



## **District Budget FOR THE PERIOD 1 July 2018 to 30 June 2019**

For approval by the Semi-Annual District Council on Saturday 29<sup>th</sup> September 2018

### **CONTENTS:**

1. Preamble.
2. Summary Budget.
3. Notes to the Budget, including details of expenditure items totalling greater than 25% of the total budget.
4. Budget Categories by month.

### **1 Preamble:**

- 1.1 A draft budget, prepared by the Finance Manager with input from the trio, was discussed with the Top Table and Division Directors, during a planning meeting in July. That draft was sent to World Headquarters for comment (at their request) and they advised that the proposed deficit was too high. This budget is the result of the work done to reduce the deficit.
- 1.2 The budget reflects the broad scope of the District Success Plan. Its focus is on the key outcomes required for the District to achieve Distinguished District Status.
- 1.3 Because New Zealand is one calling area for mobile phones the two districts are sharing the '0800 number" and the new innovation of text enquires. The operating costs of the 0800 number will be carried by District 72 and the operating costs of the text enquires will be carried by District 112. There will be a reconciliation and allocation of costs between the two districts at the end of the Toastmasters year.
- 1.4 District Supplies for New Zealand will be run by District 72 and will service all clubs in New Zealand. District 112 will have no day to day involvement in that operation. At the end of the Toastmasters year, the surplus or deficit from the District Supplies operation will be split equally between Districts 72 and 112. For the purposes of this budget, we assume an operation which breaks even.

### 1.5 Exchange Rates.

Several economic commentators have predicted a drop of up to 15% in the exchange rate between NZ and the USA during the term of this budget. We have taken a conservative approach in pricing items involving expenses in US\$.

### 1.6 Unusual Items, unique to this year:

- [a] There are some establishment costs associated with the birth of our new District. These include new Division Trophies for Divisions L, M and R; new District and Division Banners and minor operating equipment items.
- [b] The Toastmasters International President Lark Doley DTM will be attending the District 112 Conference in May. New Zealand has a Presidential visit approximately every five years.

Details of her visit including the length of her stay are unlikely to be finalized until closer to May. With careful planning and management, this visit has the opportunity to significantly raise the profile of Toastmasters throughout District 112 by a combination of news releases and with meetings with corporate and community leaders.

We are in the situation of not having sufficient details to plan events associated with the President's visit, yet need to allocate funds for that in the budget. A block of \$5,000 has been allocated in the Administration Budget.

## 2. Summary Budget.

Max %		Note	NZ\$	%
	<b>PROJECTED REVENUE</b>			
	Membership Revenue	2	\$97,383	64%
	Conference Revenue	3	\$48,652	32%
	Fund raising Revenue	4	\$0	
	TLI Revenue	5	\$0	
	District Store Revenue	6	\$0	
	Speech Contest Revenue	7	\$0	
	Other Revenue	8	\$6,705	4%
	<b>TOTAL REVENUE</b>		<b>\$152,740</b>	<b>100%</b>
	<b>PROJECTED EXPENSES</b>			
No Limit	Conference expense	3	\$48,652	23.8%
No Limit	Fundraising expense	4	\$0	
30%	TLI expense	5	\$0	
No Limit	District store expense	6	\$0	
No Limit	Marketing expense	9	\$31,000	15.2%
25%	Communications & Public			

	Relations Expense	10	\$13,100	6.4%
30%	Education & training expense	11	\$28,368	13.9%
10%	Speech contest expense	12	\$13,754	6.7%
20%	Administration expense	13	\$15,700	7.7%
30%	Travel expense	14	\$46,850	22.9%
10%	Other expense	15	\$4,869	2.4%
TOTAL EXPENSES			\$204,293	100%
PROJECTED DEFICIT			(\$51,553)	
ANALYSIS OF DEFICIT				
Deficit as above			(\$51,533)	
	Unusual items (1.5 above)	19	\$9,453	
Operating Deficit			(\$42,101)	
Operating Deficit as % of Revenue			27.6%	

## Available Funds:

Funds held in the District Reserve at WHQ	NZ\$ 114,407
Less the 25% Retention which must be available on 30 June 2019 (for the incoming team)	(\$ 24,346)
Sub Total:	\$ 90,061
Less Deficit as above	( \$ 51,533)
Available Funds	\$ 38,528

Note: There are sufficient funds in the district's reserves to cover this deficit. There is a small possibility that some further funds may be available from funds held in NZ on 30 June 2018, however there is no information at this stage, as the final accounts from D72 are not yet available.

*This block is the only change from the Budget approved by the District Executive Committee and is because of further information received from WHQ five days after the DEC.*

### 3 NOTES:

District Procedure 11.7.1 requires that ...

