

District 112.

Northern New Zealand

Financial Statement for the period

1 July 2019 to 30 JUNE 2020

*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 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)**.**

(a) 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.

(c) 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-five-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.

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-Eight 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.

In the previous year some clubs made 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 District Executive determined that for the 2019-2020 years there was no need for these donations.

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. Not that the May 2020 conference was moved to a virtual format and members registrations were refunded.

(ii) District officer’s partial contribution to the lunch during District Executive meetings.

(iii) Registrations for the District Awards Dinner held in September.

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 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 2019 to 31 December 2019

The Toastmaster’s year runs from 1st July until 30th June. The outcomes are for the full year and the outputs for the first six months are measured against the annual outcomes.

The Mission of District 112 is as specified on Page 3

**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 2019-2020 year is 6,518 Membership Payments

The goal for Distinguished District is an increase of 1.5% (6,616)

The goal for Select Distinguished District is an increase of 3.0% (6,714)

The goal for President’s Distinguished District is an increase of 5.0% (6,844)

The goal for Smedley Distinguished District is an increase of 8.0% (7,040)

**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 169 Clubs

The goal for Distinguished District is an increase of 1.5% (172)

The goal for Select Distinguished District is an increase of 3.0% (175)

The goal for President’s Distinguished District is an increase of 5.0% (178)

The goal for Smedley Distinguished District is an increase of 8.0% (183)

**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 halfway 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 30 June 2020 |
| 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 | 6,224 received to 30 June 20206,510. received to 31 December 2019 94% of this year annual goal. |
| Increase in the number of Clubs in Good standing. Goal of 103% on last year | As at 30 June 2020 165As at 31 December 2019 169.98% of this year annual goal. |
| Distinguished Clubs. | As at 30 June 2020 69101% of Goal |

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

|  |  |
| --- | --- |
| Performance Indicators | Status as at 30 June 2020 |

|  |  |
| --- | --- |
| OUTCOMES | OUTPUTS  |
| **Goals 1 & 2 Membership Payments and Club Growth (CGD Stephen Budai)** |
| 1.1 Appoint Club Coaches for clubs where their membership is below 13. These Club Coaches support the club leadership in growing the club.  | This has been a major challenge as the uptake has been below a level that I expected |
| 1.2 Appoint a Club Coach Chair, to support the club coaches. | Murray Coutts has been re-appointed as the Chairman for the Club Coaches. We have had Murray in this position all year and has been very encouraging |
| 1.3 Develop a plan to support low membership clubs, where there is not an available club coach. | This venture to utilise the experience of both Neville Isherwood and Murray Coutts unfortunately did not come to fruition |
| 1.4 Establish and promote a district marketing fund which is available to support individual clubs marketing and promotional efforts. | This was pushed and plugged through each newsletter, meetings, Training sessions and there was very little uptake  |
| 1.5 Make funds available for paid Facebook boosting of club Facebook pages. | This was also pushed and paid dividends as a means of marketing clubs during lockdown. |
| 1.6 Provide a high-quality Visitor Brochure to clubs free of charge, for them to give to first time guests. | During the year we had another 9000 copies printed. Distributed to Areas Directors when required. We have another 9000 on order and this will ensure we do not miss any opportunities to convert visitors |
| 1.7 Maintaining a high membership retention rate. | This has proven to be a tough challenge as April dues saw many members not renew due to Covid 19 and others who have no intentions in being on Pathways |
| 1.8 Supporting Division Directors in identifying opportunities for new clubs and supporting their efforts to charter those clubs. | Areas recognised and will probably come to fruition in the new Toastmasters years |
| 1.9 Provide support training for members taking on the roles of Club Sponsor and Club Mentor | Appointed Marlene Krone as the Chairman for this group and we have regular Zoom coaching sessions This has been a very successful venture and should be continued |
| 1.10 To have a dedicated team to support demonstration meetings for new clubs. | The later part of the year almost all clubs in formation or considering dried up. Again, the hope is to pick up in the new year |

