

TOASTMASTERS INTERNATIONAL DISTRICT 72

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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Compiled by:

District Finance Manager
September 2022

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 goals
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 5 Divisions in the District, and the Divisions are broken into 24 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.

Fundraising

The District may carry out other fundraising events to supplement subscriptions.

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.

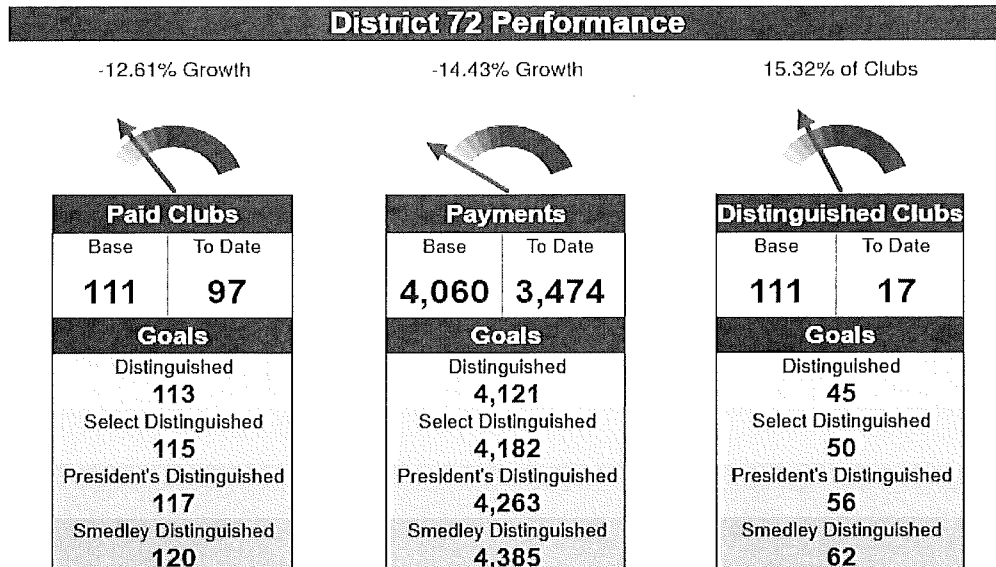
1. 'Paid Clubs' is existing clubs which have paid dues for at least 8 members and newly chartered clubs.
2. 'Payments' consists of subscriptions received from continuing existing members and new members.
3. 'Distinguished Clubs' measures the "health" of clubs by allocating points for members completing 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 2022 is detailed below:



TOASTMASTERS INTERNATIONAL DISTRICT 72
STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2022

	Actual \$	Budget \$	Variance \$	30-Jun-21 \$
District Revenue				
Membership Revenue	52,901	61,889	(8,988)	62,650
District Conference Revenue	252	28,470	(28,218)	883
Fundraising Revenue	-	0	0	66
District Store Revenue	-	-	0	156
Speech Contest Revenue	-	-	-	-
Other Revenue	36	-	36	826
Total District Revenue	53,189	90,359	(37,170)	64,581
District Expenditure				
District Conference Expenses	534	28,470	(27,936)	870
Fundraising Expenses	-	-	0	1,041
District Store Expenses	-	-	0	56
Recognition, Club Growth and Marketing				
Recognition	1,962	6,250	(4,288)	8,463
Club Growth	8,463	8,600	(137)	5,921
Marketing Outside Toastmasters	6,205	6,200	5	13,822
	16,630	21,050	(4,420)	28,206
Public Relations				
District Website	780	3,500	(2,720)	5,960
	780	3,500	(2,720)	5,960
Education & Training				
Distinguished Clubs	-	200	(200)	0
Training Club Officers	229	2,010	(1,781)	0
Training Division & Area Directors	2,201	5,900	(3,699)	3,105
Other Expenses	0	600	(600)	503
	2,429	8,710	(6,281)	3,608
Speech Contests				
Awards & Certificates	506	2,850	(2,344)	129
Other Expenses	73	250	(177)	0
	579	3,100	(2,521)	129
Administration				
Printing, Stationery and Photocopying	132	800	(668)	70
Telephone & Conference Calls	733	800	(67)	747
Postage	0	350	(350)	268
Bank Charges	34	200	(166)	489
TI Allocation	3,200	3,094	106	3,085
Other Expenses	194	750	(556)	666
	4,293	5,994	(1,701)	5,325
Food	3,813	4,750	(937)	6,105
Lodging	111	500	(389)	585
Travel				
Senior District Officers	3,585	3,915	(330)	5,364
Division Directors	1,082	1,850	(768)	3,835
Area Director	4,397	9,500	(5,103)	9,038
Other District Officers	290	2,100	(1,810)	1,837
	9,354	17,365	(8,011)	20,074
Other Expenses				
Foreign Exchange (Gain) / Loss	(10,466)	-	(10,466)	7,506
Miscellaneous Adjustments	-	-	-	-
	(10,466)	-	(10,466)	7,506
Total District Expenses	28,057	93,439	(65,383)	79,465
Net Surplus / (Deficit) for the year	25,132	(3,080)	28,212	(14,884)

