

District 112. New Zealand, north of the Wellington Region

Financial Statement for the period

1 July 2018 to 30 June 2019

*The layout of this Financial Statement is in accordance with the Optional Template for applying Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Tier Three, provided by the Charities Commission.*

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Part A Non-Financial Information

A1 Entity Information

**Reporting Entity**

The reporting entity is Toastmasters International District 112. (District 112)

District 112 was established by Toastmasters International on the first of July 2018 by splitting it off from Toastmasters International District 72, which until that date had covered all of New Zealand.

**Affiliation and Liability:**

Source is the Toastmasters International, District Administrative Bylaws (Article III)**.**

1. With Toastmasters Clubs
All member clubs in Toastmasters International in good standing within the boundaries of this District, and all such clubs organized hereafter, shall be affiliated with this District. However, this District shall have no liability to any third party for any debt or obligation of any club, nor shall any club have any liability to any third party for any debt or obligation of this District or any other component part of Toastmasters International.
2. With Toastmasters International
This District is an integral part of Toastmasters International, a California non-profit public benefit corporation, and, as an administrative unit of that corporation, its activities and affairs shall be managed, and its powers exercised, under the ultimate direction of the Board of Directors of Toastmasters International. This District is not an independent or autonomous legal entity. Because Toastmasters International is the exclusive owner of all the trade names, trademarks, service marks, emblems, insignia, and copyrights associated with the Toastmasters collective membership mark, no District has the authority to create a separate legal entity.

The boundaries of the District are New Zealand, north of the Wellington (local body) Region.

Toastmasters International was registered with the office of the Secretary of State of the State of California (USA) on 19th December 1932. It is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Non-profit Public Benefit Corporation Law for charitable purposes.

**Governing Documents**

District 112 is governed (in descending order) by the Articles of Incorporation and Bylaws of Toastmasters International, the District Administration Bylaws and Toastmasters International Policies and Protocols, which are common to all Districts.

District 112 Procedures provide guidance where Toastmasters International policies or procedures are silent or vague. This defines District 112 traditions and unique aspects of our District culture. Details related to awards, trophies and other District traditions provide historical context and help preserve the richness of District 112 culture. No procedure of District 112 may conflict with these governing documents.

**Registration Number**

Toastmasters International District 112 does not have separate legal status in New Zealand. It is registered as a charity with the Department of Internal Affairs – Charitable Services. The official Registration Number is CC55508

**Entity Mission**

The mission of the District as stated in the District 112 Procedures is

DP 1 DISTRICT OBJECTIVE

The District Mission as defined by Toastmasters International is:

*We build new clubs and support all clubs in achieving excellence.*

To improve the promotion of Toastmasters International within New Zealand, each year District 112 shall aim to achieve, through the use of the District Success Plan, the minimum of Distinguished District.

District 112 covers a large geographical area and is committed, as much as practicable, to providing the benefits of Toastmasters to rural and urban areas and to ensuring that urban and rural members are enabled to take advantage of the communication and leadership opportunities in the District.

**Entity Structure**

Between the meetings of the District 112 Council in May and September, the District is administered by the District Executive Committee. This fifty-one member committee meets four times a year and consists of:

* The District Director, The Programme Quality Director and the Club Growth Directors, who are elected at the May Annual District Council.
* The Public Relations Manager, Finance Manager and Administration Manager, who are nominated by the District Director elect and ratified by the May Annual District Council.
* The Immediate Past District Director. This role is vacant in our first year of existence

These six officers assisted by the District Parliamentarian and District Logistics Manager are referred to as the “Top Table” and are responsible for day to day operations of the District between meetings of the District Executive Committee. They may not exercise any of the powers, which the Governing Documents reserve to the District Executive Committee.

* The Eight Division Directors. The District is divided into eight Divisions, each headed by a Division Director, who is elected by the May District Council Six of the Divisions contain five area and the remaining divisions have four and three Areas respectively.
* The Thirty Seven Area Directors. The practice in District 112 is that the Area Directors are nominated by the District Director and approved by the District Council. Each area consists of between four and six clubs with the Area Directors. The role of the Area Directors is to support their assigned clubs and to be the primary communications conduit between the clubs and the District.

**Sources of Cash and Resources.**

At club level, members pay six monthly dues which contain the Toastmasters International portion (USD 45) and usually a portion to fund local club operations. The club remits the international portion to Toastmasters International. One quarter of the international dues received is allocated to fund District operations. These funds are held in an account at World Headquarters (Englewood, Colorado, USA) and Districts draw on these as required. District 112’s practice is to draw down the funds into a US Dollar account at the BNZ and then transfer funds to our operating account as required.

Some clubs make a voluntary “District Service Charge” donation to the District. In previous years (in the old District 72) this was a levied charge, however in District 112 it is an optional voluntary donation, which may be used within the Division the club is part of.

The only other sources of income for District 112 are:

(i) Members payments for the basic registration and meals for the May District Conference. The conference is always budgeted to break even.

(ii) District officers partial contribution to the lunch during District Executive meetings.

(iii) Donations by past District leaders (in the April/June period) to cover the costs of new District trophies in their name, which were purchased by the District in order to comply with Toastmasters International’s brand requirements.