- (i) Any expenditure item which is more than 25% of total expenditure shall be further broken down into significant components. This detail is in the notes.

- (ii) The budget shall show comparative figures (actual and budgeted) for the previous year. District 112 came into existence on 1<sup>st</sup> July 2018. This is the first District 112 budget. There are no previous years comparative figures because the previous year's District 72 Finance Manager advises that it is too difficult to extract which expenses covered just our new district.

## 1 GST

District 112 is registered for GST. The figures in the budget exclude GST. We are still working with WHQ regarding how to account for NZ GST in their accounting system.

Because the only item that we will charge GST on is Conference registrations and meals, the GST that we pay over all expense areas will be greater, resulting in refunds of GST. Whilst it will affect cash flow, the net impact of GST on the budget is zero.

## 2 Membership Revenue

These figures are set by World Headquarters.

## 3 2019 Waikato Conference Budget

This budget replaces the budget which was approved at the Waipuna District Executive as the final approved budget.

In keeping with established practice, we only budget for cash sponsorship, which has been confirmed. A number of expense items are shown as zero as they are expected to be funded by sponsorship.

### Final Version for approval by the District Executive

DISTRICT 112 CONFERENCE BUDGET Adapted by D F Mgr.		Inc GST	Excl GST
Venue	<b>Distinction Hotel, Hamilton</b>		
Dates	2-5 May 2019		
Budget Updated to	<b>28-Aug-18</b>		
	Projected Income		
6025	TOTAL REVENUE FROM REGISTRATIONS	\$25,200.00	\$21,913.04
6030	Conference-Sponsorship/Advertising	0	\$0.00
6035	Conference-Raffle	0	\$0.00
6040	Conference-Auction	0	\$0.00
6010	Conference-Donation	0	\$0.00
	TOTAL REVENUE FROM REGISTRATIONS	<u>\$25,200.00</u>	<u>\$21,913.04</u>
	Less Variable Expenses	-	<b>-\$9,347.83</b>
		<b>\$10,750.00</b>	
	Less Fixed Expenses	-	<b>-\$12,565.22</b>
		<b>\$14,450.00</b>	
	<b>Projected Surplus / Deficit</b>	<b>\$0.00</b>	<b>\$0.00</b>

### PART A REGISTRATION RATES AND PROJECTED NUMBERS

Code		Pax	Each	Revenue	Excl GST
6025	Conference Registration- Early Bird	100	\$85.00	\$8,500.00	\$7,391.30
6025	Conference Registration-Spouse / guest registrations	0	\$115.00	\$0.00	\$0.00
6025	Conference Full Registrations	70	\$115.00	\$8,050.00	\$7,000.00
6025	Conference-Late registrations	30	\$145.00	\$4,350.00	\$3,782.61
6025	Conference Friday Only	5	\$60.00	\$300.00	\$260.87
6025	Conference-Saturday Only	25	\$85.00	\$2,125.00	\$1,847.83

6025	Conference-Sunday Only	25	\$75.00	\$1,875.00	\$1,630.43
6025	Conference Registration-1 Speech contest Only. This is to set the fee. For the budget assume zero people	0	\$10.00	\$0.00	\$0.00
6025				\$0.00	\$0.00
	TOTAL REVENUE FROM REGISTRATIONS	200		\$25,200.00	\$21,913.04
	Average Registration			\$126.00	

## PART B. CONFERENCE VARIABLE COSTS

		Pax	each		
7078	Conference Morning & Afternoon Teas Friday	200	\$16.00	\$3,200.00	\$2,782.61
7078	Conference Morning & Afternoon Teas Saturday	200	\$16.00	\$3,200.00	\$2,782.61
7078	Conference Morning Teas Sunday	200	\$8.00	\$1,600.00	\$1,391.30
7004	Conference Badges	250	\$1.50	\$375.00	\$326.09
7004	Conference Badges Lanyards	250	\$2.50	\$625.00	\$543.48
7020	Conference Programs	250	\$7.00	\$1,750.00	\$1,521.74
7086	Conference Bags	250	\$0.00	\$0.00	\$0.00
7086	Conference Pens	300	\$0.00	\$0.00	\$0.00
7086	Conference bag Fillers	250	\$0.00	\$0.00	\$0.00
	Sub Total Variable Expenses			\$10,750.00	\$9,347.83
	Variable Cost per person =		\$51.00		

