

UNITY OF FAIRFAX Treasurer's Report

October 19, 2023

TO: Board of Trustees

FROM: Dave Richardson, Treasurer

SUBJECT: Current financial status and issues

This report briefly summarizes September 2023 and year-to-date financial metrics, and it presents a best-guess estimate of how Unity will conclude the financial year compared to 23 and 24 budgets. Final preparation of September financials has been delayed, but they will be distributed within the next week.

Summary. The Big Magic 67th fund raising picked up steam in September with at least 18K of income, mostly love offerings, pushing us to our highest income month of the year, and a break even quarter financially. Cash status continues stable at 54K.

2023 End of Year Projection and 2024 Budget.

These figures below project church financial status at end of year based on two potential scenarios for love offerings and other income through the balance of the year. These are compared to the original 2023 budget and the current draft 2 2024 budget.

Projections are always a guess, but historically the fourth quarter is the best financial quarter of the year. Since quarters 1 and 2 were below par, **scenario 1** assumes that 4th quarter love offerings are on budget (and 'other' income somewhat below budget) holding losses, and cash use, slightly above current levels. In 2022 the fourth quarter love offerings represented 31% of annual love offerings; **scenario 2** applies that ratio to estimate a higher year-end close that would push love offerings above budget and reduce the year's cash shortfall.

	2023 budget	End of Year Projection		2024 Budget
(000)		Scenario 1	Scenario 2	
		4Q on budget	4Q boost*	
Love offerings	500	482	512	515
LT Rent	129	129	129	130
All other income	94	40	44	105
TOTAL INCOME	723	664	683	750
TOTAL EXPENSES	774	755	755	805
Operating results	(52)	(91)	(68)	(55)
Cash Use**	(0)	(40-50)	(15-25)	(5)

There is a worst case scenario, not shown. All this argues for continued emphasis by the board on outreach and efforts to achieve all or most of the 67th goal.

In 2023 we entered the year knowing we had a budget gap that we would try to fill with new sources of income. We will not reach the 64K goal, but we appear to be making some progress, potentially even filling some of that gap with love offerings above our budget goal.

The 2024 income budget increases expectations from both love offerings and other sources, reflecting 2023 performance. There again is a significant TBD goal (55K versus the 64K in 2023) that is aspirational.

The 2024 expense budget is largely stable with a small increase for staff compensation voted this year, higher tithes based on income expectations, and an allocation for an audit.

Finance Committee. At the board meeting we will update comments from the Finance Committee on the budget and the revised policy manual section on Finance Committee goals, composition and responsibilities.

Current Financials: Four metrics. September financials are attached.

- Love offerings. (GOAL: 42K/mo) September: **49K**. YTD: 359K (vs 375K straight-line goal)
- Other income. (GOAL: 7.5K/mo) September **6K**. YTD: 30K (vs 68K straight-line goal) (recall: 20.5K from 10-Year Tenure campaign re-classified as Love Offerings).
- Operating profit/loss. (GOAL: max 5k/mo operating loss) September **Breakeven**. YTD: 79K loss (vs goal for YTD of 39K loss); comparison 2022 ytd loss 101K .
- Operating Cash. (Goal: Maintain stable (above 53K) cash position in operating and two reserve funds) September: Used less than **1K** cash (cumulative use of cash 42K). Current balances sum to **54K**.

Unity of Fairfax
Budget vs. Actuals: Ministry Fund
SEPTEMBER 2023

	MTH Actual	MTH Budget	MTH Variance	YTD Actual	YTD Budget	YTD Variance
Income						
LOVE OFFERING INCOME	\$ 48,689	\$ 41,667	\$ 7,022	\$ 338,647	\$ 375,000	\$ (36,353)
EPS INCOME	460	333	127	4,804	3,000	1,804
EVENTS INCOME	1,455	-	1,455	7,005	-	7,005
FUNDRAISING INCOME	2,820	833	1,987	23,965	7,500	16,465
SHORT TERM RENTAL	1,000	833	167	9,385	7,500	1,885
LONG TERM RENTAL	10,750	10,750	-	96,750	96,750	-
BOOKSTORE SALES	450	300	150	3,024	2,700	324
TO BE DETERMINED *	-	5,333	(5,333)	-	48,000	(48,000)
OTHER INCOME	3	167	(164)	2,127	1,500	627
Total Income	\$ 65,627	\$ 60,217	\$ 5,410	\$ 485,707	\$ 541,950	\$ (56,243)
Expenses						
COMPENSATION & BENEFITS	30,095	30,704	(610)	267,297	276,337	(9,040)
OCCUPANCY EXPENSE	17,976	18,863	(886)	168,016	169,763	(1,746)
GENERAL & ADMINISTRATIVE	5,248	3,804	1,444	33,028	34,232	(1,205)
EPS WORKSHOPS	-	-	-	350	-	350
EVENTS	51	-	51	3,909	-	3,909
FUNDRAISING EXPENSE	420		420	420		
MINISTRIES EXPENSE			-	-		
Total Worship Ministry	1,194	517	677	3,382	4,650	(1,268)
Total Music Ministry	197	255	(59)	2,730	2,295	435
Total Youth Ministry	186	313	(127)	726	2,813	(2,087)
Total Bookstore Expenses	67	150	(83)	1,348	1,350	(2)
Total Earthcare Ministry	-	250	(250)	1,916	2,250	(334)
Total Miscellaneous Ministries	29	100	(71)	458	900	(442)
Total MINISTRIES EXPENSE	1,672	1,584	88	10,559	14,258	(3,698)
TITHES	6,563	6,022	541	48,569	54,195	(5,626)
ALLOCATION TO INTERNAL						
Transfer to Capital Reserves	-	-	-	-	-	-
Transfer to Operating Reserves	3,527	3,527	0	31,743	31,740	3
Transfer to Benevolence	46	33	13	480	300	180
ALLOCATION TO INTERNAL	3,573	3,560	13	32,223	32,040	183
Total Expenses	\$ 65,598	\$ 64,536	\$ 1,062	\$ 564,371	\$ 580,824	\$ (16,873)
Net Income	\$ 29	\$ (4,319)	\$ 4,348	\$ (78,664)	\$ (38,874)	\$ (39,370)