The District does not undertake any fundraising activities, other than seeking some sponsorship to allay the costs of the annual conference to members.

**Volunteer Services**

With the exception of the staff employed at the Toastmasters International World Headquarters in Englewood, (Denver) Colorado, USA; there are no other staff employed by Toastmasters International and the Organisation worldwide to totally run by volunteers.

**Entities Reliance on Donated Goods or Services**

Whilst the annual District Conference may receive some donated goods or services to reduce the costs on members attending, there are no material donations received for day-to-day operations. The District does reimburse expenditure by District officers for specified District events and travel.

**Contact Details**

Physical Address:

The District does not own or rent any real property. There is no physical address. The service for any documents is the residential address of either the current District Director or District Finance Manager.

Postal Address:

The current postal address is PO Box 135, Kaukapakapa, Auckland 0843.

Phone Number:

The current phone numbers are:

District Director 2018-19 021 1114 7254

District Director 2019-20 027 527 4913

District Finance Manager 021 0233 2092

Email:

District Director d112director@toastmasters.org.nz

District Finance Manager d112finance@toastmasters.org.nz

Website:

The District website is https://d112tm.org.nz

The District Facebook page is https://www.facebook.com/d112toastmastersnz

A2 Statement of Service Performance, for the period 1 July 2018 to 30 June 2019

The Toastmaster’s year runs from 1st July until 30th June. The outcomes and outputs are for the full year.

The Mission of District 112 is as specified on Page 2

**Outcomes:**

[1] Toastmasters International Performance Indicators.

Known as the “Distinguished District Program” these are common to all 116 Districts and consist of two qualifying requirements and three performance measures

To be considered for recognition, Districts must meet two qualifying requirements:

1. They 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. They must submit the District Success Plan to World Headquarters by September 30.

There are three categories, each with four achievement levels in the Distinguished District Program,

**A Membership Payments**. A membership payment is a payment received by Toastmasters International in respect of either a renewing member or a new member. The measure is the percentage increase for this year over the previous Toastmasters year.

The base number for District 112 in the 2018-2019 year is 6,532 Membership Payments

The goal for Distinguished District is an increase of 1.5% (6,630)

The goal for Select Distinguished District is an increase of 3.0% (6,728)

The goal for President’s Distinguished District is an increase of 5.0% (6,859)

The goal for Smedley Distinguished District is an increase of 8.0% (7,055)

**B Clubs in Good Standing.** This is a Toastmasters Club where at least eight members’ dues have been paid to Toastmasters International for the current bi-annual dues round. The measure is the percentage increase for this year over the previous Toastmasters year.

The base number for District 112 in the 2018-2019 year is 163 Clubs

The goal for Distinguished District is an increase of 1.5% (166)

The goal for Select Distinguished District is an increase of 3.0% (168)

The goal for President’s Distinguished District is an increase of 5.0% (172)

The goal for Smedley Distinguished District is an increase of 8.0% (177)

**C Distinguished Clubs.** There is a Distinguished Club Program, consisting of ten goals (6 are educational, 2 are new members, 1 is Club officers trained and 1 is administrative. A club which achieves any five goals and meets the qualifying requirement of the lower of either having twenty members or a net growth of five over the previous year’s membership is Distinguished.

The goal for Distinguished District is 40% of the District’s clubs are distinguished.

The goal for Select Distinguished District is 45% of the District’s clubs are distinguished

The goal for President’s Distinguished District is 50% of the District’s clubs are distinguished

The goal for Smedley Distinguished District is 55% of the District’s clubs are distinguished

**NOTE:**

 A club cannot be distinguished until the dues for the April/September period have been paid to Toastmasters International

**[2] District 112 Performance Indicators.**

The District Director, Program Quality Director and Club Growth Director compiled the District 112 Success plan, which was submitted to Toastmasters International. This contained the following additional performance indicators.

A table in the Outcomes section lists both these additional performance indicators and the outcomes half way through the year.

**Outputs:**

Description and Quantification (to the extent practicable) of the Entity's Outputs:\*

**[1] Toastmasters International Performance Indicators.**

|  |  |
| --- | --- |
| Performance Indicators Performance Indicators | Status as at 31 December 2018 |
| 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.  | Achieved |
| Submit the District Success Plan to World Headquarters by September 30 | Achieved |
| Increase in Membership Payments Goal of 103% on last year | 6,510 on a base of 6,533. 99.65% of base. Not Achieved |
| Increase in the number of Clubs in Good standing. Goal of 103% on last year | 169 clubs on a base of 163. 103.7% of base. Achieved |
| Distinguished Clubs. 40% of Clubs in Good standing are Distinguished. (Goal is 66 clubs) | 75 clubs were distinguished . 46.01%. Achieved. |
| The District is Distinguished. (All 5 of the above criteria were achieved) | Not Achieved. |