|  |  |
| --- | --- |
| OUTCOMES | OUTPUTS  |
| **Goal 3 Distinguished Clubs (PQD Sharon Kerr Phillips)** |
| 3.1 Actively support clubs situated in areas where the geographical area or demographics or seasonal nature present challenges. | District Officers visited some of the areas early in the year and provided extensive online support through Zoom, helping many clubs come online. We arranged a dedicated person to coordinate support and training to clubs re having an online presence. We obtained sponsorship to provide an incentive to clubs who embraced the online challenge. Table Topics sessions were held twice a day to support members in remote areas and members needing support during COVID. |
| 3.2 Arrange workshops in those areas and discuss strategies. | A freeze was placed on workshops, pending confirmation of Division Director’s funding being met. The workshops that were held were well attended and positive feedback was received. COVID resulted in workshops being held online, which proved to be effective.  |
| 3.3 Hold multiple high-quality Club Officer training sessions. Round 1 is June/August. Round 2 is November/February | Feedback from the first round was favourable. The Corporate Club Leadership was particularly well received. |
| 3.4 Ensure that all presenters have had the opportunity to attend a speaker to trainer workshop | All District Officers were given the opportunity to attend Speaker to Trainer workshops. Other presenters did not have this opportunity. |
| 3.5 Provide an incentive that clubs who have had 5 or more officers attend each round go into a draw. | 74 clubs had five or more club officers attend COT Round One, 27 clubs had five or more clubs attend COT in round two. (figures to be confirmed) |
| 3.6 All clubs who have had 5 or more officers attend the first round will be acknowledged at the District Awards dinner. | This is being done at the District Awards dinner being held on the 12th of September 2020. |
| 3.7 Where a club officer has not attended training, the Area or Division Director is to meet with that club officer and provide one on one training. | In some areas this was effective, but in other areas push back was received from clubs. In some instances, it was necessary for the Program Quality Director to conduct the training, with the permission of the Area or Division Director in question. |
| 3.8 Run a promotion for clubs who provide their club success plan to the district by 1st of November. | Not all Divisions embraced this incentive, Division P was particularly successful with a high percentage of clubs submitting their success plans. |
| 3.9 Encourage all club officers to fulfil the responsibilities of their role. | This was highlighted at COT, with the importance of all club officers performing their specific role, instead of having a few people running the club, being stressed. This resulted in some clubs having effective committees for the first time in years. |
| 3.10 Encourage newer members to take up the opportunities and responsibilities of being a club officer. | This was achieved in some of the clubs but is an area where continued work is needed. |
| 3.11 Establish Pathways. Champions in each Division, Area and club | While some appointments were made, the Pathways Chair appointed, ended up being over committed in other areas of Toastmasters, two Co-Chairs were appointed to assist, but this initiative never gained traction. COVID interrupted the push planned for this in the last quarter of the year. This is an area we will focus on in the new Toastmasters year. |
| 3.12 Ensure that these Pathways. Champions are well trained and equipped.  | This was not achieved, as is evidenced by the Pathways budget not being used. |
| 3.13 Hold at least five Zoom sessions each week to support new members or members transitioning to Pathways | Zoom sessions were run six times a week in the first six months of the Toastmasters Year. As attendance dropped off, this was not continued in the second half of the year, where more focus was given to supporting clubs develop an online presence. |
| 3.14 Have an incentive based on clubs who have had 100% of their members for more than two months completing level in Pathways. One incentive for the first six months and one for the second six months. | This was difficult to track, as Pathways reporting was very sparse and did not include details of members enrolled in Pathways. Knowledge of Pathways enrolment would have been a great help to Area Directors to follow up this incentive. |
| 3.15 Encourage clubs to send out early renewal notices. | This did help some of the Corporate Clubs, however COVID had an impact for our March renewals. |
| **Additional Goal (DD Neil Stichbury)** |
| Encourage and support club’s online presence – websites and social media | Actively promoted by the District leadership. Support and training were provided to clubs who requested it.The clubs who updated their online presence generally attracted more guests. |

