

**TOASTMASTERS INTERNATIONAL DISTRICT 72**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2021**

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# **TOASTMASTERS INTERNATIONAL DISTRICT 72**

## **ENTITY INFORMATION**

### **Reporting Entity**

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

### **Entity Mission**

The mission of District 72 is to build new Clubs and support all Clubs in achieving excellence.

The District aims to enhance the performance and extend the network of Clubs, thereby offering greater numbers of people the opportunity to benefit from the Toastmasters educational program by:

1. Focusing on the critical success factors specified by the District educational and membership
2. Ensuring that each Club effectively fulfils its responsibilities to its members
3. Providing effective training and leadership development opportunities for Club and District Officers

### **Entity Structure**

District 72 is currently led by seven senior officers. These officers guide the activities and support functions of the District. The District Director, Program Quality Director and 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 South Island and the Wellington region (previously covering the whole of NZ) There are six Divisions in the District, and the Divisions are broken into 29 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 Reserve Account" for each District at its Headquarters in Colorado. Districts submit a budget each year and may requisition funds from their District Reserve 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 may carry out other fundraising events to supplement subscriptions and 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

## FINANCIAL STATEMENTS

### 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.

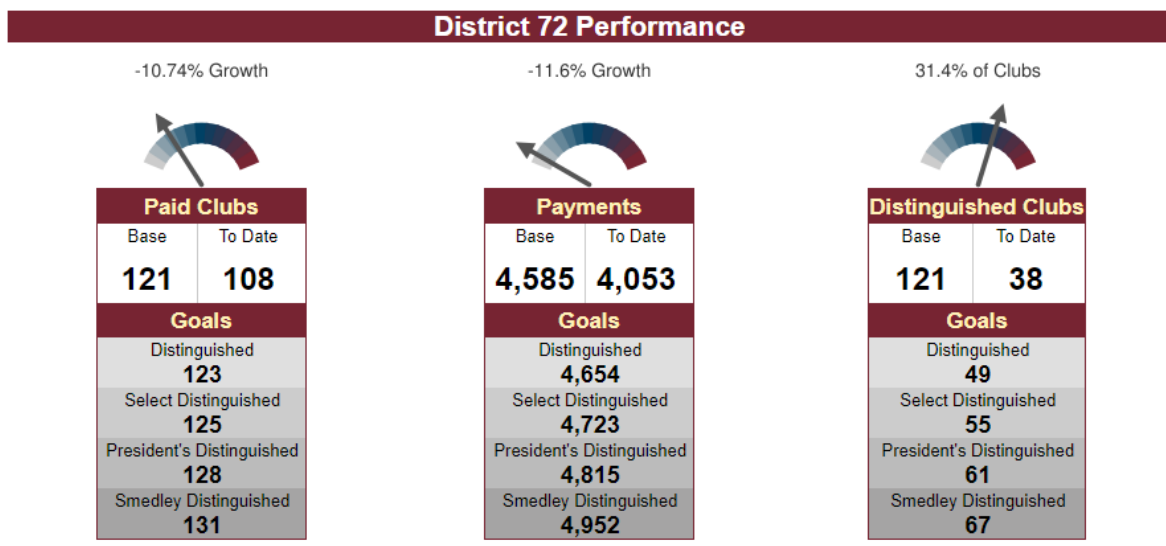
1. 'Paid Clubs' is existing clubs which have paid dues for at least 8 members and newly chartered clubs.
2. 'Payments' consists of subscriptions received from continuing existing members and new members.
3. 'Distinguished Clubs' measures the "health" of clubs by allocating points for members completing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

To be considered for District recognition by Toastmasters International, the District must meet two qualifying requirements:

1. Must submit the Division and Area Directors Training Report to World Headquarters by September 30 showing that 85 percent of division and area directors were trained.
2. Must submit the District Success Plan to World Headquarters by September 30.