TOASTMASTERS INTERNATIONAL DISTRICT 72
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	30-Jun-22	30-Jun-21
	\$	\$
Equity		
Members Funds	<u>91,226</u>	<u>66,094</u>
Represented by		
Current Assets		
BNZ Cheque Account	11,015	23,438
BNZ Convention Bank Accounts	0	4,262
BNZ US Dollar Account	0	24,726
District Reserve Account	<u>76,344</u>	<u>37,165</u>
Total of Bank Accounts	87,360	89,591
Sundry Debtors	102	-
Prepayments	450	2,482
Goods & Services Taxation (GST)	4,097	4,272
Stock on Hand	<u>-</u>	<u>-</u>
	92,009	96,345
Fixed Assets		
As per Schedule	-	-
Total Assets	<u>92,009</u>	<u>96,345</u>
Less Liabilities		
Current Liabilities		
Accounts Payable	-	18,933
Accruals	783	7,623
Income in Advance	-	3,695
Total Liabilities	<u>783</u>	<u>30,251</u>
Net Assets	<u>91,226</u>	<u>66,094</u>

TOASTMASTERS INTERNATIONAL DISTRICT 72
STATEMENT OF MOVEMENT IN EQUITY

AS AT 30 JUNE 2022

	30-Jun-22	30-Jun-21
	\$	\$
<u>Equity</u>		
Members Funds as at 1st July	66,094	80,978
Net Surplus / (Deficit) for the year	25,132	(14,884)
Member Funds as at 30 June	<u>91,226</u>	<u>66,094</u>
Equity as at 30 June	<u>91,226</u>	<u>66,094</u>

TOASTMASTERS INTERNATIONAL DISTRICT 72
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	30-Jun-22 \$	30-Jun-21 \$
Cash flows from operating activities		
Cash receipts from members & activities	49,531	71,471
Cash payments to suppliers	(62,264)	(62,297)
Cash generated from operating activities	(12,734)	9,174
Interest received	36	535
Net cash from operating activities	<u>(12,697)</u>	<u>9,709</u>
Cash flows from investing activities		
Purchase of fixed asset	-	-
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Capital payments on reformation	-	-
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(12,697)	9,709
Cash and cash equivalents at 1 July	89,591	87,388
Effect of exchange rate fluctuations on cash held	10,466	(7,506)
Cash and cash equivalents at 30 June	<u><u>87,360</u></u>	<u><u>89,591</u></u>

RECONCILIATION TO NET SURPLUS

FOR THE YEAR ENDED 30 JUNE 2022

	30-Jun-22 \$	30-Jun-21 \$
Surplus for the year	25,132	(14,884)
Adjustments for:		
Depreciation	0	156
Exchange rate fluctuations	(10,466)	7,506
	14,666	(7,222)
Change in debtors and prepayments	1,930	(1,545)
Change in GST receivable	175	3,661
Change in inventories	-	0
Change in accounts payable and accruals	(25,773)	11,119
Change in income in advance	(3,695)	3,696
Cash generated from operating activities	(12,697)	9,709
Net cash from operating activities	<u><u>(12,697)</u></u>	<u><u>9,709</u></u>

TOASTMASTERS INTERNATIONAL DISTRICT 72
FIXED ASSET SCHEDULE AS AT 30 JUNE 2022

	Deprn Rate	Cost	Accum Deprn	NBV	Cost	Additions/ (Disposals)	Deprn Expense	Accum Deprn	NBV	Sales Proceeds
p.a.	01.07.21	01.07.21	01.07.21	01.07.21	30.06.22	30.06.22	30.06.22	30.06.22	30.06.22	30.06.22
Jolyon Firth Cup -International	Awarded	150	150	-	150	-	-	150	-	-
Maurice Hayes Cup - Entertainment	Awarded	200	200	-	200	-	-	200	-	-
Ray Morse Cup - Humorous	Awarded	180	180	-	180	-	-	180	-	-
Rob Henry Cup - Evaluation	Awarded	200	200	-	200	-	-	200	-	-
Don Harden Memorial Trophy	Awarded	150	150	-	150	-	-	150	-	-
Jack Duffy Memorial Award	Awarded	150	150	-	150	-	-	150	-	-
Toastmaster of the year Cup	Awarded	200	200	-	200	-	-	200	-	-
Dan Coomey Shield	Awarded	150	150	-	150	-	-	150	-	-
Bulletin Award Cup	Awarded	150	150	-	150	-	-	150	-	-
IPDG Trophy	Awarded	200	200	-	200	-	-	200	-	-
District Banners (2) & Table Cloth	DD	100	100	-	100	-	-	100	-	-
Convention Microphones (2)	DD	-	-	-	-	-	-	-	-	-
Convention Banner	Christchurch	100	100	-	100	-	-	100	-	-
DD Gavel & Stand	DD	100	100	-	100	-	-	100	-	-
Convention Stand & Gavel	Christchurch	600	600	-	600	-	-	600	-	-
Timing Lights	DD	150	150	-	150	-	-	150	-	-
		2,930	2,930	0	2,930	-	0	2,930	-	-

TOASTMASTERS INTERNATIONAL DISTRICT 72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 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 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 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.