Part B Financial Information

B1 Statement Of Financial Performance For The Year Ended 30 June 2020

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Note | Actual | Budget | Variance | Last year Actual |
| **REVENUE**  |  |  |  |  |  |
| Donations, fundraising and other similar revenue | 1 |  | $ 0 |  | $ 5,052 |
| Fees, subscriptions and other revenue from Members | 2 | $ 102,702 | $ 98,844 | $ 3,858 | $99,275 |
| Revenue from providing goods or services | 3 | $ 0 | $ 0 | $ 0 | ( $2,881) |
| Interest, dividends and other investment revenue | 4 | $15 | $ 60 | ($45) | $ 89 |
| Conference Revenue & Expenses | 5 | $ 0 | $ 61 | $ 59 | $ 2,312 |
| Other Revenue | 6 | $ 9,465 | $ 0 | $ 9,465 | $ 303 |
| **TOTAL REVENUE** |  | $ 112,183 | $ 98,966 | ($ 13,218) | $ 104,150 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| EXPENSES |  |  |  |  |  |
| Expenses related to public fundraising | 7 | $ 0 | $ 0 | $ 0 | $ 0 |
| Volunteer and employee related costs | 8 | $ 0 | $ 0 | $ 0 | $ 0 |
| Grants and Donations Made | 9 | $ 0 | $ 0 | $ 0 | $ 0 |
| Marketing Expenses | 10 | $ 43,936 | $ 42,000 | $ 1,935 | $ 28,199 |
| Public Relations Expenses | 11 | $ 13,508 | $ 13,350 | $ 158 | $ 11,193 |
| Education & Training Expenses | 12 | $ 34,405 | $ 30,500 | $ 3,905 | $ 18,296 |
| Speech Contests | 13 | $ 8,453 | $ 20,000 | ($ 11,547) | $ 10,680 |
| Administration Expenses | 14 | $ 26,572 | $ 25,000 | $ 1,572 | $ 13,503 |
| Travel Expenses | 15 | $ 32,927 | $ 65,000 | ($ 32,073) | $ 26,015 |
| Other Expenses | 16 | $ 18,540 | $ 5,000 | $ 13,540 | $ 6,668 |
| **TOTAL EXPENSES** |  | $178,342 | $ 200,850 | ($22,508) | $ 114,544 |
|  |  |  |  |  |  |
| Excess of Expenditure over Income |  | ($ 66,159) | ( $ 101,885) | $ 43,817 | ( $ 10,394) |

**B2 Statement of Financial Position as at 30th June 2020**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Note | NZ $ | NZ$  | Last Year |
| **ASSETS:** |  |  |  | NZ $ |
| BNZ Operating Account |  | $ 8,673 |  | $ 9,398 |
| BNZ Conference (Even Years) Account |  | $ 665 |  | $ 1 |
| BNZ Conference (Odd Years) Account |  | $ 7,167 |  | $ 1,440 |
| Debit card Account | 17 | $ 500 |  | $ 0 |
| Revenue Account | 17 | $ 0 |  | $0 |
| BNZ US Dollar Account (in NZ$) (USD 2,499.98 @ 1.5568) |  | $ 3,891 |  | $ 1,523 |
| **Cash held in New Zealand** |  |  | $ 20,533 | **$ 12,362** |
| District 112 Reserve Account(USD 45,839.92 @ 1.5568) |  | $ 71,346 |  | $ 113,686 |
|  | Note | NZ $ | NZ$  | Last Year |
| Less Minimum District Reserve Required at Year End **(Note 18)** |  | (24,711) |  | ( $ 24,346) |
| Cash held in the United States (NZ$ equivalent) |  |  | $ 46,652 | $ 89,340 |
| **Total Available funds to the District** |  |  | **$ 67,531** | **$ 101,702** |
| Prepayments / Conference deposits | 20 |  | $ 1,179 | $ 13,488 |
| Accounts Receivable | 21 |  | $ 9,757 | $ 0 |
| Fixed Assets at Cost |  | $ 1063 |  |  |
| less Accumulated Depreciation |  | ($118) |  |  |
|  |  |  | $ 945 |  |
| TOTAL ASSETS |  |  | $ 79,412 | $ 121,955 |
|  |  |  |  |  |
| **LIABILITIES:** |  |  |  |  |
| Conference Registrations received. | 22 | $ 5,895 |  | $ 1,440 |
| Accounts Payable | 23 | $ 12,259.05 |  | $ 8,293 |
| TOTAL LIABILITIES |  |  | $ 18,154.05 | $ 9,733 |
|  |  |  |  |  |
| **NET ASSETS** |  |  | **$ 61,258** | $ 131,688 |
| All District 112 funds are the property of Toastmasters International |

**B3 Schedule of Fixed Assets**

Under Toastmasters International accounting policies only individual items with a cost exceeding US$ 500 are capitalised.

The District had one qualifying Asset, purchased in March 2020

Laptop (at Cost) $ 1,063.39

Provision for Depreciation (rate determined by TI) $ 118.16

Book value $ 945.23

There are some other items which have a life expectancy of more than one year. Whilst they have not been capitalised (in accordance with TI Policies) These include banners, trophies and marketing flags/ billboards and are listed below as a record of other assets.

