

INSTRUCTIONS:

1. Complete all sections on the Narrative tab.
2. Fill in the white cells below with the appropriate information and print out this page.
3. Obtain related signature below. **Electronic signatures are not acceptable.**
4. Distribute monthly reports per Toastmasters International protocol 8.4, to the district governor and lieutenant governors within 30 days after the end of the month.
5. **Quarter reports due to World Headquarters:**
 - * September Report: **October 31**
 - * December (Audit) Report: **February 15**
 - * March Report: **April 30**
 - * June (Audit) Report: **August 31**
6. Submit approved narratives and certification page to World Headquarters by email or fax:
 - * Scan and email the PDF to **DistrictFinancialReports@toastmasters.org**
 - * Or fax to (949) 589-3456

NOTE: This certification form must be complete for the report to be accepted by World Headquarters. Reserve funds will not be released until World Headquarters receives the completed report.

In Base Currency	USD
Monthly Net Income/(Loss)	(19,940.54)
Year to Date Net Income/(Loss)	16,360.33
Total Available Funds	47,120.54

1. We, the undersigned, certify that all district financial records have been made available to the audit committee for inspection and that any unpaid bills or other outstanding obligations for the 2016-2017 term have been reported to the audit committee and included in accruals section of this audit. We further certify that there are no other outstanding district obligations incurred for the 2016-2017 term.

Dated this 18 day of August

Adriana L. L...
District governor (for the year audited)

Wendy A Knutson
District treasurer (for the year audited)

Complete only for the Mid-year Report and Year-end Report:

2. We, the undersigned members of the Audit Committee, have examined the records of District 25 for the 2016-2017 term in accordance with the Audit Committee Guidelines* and believe that this report properly reflects the operation for that term.

Dated this 26 day of August

Theresa RCB...
Chairman

Davis Nava
Member

Ray a. Ramon
Member

* Audit Committee Guidelines are available at the District Finance Corner: www.toastmasters.org/AuditGuide

NOTE: Audit committee members cannot be members of the district executive committee (e.g., district governor, lieutenant governors, immediate past district governor, secretary, treasurer, public relations officer, division governors, area governors).

Audit Committee Guidelines



Overview and Purpose

Areas, divisions and districts (all referred to hereafter as “district” or “districts”) are legally considered a part of Toastmasters International. Therefore, regardless of the source, district funds are considered funds of Toastmasters International. Members of the district audit committee are responsible for reviewing and substantiating whether district funds have been spent in accordance with the mission and governing documents of Toastmasters.

Each finance manager is responsible for preparing the following 12 Profit and Loss Statements for the Toastmasters fiscal year that runs from July 1 through June 30 of the subsequent year:

- ▶ Monthly Profit and Loss Statement — July
- ▶ Monthly Profit and Loss Statement — August
- ▶ Quarter 1 Profit and Loss Statement — September
- ▶ Monthly Profit and Loss Statement — October
- ▶ Monthly Profit and Loss Statement — November
- ▶ Mid-year Profit and Loss Statement — December
- ▶ Monthly Profit and Loss Statement — January
- ▶ Monthly Profit and Loss Statement — February
- ▶ Quarter 3 Profit and Loss Statement — March
- ▶ Monthly Profit and Loss Statement — April
- ▶ Monthly Profit and Loss Statement — May
- ▶ Year-end Profit and Loss Statement — June

These reports provide valuable information about the financial activities of the district and its performance compared to the budget. In addition, the information in these reports is used in Toastmasters International’s audited financial statements, and federal and state nonprofit tax returns.

Because district leaders, World Headquarters staff, external auditors and tax authorities rely on these monthly Profit and Loss Statement, it is essential that they be complete and accurate. The finance manager’s primary role is to complete these reports. The audit committee’s role is to provide an independent and objective assessment of the reliability of the data contained in the district reports by applying the guidelines outlined in this document twice a year: on the Mid-year Profit and Loss Statement and the Year-end Profit and Loss Statement. Additionally, the audit committee is responsible for assessing the district’s compliance with Toastmasters International governing documents.