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 2021 is detailed below:



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

**FOR THE YEAR ENDED 30 JUNE 2021**

	Actual \$	Budget \$	Variance \$	30-Jun-20 \$
<b>District Revenue</b>				
Membership Revenue	62,651	66,863	(4,212)	76,638
District Conference Revenue	883	26,965	(26,082)	-
Fundraising Revenue	65	5,100	(5,035)	-
District Store Revenue	156	-	156	5,388
Speech Contest Revenue	-	-	-	-
Other Revenue	827	-	827	1,825
<b>Total District Revenue</b>	<b>64,581</b>	<b>98,928</b>	<b>(34,347)</b>	<b>83,851</b>
<b>District Expenditure</b>				
District Conference Expenses	870	26,965	(26,095)	2,948
Fundraising Expenses	1,041	4,500	(3,459)	-
District Store Expenses	56	-	56	9,297
<b>Recognition, Club Growth and Marketing</b>				
Recognition	8,463	4,095	4,368	650
Club Growth	5,921	8,670	(2,749)	2,569
Marketing Outside Toastmasters	13,822	11,950	1,872	39,507
	28,206	24,715	3,491	42,726
<b>Public Relations</b>				
District Website	5,960	5,740	220	4,472
	5,960	5,740	220	4,472
<b>Education &amp; Training</b>				
Distinguished Clubs	-	100	(100)	200
Training Club Officers	-	1,750	(1,750)	5,776
Training Division & Area Directors	3,105	3,050	55	6,829
Other Expenses	503	5,040	(4,537)	527
	3,609	9,940	(6,331)	13,332
<b>Speech Contests</b>				
Awards & Certificates	129	3,180	(3,051)	4,672
Other Expenses	-	150	(150)	7,255
	129	3,330	(3,201)	11,927
<b>Administration</b>				
Printing, Stationery and Photocopying	70	535	(465)	183
Telephone & Conference Calls	747	1,230	(483)	2,209
Postage	268	300	(32)	552
Bank Charges	489	80	409	1,018
TI Allocation	3,085	3,343	(258)	4,159
Other Expenses	666	1,150	(484)	3,111
	5,325	6,638	(1,313)	11,232
<b>Food</b>	6,105	6,660	(555)	-
<b>Lodging</b>	584	4,200	(3,616)	-
<b>Travel</b>				
Senior District Officers	5,364	4,385	979	20,923
Division Directors	3,835	4,122	(287)	4,423
Area Director	9,038	6,482	2,556	6,831
Other District Officers	1,837	1,700	137	1,903
	20,073	16,689	3,384	34,080
<b>Other Expenses</b>				
Foreign Exchange Gain / (Loss)	7,506	-	7,506	(3,597)
Miscellaneous Adjustments	-	-	-	-
	7,506	-	7,506	(3,597)
<b>Total District Expenses</b>	<b>79,465</b>	<b>109,377</b>	<b>(26,454)</b>	<b>126,417</b>
<b>Net Surplus / (Deficit) for the period</b>	<b>(14,884)</b>	<b>(10,449)</b>	<b>(7,894)</b>	<b>(42,565)</b>

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

**AS AT 30 JUNE 2021**

	30-Jun-21 \$	30-Jun-20 \$
<b>Equity</b>		
Members Funds	<u>66,094</u>	<u>80,978</u>
<b>Represented by</b>		
<b>Current Assets</b>		
BNZ Cheque Account	23,438	23,943
BNZ Convention Bank Accounts	4,262	353
BNZ US Dollar Account	24,726	21,106
District Reserve Account	<u>37,165</u>	<u>41,986</u>
Total of Bank Accounts	89,590	87,388
Sundry Debtors	-	69
Prepayments	2,484	870
Goods & Services Taxation (GST)	4,272	7,933
Stock on Hand	<u>-</u>	<u>-</u>
	96,345	96,260
<b>Fixed Assets</b>		
As per Schedule	-	156
<b>Total Assets</b>	<u>96,345</u>	<u>96,416</u>
<b>Less Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	18,933	4,312
Accruals	7,623	11,125
Income in Advance	3,695	-
<b>Total Liabilities</b>	<u>30,251</u>	<u>15,437</u>
<b>Net Assets</b>	<u>66,094</u>	<u>80,978</u>

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

**AS AT 30 JUNE 2021**

	30-Jun-21	30-Jun-20
	\$	\$
<b><u>Equity</u></b>		
Members Funds as at 1st July	80,978	123,543
Net Surplus / (Deficit) for the period	(14,884)	(42,565)
<b>Member Funds as at 30 June</b>	<b><u>66,094</u></b>	<b><u>80,978</u></b>
<b>Equity as at 30 June</b>	<b><u>66,094</u></b>	<b><u>80,978</u></b>