TOASTMASTERS INTERNATIONAL DISTRICT 72

NOTES TO THE FINANCIAL STATEMENTS Continued FOR THE YEAR ENDED 30 JUNE 2022

(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 year ended 30 June 2021.

(n) **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 Continued **FOR THE YEAR ENDED 30 JUNE 2022**

Membership Revenue

The District 72 membership revenue figure is below budget by \$8,988 and below last year by \$9,749 due to reduced renewals. Membership Payments were down by 586 payments, many of these payments were dual and multiple memberships. While we did have a number of new members over the 2021/22 year it wasn't enough to offset the loss of current members. We also lost 10 clubs over the year and had no new clubs charter.

Conference Net Income

The scheduled May 2022 conference never happened. All registrations were refunded. Luckily the venue refunded the deposit in full and very few other costs were incurred up front.

Marketing

Recognition, Club Growth and Marketing expenditure is currently under budget by \$4,420. Facebook advertising was the main planned marketing activity. A joint initiative of \$10,000 TV advertising with District 112 (\$5000 each) accounted for most of the Marketing Outside of Toastmasters budget. The District also produced Billboards, A4 Flyers and Fridge Magnets. Club Growth money was spent on advertising for new clubs. A lot of the Club Growth spend may not see results until 2022/23 Toastmasters year as those clubs are in building phase and have not reached charter strength yet. Recognition is again underspent (\$4,288) which is partially due to the fact that the TI shop has been unavailable for a long period and some items that should have been captured under Recognition being allocated to the wrong category.

Public Relations

Public Relations expense was \$2,720 under budget mainly due to no major upgrades being needed to website. Facebook ads have been captured under marketing.

Education and Training

Education and Training expenditure is \$6,281 under budget due to some training having been done over zoom rather than in person. Only 1 Division was able to hold in person Club Officer Training during the first round and the 2nd round was held entirely online. 2021/22 incoming District Officer training was paid for in the 2020/21 budget. We were unable to hold in person District Officer trainings between January 2022 and May 2022 because of the impact of Covid,. However we did manage to include inperson training for the 2022/23 incoming team in June 2022.

Speech Contests

Expenditure was well under budget by \$2,521 due to many contests being by zoom including the District contest. Only two or three Areas were able to hold in person contests before the Xmas break and as most of the Area Directors and Division Directors decided to run all four contests after the Xmas period they could not complete these before Covid forced us online in February just as the rest of the Areas were to begin there contests.

Administration

Admin costs were very close to budget. There were no unusual items this year. Most of the cost for administration are tied up with the TI Allocation, District Zoom accounts and couriering trophies around the country. District no longer runs the 0800 number which further reduces the spend on administration.

TOASTMASTERS INTERNATIONAL DISTRICT 72

NOTES TO THE FINANCIAL STATEMENTS Continued **FOR THE YEAR ENDED 30 JUNE 2022**

Food & Lodging

Food and lodging costs were \$1,326 under budget mostly due to the cancelled District conference. This included meals for District Officers at the DEC meeting and meal and lodging costs for hosting Region 12 International Director Lesley Storkey DTM who was to be our guest at the May conference. We did not pay any lodging costs for District Officers.

Travel

Travel is the biggest cost for District, with the disruptions caused by Covid, travel costs were \$8,011 under budget. This was because we had to cancel most of the District Officer travel in the second half of the year. With 19 of the 36 District Officers based in Wellington this also affected the spend as most of the in person District Officer trainings were held in Wellington so travel costs were lower. If the District conference and Trio members travelling to Division Contests happened as planned, our travel spend would have been significantly higher. If you compare it to last years budget were we spent \$20,074 on travel that is the figure that we were looking at as our actual rather than the budgeted figure. The fact that we had not filled all to the Area Director roles also contributed to the underspend as we had fewer than expected numbers.

Other Expenses

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

General Comment From IPDD

This was a very difficult year for the entire District Leadership team, Covid had a huge impact on the second half of the Toastmasters year and many of our plans had to be changed last minute because of Covid restrictions.

Because Covid hit us at the busiest time of the year as we were gearing up for the contests, the May District Conference these were either cancelled or shifted to an online or Hybrid version. As most of the Area Directors and Division Director agreed to run all four contests after the Xmas period so we could try and comply with the Districts wish for in person contests this really impacted our budget spend as most of our expected expenditure period ended up being in the February to May period which was so heavily impacted by Covid.