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 Director 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 |
| Humorous Trophy |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TM Flags | 40 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Division Banner |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 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 |  |  |  |  |  |  |  |  |
| Gavel & base | 1 |  |  |  |  |  |  |  |  |
| NZ Flag | 1 |  |  |  |  |  |  |  |  |
| USA Flag | 1 |  |  |  |  |  |  |  |  |
| Australian Flag | 1 |  |  |  |  |  |  |  |  |
| District banners | 3 |  |  |  |  |  |  |  |  |
| District timing Lights | 1 |  |  |  |  |  |  |  |  |
| Suitcases | 2 |  |  |  |  |  |  |  |  |
| Multi Boxes | 4 |  |  |  |  |  |  |  |  |

**B4 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.

The Toastmasters International accounting programme provides for the GST component of expenses, but not for the GST component of income received. In previous years the expense item for GST paid has been offset against the GST refund due for the year.

This year the WHQ accountants decided to treat the GST on payments as an expense and to show the GST refund due as income.

**Comparative Figures:**

This is the second year of the District’s operation. Comparative figures are shown.

**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 year end.

**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.

The 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.

B5 Notes to the Accounts

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2020 Actual | 2020 Budget | 2019 Actual |
| **Note 1 Donations, fundraising, and other similar revenue** |  |  |  |
| Donations from Clubs | $0 | $0 | $5,052 |
| i) The district did not request any donations from clubs for this accounting period. Two were received and those were returned to the clubs involved. |
| **Note 2 Fees, subscriptions and other revenue from Members** |  |  |   |
| Membership Revenue (The budget for this area was set by WHQ.) | $ 102,702 | $ 98,844 | $99,275 |
| There was no other income from members. |   |   |   |
| **Note 3 Revenue from providing goods or services** | $0 | $0 | ($ 2,881) |
| District 112 does not provide goods and services which generate revenue for the District. In the previous year we had to share a loss made by the D72 District Supplies operation. That relationship was terminated at the start of the current year. |
| **Note 4 Interest, dividends and other investment revenue** |  |  |   |
| The only interest received was from the BNZ.  | $ 15 | $60 | $898 |
| 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.  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 5 Conference Revenue & Expenses** |  |  |   |
| RevenueExpensesSurplus | $0$0$0 | $34,052$33,991$61 | $ 20,115$ 17,803$ 2,312  |
| With the cancelation of the May 2020 Napier Conference by Toastmasters International, all registrations and meal monies received for that event, were refunded. The venue deposit was also refunded. The small surplus was a donation. |
| **Note 6 Other Revenue** | $0 | $0 | $0 |
| There were no other sources of Revenue |  |  |  |
| **Note 7 Expenses related to public fundraising** | $0 | $0 | $0 |
| The District did not engage in public fundraising. |
| **Note 8 Volunteer and employee related costs** | $0 | $0 | $0 |
| 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 |
| **Note 9 Grants and Donations Made** | $0 | $0 | $0 |
| The Toastmasters International Governing Documents, forbid the District to make grants or donations to other organisations. |
| **Note 10 Marketing Expenses** |  |  |  |
| Awards ExpenseFood ExpenseDistrict IncentivesGain/Loss realisedPostage & ShippingPrintingPromotional Materials Expense | $0$ 901$ 12,017$ 2$ 0$ 6,980$ 22,789 | $ 0$ 0$ 14,357$ 0$ 0$ 0$ 27,635 | $ 208$ 2,294$ 1,547$ 360$ 0$ 26,717 |
| Room Rental ExpenseStationaryTrade Show Expenses | $ 576$ 36$ 635 | $ 0$ 0$0 | $ 128$ 2,434$ 0 |
| Other Marketing Expenses | $ 0 | $ 8 | $ 0 |
| **Total Marketing Expenses** | **$ 43,936** | **$ 42,000** | **$35,688** |
|   |  |  |   |
| Comments: |  |  |   |
