

UNITY OF FAIRFAX Treasurer's Report

October 19, 2022

TO: Board of Trustees

FROM: Dave Richardson, Treasurer

SUBJECT: Current financial status and issues

This report covers September and year-to-date financial performance and it provides an initial draft estimate of annual 2022 income, expenses and cash use to help the Board begin planning for 2023.

Current Financials: Three metrics. September financials are appended.

- Love offerings. September love offerings were **41K** versus the regular monthly goal of 50K. This includes a small addition to the 66th Birthday fundraising campaign. This brings year-to-date love offerings to 358K vs the 450K target, a 20% gap.
- Operating profit/loss. September showed a net operating **loss of 11K** versus a budgeted monthly loss of 2K. YTD expenses, at 570K, are 34K (6%) under budget. Year-to-date operating loss is **101K** versus a budgeted operating loss of 20K.
- Operating Cash. September closed with **23K** (13K in ministry fund and 10K operating reserves), with another **40K** in capital reserves for a total of **63K** in unrestricted and accessible reserve accounts. As anticipated, cash consumed in September was 8K bringing cash use in 2022 ytd to **43K**.

Cash management, End-of-year estimate and preliminary 2023 budget notes. Refer to last month's projection through end of year, showing the pessimistic (Scenario 1) and optimistic (Scenario 2) estimates of financial outcomes through the end of year.

The September update tracks closer (actually slightly below) the pessimistic scenario 1, which assumes that during the last quarter monthly love offerings will average 37K (the optimistic scenario 2 assumes an average of 47K). YTD contributions, with the ups and downs, average 40K, so it still seems reasonable to estimate that full year love offerings will be between 480 and 500K. Likewise it still seems reasonable to project that in an *improving* 2023 environment, love offerings should be 500K+.

Scenario 1 would consume an estimated 24K more cash through the end of the year bringing cash 2022 cash consumption to just over 60K; scenario 2 assumes essentially no further cash consumption this year, keeping it in the 40K range (these numbers are a little more optimistic than last month's first-cut estimate). That range of outcomes will leave us with between 40 and 60K of total accessible cash; the 10K transfer from MPE already authorized by the board makes this 50-70K. We should discuss moving the additional \$8700 of "potential normal annual transfers" from MPE based on the guidelines approved this summer, to further supplement reserves.

A draft 2023 budget is being prepared. The key elements will incorporate the board's recent discussions and will then reflect feedback arising from annual meeting.

Unity of Fairfax
Statement of Financial Position
As of September 30, 2022

	SEP 2022	DEC 2021	Change
ASSETS			
Current Assets			
Unrestricted cash	13,341	28,142	(14,800)
Reserve Cash			
Security Deposits	25,121	25,005	116
Capital Reserve	39,863	68,695	(28,832)
Operating Reserve	9,478	27,735	(18,257)
Restricted Cash			
Benevolence Fund	1,470	3,954	(2,484)
Capital Improvements	100	100	-
Sacred Grounds	4,008	4,008	(0)
Vision 2020	-	-	-
Total Bank Accounts	93,382	157,640	(64,258)
Other Current Assets	13,110	12,706	405
Total Current Assets	106,492	170,345	(63,853)
Fixed Assets			
Land	419,328	419,328	-
Building and Grounds	4,246,627	4,227,741	18,886
Equipment	75,524	75,524	-
Furniture, Fixtures, Software	181,270	181,270	-
Accumulated Depreciation	(2,274,295)	(2,175,137)	(99,159)
Construction In Progress	-	-	-
Total Fixed Assets	2,648,454	2,728,727	(80,273)
Mildred Park Endowment Fund	115,233	146,918	(31,686)
TOTAL ASSETS	2,870,179	3,045,990	(175,811)
LIABILITIES AND EQUITY			
Liabilities			
Total Current Liabilities	25,119	9,165	15,955
Long-Term Liabilities			
Hunter Mill Montessori Escrow	25,000	25,000	-
Pinnacle Academy Escrow	-	-	-
Mortgage Payable	1,113,727	1,201,713	(87,986)
Note Payable - SBA PPP Loan	-	-	-
Note Payable - Energy Loan	-	-	-
Total Long-Term Liabilities	1,138,727	1,226,713	(87,986)
Total Liabilities	1,163,846	1,235,877	(72,031)
Equity			
Net Assets	1,768,982	1,776,733	(7,751)
Unrealized Gain/Loss on Investments	9,572	41,131	(31,559)
Net Income	(72,221)	(7,751)	(64,470)
Total Equity	1,706,333	1,810,113	(103,780)
TOTAL LIABILITIES AND EQUITY	2,870,179	3,045,990	(175,811)

Unity of Fairfax
Statement of Cash Flows - Ministry
September 2022

	Total
OPERATING ACTIVITIES	
Net Revenue	(101,186)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Bank Transfer (from Capital Reserves) *	10,000
Bank Transfer (from Operating Reserves) **	20,000
Accounts Payable	7,984
United VISA	3,303
Payroll Taxes Payable	3,112
Stripe Deposits Pending	(3,033)
Accrued Tithes	9,304
Deposits in Transit	(1,323)
Prepaid Expenses	(2,172)
Deferred Revenue	(795)
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	46,380
Net cash provided by operating activities	(54,806)
INVESTING ACTIVITIES	
Fixed Assets: Accumulated Depreciation	99,159
Fixed Assets: Additions	
Transfers to Operating Reserves	28,832
Net cash provided by investing activities	127,991
FINANCING ACTIVITIES	
Mortgage Payable	(87,986)
Net cash provided by financing activities	(87,986)
Net cash increase for period	(14,800)
Cash at beginning of period	28,142
Cash at end of period	13,341

