

District 72, Toastmasters New Zealand

Financial Report for the nine months ended 31 March 2021

The Quarter Three Financial Report includes:

- Income Statement for the nine months ended 31 March 2021
- Notes to the Income Statement for the nine months ended 31 March 2021
- Available Funds as at 31 March 2021
- Balance Sheet as at 31 March 2021
- Notes to the Balance Sheet as at 31 March 2021

Income Statement for the nine months ended 31 March 2021

	Note	Nine Months Ended			Nine Months Ended
		31 March 2021			31 March 2020
		Actual	Budget	Variance	Actual
District Revenue					
Membership Revenue	1	54,445	58,085	(3,640)	53,238
Conference Revenue	2	883	-	883	-
District Store Revenue	3	156	-	156	4,445
Fundraising Revenue	4	-	3,400	(3,400)	-
Other Revenue	5	1,013	-	1,013	10,460
Total District Revenue		56,495	61,485	(4,990)	68,142
District Expenses					
Conference Expenses	2	870	-	870	52
District Store Expenses	3	56	-	56	3,114
Fundraising Expenses	4	-	3,000	(3,000)	-
Recognition	6	743	620	123	441
Club Growth	6	2,161	5,480	(3,319)	1,364
Marketing Expense	6	6,928	8,210	(1,282)	34,013
Public Relations Expenses	7	4,152	5,400	(1,248)	3,342
Education & Training Expense	8	1,821	5,840	(4,019)	9,114
Speech Contest Expenses	9	(296)	2,340	(2,636)	5,392
Administration Expenses	10	3,718	4,417	(699)	5,047
Food & Meals	11	1,109	3,960	(2,851)	-
Travel Expense	11	9,544	13,645	(4,101)	27,565
Lodging	11	-	2,400	(2,400)	-
Other Expenses	12	(2,274)	-	(2,274)	-
Total District Expenses		28,531	55,312	(26,781)	89,444
Surplus for nine months ended 31 Mar 21		27,965	6,173	21,792	(21,302)

Notes to the Income Statement for the nine months ended 31 March 2021

1. Membership Revenue is now \$3,640 behind budget mainly due to reduced member renewals in March with only 3,473 payments against a TI budget base of 4,587 (3,248 last year).
2. Conference revenue is the refund of the deposit for the May 2021 Silverstream Conference venue, showing as Conference expenses. All Registrations were refunded. Conference revenue and expenses for the May 2022 Conference, to be held in Christchurch, are held on the balance sheet as Deferred Revenue and Prepaid Expenses until the event occurs in May next year.
3. District Store was closed as at 30 June 2020. Revenue represents late sales of exited stock and of name badges on behalf of members. Members will now order these items directly from Toastmasters International or the relevant supplier. District Store expenses relate to badge costs (excluding freight).
4. Fundraising revenue and expenditure relates to events planned to be held in each of the 3 main centres. The first of these was held in April (Show Don't Tell) but did not generate surplus funds.
5. Other revenue is mainly made up of the recovery of the 0800 freephone costs from District 112 plus interest income and other miscellaneous adjustments. Interest income is \$534 despite continued low interest rates due mainly to a favourable bank adjustment relating to prior years. The District Service Charge (\$8 per member as at 1 July) was not levied to clubs this year.
6. Recognition, Club Growth and Marketing expenditure is currently below budget by \$4,478. While Facebook advertising has continued other marketing has been delayed due to a focus on on-line contests. Less new clubs has resulted in less expenditure on new banners etc. Club use of the Open Meeting promotional fund (up to \$50) has also been slower than anticipated.
7. Public Relations expense is \$1,248 under budget mainly due to delays in commissioning further development of the new website. This has now happened in April.
8. Education and Training expenditure is \$4,019 under budget. This is largely due to Area and Division in-person workshops not being held as budgeted. Both rounds of Club Officer Training (COT) were held on-line against a budget that allowed for 1 in-person session in each Division.
9. No speech contest revenue was budgeted for again this year. Speech contest expenditure is currently under budget by \$2,636 due to reversal of prior year accruals for trophy and awards engravings exceeding current claims for trophies so far. Further claims are expected in April and May.
10. Administration costs are under budget by \$699 with spending in most categories being lower than budgeted. Spending of \$260 on the 0800 freephone number is recovered from D112 who have taken this over. Creditcard facility fees took longer to cease than budgeted, following closure of the District Store facility. These higher costs were offset by lower general printing, stationery and postage / courier costs. Zoom accounts have been reduced as the need has diminished but further costs will be incurred in April and May. Lower member renewals (as mentioned above) also mean there was a small saving in the monthly TI allocation charge from TI.
11. Food, Travel and Lodging expenses are below budget by \$9,352. Food costs were lower due to no in-person workshops or COT events being held. Travel costs were reduced and below budget through reduced volume (in-person trainings) and cost (creative and central locations). Lodging costs have not been incurred to date.
12. Other expenses is the remaining provision for District Service Charge refunds awaiting bank account confirmations.