**[2] District 112 Performance Indicators.**

|  |  |
| --- | --- |
| Performance Indicators Performance Indicators | Status as at 30 June 2019 |

|  |  |
| --- | --- |
| OUTCOMES | OUTPUTS  |
| **Goals 1 & 2 Membership Payments and Club Growth (CGD)** |
| 1.1 Address membership retention and growth challenges by raising the profile of Toastmasters in all Divisions and creating a marketing support team in July: -  | Marketing support team was in place by July. Profile of Toastmasters raised throughout the Divisions, resulting in many calls from the billboards erected,The overall membership retention rate was 63.4% We started the year with 3,319 members and addedMembership 1 July 3,319New members 1,477Not Renewed 1,754Membership 30 June 3,042Net Decrease 277The transition from the former Education System to the Pathways. Education System, did have a negative impact on some clubs membership.  |
| 1.2 District 112 Toastmasters presence at Trade Shows throughout the different divisions. | Trade Shows presence in Auckland and Gisborne resulted in multiple leads for clubs throughout the District as well as some leads for D 72. Multiple leads to start corporate clubs. Not all leads followed, as multiple clubs in formation and more focus needed on membership retention |
| 1.3 Phantom billstickers to be strategically placed in areas of lower membership or where new clubs are being formed –  | The Phantom Billstickers work well, when used in conjunction with Facebook. A lack of coordination between Public Relations and Marketing resulted in this approach not proceeding. |
| 1.4 Flag on a metal base and a tear shaped flag to be provided to Divisions for multi-purpose use amongst clubs. - The flags will enable Division and Area Directors to assist clubs where the venue is harder to find or to advertise clubs in formation and clubs with lower membership - | Highly successful, the flags are being well used throughout the Divisions and are increasing brand awareness throughout the District. A few clubs have noted the success of the flags and are purchasing flags for the use within the clubs. |
| 1.5 Billboards have proved effective in raising the profile and awareness of Toastmasters and in attracting guests to clubs. The Division Directors will be given two billboards kits each in August, which they will be able to move around where needed most –  | The billboards have worked very effectively in most of the Divisions, resulting in many guest inquiries and encouraging past members to re-join Toastmasters. In the Division where there was a substantial cost for displaying billboards, one of the Divisions assisted by swopping a flag for a billboard. |
| 1.6 Create marketing support team in July with representative from each Division, to assist clubs in gaining maximum benefit from their Facebook page and other forms of social media. | Club Coaches were appointed for a number of clubs who qualified and agreed to that appointment. One of the challenges was sourcing suitably experienced members to meet the demand in the different localities. Many of the coaches appointed had a very positive impact in assisting the clubs growth. |
| 1.7 Award pins to Area Directors whose clubs reach their membership goals ahead of time (as detailed with Division Directors) and / or who run effective membership building projects. (HPL projects around membership building). | This did not happen.  |
| 1.8 Working with Division Directors to identify clubs who need early encouragement to submit payments \ ahead of the membership renewal payment deadlines. Support Area and Division Directors to help treasurers of Corporate Clubs obtain buy in from the Organisation re the deadlines for payment of membership dues. | The primary support person in this area did a great job in ensuring most corporates submitted their membership dues on time. |
| 1.9 Provide support for resolving conflict by having a “go to” person available to clubs who is very approachable and is well versed in conflict resolution. | Felicity Hopkins has filled this role well and has provided sound advice. |
| 1.10 To obtain TI brand approval for marketing items, where this has not yet been obtained. | Completed. |
| 1.11 Support the chartering of new clubs and growth of existing clubs by implementing appropriate marketing initiatives early in the year: -  | Marketing initiatives were started early in the year, resulting in a high demand for the establishment of new clubs. There are many new clubs in formation, the formation of some of the clubs has been staggered and we have chosen to hold over the formation of some prospective clubs until next year, as we do not have the capacity to adequately service all the prospective clubs at once. |
| 1.12 Arrange for the Division Directors to appoint a marketing representative for their Division | The level of success varied from Division to Division |
| 1.13 Hold monthly marketing conference calls with the marketing representatives from each Division, run by the appointed District Facebook Support person  | This has not been successful |
| 1.14 Offer new and existing club promotional funding tiers, with higher funding levels being made available in July, August and September. | Tiered promotional funding was made available for new clubs, lower membership clubs and existing clubs |
| 1.15 Empower each Division Director to have the incredible experience of chartering a club into their Division | New clubs were chartered into four of the eight Divisions. |
| 1.16 Encourage and support each Division to find and work on multiple potential sources of new club leads  | This varied between Divisions. The new clubs chartered during the year were all corporate clubs. |
| 1.17 Encourage existing clubs to “adopt” a club in formation and market award of a ribbon for their club banner for doing so | Some clubs supported clubs in formation and received sponsor ribbons from TI. |
| 1.18 Encourage healthy competition between advanced clubs for the support of clubs in formation and low membership clubs - Establish a pool of members who need to complete their ALS to whom to offer club mentor and sponsor opportunities –  | There has not been much emphasis on healthy competition between advanced clubs. A pool of members focused on obtaining their Advanced Leader Silver Award has been established in some areas, but we clearly have a shortage of club sponsors and mentors, despite a concerted effort to increase this pool. This may partially be due to the large number of clubs in formation, with many clubs and mentors already earmarked for new clubs. Another factor was the time prospective new clubs desired to have meetings as support was not readily available at that time. |
| 1.19 Hold “hands on” club sponsor and mentor workshops (encourage and support members needing to complete HPLs to run these)  | There has not been sufficient interest in these workshops, which has resulted in a one on one approach being used instead. |
| 1.20 Provide tiered promotional funding to support clubs in formation  | Implemented. |
| 1.21 Provide promotional funding to assist clubs to retain and build their membership | A number of applications were received and supported. Those resulted in success at club level. |
| 1.22 Assist clubs in finding low cost meeting spaces and provide funding for the venue hire for a club in formation’s first demonstration meeting  | There has been very little take up of this initiative. The cost of venues varies significantly between Divisions and within Auckland city |
| 1.23 Hold functions designed to entice corporates to establish clubs (HPL opportunities for members)  | We have only held one function, but have placed this on hold, due to the high demand received for corporate clubs to be established. |
| 1.24 Facilitate member participation at community events, designed for personal self-development, to help raise the profile of Toastmasters and create opportunities to start new clubs  | Toastmasters have actively participated in a few community events of this nature, relationships have been forged and the profile of Toastmasters has been raised. We have encouraged the leads stemming from this to join existing clubs, rather than using this as an opportunity to start new clubs, as this is where the greater need lies. |
| 1.25 Monitor the timing of clubs being started to ensure there are a sufficient number of people available to support the clubs in formation. | We have staggered the chartering of new clubs where possible and are holding a few leads over for next year to ensure each club started has adequate support. This is important to ensure the longevity of the club. |
| 1.26 Encourage and recognise membership building campaigns - venues to run membership building workshops. | The support at Division level for these workshops has been disappointing. |
| 1.27 Recognise Area Directors who have facilitated most of their clubs running membership building campaigns | This did not happen |
| 1.28 Recognise clubs who achieve TI membership campaign ribbons (on Facebook, in newsletters and at Area / Division / District events). | This did not happen |
| 1.29 Encourage Pathways to be appreciated as an opportunity rather than a barrier  | This is slowly, but surely being achieved, but is going to take time. We have taken part in many Pathways workshops and live Pathways Training sessions, which has had a positive impact. |
| 1.30 Maximise and highlight the numerous benefits of Pathways when approaching corporate club leads  | A number of corporates have embraced Pathways, resulting in a high demand for clubs.  |
| 1.31 Provide Division and Area Directors with tools to assist them in marketing the benefits of Pathways to organisations | This has been done most effectively and has resulted in a higher demand for clubs to be chartered than we have capacity to manage. |
| 1.32 Support Area Directors in the early identification of clubs where resistance to Pathways may have the potential of causing a club to fold. | The early identification of resistance has been identified, but there has been insufficient human resources to address this need adequately. This is an area which will need to be worked on, on an ongoing basis |