## Fixed Expenses

<b>Venue &amp; Audio Visual</b>			
7014	Venue Hire (Excluding Hire of District Executive venue)	\$5,335.00	\$4,639.13
7042	Venue staff costs, not included in Venue hire	\$0.00	\$0.00
7018	Decorations (other than for Dinners)	\$100.00	\$86.96
7020	Other printing (excl Programmes)	\$220.00	\$191.30
7022	Audio-visual Presentation (Excluding District Executive AV Costs)	\$2,400.00	\$2,086.96
7090	Audio-visual equipment Hire	\$0.00	\$0.00
7042	Audio-visual equipment Staff Costs	\$0.00	\$0.00
<b>Other Fixed Costs</b>		\$0.00	\$0.00
7070	Bank fees	\$0.00	\$0.00
7086	Conference Ambassadors	\$0.00	\$0.00
7086	Conference Postage	\$0.00	\$0.00
7008	Conference promotional Materials	\$0.00	\$0.00
7086	IT Costs	\$300.00	\$260.87
7030	Other Photocopying	\$200.00	\$173.91
7086	Phone calls	\$0.00	\$0.00
7086	Prizes	\$0.00	\$0.00
7086	Registration Forms	\$0.00	\$0.00
7086	Signage	\$100.00	\$86.96
7012	Stationery	\$50.00	\$43.48
7080	Thank you gifts	\$125.00	\$108.70
7086	Transport Costs excl Speakers	\$170.00	\$147.83
7030	Educational material Costs (e.g. photocopying)	\$50.00	\$43.48
7010	Banner Ribbons (1 per club + 1 per Division)	\$300.00	\$260.87
7086	Sundry expenses	\$5,100.00	\$4,434.78
	<b>Total Fixed Costs</b>	<b>\$14,450.00</b>	<b>\$12,565.22</b>

## PART C. OPTIONAL MEALS (Excl Morning &amp; Afternoon Teas)

The meals should be self-funding. This includes the cost of any decoration and entertainment

Revenue		Pax	Each	Total	
7016	Friday Lunch	175	\$28.00	\$4,900.00	\$4,260.87
7016	Friday Dinner	120	\$65.00	\$7,800.00	\$6,782.61
7016	Saturday Lunch	200	\$28.00	\$5,600.00	\$4,869.57
7016	Saturday Dinner	150	\$75.00	\$11,250.00	\$9,782.61
7016	Sunday Breakfast with Champs	30	\$40.00	\$1,200.00	\$1,043.48
7016	Sunday Lunch	0		\$0.00	\$0.00
				<hr/>	<hr/>
				\$30,750.00	\$26,739.13
Expenses					
7078	Friday Lunch	175	\$28.00	\$4,900.00	\$4,260.87
7078	Friday Dinner	120	\$65.00	\$7,800.00	\$6,782.61
7078	Saturday Lunch	200	\$28.00	\$5,600.00	\$4,869.57
7078	Saturday Dinner	150	\$65.00	\$9,750.00	\$8,478.26
7078	Sunday Breakfast with Champs	30	\$40.00	\$1,200.00	\$1,043.48
7078	Sunday Lunch			\$0.00	\$0.00
7018	Saturday Dinner decorations			\$300.00	\$260.87
7042	Saturday Dinner Entertainment			\$1,200.00	\$1,043.48
				<hr/>	<hr/>
				\$30,750.00	\$26,739.13
Surplus / Deficit from meals				<hr/>	<hr/>
				\$0.00	\$0.00

#### 4 Fundraising

The District is not undertaking any fundraising revenue in the 2018-2019 year.

#### 5 TLI

District 112 is not operating the Toastmasters Leadership Institute approach to Club leader training. Whilst that approach would work in Auckland, it would be logistically difficult in the southern Divisions.

#### 6 District Store

Refer to item 1.4 in the Preamble. .

#### 7 Speech Contest Revenue

Area and Division contest are funded by the District. There is no additional charge for members to attend these events.

#### 8 Other Revenue:

The new District Trophies have all been sponsored by past District Governors/Directors. The district is purchasing these (to comply with TI branding rules). The cost is in other expenses. The donations from the sponsors are in this category. The other item is lunch money from District Officers.

## **9 Marketing**

The marketing budget as a rate per member has been increased from previous years. The average \$ per member is for D72 over the last four years is \$ 7.45. In this budget the \$ per member has been increased to \$10.00. This budget is grouped into three tiers 40% in the first quarter, 40% in the October/March quarters and 20% in the final quarter.

Significant areas within the marketing budget are:

- [a] Attendance at Trade shows and community events \$ 4,667
- [b] Bill boards and Division flags \$ 15,230
- [c] Banners for new clubs \$ 2,000
- [d] Support for local advertising \$ 6,413

## **10 Communications and Public Relations expenses**

In previous D72 budgets this area only contained website costs. This year there are other items to support membership growth. These are:

- [a] With the birth of D112 a new District website is required \$4,645 is allocated.
- [b] A contingency of \$2,500 is allocated in case we need the services of an outside contractor as part of the development of the website.
- [c] In addition to the 0800 number the district has launched a text option for people to respond to our promotional activities. \$3,475 has been allocated for this.
- [d] \$2,480 has been allocated for a reprint of the blue guest books and their distribution to clubs.