* transferred June 2022

** transferred April 2022 & July 2022

Unity of Fairfax
Statement of Activity by Fund
YTD SEPTEMBER 2022

	Ministry Fund	Capital Reserve	Operating Reserve	Security Reserve	Total UnRestricted	Benevolence Fund	Capital Improvement	MP Endowment Fund	Sacred Grounds	Vision 2020	Total Restricted	TOTAL
Income												
LOVE OFFERING INCOME	357,655				357,655	507	-	-	-	-	507	358,162
EPS INCOME	3,184				3,184							3,184
FUNDRAISING INCOME	2,702				2,702							2,702
SHORT TERM RENTAL INCOME	6,745				6,745							6,745
LONG TERM RENTAL INCOME	95,500				95,500							95,500
BOOKSTORE SALES	-				-							-
GRANT INCOME	-				-							-
OTHER INCOME	2,657	54	-	16	2,727							2,727
Total Income	468,442	54	-	16	468,512	507	-	-	-	-	507	469,019
Expenses												
COMPENSATION & BENEFITS	266,368				266,368							266,368
OCCUPANCY EXPENSE	181,294				181,294							181,294
GENERAL & ADMINISTRATIVE	31,856				31,856	3,674					3,674	35,530
EPS WORKSHOPS	497				497							497
EVENTS	300				300							300
MINISTRIES EXPENSE	10,407				10,407							10,407
OUTGOING TITHES	46,844				46,844							46,844
ALLOCATIONS TO INTERNAL FUNDS	32,062	-	(31,743)		319	(319)					(319)	-
Total Expenses	569,628	-	(31,743)	-	537,885	3,355	-	-	-	-	3,355	541,241
Net Income	(101,186)	54	31,743	16	(69,373)	(2,848)	-	-	-	-	(2,848)	(72,221)

Unity of Fairfax
Budget vs. Actuals: Ministry Fund
September 30, 2022

	MTH Actual	MTH Budget	MTH Variance	YTD Actual	YTD Budget	YTD Variance	Annual 2022 Draft Budget
Income							
LOVE OFFERING INCOME	\$ 41,162	\$ 50,000	\$ (8,838)	\$ 357,655	\$ 450,000	\$ (92,345)	\$ 600,000
EPS INCOME	-	1,667	(1,667)	3,184	15,000	(11,817)	20,000
FUNDRAISING INCOME	-	1,667	(1,667)	2,702	15,000	(12,298)	20,000
SHORT TERM RENTAL	-	340	(340)	6,745	3,060	3,685	4,080
LONG TERM RENTAL	10,750	10,646	104	95,500	95,813	(313)	127,750
BOOKSTORE SALES	-	333	(333)	-	3,000	(3,000)	4,000
GRANT INCOME *	-	-	-	-	-	-	-
OTHER INCOME	102	191	(89)	2,657	1,718	939	2,290
Total Income	\$ 52,014	\$ 64,843	\$ (12,829)	\$ 468,442	\$ 583,590	\$ (115,148)	\$ 778,120
Expenses							
COMPENSATION & BENEFITS	29,509	29,571	(61)	266,368	266,138	230	354,850
OCCUPANCY EXPENSE	19,650	21,233	(1,583)	181,294	191,100	(9,806)	254,800
GENERAL & ADMINISTRATIVE	3,694	4,185	(491)	31,856	37,665	(5,809)	50,220
EPS WORKSHOPS	-	83	(83)	797	750	47	1,000
FUNDRAISING EXPENSE	-	-	-	-	-	-	-
MINISTRIES EXPENSE	-	-	-	-	-	-	-
Total Worship Ministry	922	567	356	5,229	5,100	129	6,800
Total Music Ministry	100	258	(158)	2,030	2,325	(295)	3,100
Total Youth Ministry	143	200	(57)	1,557	1,800	(243)	2,400
Total Bookstore Expenses	-	200	(200)	-	1,800	(1,800)	2,400
Total Earthcare Ministry	-	400	(400)	1,502	3,600	(2,098)	4,800
Total Miscellaneous Ministries	89	200	(112)	89	1,800	(1,712)	2,400
Total MINISTRIES EXPENSE	1,254	1,825	(571)	10,407	16,425	(6,018)	21,900
TITHES	5,202	6,484	(1,282)	46,844	58,359	(11,515)	77,812
FUNDS							
Transfer to Capital Reserves	-	-	-	-	-	-	-
Transfer to Operating Reserves	3,527	3,527	-	31,743	31,743	-	42,324
Transfer to Benevolence	-	167	(167)	319	1,500	(1,181)	2,000
ALLOCATION TO INTERNAL	3,527	3,694	(167)	32,062	33,243	(1,181)	44,324
Total Expenses	\$ 62,836	\$ 67,076	\$ (4,239)	\$ 569,627	\$ 603,680	\$ (34,052)	\$ 804,906
Net Income *	\$ (10,822)	\$ (2,232)	\$ (8,590)	\$ (101,186)	\$ (20,090)	\$ (81,096)	\$ (26,786)

Notes to the Statement Of Activity:

Worship Ministry expenses higher than usual due to 66 Anniversary & Chaplain shawls