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

**FOR THE YEAR ENDED 30 JUNE 2021**

	30-Jun-21 \$	30-Jun-20 \$
<b>Cash flows from operating activities</b>		
Cash receipts from members & activities	71,471	78,840
Cash payments to suppliers	<u>(62,297)</u>	<u>(111,328)</u>
Cash generated from operating activities	9,174	(32,488)
Interest received	<u>535</u>	<u>45</u>
<b>Net cash from operating activities</b>	<u>9,709</u>	<u>(32,443)</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>Cash flows from financing activities</b>		
Capital payments on reformation	<u>-</u>	<u>-</u>
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	9,709	(32,443)
Cash and cash equivalents at 1 July	87,388	116,234
Effect of exchange rate fluctuations on cash held	(7,506)	3,597
<b>Cash and cash equivalents at 30 June</b>	<u><u>89,590</u></u>	<u><u>87,388</u></u>

**RECONCILIATION TO NET SURPLUS**

**FOR THE YEAR ENDED 30 JUNE 2021**

	30-Jun-21 \$	30-Jun-20 \$
Surplus for the six months	(14,884)	(42,565)
Adjustments for:		
Depreciation	156	313
Exchange rate fluctuations	<u>7,506</u>	<u>(3,597)</u>
	(7,221)	(45,849)
Change in debtors and prepayments	(1,545)	2,960
Change in GST receivable	3,661	(4,966)
Change in inventories	-	5,536
Change in accounts payable and accruals	11,119	9,876
Change in income in advance	<u>3,695</u>	<u>-</u>
Cash generated from operating activities	9,709	(32,443)
<b>Net cash from operating activities</b>	<u><u>9,709</u></u>	<u><u>(32,443)</u></u>

**TOASTMASTERS INTERNATIONAL DISTRICT 72**  
**FIXED ASSET SCHEDULE AS AT 30 JUNE 2021**

		Depn Rate p.a.	Cost 01.07.20	Accum Depn 01.07.20	NBV 01.07.20	Cost 30.06.21	Additions/ (Disposals) 30.06.21	Depn Expense 30.06.21	Accum Depn 30.06.21	NBV 30.06.21	Sales Proceeds 30.06.21	
Jolyon Firth Cup -International	Awarded	10%	150	150	-	150		-	150	-		
Maurice Hayes Cup - Entertainment	Awarded	10%	200	200	-	200		-	200	-		
Ray Morse Cup - Humorous	Awarded	10%	180	180	-	180		-	180	-		
Rob Henry Cup - Evaluation	Awarded	10%	200	200	-	200		-	200	-		
Don Harden Memorial Trophy	Awarded	10%	150	150	-	150		-	150	-		
Jack Duffy Memorial Award	Awarded	10%	150	150	-	150		-	150	-		
Toastmaster of the year Cup	Awarded	10%	200	200	-	200		-	200	-		
Dan Coomey Shield	Awarded	10%	150	150	-	150		-	150	-		
Bulletin Award Cup	Awarded	10%	150	150	-	150		-	150	-		
IPDG Trophy	Awarded	10%	200	200	-	200		-	200	-		
District Banners (2) & Table Cloth	DD	10%	100	100	-	100		-	100	-		
Convention Microphones (2)	DD				-	-		-	-	-		
Convention Banner	Christchurch	10%	100	100	-	100		-	100	-		
DD Gavel & Stand	DD	10%	100	100	-	100		-	100	-		
Convention Stand & Gavel	Christchurch	10%	600	600	-	600		-	600	-		
Timing Lights	DD	10%	150	150	-	150		-	150	-		
Surface Pro (January 2018)	PRM	33.3%	938	782	156	0	-938	156	0	-	160	
			<b>3,868</b>	<b>3,712</b>	<b>156</b>	<b>2,930</b>	<b>-</b>	<b>938</b>	<b>156</b>	<b>2,930</b>	<b>-</b>	<b>160</b>



## TOASTMASTERS INTERNATIONAL DISTRICT 72

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

The reporting entity is Toastmasters International District 72, (the District).

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 is 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.

#### **Basis of Preparation**

The measurement system adopted is that of historical cost. All transactions are reported using the accrual basis of accounting. The District is a going concern.