## **11 Education & Training expense**

In addition to an allowance for Triple Crown pins and DTM medals:

\$ 10,715 is allocated to Club Leadership Training

\$13,153 has been allocated to the training of this year's District officers

\$2,800 has been allocated to the June 2019 training of incoming District Officers.

## **12 Speech contest expense**

\$ 10,754 is allocated for Area and Division contests.

\$ 3,000 is allocated for the filming of the District Final of the International Speech Contest

## **13 Administration expense**

This category has a number of small items. The only items over \$1,000 are:

- [a] \$4,670 for awards. This includes new trophies for Divisions L, M and R (Division Toastmaster of the year, Division Area Director of the year and Division winner of each of the four contests). \$1,100 is allocated for the District awards for this year, which will be presented in September 2019.
- [b] \$1,750 is allocated for new District and Division banners
- [c] The allowance for the TIP visit as outlined in the preamble.

## **14 Travel expense**

Each sub category has an allowance for travel by incoming District Officers to the May/June 2019 District officer training.

### 14.1 District Director's Travel

- [a] International travel this year \$2,600
- [b] International Travel 2019/20. \$5,500 for travel to the 2019 Convention when the District achieves Distinguished District this year. (per the D112 Procedures)
- [b] Domestic travel \$1,794

### 14.2 Program Quality Director's Travel

- [a] International travel \$ 4,700
- [b] Domestic travel \$ 1,265

### 14.3 Club Growth Director's Travel

- [a] International travel \$ 4,700
- [b] Domestic travel \$ 800

### 14.4 Public Relation Manager's Travel

Domestic travel \$310

### 14.5 Finance Manager's Travel

Domestic travel \$ 350

### 14.6 Administration Manager's Travel

Domestic travel \$ 287

### 14.7 Division Director's Travel

- [a] Travel to District Officer Training \$ 2,070
- [b] Travel within their Division \$ 3,949

### 14.8 Area Director's Travel

- [a] Travel to District Officer Training \$ 11,468
- [b] Travel within their Area \$ 3,304

### 14.9 Other Travel

- [a] Travel by Parliamentarian, Logistics Mgr. and DLC Chair \$ 1,394



[b] 2019/20 District officers elect travel to June DOT \$ 5,450

## **15 Other Expenses**

The \$ 4,869 is a fee to WHQ to cover services provided to the District, including the district accounting system and training our Trio at the pre-convention and mid-year training.

#### 4 District 112 – Detailed Budget broken out by month 2018-2019

District #:	112												
Budget Currency:	NZD												
Fiscal Year	2018-2019												
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total
Membership revenue	1,061	2,003	34,008	6,413	2,635	907	1,153	1,953	33,103	7,363	3,025	3,759	97,383
Conference revenue	-	-	-	-	-	-	-	-	-	-	48,652	-	48,652
Fundraising revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
TLI revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
District store revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Speech contest revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	210	-	3,405	10	220	10	10	10	805	1,210	805	10	6,705
Total revenue	1,271	2,003	37,413	6,423	2,855	917	1,163	1,963	33,908	8,573	52,482	3,769	152,740
Conference expense	-	-	-	-	-	-	-	-	-	-	48,652	-	48,652
Fundraising expense	-	-	-	-	-	-	-	-	-	-	-	-	-
TLI expense	-	-	-	-	-	-	-	-	-	-	-	-	-
District store expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing expense	-	7,214	5,213	770	50	4,403	283	6,400	220	3,667	2,780	-	31,000
Communications & public relations expense	385	3,885	4,785	785	385	385	385	385	565	385	385	385	13,100

Education & training expense	2,200	5,160	2,970	425	3,458	3,365	1,925	55	3,045	2,855	55	2,855	28,368
Speech contest expense	-	-	-	-	-	-	-	1,104	9,650	-	3,000	-	13,754
Administration expense	425	20	3,865	70	3,890	20	265	320	20	120	6,420	265	15,700
Travel expense	4,933	9,698	3,904	60	3,175	60	3,686	330	5,210	60	6,194	11,540	48,850
Other expense	53	100	1,700	321	132	45	58	98	1,655	368	151	188	4,869
	7,996	26,077	22,437	2,431	11,090	8,278	6,602	8,692	20,365	7,455	67,637	15,233	204,293
District net income/(loss)	(6,725)	(24,074)	14,976	3,992	(8,235)	(7,361)	(5,439)	(6,729)	13,543	1,118	(15,155)	(11,464)	(51,553)