| i) The Marketing budget had a strong emphasis on membership growth. This included a trade show and use of promotional material sourced from Toastmasters International. Tear drop flags were purchased to be shared within areas.ii) Incentives were provided supporting clubs net growth during the year as well as club participation in Toastmasters International membership growth promotions. iii) New club banners wee provided to those clubs who requested them. This was part of the Districts initiative to ensure that the clubs in the district had banners reflecting the current TI branding. |
| **Note 11 Communications and public Relations Expenses**District IncentivesEquipment Rental ExpenseMiscellaneous ExpensesOutside Contractor ExpensePostage & Shipping ExpensePrinting ExpensePromotional Expenses (Facebook etc Boosting)Room Rental ExpenseStationaryTelephone Expenses (0800 Number & texting)Website Expenses**Total Communications & Public Relations Expenses** |  $ 670$ 0$0 $ 0$0 $0 $ 6,007$0 $ 173$ 357$ 6,301**$ 13,508** |  $ 0$ 0$ 0$ 0$ 0$ 0$ 9,331.$ 0$ 0$ 1,025$ 2,994**$ 13,350** |  $ 0$160$ 0$ 1,596$ 580$ 1,900$ 0$ 3,733$ 0$ 1,057$ 2,168**$11,194** |
| i) 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. There was also development work started on our own Website |
| ii) The texting option was discontinued in 2019. District 72 operates the 0800 number and invoiced us 50% of the cost. District 112 has taken over this facility for the 2020/21 year.iii) In the 2018-19 year there was significant overlap between the roles of Club Growth Director and the Public Relations Manager. That overlap was avoided during the 2019-20 year. |
| **Note 12 Education & Training Expenses** |  |  |   |
| Training of Club Officers  | $ 9,246 | $ 14,474 | $ 6,235 |
| Training of District Officers | $ 12,382 | $ 14,614 | $ 10,926 |
| Award CostsET IncentivesGain /Loss | $ 1,585$ 11,158$ 32 | $ 1,412$ 0$ 0 | $ 1,135$ 0$ 0 |
| **Total Education & Training** | **$ 34,405** | **$ 30,500** | $ 18,296 |
| 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) With the cancelation of the physical Napier Conference the associated training was virtual, resulting in a cost saving.. |
| iii) There was significant variance in the event costs claimed for Club Officer training by different divisions. |
| iv) The cost of training District officers is net of the contributions made by District officers towards the Saturday Lunch cost. |
| **Note 13 Speech Contests** |  |  |  |
| VenueGiftsGain/Loss Realised | $ 943$ 21$39 | $ 5,840$ 0$ 0 | $ 2,756$0$ 0 |
| Food | $ 3,151 | $ 6,414 | $ 3,374 |
| Printing | $77 | $ 3,500 | $ 1,093 |
| Awards (District Finals Medals etc) | $ 1620 | $ 1,246 | $ 457 |
| Miscellaneous (recording of Int Speech Final)IncentivesWebsite Expenses | $ 0$ 822$ 1,781 | $ 3,000$ 0$ 0 | $ 3,000$ 0$ 0 |
| Total Speech Contest Expenses | **$ 8,453** | **$ 20,000** | **$ 10,680** |
|   |  |  |   |
| i) With the advent of Covid 19, TI directed that all district events be held online instead of face to face. This impacted the District finals, Division finals and some area finals, reducing venue and food costs. The district provided access to zoom accounts for Area purposes. |
| **Note 14 Administration Expenses** |  |  |   |
| Awards, & Badges Expenses | $ 3,755 | $ 1,504 | $4,616 |
| Bank Charges | $264 | $ 500 | $ 465 |
| DepreciationDistrict Events | $ 118$ 0 | $ 0$0 | $0$0 |
| District IncentivesEducational Materials | $ 10,731$0 | $12,431$ 563 |  $0$0 |
| Equipment Purchase (less than USD 500)Gain/Loss realised Food Expense | $ 1,322$($ 3)$ 1,213 | $ 3,850$ 0$ 1,4400 | $ 4,558$ 0$0 |
| Miscellaneous ExpensesPostage & CourierStationary & Printing | $ 894$ 825$ 2,775 | $ 0$ 800$ 2,254 | $ 1,639$ 612$966 |
| Telephone | $ 500 | $ 300 | $ 428 |
| Website, Zoom, Election Runner | $ 4,178 | $ 1,358 | $ 218 |
| **Total Administration Expenses** | **$ 26,572** | **$ 25,000** | **$ 13,503** |
| **Note 15 Travel Expenses** |   |   |   |
| District Director’s Travel | $ 5,951 | $ 7,000 | $ 3,537 |
| Program Quality Director’s Travel | $6,225 | $ 6,800 | $ 6,388 |
| Club Growth Director’s Travel | $6,118 | $ 6,800 | $ 6,466 |
| Public Relations Manager’s Travel | $ 1,574 | $ 771 | $ 300 |
| Finance Manager’s Travel | $269 | $280 | $ 387 |
| Administration Manager’s Travel | $ 538 | $ 503 | $ 128 |
| Division Directors Travel | $ 4,552 | $ 7,383 | $ 3,597 |
| Area Directors Travel | $ 6,150 | $ 26,565 | $ 3,606 |