Membership on the District Audit Committee

Per the District Administrative Bylaws, the audit committee must include at least three (3) individual members who are:

- ▶ Annually appointed by the district director
- ▶ Trained in basic accounting or have accounting experience
- ▶ Not part of the District Executive Committee (district director, program quality director, club growth director, public relations manager, administration manager, finance manager, division directors, area directors, and immediate past district director).

Audit Committee Responsibilities

The audit committee has a responsibility to ensure that the Mid-year and Year-end Profit and Loss Statements accurately reflect district income and expenses. Both district audits are included in the World Headquarters tax information filed with the U.S. Internal Revenue Service every year. Incorrect or inappropriate expenses may result in the loss of Toastmasters International’s tax-exempt status.

Any unauthorized use of district funds that is not consistent with the district mission is a violation of the California Charitable Trust Act and is illegal. Even if the district is not in California, a diversion of charitable trust funds puts the organization at risk, because districts worldwide are administrative arms of Toastmasters International and are subject to the same laws and guidelines.

If the audit committee becomes aware of any financial irregularities or a diversion of funds that is either unauthorized and/or does not serve a business purpose consistent with the district mission, the committee is obligated to report the matter to the District Finance team at World Headquarters immediately.

Preparing for the Audit

The audit committee must obtain the following from the finance manager:

- ▶ All monthly Treasurer's Reports supporting the Mid-year or Year-end Audit report being reviewed
- ▶ All documents (bank statements, receipts, etc.) supporting the transactions related to the aforementioned Treasurer's Reports.
- ▶ Receipts Register report.
- ▶ Payment Register report.

With the exception of the mid-year and year-end reports, which have special due dates, Toastmasters International's policy requires that the finance manager complete a Profit and Loss Statements within 30 days following the end of each month. It is recommended that the audit committee chair receives copies of the Profit and Loss Statements on a monthly basis throughout the year.

Performing the Audit

The audit procedures can be summarized in the following three broad categories:

- ▶ Organization
- ▶ Substantiating transactions
- ▶ Policy review

The following Audit Committee Guidelines outline the detailed steps to be followed by the audit committee members. Once these procedures are completed, please sign the Audit Committee Guidelines as well as the Certification Page of the Mid-year (or Year-end Audit) Profit and Loss Statements and mail these documents to World Headquarters at the address listed below. Please be sure to include all documentation mentioned in the Preparing for the Audit section.

Toastmasters International
Attn: District Finance
23182 Arroyo Vista
Rancho Santa Margarita, CA 92688

If you have questions, please email districtfinancialreports@toastmasters.org. The mid-year Audit documents are due to World Headquarters by February 15 and the year-end Audit documents are due by August 31.

Audit Committee Guidelines



District #: 25

Circle one: **Mid-year Audit** or **Year-end Audit**

PROCEDURES TO BE COMPLETED	COMPLETED BY
<p>A. ORGANIZATION</p>	
<p>1. Obtain all supporting documents for the Mid-year or Year-end Treasurer's Report from the district treasurer, and sort the documents in the following manner:</p> <ul style="list-style-type: none"> ▶ Stack #1: Sort Treasurer's Reports, bank statements and district reserve statements into separate groups, organize in chronological order and place in one stack. ▶ Stack #2: Sort all other supporting documents in the order they appear on the Receipt Register and Payment Register. Receipt supporting documents should be placed behind the Receipt Register, and payment supporting documents should be placed behind the Payment Register. 	
<p>B. SUBSTANTIATING TRANSACTIONS</p>	
<p>2. To ensure that all transactions are adequately supported, perform the following procedures:</p> <ul style="list-style-type: none"> ▶ Trace and agree all transactions on the Receipt Register and Payment Register to their respective supporting documentation. ▶ Place a check mark (✓) on the Receipt Register and Payment Register next to each transaction that has supporting documents. The only transactions that should not be check marked are the ones missing supporting documents. ▶ For the transactions missing supporting documents, contact the finance manager and ask if such documents exist. If they do, request copies. 	

