

# District 72, Toastmasters New Zealand

## Financial Report for the nine months ended 31 March 2020

### The Quarter Three Financial Report includes:

- Income Statement for the nine months ended 31 March 2020
- Notes to the Income Statement
- Available Funds as at 31 March 2020
- Balance Sheet as at 31 March 2020
- Notes to the Balance Sheet

### Income Statement for the nine months ended 31 March 2020

	Note	Nine Months Ended			Nine Months Ended
		31 Mar 2020			31 Mar 2019
		Actual	Budget	Variance	Actual
<b>District Revenue</b>					
Membership Revenue	1	53,237	69,760	(16,523)	71,505
Conference Revenue	2	0	0	0	0
District Store Revenue	3	4,445	8,750	(4,305)	7,152
Speech Contest Revenue	4	0	0	0	2,291
Other Revenue	5	10,460	14,234	(3,774)	8,747
<b>Total District Revenue</b>		<b>68,142</b>	<b>92,744</b>	<b>(24,602)</b>	<b>89,696</b>
<b>District Expenses</b>					
Conference Expenses	2	52	0	52	0
District Store Expenses	3	3,114	6,905	(3,791)	14,709
Marketing Expense	6	35,818	37,250	(1,432)	7,523
Communications & PR Expenses	7	3,342	3,749	(407)	3,038
Education & Training Expense	8	9,114	26,575	(17,461)	12,701
Speech Contest Expenses	4	5,392	13,760	(8,368)	4,916
Administration Expenses	9	2,012	4,665	(2,653)	5,216
Travel Expense	10	27,565	26,520	1,045	23,075
Other Expenses	11	3,035	4,302	(1,267)	2,952
<b>Total District Expenses</b>		<b>89,444</b>	<b>123,726</b>	<b>(34,282)</b>	<b>74,131</b>
<b>Surplus for nine months ended 31 March</b>		<b>(21,302)</b>	<b>(30,982)</b>	<b>9,680</b>	<b>15,565</b>

## **Notes to the Income Statement for the nine months ended 31 March 2020**

1. Membership revenue is currently well behind budget due to Covid-19 'lockdown' impacts on club renewals and due to timing delays following WHQ's deadline extension from 31 March to 30 April.
2. No conference revenue is included as the revenue and expenses for the May 2020 conference (Christchurch) are held on the balance sheet as Deferred Revenue and Prepaid Expenses until the event date. This includes deposits with suppliers, that refunds are being sought for.
3. District Store revenue is \$4,305 below budget. 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 endorse this 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 (\$3,791) as discussed above. A net gain of \$1,331 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 this year. Speech contest expenditure is currently well under budget due to good food cost control by Division teams and because of timing. All Area contests were completed by the end of February, but 2 Division contests were not able to be completed before lockdown. These contests will be completed 'on-line' at an expected lower net cost reflected in later months expenses, along with some expense claims not received in March.
5. 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 \$45 with continued low interest rates and reduced cash reserves. The District Service Charge was increased by \$2 to \$8 per member (including GST) this year. Delays in invoicing clubs last year seem to have flowed through to delays in clubs paying with 55% of clubs having paid by 31 March. This is \$3,672 below the budgeted 80% but it is hoped much of this will be received in April. Again Covid-19 issues are suspected of having negative impacts on clubs. District 112 was invoiced \$1,192 for a share of national website & 0800 freephone costs to 31 December.
6. Marketing expenditure is currently below budget by \$1,432. In addition to regular Facebook advertising, 'Back of the Bus' and Billstickers billboard campaigns there has been an increase in print and on-line promotions via regional advertorials and 'pay per click' referrals.
7. Communications and Public Relations expense is \$407 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 \$17,461 under budget. This is largely due to few workshops being physically held before 'lockdown', saving \$8,000. A shift to on-line training for the next few months should 'lock-in' these savings. Club Leadership Training (CLT) venue and food costs are \$5,365 below budget due to determined cost control by Division Directors. District Officer training is \$2,368 below budget, due also to judicious venue and food cost management.
9. Administration costs are under budget by \$2,653 with spending in most categories being lower than budgeted. \$800 of costs associated with awards and presentations were accrued last year but will not now be incurred until later in the year. Creditcard fees and postage are \$1,446 lower with less District Stores sales. General printing and stationery costs are also below budget.
10. Travel costs are above budget by \$1,045. The budget did not allow for flights associated with the Regional Advisor's visit and the budget this year was based on not all District Officers attending the trainings. Costs of \$3,000 for May District Officer training travel have been reimbursed but are included in prepaid expenses currently. As pandemics are excluded by the insurance it is hoped that future travel costs will be offset by use of available 'credits'.
11. Other expenses, while \$1,267 below budget, are tracking as expected. The provision for miscellaneous expenses has not been spent.