Available Funds as at 31 March 2021

Main District 72 Operating Account	5,6910.85
USD Account	8,936.35
Convention A – Christchurch May 2020/22	34.40
Convention B - not in use (Silverstream May 2021)	16.24
Convention C - not in use (Hamilton May 2019)	0.71
Convention D – not in use (Dunedin May 2019)	<u>0.26</u>
Total Cash	14,678.81
District Reserve	<u>86,862.40</u>
Total Cash & District Reserve	<u>101,541.21</u>
Minimum District Reserve Required at Year End	<u>(16,715.88)</u>
Total Available Funds	<u>84,825.33</u>

Balance Sheet as at 31 March 2021

	Note	As At 31 Mar 2021	As At 31 Mar 2020
Current Assets			
Cash and Cash Equivalents	1	101,541	82,882
Prepaid Expenses	2	3,636	15,997
Accounts Receivable	3	0	347
Other Current Assets	4	<u>936</u>	<u>6,329</u>
Total Current Assets		<u>106,114</u>	<u>105,555</u>
Fixed Assets			
Fixed Assets	5	938	938
Accumulated Depreciation	5	<u>938</u>	<u>234</u>
Net Fixed Assets		<u>-</u>	<u>547</u>
Total Assets		<u>106,114</u>	<u>105,789</u>
Current Liabilities			
Accounts Payable	6	2,455	-
Accrued Liabilities	7	1,162	662
Deferred Revenue	8	<u>-</u>	<u>586</u>
Total Current Liabilities		<u>3,616</u>	<u>1,248</u>
Total Liabilities		3,616	1,248
Members' Equity			
Cumulative Translation Adjustment	9	17,274	27,957
Equity	10	57,260	97,886
Quarter Three Surplus	11	<u>27,965</u>	<u>(21,302)</u>
Total Members' Equity		<u>102,498</u>	<u>104,541</u>
Total Liabilities and Equity		<u>106,114</u>	<u>105,789</u>

Notes to the Balance Sheet as at 31 March 2021

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 March 2021 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 2021 are comprised of costs associated with the May 2022 Christchurch conference.
3. Accounts receivable comprises of funds owed to District 72.
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 2021.
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 Facebook advertising costs incurred but not yet billed and historical outstanding cheques that have not been cashed against the District bank accounts. The cheques are unlikely to be re-issued but WHQ require the liability be retained due to Californian law requirements, which state cheques must be honoured whenever presented.
8. Deferred Revenue comprises the Conference registration fees collected in advance. The registrations are held on the balance sheet until the event occurs and will be released to the Income Statement in the month of the Conference (or when refunded if cancelled).
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 figure represents the surplus for the period ended 31 March 2021 - refer to the Income Statement above.

Philip Smith

District 72 Finance Manager 2020-21

Report drafted as at May 2021