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| --- |
| **Goal 3 Distinguished Clubs (PQD)** |
| 1.1 The District will provide incentives to clubs that have had all their club officers attend both rounds of club leader training. Clubs that register 7+7 officers to CLT will be presented with a sponsored item. Clubs that have registered 6 or 7 officers at the round 2 training will be presented with a ribbon for their banner. | No club presented 7+7 officers to CLT.A subset of 18 clubs presented 6 or 7 officers in Round 2. Ribbons to be presented at awards presentation in September 2019. |
| 1.2 Being a distinguished club also involves retention strategies and work in this area these will be very much cantered around Pathways uptake. | Statistical information is at this stage being made available by Toastmasters International on a quarterly basis. Daily data is expected at some time in the future. Follow-up by Division & Area representatives has been requested based on this data, which they have access to.There has been a general rise in officer uptake across the District. The registration percentage for all officers at June end was 82%. |
| 1.3 The PQD will assemble the CLT curriculum proposal seeking input from the Divisions as to content. Training rounds are managed by the Division Directors using the Area Directors and also sourcing assistance from other experienced members. | This was done and the consensus was that Pathways was the area to be expanded. Divisions presenting in the weekends were asked to extend their sessions to include additional Pathways material.Some Divisions extended their sessions however overall there was disappointing uptake. In the future targeted workshops may be the better option. |
| 1.4 Clubs assigning Pathways coordinators. | Ongoing promotional effort to have the clubs assign coordinators. Area Directors asked to seek information and comment on this in their reports. The uptake is gradual, and this initiative will be promoted again in the new year. |
| **Additional Goals PQD)** |
| 1.1 Having every member at least have completed an Icebreaker speech in Pathways. | Ongoing promotional effort to have members complete Pathways Icebreakers. Club execs asked to set example in this area. This continues to be promoted at all club contact areas. |
| 1.2 Examine providing educational material via Webinars. | Many online sessions have been provided to increase the skill level of members. Providing webinars per se has yet to be shown to be effective by itself. |
| 1.3 Solidifying the District's online presence. | A team will need to be doing further work in the new year. |
| 1.4 Expanding the length of Club Leadership Training sessions in some areas. | Not as much uptake as had been anticipated. Expect to be looking at dedicated workshops in the coming year. |
| 1.5 Promoting clubs to assign Pathways Coordinators (champions) as "go to" people for Pathways related information and requirements. | Promoted at District Officer Training with ongoing effort via Newsletters, presentations at CLT, presentations at contest events. Will be further promoted by Area Directors during their visits and online ‘Zoom’ sessions and continue in the new year. |
| 1.6 Examining and refining retention strategies. | Some focus here at training, continual upgrading of the Visitor Pack, however focus will need to be ongoing, most likely with specific workshops. |

Part B Financial Information

B1 Statement Of Financial Performance For The Period 1 July 2018 To 30 June 2019

"How was it funded?" and "What did it cost?"