| IPDD Travel | $ 739 | $ 5,675 | $ 5750 |
| RA Travel | $ 36 | $0 | $0 |
| Keynote Speaker (Conference)Other Officer’s Travel | $0$ 776 | $ 800$ 2,423 | $ 1,031 |
| **Total Travel Expenses** | **$ 32,927** | **$ 65,000** | **$ 31,190** |
|   |  |  |   |
| i) The travel budget assumed that every District Officer would attend the District Officer Training events. Some did not attend and some of those attending has either chosen not to claim for travel expenses, or have been proactive in keeping their travel costs down. |
| ii) The venue for the Trios mid year training was changed after the budget was finalised. There was some (but not major) impact of their travel budget.iii) The cancelation of the Napier Conference, resulted in significant savings in the travel budget.iv) As required by the D112 procedures we budgeted for the cost of the 2019-20 District Director attending the August 2020 TI Convention. That attendance was contingent of the District being Distinguished. It was not. The August physical conference was also cancelled. |
| **Note 16 Other Expenses** |   |   |   |
| TI Service Charge  | **$ 5,232** | $ 5,000 | $ 5,023 |
| Sales taxOther ExpensesExchange gain/loss | **13,002****$ 306****$ 0** | $ 0$ 0$ 0 | $ 0$ 645$0 |
|   | **$ 18,540** | **$ 5,000** | **$6,668** |
| This is for District expenses paid by WHQ. Includes travel to international training and the District share of the accounting system cost. Refer to the note above regarding the handling of GST |
| **Note 17 Bank Accounts** |  |  |  |
| During the year, the District Executive approved two additional bank accounts. The Debit Card account is to cover those recurring payments such as website costs, Survey Monkey etc which need to be paid by a debit/credit card. WHQ approved the safeguards we built into to that process. We also established a PayPal account for future conference etc. The Revenue account is designated for PayPal receipts, to ease tracking. |
| **Note 18 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 19 Prepayments**There is a $ 1,000 deposit on the venue for the May 2021 Conference. A zoom account was mistakenly prepaid for a year and the unused portion ($ 179) is included as a prepayment. |  | **$1,179** |  |
| **Note 20 Accounts Receivable** |  |  |  |
| This is the $ 9,756.72 GST refund due from Inland Revenue. (Received in July). |
| **Note 21 Conference Registrations**  |  |  |  |
| Registrations for the 2021 Auckland Conference were opened in April. By balance date 59 members had registered. |
| **Note 22 Accounts Payable**  |  |  |  |
| The Accounts payable are unusually large as at 30 June. They fall into two broad categories.[a] Incentives to clubs based on performance during the 2019-20 year. These are in the form of vouchers on the Toastmasters International shop. The vouchers should have been purchased prior to the D112 Reserve Fund being closed for reconciliation in mid June. They were not and consequently needed to be purchased by the 2020-21 District Director The total is NZ$ 10,222.06[b] The balance are expense claims received after balance date  |
| **Note 23 Cumulative Translation Adjustment** |
| Within the District we operate and track income and expenditure in NZ$. The District 112 accounts at Toastmasters International are tracked in US$ using a daily exchange rate. The Cumulative Translation Adjustment is the accumulation of the exchange variations since 1 July 2018, when the District was established. |
| **Note 24 Commitments and Contingencies** |   |   |   |
| The District has not entered into any commitments regarding Assets, or Loans. |
| There are no contingent liabilities. |  |  |   |
| **Note 25 Significant Grants and Donations with Conditions which have not been Recorded as a Liability** |
| The District did not receive any significant grants or donations. |
| **Note 26 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. |
| **Note 27 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 28 Events After Balance Date (30 June 2020)** |
| There were no events that have occurred after the balance date that would have a material impact on the Performance Report. |
| **Note 29 Ability to Continue Operating** |   |   |   |
| There are no impediments to District 112 or Toastmasters International to continue operating. |