in use (Waipuna May 2018)	152.02
Convention C - not in use	151.87
Convention D - not in use (Wellington May 2017)	<u>1,848.26</u>
Total Cash	66,265.42
District Reserve	<u>235,215.66</u>
Total Cash & District Reserve	<u>301,481.08</u>
Minimum District Reserve Required at Year End	<u>(40,213.10)</u>
Total Available Funds	<u>261,267.98</u>

Balance Sheet as at 30 September 2017

	Note	As At 30 Sept 2017	As At 30 Sept 2016
Current Assets			
Cash and Cash Equivalents	1	301,481	243,005
Prepaid Expenses	2	7,749	20,849
Other Current Assets	3	<u>2,840</u>	<u>2,682</u>
Total Current Assets		<u>312,070</u>	<u>266,536</u>
Fixed Assets			
Fixed Assets	4	2,179	2,179
Accumulated Depreciation	4	<u>2,179</u>	<u>2,179</u>
Net Fixed Assets		<u>0</u>	<u>0</u>
Total Assets		<u>312,070</u>	<u>266,536</u>
Current Liabilities			
Accounts Payable	5	17,797	290
Accrued Liabilities	6	662	662
Deferred Revenue	7	<u>21,730</u>	<u>20,823</u>
Total Current Liabilities		<u>40,189</u>	<u>21,775</u>
Total Liabilities		40,189	21,775
Members' Equity			
Cumulative Translation Adjustment	8	6,413	8,660
Equity	9	251,591	204,745
Quarter One Surplus	10	<u>13,877</u>	<u>31,356</u>
Total Members' Equity		<u>271,881</u>	<u>244,761</u>
Total Liabilities and Equity		<u>312,070</u>	<u>266,536</u>

Notes to the Balance Sheet as at 30 September 2017

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 30 September 2017 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. For example, expenses for the November Conference have been prepaid and will be moved to the Income Statement on the completion of the November accounts to reflect the period and event they relate to. Prepaid expenses as at 30 September 2017 are comprised of travel expenses submitted in advance by District Officers, and a deposit paid for the Waipuna May 2018 Conference venue.
3. 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 2017.
4. The Fixed Asset is the District Server purchased in July 2013. This asset is now fully depreciated. Accumulated Depreciation is the sum of monthly depreciation charges from July 2013 to June 2016, which reflects the usage of the fixed asset over its useful life. The application of accounting rules requires the server be depreciated over 36 months (3 years); however we expect it to last longer than that.
5. The accounts payable balance comprises invoices that were entered into the accounting system during September but were paid during October.
6. The accrued liabilities balance relates to outstanding cheques that have not been cashed against the District bank accounts. As these are all historic in nature and it is unlikely we will be called upon to issue new cheques, we have asked WHQ to reverse this liability. However, WHQ has elected to retain the liability due to the requirement of Californian law, which states that cheques must be honoured whenever presented.
7. Deferred Revenue comprises the registration fees for the Gisborne November 2017 Conference. As at the end of September this was the amount of registrations received by the Convention Committee. The registrations are held on the balance sheet until the event occurs and will be released to the Income Statement in November 2017.

8. 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 that District 72 has been preparing financial reports and fluctuates depending on exchange rate movements.
9. This figure represents the equity of Toastmasters New Zealand, 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.
10. This figure represents the surplus for the quarter ended 30 September 2017 - refer to the Income Statement above.

Tania Fraser DTM

District 72 Finance Manager

2017-2018

Report drafted as at 1 November 2017