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Note | Actual | Budget | Variance |
| **REVENUE**  |  |  |  |  |
| Donations, fundraising and other similar revenue | 1 | $ 5,052 | $ 6,405 | ($ 1,353) |
| Fees, subscriptions and other revenue from Members | 2 | $99,275 | $ 97,383 | $ 1,892 |
| Revenue from providing goods or services | 3 | ( $ 2,881) | $ 0 | ($ 2,881) |
| Interest, dividends and other investment revenue | 4 | $ 89 | $ 100 | ($ 11) |
| Conference Revenue & Expenses | 5 | $ 2,312 | $ 0 | $ 2,312 |
| Other Revenue | 6 | $ 303 | $ 0 | $ 303 |
| **TOTAL REVENUE** |  | $ 104,150 | $ 103,888 | $ 262 |
|  |  |  |  |  |
| EXPENSES |  |  |  |  |
| Expenses related to public fundraising | 7 | $ 0 | $ 0 | $ 0 |
| Volunteer and employee related costs | 8 | $ 0 | $ 0 | $ 0 |
| Grants and Donations Made | 9 | $ 0 | $ 0 | $ 0 |
| Marketing & Public Relations Expenses | 10 | $ 39,382 | $ 44,100 | ($ 4,718) |
| Education & Training Expenses | 11 | $ 18,296 | $ 28,368 | ($ 10,072) |
| Speech Contests | 12 | $ 10,680 | $ 13,754 | ($ 3,074) |
| Administration Expenses | 13 | $ 13,503 | $ 15,700 | ($ 2,197) |
| Travel Expenses | 14 | $ 26,015 | $ 48,857 | ($ 22,842) |
| Other Expenses | 15 | $ 6,668 | $ 4,869 | $ 1,799 |
| **TOTAL EXPENSES** |  | $ 114,544 | $ 155,648 | ($ 41,104) |
| Excess of Expenditure over Income |  | ($ 10,394) | ($ 51,760) | ($ 41,366) |

**B2 Statement of Financial Position as at 30th June 2019**

"What the entity owns?" and "What the entity owes?"

|  |  |  |  |
| --- | --- | --- | --- |
| ASSETS: | Note | NZ $ | NZ $ |
| BNZ Operating Account |  | $ 9,398 |  |
| BNZ Conference (Even Years) Account |  | $ 1 |  |
| BNZ Conference (Odd Years) Account |  | 1,440 |  |
| BNZ US Dollar Account |  | $ 1,523 |  |
| **Cash held in New Zealand** |  |  | $ 12,362 |
|  |  |  |  |
| District 112 Reserve Account (NZD) |  | $ 113,686 |  |
| Less Minimum District Reserve Required at Year End  | 16 | ($ 24,346) |  |
| Cash held in the United States (NZ$ equivalent) |  |  | $ 89,340 |
| **Total Available funds to the District** |  |  | **$ 101,702** |
|  |  |  |  |
| Prepayments  | 17 |  |  |
| Napier Conference deposit |  | $ 2,000 |  |
| 2019-2020 Expenses Prepaid |  | $ 11,488 |  |
| Total Prepayments |  |  | $ 13,488 |
| Accounts Receivable |  |  | $ 596 |
| Goods and Services Tax Refund |  |  | $ 6,169 |
| TOTAL ASSETS |  |  | $ 121,955 |
|  |  |  |  |
| LIABILITIES |  |  |  |
| Napier 2020 Conference Registrations received. | 18 | $ 1,440 |  |
| Accounts Payable | 19 | $ 8,293 |  |
| TOTAL LIABILITIES |  |  | $ 9,733 |
|  |  |  |  |
| **NET ASSETS** |  |  | $ 131,688 |
|  |  |  |  |
| **EQUITY** |  |  |  |
| District Funds |  |  | $ 131,688 |
| All District 112 funds are the property of Toastmasters International |  |  |  |

**B3 STATEMENT OF MOVEMENTS IN DISTRICT 112 FUNDS**

|  |  |  |
| --- | --- | --- |
| Funds transferred from District 72 as a result of the split. |  | $ 121,294 |
| Excess of Expenditure over Income |  | ( $ 10,394) |
| District Funds as at 31 December 2018 |  | $ 131,688 |

**B4 STATEMENT OF CASH FLOWS**

|  |  |
| --- | --- |
| Cash Receipts from member dues & Club Donations | NZ$ 104,327 |
| Less payments to Suppliers | (NZ$ 124,008) |
| Sub Total | (NZ$ 19,681) |
| Interest Received | NZ$ 89 |
| Net Cash from Operations | (NZ$ 19,592) |
| Former District 72 funds transferred by WHQ  | NZ$ 121,294 |
| Cash and cash Equivalents as at Year end | NZ$ 101,702 |
|  |  |
|  |  |

**B5 Schedule of Fixed Assets**

There are no fixed assets. Under Toastmasters International accounting policies only individual items with a cost exceeding US$ 500 are capitalised. Whilst a number of items were purchased in this period, as part of establishing the new District, none met the TI threshold for capitalisation.