PROCEDURES TO BE COMPLETED	COMPLETED BY
<p>C. POLICY REVIEW</p>	
<p>3. To ensure that transactions were executed within the company policies, perform the following procedures:</p> <ul style="list-style-type: none"> ▶ Review all cancelled checks and verify that they were signed by both the district director and finance manager (checks made payable to the district director or finance manager should be signed or approved in writing by the program quality director or the club growth director). ▶ Review all reimbursement requests and verify that they were approved by the district director. Ensure that all expenses on the request have adequate documentation (receipts or other supporting materials). Copies of credit card and/or bank statements are not valid receipts or documentation. ▶ Identify all payments in excess of USD \$500 and verify that each expense was properly approved by the district director and at least the program quality director or the club growth director. Any individual expense in excess of USD \$500 must be authorized in advance; there should be approval included in the supporting documentation and some indication of when the expense was approved (an email approving the expense is acceptable). ▶ Review all Debit Card transactions to ensure that all payments made by the district director were authorized in advance in writing by the finance manager and either the program quality director or the club growth director. Payments made by the finance manager must be authorized in advance by the district director and either the program quality director or the club growth director. ▶ Identify Other District Expenses (gifts, flowers, expressions of sympathy, etc.) to ensure they are not lavish or excessive and that they support the mission of the district. Tokens of appreciation are allowed up to \$25. Donations are not permitted in lieu of flowers or to any charitable fund. ▶ Review all meal expense reimbursements for District Leader August and Mid-year trainings to ensure the district director, program quality director, and club growth director were reimbursed for their meals purchased, up to \$30 a day with supporting receipts. (Meal expenses are NOT covered by a per diem.) 	

Theresa Black
AUDIT COMMITTEE MEMBER SIGNATURE

8/26/17
DATE

David Nava
AUDIT COMMITTEE MEMBER SIGNATURE

08/26/2017
DATE

Ray G. Ramon
AUDIT COMMITTEE MEMBER SIGNATURE

8-26-2017
DATE

In the following white cells, include a brief narrative (description/explanation) of the monthly income, revenues and expenses associated with each category of the Treasurer's Report. Explain if the monthly activities aligned or did not align with the district budget and the District Success Plan. A separate sheet may be used. For each of the four Quarter Reports, **all sections of this narrative page must be completed in order for the report to be accepted by World Headquarters.** The questions in the boxes are to help you formulate narratives. Delete the questions, and replace them with your narratives.

Membership Revenue

Membership revenue was greater than expected, possibly as a result of a stronger push for membership renewals.

Conference Net Income/(Loss)

Conference attendance was lower than normal for both fall and spring. The fall conference had to pay attrition charges as meal and hotel room minimums were not met. An effort was made to keep expenses as low as possible to offset the revenue shortfall. Note: The conference expense in June was due to late billing by the hotel.

Fundraising Net Income/(Loss)

The August Awards Banquet is a member recognition function which normally loses money. No other fundraising events are held.

TLI Net Income/(Loss)

There is no TLI income. District 25 does not charge for attending TLIs.

District Store Net Income/(Loss)

District 25 does not have a District Store.

Other Revenue

There were no unexpected or other revenues.

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Marketing

Fewer new clubs were chartered than we budgeted for, resulting in lower expenses for incentives, materials and printing. Expense for workshop events was less than expected. An event for prospective corporate prospects was budgeted but not held. District did not renew a chamber of commerce membership that was not fully utilized.

Communications and Public Relations

Communications and Public Relations expenses were about what was expected.

Education and Training

Education and Training was under budget primarily due to some training expenses for next year's leadership team not being included in this year as was originally planned. Club officer training expenses were lower than expected.

Speech contests

This category was under budget due to some contest expenses being less than expected.

Administration

Expenses were as expected.

Travel

Travel expenses were about as expected.

Other Expenses

Nothing was budgeted in this category. A couple of expenses were miscoded and should have been put in other categories.

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