Notes to the Statement Of Activity:

Unity of Fairfax
Statement of Activity by Fund
YTD SEPTEMBER 2023

	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	324,748				324,748	785	-	-	2,600	-	3,385	328,133
EPS INCOME	4,804				4,014						-	4,014
EVENTS INCOME	7,005				7,005						-	7,005
FUNDRAISING INCOME	37,864				37,864						-	37,864
SHORT TERM RENTAL INCOME	9,385				9,385						-	9,385
LONG TERM RENTAL INCOME	96,750				96,750						-	96,750
BOOKSTORE SALES	3,024				3,024						-	3,024
GRANT INCOME	-				-						-	-
OTHER INCOME	2,127	32	-	83	2,242		9,000				9,000	11,242
Total Income	485,707	32	-	83	485,822	785	9,000	-	2,600	-	12,385	498,207
Expenses												
COMPENSATION & BENEFITS	267,297				267,297						-	267,297
OCCUPANCY EXPENSE	168,016				168,016						-	168,016
GENERAL & ADMINISTRATIVE	33,028				33,028	3,096		-			3,096	36,124
EPS WORKSHOPS	350				350						-	350
EVENTS	4,329				4,329						-	4,329
MINISTRIES EXPENSE	10,559				10,559						-	10,559
OUTGOING TITHES	48,569				48,569						-	48,569
ALLOCATIONS TO INTERNAL FUNDS	32,223	-	(31,743)		480	(480)					(480)	-
Total Expenses	564,371	-	(31,743)	-	532,628	2,616	-	-	-	-	2,616	535,244
Net Income	(78,664)	32	31,743	83	(46,806)	(1,831)	9,000	-	2,600	-	9,769	(37,037)

Unity of Fairfax
Statement of Cash Flows - Ministry
SEPTEMBER 2023

	Total
OPERATING ACTIVITIES	
Net Revenue	(78,664)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Bank Transfer (from Capital Reserves) *	20,000
Bank Transfer (from Operating Reserves) **	30,000
Accounts Payable	4,990
VISA Payable	2,200
Payroll Taxes Payable	7,978
Stripe Deposits Pending	(1,331)
Accrued Tithes	8,678
Prepaid Expenses	(3,673)
Deposit In Transit	(996)
Outreach Passthrough	1,600
Miscellaneous	431
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	69,877
Net cash provided by operating activities	(8,787)
INVESTING ACTIVITIES	
Fixed Assets: Accumulated Depreciation	98,945
Fixed Assets: Additions	2,976
Transfers from Vanguard MPE	30,400
Transfers to Operating Reserves	(31,743)
Net cash provided by investing activities	100,578
FINANCING ACTIVITIES	
Mortgage Payable	(91,533)
Net cash provided by financing activities	(91,533)
Net cash increase for period	257
Cash at beginning of period	12,320
Cash at end of period	12,577

* transferred June 2023

** transferred Jan2023 & May2023

Unity of Fairfax
Statement of Financial Position
SEPTEMBER 2023

	SEPT 2023	DEC 2022	Change
ASSETS			
Current Assets			
Unrestricted cash	12,577	12,320	257
Reserve Cash			
Security Deposits	27,261	25,150	2,111
Capital Reserve	19,909	21,175	(1,266)
Operating Reserve	21,802	20,059	1,743
Restricted Cash			
Benevolence Fund	2,285	2,737	(452)
Capital Improvements	9,000	100	8,900
Sacred Grounds	5,758	3,758	2,000
Total Bank Accounts	98,593	85,300	13,293
Deposit in Transit	-	11,726	(11,726)
Other Current Assets	14,718	11,386	3,332
Total Current Assets	113,311	108,412	4,899
Fixed Assets			
Land	419,328	419,328	-
Building and Grounds	4,246,627	4,246,627	-
Equipment	76,524	75,524	1,000
Furniture, Fixtures, Software	183,246	181,270	1,976
Accumulated Depreciation	(2,408,182)	(2,309,237)	(98,945)
Total Fixed Assets	2,517,543	2,613,512	(95,969)
Mildred Park Endowment Fund	101,708	123,827	(22,119)
TOTAL ASSETS	2,732,562	2,845,751	(113,189)
LIABILITIES AND EQUITY			
Liabilities			
Total Current Liabilities	22,177	17,076	5,101
Long-Term Liabilities			
Hunter Mill Montessori Escrow	25,000	25,000	-
Committee for Helping Others	2,000	-	2,000
Mortgage Payable	992,249	1,083,782	(91,533)
Total Long-Term Liabilities	1,019,249	1,108,782	(89,533)
Total Liabilities	1,041,426	1,125,859	(84,433)
Equity			
Net Assets	1,701,726	1,768,982	(67,256)
Unrealized Gain/Loss on Investments	26,447	18,166	8,281
Net Income	(37,037)	(67,255)	30,218
Total Equity	1,691,136	1,719,893	(28,756)
TOTAL LIABILITIES AND EQUITY	2,732,562	2,845,751	(113,189)