A structure is in place to keep track of those items which are expected to last for more than one accounting period. These include banners, trophies and marketing flags/ billboards.

Schedule of District Assets (Nil Value)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Item | D 112 | Div K | Div L | Div M | Div N | Div O | Div P | Div Q | Div R |
| Toastmaster of the Year |  | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 1 |
| Area Directyor the Year Trophy |  | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 1 |
| International Speech Trophy |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Evaluation Trophy |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Table Topics Trophy |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Humerous Trophy |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TM Flags | 5 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Division Banner |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Billboards |  | 2 | 2 | 2 | 1 | 0 | 0 | 0 | 0 |
| Most Entertaining Speaker |  |  |  |  | 1 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Warwick Lowndes Trophy for the Outstanding Division Director of the Year | 1 |  |  |  |  |  |  |  |  |
| Len Jury Trophy for the Outstanding Area Director of the Year | 1 |  |  |  |  |  |  |  |  |
| Chrissy Meyer Award for District Toastmaster of the year | 1 |  |  |  |  |  |  |  |  |
| Laurel Francis Award for Club Coach of the Year | 1 |  |  |  |  |  |  |  |  |
| Murray Coutts Award for Outstanding Division | 1 |  |  |  |  |  |  |  |  |
| Kingsley Moody Award for Club Public Relations | 1 |  |  |  |  |  |  |  |  |
| O’Leary-Wightman Shield for attendance | 1 |  |  |  |  |  |  |  |  |
| Guest Books | 2000 |  |  |  |  |  |  |  |  |
| Gavel & base | 1 |  |  |  |  |  |  |  |  |
| NZ Flag | 1 |  |  |  |  |  |  |  |  |
| USA Flag | 1 |  |  |  |  |  |  |  |  |
| Australian Flag | 1 |  |  |  |  |  |  |  |  |
| District banners | 3 |  |  |  |  |  |  |  |  |
| District timing Lights | 1 |  |  |  |  |  |  |  |  |
| Suitcases | 2 |  |  |  |  |  |  |  |  |
| Multi Boxes | 4 |  |  |  |  |  |  |  |  |

**B6 Accounting Policies**

**Reporting Entity**

The reporting entity is Toastmasters International District 112. (District 112).

Further information is contained in Section A1 above

**Basis Of Preparation:**

District 112 applies the Public Benefit Entity Simple Format Reporting Accrual (Not for Profit) – Tier three, on the basis that it does not have public accountability and has total annual expenses equal to or less than NZ$2 million.

The template provided by the NZ Charities Commission has been followed in preparing this document.

All transactions in the performance report are reported in New Zealand Dollars using this accrual basis of accounting.

**Goods and Services Tax**

District 112 is registered for GST. Amounts shown above are exclusive of GST.

**Comparative Figures:**

This is the first year of the District’s operation. The 2017-18 District Finance Manager of District 72 (i.e. the last year before the split) advised that it was too difficult to accurately split the income and expenditure between the clubs forming the new District 112 and those clubs remaining in District 72.

**Change in Accounting Policies**

The previous practice in District 72 was to charge the costs of training the incoming year’s District Officers to the month in which the training occurs (June). The Budget was prepared on that basis. During the year the District Accounting Department advised the District that the costs associated with that event were to be accrued to the year in which the officers would serve (July 2019). This is a partial explanation of why that expense item is under budget.

**Income Tax**

District 112 is a registered charity and has been exempted from Income tax.

**Bank Accounts and Cash.**

Under Toastmasters International Governing Documents all funds held in the District must be on call in a bank Account designated by the District Executive Committee. The bank designated is BNZ.

The District does not hold cash on hand and there was no undeposited funds as at 31 December 2018

**Revenue Recognition**

With one exception, revenue is recognised when the District has a legal right to receive cash, either now or in the future. The expectation is that under Toastmasters International Accounting policies, member’s pre-registration for the annual District Conference is recognised in the month of the conference.

Unused funds from the Reserve fund held at Toastmasters International is available to the next year’s District leadership team.

**Disbursements:**

Disbursements are made in accordance with the requirements of Toastmasters International Governing Documents and the District112 Procedures. A completed “District 112 Expenses claim form” is required for all disbursements. There is a two level approval process. In the first level, expenditure within a division is approved by the Division Director and expenditure by the conference committee is approved by the chair of that committee. In the second level, all expenditure is approved by the District Director and the District Finance Manager, unless the expenditure is by either of these two officers, in which case wither the Program Quality Director or the Club Growth Director approve the expenditure instead.