## Available Funds as at 31 March 2020

Main District 72 Operating Account	14,821.65
USD Account	18,064.93
Convention A – Christchurch May20	843.27
Convention B - not in use (Waipuna May 2018)	1.09
Convention C - not in use (Hamilton May 2019)	0.71
Convention D – not in use (Dunedin May 2019)	0.26
Total Cash	33,722.91
District Reserve	49,159.36
Total Cash & District Reserve	82,882.27
Minimum District Reserve Required at Year End	(19,646.05)
<b>Total Available Funds</b>	<b>63,236.22</b>

## Balance Sheet as at 31 March 2020

	Note	As At 31 Mar 2020	As At 31 Mar 2019
<b>Current Assets</b>			
Cash and Cash Equivalents	1	82,882	133,744
Prepaid Expenses	2	15,997	6,628
Accounts Receivable	3	347	4,464
Other Current Assets	4	6,329	(780)
<b>Total Current Assets</b>		<b>105,555</b>	<b>144,056</b>
<b>Fixed Assets</b>			
Fixed Assets	5	938	938
Accumulated Depreciation	5	234	391
<b>Net Fixed Assets</b>		<b>547</b>	<b>547</b>
<b>Total Assets</b>		<b>105,789</b>	<b>144,603</b>
<b>Current Liabilities</b>			
Accounts Payable	6	-	1,817
Accrued Liabilities	7	662	662
Deferred Revenue	8	586	15,559
<b>Total Current Liabilities</b>		<b>1,248</b>	<b>18,038</b>
<b>Total Liabilities</b>		<b>1,248</b>	<b>18,038</b>
<b>Members' Equity</b>			
Cumulative Translation Adjustment	9	27,957	19,176
Equity	10	97,886	91,825
Quarter Three Surplus / (Deficit)	11	(21,302)	15,565
<b>Total Members' Equity</b>		<b>104,541</b>	<b>126,566</b>
<b>Total Liabilities and Equity</b>		<b>105,789</b>	<b>144,603</b>

## **Notes to the Balance Sheet as at 31 March 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 as at 31 March 2020 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 March 2020 are comprised of \$12,806 associated with the May 2020 Christchurch conference (significant refunds of most deposits are being negotiated), associated District Officer travel costs of \$2,321 and a deposit of \$870 for the May 2021 Silverstream conference.
3. Accounts receivable comprises outstanding funds owed by District 112 for shared Website and '0800' services last year. D112 paid based on their budget rather than a share of actual costs.
4. 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.
5. 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.
6. The accounts payable balance comprises invoices that were entered into the accounting system during March but were paid during April.
7. 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.
8. Deferred Revenue comprises the registration fees for the Christchurch May 2020 Conference, net of fees refunded, and supplier refunds received to date. The amounts are usually held on the balance sheet until the event occurs (May 2020) and then released to the Income Statement along with the relevant prepaid expenses – refer note 2 above.
9. 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.
10. 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.
11. This represents the surplus or deficit for the period ended 31 March 2020 - refer Income Statement above.

**Philip Smith**

**District 72 Finance Manager 2019-20**

Report drafted as at 24 April 2020