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

Accounting Policies were updated as of 1 July 2014 to reflect the transition from Old New Zealand GAAP being FRSs 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. This was an early adoption of the new framework. The updating did not have 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 District is registered for GST. 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 record 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.

## **TOASTMASTERS INTERNATIONAL DISTRICT 72**

### **NOTES TO THE FINANCIAL STATEMENTS Continued** **FOR THE YEAR ENDED 30 JUNE 2021**

- (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 Laptops which are depreciated at 33.3% of cost.
- (i) **Creditors and 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 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) **Comparatives**  
Comparatives have been shown for the full twelve month period ended 30 June 2020.
- (n) **Audit**  
Under the amendments to the Chairities 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 Continued** **FOR THE YEAR ENDED 30 JUNE 2021**

#### **Membership Revenue**

The District 72 membership revenue figure is below budget by \$4,212 and below last year by \$13,987 due to reduced renewals.

#### **Conference Net Income**

Conference revenue is the refund of the deposit for the May 2021 Silverstream Conference venue, and expenses are the refund of registrations. 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.

#### **Fundraising Net Income**

Fundraising was not successful and an emphasis was instead placed on two public facing "Show Don't Tell" events from which \$65 was received in donations against expenditure of \$1,041.

#### **Other Revenue**

Other revenue is mainly made up of interest income and other miscellaneous adjustments. Interest income of \$535 is well above last years \$45 due to a favourable bank adjustment relating to prior years. Sale of the laptop netted \$160. The District Service Charge (previously \$8 per member as at 1 July) was not levied to clubs this year.

#### **Marketing**

advertising was the main planned marketing activity. Higher spending on Recognition (including the May Awards event) was offset by lower spending on Club Growth, which included reprinting Visitor Booklets.

#### **Public Relations**

Public Relations expense is \$220 above budget mainly due to delays in developing and commissioning the new website, which delayed cancelling the more expensive old site by several months.

#### **Education and Training**

Education and Training expenditure is \$6,331 below budget. This is largely due to Area and Division in-person workshops not being held as budgeted. Club Officer Training (COT) was held entirely on-line for both rounds saving \$1,750 budgeted for 2 in-person sessions.

#### **Speech Contests**

No speech contest revenue was budgeted or received. Expenditure was \$3,201 below budget with all contests on-line this year. The expenditure on engraving costs of \$1,053 was off-set by reversal of accruals for the prior year.

#### **Administration**

Administration costs are below budget by \$1,313 with spending in most categories being lower than budgeted. Spending of \$288 on the 0800 freephone number was on-charged to D112. Creditcard facility fees took longer to cease than budgeted, following the District Store closure but were off-set by lower printing and stationery costs. Conference Zoom accounts have also been reduced as the need has diminished. The monthly TI allocation charge from WHQ was \$258 lower than budgeted on lower member renewals. Other expenses were for badges/pins, venue and depreciation.

## TOASTMASTERS INTERNATIONAL DISTRICT 72

### NOTES TO THE FINANCIAL STATEMENTS Continued FOR THE YEAR ENDED 30 JUNE 2021

#### Food

Food costs associated with District training events were \$555 below budget.

#### Lodging and Travel

Lodging and Travel expenses are below budget by \$232. Lodging costs were considerably lower than budgeted and off-set an over spend on travel costs despite the reduced volume of in-person gatherings. The Toastmasters International budget limits on Travel expenditure have been lowered to only 25% of expenditure, creating a considerable challenge to manage.

#### Other Expenses

Other expenses is the recognition of the adverse movement in foreign exchange rates during the year and other Toastmasters International adjustments.

#### District Supplies

District Store was closed as at 30 June 2020. Revenue represents late sales of exited stock and also 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).

	Actual	30-Jun-21 Budget	Variance	30-Jun-20 Actual
	\$	\$	\$	\$
<b><i>Income Received</i></b>				
District Store Sales	156	-	156	5,388
<b><i>Cost of Sales</i></b>				
Opening Stock	-	-	0	5,536
Plus District Store Purchases	56	-	56	3,691
	56	-	56	9,227
Less Closing Stock	-	-	0	3,468
<b><i>Total Cost of Sales</i></b>	56	-	56	5,759
<b>Net Gain / (Loss) from Trading</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>(371)</b>