**Audit:**

District 112 has total expenditure under the NZ$ 500,000 threshold specified under the Charities Act and does not require an audit. The financial reports from all 116 Districts are consolidated into the Toastmasters International financial statements which are independently audited.

Toastmasters International Governing Documents, do require an “audit”, however this is not an audit in terms of recognised general accounting practice in New Zealand. It is a comprehensive review by three experienced members who are not current District 112 Officers. Their role is to examine every disbursement to verify that: it has supporting documentation, has been properly approved, and the disbursement is for an item permitted by Toastmasters International accounting policies. It is not a validation of the figures in this document.

Other Information is included in the notes below.

B7 Notes to the Accounts

|  |  |  |
| --- | --- | --- |
|  | YTD Actual | YTD Budget |
| **Note 1 Donations, fundraising and other similar revenue**Donations from ClubsDistrict Awards EventTotali) The donations from clubs are voluntary and could be used with that clubs division. (This practice has been discontinued for the 2019-20 year)ii) A Districts Awards luncheon was budgeted for in September. This did not occur as the District 72 awards from the previous year were split between the reformatted F72 and District 112.  | $ 5,052$ 0$ 5,052 | $ 1,000$ 5,405$ 6,405 |
| **Note 2 Fees, subscriptions and other revenue from Members**Membership Revenue (The budget for this area was set by WHQ.)Other than the donations listed in Note 1, there was no other income from members.The budgeted amounts for membership revenue are set by Toastmasters international. | $ 99,275 | $ 97,383 |
| **Note 3 Revenue from providing goods or services**District 112 does not provide goods and services which generate revenue for the District. However we did agree to share the surplus or deficit from the District 72 Supplies Operation. This on-sold Toastmasters International manuals and other items to members and clubs. In the past that D72 operation had either broken even or made a small surplus.During this period that operation was wholly run by District 72 and as a result of mismanagement and a lack of effective oversight by District 72 leaders, the operation made a substantial loss.That agreement with District 72 has not been renewed for the 2019-2020 Toastmasters year. | ($ 2,881) | $ 0 |
| **Note 4 Interest, dividends and other investment revenue**The only interest received was from the BNZ. The bulk of the District’s funds are held at Toastmasters international and the District does not receive interest on these.Under Toastmasters Governing Documents, any funds held in the District must be on call in an approved bank.  | $ 89 | $ 100 |
| **Note 5 Conference Revenue & Expenses**RevenueExpensesSurplusThe Waikato conference committee decided not to have the evening dinners budgeted for Friday and Saturday nights. That reduced both income and expenses.The committee also obtained sponsorship in kind which reduced expenses and used members to operate the sound systems, saving on venue staff costs.Overall a good result, with full credit to the Waikato Conference team. | $ 20,115$ 17,803$2,312 | $ 48,652$ 48,652$ 0 |
| **Note 6 Other Revenue**There were no other sources of Revenue | $ 303 | $0 |
| **Note 7 Expenses related to public fundraising**The District did not engage in public fundraising. | $ 0 | $0 |
| **Note 8 Volunteer and employee related costs**The District has no employees. Whilst District officers were reimbursed for authorised expenditure incurred in relation to their role. Those costs are included in the relevant other expense lines | $ 0 | $ 0 |
| **Note 9 Grants and Donations Made**The Toastmasters International Governing Documents, forbid the District to make grants or donations to other organisations. | $ 0 | $0 |
| **Note 10 Marketing & Public Relations Expenses**Promotional Materials & AdvertisingGuest Books for ClubsFlagsRun The RedDistrict Incentives banners & PinsWebsite ExpensesTelephone Expenses (0899 number & texting)**Total Marketing & Public Relations Expenses**Comments:i) This year we had a situation where there was overlap between the officers responsible for these two areas, so they have been combined.ii) The Promotional materials and Advertising, include Trade Shows, a Corporate function and some costs associated with the visit of the International President.iii) Some promotions were to be linked to the new District Website, which was not launched until December.iv) During this period, the District was using the District 72 website, due to the delays in getting our own established to the required level. District 72 charged us 50% of their costs for the period.v) The Incentives were (a) banners for newly chartered clubs. vi) The texting cost was close to budget. District 72 operates the 0800 number and invoiced us 50% of the cost. The costs were significantly lower than in previous years, perhaps indicative of a major falloff in usage. | $ 17,109$ 6,202$ 5,612$ 5,489$ 1,755$2,168$ 1,057**$ 39,392** | **$ 44,100** |
| **Note 11 Education & Training Expenses**Training of Club Officers Training of District OfficersAward Costs**Total Education & Training**Comments:i) The budget for the District officer training was on the basis of all the District officers attending the events. A number did not attend.ii) The budget assumed that the June training for District officers elect would be a D112 expense, whereas D72 met that cost.iii) The costs of the June 2019 training of the following years District Officers were budged for in this year, however following instructions from Toastmasters International they have been accrued to July 2019iv) There was significant variance in the event costs claimed for Club Officer training by different divisions. | $ 6,235$ 10,926$ 1,135**$18,296** | $ 10,715$ 15,953$ 1,700**$ 28,368** |
