



Bryanston Methodist Church Society

Finance Committee Report to the Society Leaders Meeting

10 May 2022

Presenter: Emma Mashilwane

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Financial Results – YTD 31 March 2022

Description	Actual YTD Mar 22	Budget YTD Mar 22	Variance	Actual YTD Mar 21	PY Variance	Audited YTD Dec 2021
Base Tithe Income	2 205 856	2 475 000	-269 144	2 135 554	70 302	8 695 309
BTI - EFT	2 023 275	2 280 000	-256 725	2 099 459	-76 185	8 431 479
BTI - Envelopes	6 675	15 000	-8 325	3 400	3 275	22 950
BTI - Collection	175 906	180 000	-4 094	32 695	143 212	240 880
LOOD	200 000	125 000	75 000	200 000	0	503 115
Total Gross Tithing Income	2 405 856	2 600 000	-194 144	2 335 554	70 302	9 198 424
Other Income	179 868	131 250	48 618	169 198	10 671	590 061
Total Income	2 585 724	2 731 250	-145 526	2 504 752	80 973	9 788 485
Less: Expenses	2 534 579	2 886 266	351 687	2 536 164	1 585	10 096 884
Tithe related	240 586	260 000	19 414	233 555	-7 031	919 842
Assessment	431 829	431 829	0	477 000	45 171	1 949 623
Operating expenses	1 862 164	2 194 437	332 273	1 825 609	-36 555	7 227 418
NET SURPLUS/ (DEFICIT)	51 145	-155 016	206 161	-31 412	82 557	-308 399

Financial Results - Key Highlights

- ❖ **Deficit** – YTD March 2022 surplus of R51k, R206k better than budget. This is largely due to:
 - ❑ Savings on operating expenses and better than budgeted LOOD offset by a negative variance from tithing income.
 - ❑ **Tithing Income** – R269k behind budget across all modes of giving with EFTs being the biggest contributor. A positive variances of R75k and R49k for LOOD and other income respectively, boosted the income line. The number of EFTs have increased to 391 from 356 in January 2022 with a corresponding increase in the average rand value per giver by 15% to R2 006. However, these statistics remain extremely low compared to a congregation population of +2k.
 - ❑ **Tithe-Out Expenses** – Accrued amount not yet disbursed has reduced significantly to R102k due to increased utilisation, the significant portion being allocated to the quarterly grocery hampers. The expenses are funded by an allocation of 10% from the tithing income (excluding specific donations).

- ❖ **Healthy Bank Balance** of circa R1.564mil (R976k after taking into account “funds held on behalf of others”).

Financial Results - Key Highlights (cont'd)

Breakdown of operating expenses

Description	YTD R'Actual Mar 22	YTD R'Budget Mar 22	R'Variance
Clergy	267 649	249 107	(18 542)
Communications & IT	233 485	298 700	65 215
Finance/ Admin	231 620	246 438	14 818
Hospitality	98 442	123 638	25 196
Properties	691 544	783 386	91 842
Capex Expensed	41 578	150 825	109 247
Total	1 564 318	1 852 094	287 776

Clergy – R18k more than budget mainly due to Clergy Housing Allowance of R 6.5k not budgeted for in the original approved budget.

Savings across all other expense items with the significant contributors being:

- ❖ **Communications & IT** – R65k savings due to Repairs & Maintenance (R38k), Printing (R14k) and Salaries (R10k).
- ❖ **Properties** – R92k savings mainly due to Repairs & Maintenance (R52k), Health & Safety (R10k), Salaries (R11k), Municipal Accounts (R13k) not yet expended.
- ❖ **Capex expensed** – savings of R109k mainly due to delayed purchase of AV Camera (R105k). Capex is written off in the year incurred in line with MCSA's *Policy on Effective Financial Management*.

Cash balances as at 31 March 2022

Description	Rand Amount
Current Account	R 431 110.32
Call Account	R 1 124 815.96
Petty Cash	R 8 685.10
Sub-Total	R 1 564 611.38
Less: Funds held on behalf of Others	(R 588 369.03)
Net cash balances	R 976 242.35

Audit of the 4S Schedule – Audit Opinion

Qualified Audit Opinion

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the 4S Schedule present fairly, in all material respects, the financial position of The Bryanston Methodist Church as at 31 December 2021 in accordance with the policy on effective financial management for The Methodist Church OF Southern Africa.

Basis of Qualification

1. We were not provided with sufficient appropriate audit evidence relating to property, plant, and equipment. Consequently, we were unable to confirm all assertions related thereto.
2. We were not provided with sufficient appropriate audit evidence relating to the sale of manse. Consequently, we were unable to confirm all assertions related thereto.
3. The prior year financial statements were unaudited. In lieu of the aforementioned, we were unable to obtain sufficient appropriate audit evidence to substantiate all assertions relating to opening balances.
4. In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections and donations prior to initial entry of collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts recorded.

Revised Budget FY 2022

Description	Rand Amount	Comments
Net surplus per approved budget	8 132	
Additional expenses:		
• Staff Provident Fund 100% funded by BMC	(170 350)	Monthly cost (R17k) – initial budget for contributions to be borne 8% by BMC and 6% by the individual employees. Resolved for BMC to carry 100% of the contributions
• Minister's Housing Allowance	(78 000)	Monthly cost of R6.5k
• UPS for AVI Equipment	(17 000)	Once off cost – conditional for supplier warranty to be activated
• Microphones for Church services	(9 000)	Once off cost to replace old microphones
• City of Johannesburg - Rates based on R 10,928,000	(187 150)	Municipal have declared a portion (40%) of the BMC Campus as not exempt from tax due the sections being used for non-religious purposes
Revised surplus/(deficit)	(453 368)	

Thank You and God Bless.