| **Note 12 Speech Contests** (Area, Division and District)VenuesFoodPrintingAwards (District Finals Medals & certificate holders)Video Recording of the International Speech Final**Total Speech Contest Expenses**i) As commented in Note 11, There was significant variance in the event costs claimed for Area and Division contests by different divisions. | $ 2,756$ 3,374$ 1,093$ 457$ 3,000**$ 10,680** | $4,124$ 5,510$ 820$ 300$ 3,000**$ 13,754** |
| **Note 13 Administration Expenses**Awards, badges & PinsBank ChargesConference & TelephoneEstablishment EquipmentExchange VariationsMiscellaneous ExpensesPostage & CourierSemi Annual Conference ExpensesStationary & SuppliesWebinars**TOTAL ADMINISTRATION EXPENSES**Comments:i) Divisions L, M and R received a trophy for each of the four contests and one for Division Toastmaster of the year and one for Division ADOTY plaques.ii) The cost of the District perpetual Trophies was recouped by donations from the past leaders, for whom the trophies are named. iii) The other include, Outstanding member pins and Long Service plaques. We were generous in estimating how many members would qualify for these awards and any surplus was transferred to the next Toastmasters year.iv) The budget for bank fees did not take into account the service charges from WHQ and banks, when the District drew funds from the reserve fund.v) The Establishment Equipment, includes new banners for the District and each Division, District traffic lights, recording equipment and power extension cords. Under TI guidelines no individual item met the USD500 threshold for it to be capitalised.vi) The courier charges were to send the financial records for the first six months, firstly to the District audit team and subsequently to Toastmasters International World Headquarters.iv) The cost of banners from Toastmasters International increased after the budget was approved.v) The perpetual pins were for the eight Division Directors, the Public Relations manager, the Finance Manager and the Administration Manager. These will be passed on to their successors during the pinning ceremony at the District Conference. | $ 4,616$ 465$ 428$4,558$1$1,639$ 612$ 218$ 966$0**$13,503** | $ 4,677$ 375$ 400$1,750$ 0$6,173$ 550$ 575$ 800$400**$15,700** |
| **Note 14 Travel Expenses**District Director’s TravelProgram Quality Director’s TravelClub Growth Director’s TravelPublic Relations Manager’s TravelFinance Manager’s TravelAdministration Manager’s TravelDivision Directors TravelArea Directors TravelOther Officer’s Travel**Total Travel Expenses**i) Some required internal travel by the Program Quality Director had not been budgeted for.ii) The travel budget assumed that every District Officer would attend the District Officer Training events. Some did not attend and some of those attending have either chosen not to claim for travel expenses, or have been proactive in keeping their travel costs down. | $ 3,537$ 6,388$ 6,466$ 300$ 387$128$ 3,597$ 3,606$ 1,606**$ 26,015** | $ 9,602$ 5,820$ 5,355$ 310$ 350$287$ 6,996$ 18,743$ 1,394**$ 48,857** |
| **Note 15 Other Expenses**TI Service Charge Miscellaneous Expenses**Total Other Expenses**i) The TI Service Charge is for District expenses paid by WHQ. Includes travel to international training and the District share of the accounting system cost. | $ 5,023$ 645**$ 6,668** | $$ 4,869$ 0**$ 4,869** |
| **Note 16 Reserve Fund**Whilst funds are allocated to the District, each time a membership dues payment is made by a club, the bulk of the allocations occur as a result of the March and September six monthly renew rounds.The District is entitled to the funds held in the District 112 reserve Fund at Toastmasters International, under the Toastmasters International Governing Documents a portion may not be used by the current District team, in order to ensure that the incoming District team in July has sufficient operating funds for the period July to September. |  |  |
| **Note 17 Analysis of Changes in Assets and Liabilities during the year.**This is the first year of the District’s existence. Accordingly there are no changes to analyse. |  |  |
| **Note 18 Property, Plant and Equipment**There is no Property, Plant and Equipment items, which have been capitalized. |  |  |
| **Note 19 Accumulated Funds.**These are covered in Item B3 above. |  |  |
| **Note 20 Commitments and Contingencies**The District has not entered into any commitments regarding Assets, or Loans.There are no contingent liabilities. |  |  |
| **Note 21 Significant Grants and Donations with Conditions which have not been Recorded as a Liability**The District did not receive and significant grants or donations. |  |  |
| **Note 22 Goods or Services Provided to the Entity in Kind**The District did not receive and goods or services in kind. One of the principles of Toastmasters International is that members, including officers, use their own resources in the fulfilment of their role. The Governing Documents specify what personal expenditure is reimbursable by the District.There was some sponsorship of the Annual Conference in kind, mainly discounts. |  |  |
| **Note 23 Related Party Transactions**There were no transactions involving related parties during the financial year.Toastmasters International has detailed policies regarding conflicts of interest and the District complies with these. |  |  |
| **Note 24 Events After Balance Date (30 June 2019)**There were no events that have occurred after the balance date that would have a material impact on the Performance Report. |  |  |
| **Note 25 Ability to Continue Operating**There are no impediments to District 112 or Toastmasters International to continue operating. |  |  |