

UNITY OF FAIRFAX Treasurer's Report

April 24, 2021

TO: Board of Trustees

FROM: Dave Richardson, Treasurer

SUBJECT: Current financial status and issues

This report updates key financial metrics through March and presents a proposed capital budget associated with re-opening the church for in-person services as well as the transition to a new school tenant.

Current Financials: Three metrics. March and year-to-date financials are appended.

- Love offerings (see attached ministry fund budget page). Love offerings continued to increase slightly in March, at 47K just short of our monthly target of 50K. Through March love offerings are about 15K below the 3-month target of 150K. This is below 2020 but above the two prior years. As this is in the range of prior years, no special action is recommended at this point.
- Operating profit (at the bottom of the same budget vs actual chart). The love offering shortfall (and the reduced rent payment) continues to be mitigated by lower-than-anticipated operating expenses. The end of quarter operating loss is about 21K vs a projected 12K loss. This is before any adjustment from the PPP loan.
- Cash on hand. (reference the Statement of financial condition). Unrestricted operating cash was 17K at the end of the quarter. This reflects the transfer of \$32,000 of the PPP loan funds, which constitute our operating reserve (total 77K). We continue to add to the capital reserve.

in sum, the church is in stable financial condition near term. Longer term (by the latter part of the year) we still need to precipitate a modest improvement in our monthly financial balances.

Expense variations. Expenses continue stable and below plan by a total of nearly \$16,000 YTD.

Montessori School. update coming.

Re-opening. Planned re-opening of the main church building coincides with a re-start of the long-planned transition after Pinnacle's departure. While the original transition plans have been set aside for the time being, several necessary refresh and remediation costs are becoming clearer.

A capital budget of \$35,000 is proposed below to cover 1) preparing the main building for re-opening to Sunday church services and eventual broader use; 2) finishing preparation of the MPC for occupancy by a new tenant. Capital expenses are defined as non-recurring maintenance, repair or improvement expenses exceeding \$1000.

Below is a list of items identified as potential components of this budget.

- Main: entry roof repair: \$6000
- Main: carpet conf room: \$2000
- Main: interior painting: \$4000

- Main: window and carpet clean/repair: \$2000
- MPC: Sidewalk repair: \$15,000
- MPC: Door lock repair: \$1,500
- MPC: Exterior paint, anticipated HVAC repairs: \$4000

Operating budget impacts. Our 2021 operating budget includes \$30,000 for facility maintenance. This covers service contracts, supplies and other costs associated with the facilities and grounds. This budget is nearly fully committed to existing and planned expenses. Additional pandemic-related cleaning for planned Sunday services is expected to add \$9,000 to the facility maintenance line of the operating budget. Further re-opening could incur additional costs and/or we might reach a point before the end of the year when the extra cleaning is no longer necessary.

Motion: That the board approves a facilities-reopening capital budget of \$35,000, major elements of which include sidewalk repairs around the Mildred Park Center and repair/refresh of the main church entry roof. Anticipated elements with estimated costs are shown on the Finance Report list (see above). With major expenditures such as sidewalks and roof, staff will obtain multiple bids and select best value bid.

Unity of Fairfax
Statement of Financial Position
As of March, 2021

	MAR 2021	DEC 2020	Change
ASSETS			
Current Assets			
Unrestricted cash	16,595	28,336	(11,741)
Reserve Cash			
Security Deposits	25,003	25,003	0
Capital Reserve	142,409	131,758	10,651
Operating Reserve	62,284	348	61,936
Restricted Cash			
Benevolence Fund	7,259	8,264	(1,005)
Capital Improvements	100	3,686	(3,586)
Sacred Grounds	2,170	2,170	-
Vision 2020	100	100	-
Total Bank Accounts	255,920	199,665	56,255
Other Current Assets	17,741	24,493	(6,752)
Total Current Assets	273,661	224,158	49,503
Fixed Assets			
Land	419,328	419,328	-
Building and Grounds	4,207,336	4,207,336	-
Equipment	73,181	73,181	-
Furniture, Fixtures, Software	172,325	167,625	4,700
Accumulated Depreciation	(2,072,576)	(2,039,586)	(32,990)
Construction In Progress	-	-	-
Total Fixed Assets	2,799,593	2,827,883	(28,290)
Mildred Park Endowment Fund	125,293	119,920	5,373
TOTAL ASSETS	3,198,548	3,171,962	26,586
LIABILITIES AND EQUITY			
Liabilities			
Total Current Liabilities	12,129	14,664	(2,535)
Long-Term Liabilities			
Hunter Mill Montessori Escrow	25,000	25,000	-
Pinnacle Academy Escrow	-	-	-
Mortgage Payable	1,307,567	1,335,408	(27,841)
Note Payable - SBA PPP Loan	77,702	-	77,702
Note Payable - Energy Loan	3,450	6,024	(2,573)
Total Long-Term Liabilities	1,413,719	1,366,432	47,287
Total Liabilities	1,425,848	1,381,096	44,753
Equity			
Net Assets	1,776,733	1,758,250	18,483
Unrealized Gain/Loss on Investments	19,506	14,133	5,373
Net Income	(23,540)	18,483	(42,023)
Total Equity	1,772,700	1,790,867	(18,167)
TOTAL LIABILITIES AND EQUITY	3,198,548	3,171,962	26,586

Unity of Fairfax
Statement of Cash Flows - Ministry
January - March, 2021

	Total
OPERATING ACTIVITIES	
Net Revenue	(32,786)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Draw PPP2	15,766
Deposit In Transit	4,835
Prepays	1,003
Accounts Payable	(418)
Accrued Tithes	2,366
Deferred Revenue	2,340
Outreach Passthrough	1,855
Stripe Deposits Pending	122
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	27,869
Net cash provided by operating activities	(4,917)
INVESTING ACTIVITIES	
Fixed Assets:Furniture, Fixtures, Software	(4,700)
Fixed Assets:Accumulated Depreciation	28,290
Net cash provided by investing activities	23,590
FINANCING ACTIVITIES	
Mortgage Payable	(27,841)
Note Payable - Energy Loan	(2,573)
Net cash provided by financing activities	(30,415)
Net cash increase for period	(11,742)
Cash at beginning of period	28,336
Cash at end of period	16,595

Unity of Fairfax
Statement of Activity by Fund
YTD MARCH 2021

	Ministry Fund	Capital Reserve	Operating Reserve	Security Reserve	Total UnRestricted	Benevo lence Fund	Capital Improv ement	MP Endown ent Fund	Sacred Grounds	Vision 2020	Total Restricted	TOTAL
Income												
LOVE OFFERING INCOME	134,646				134,646	135					135	134,781
EPS INCOME	4,607				4,607							4,607
EVENTS INCOME	-				-							-
FUNDRAISING INCOME	-				-							-
SHORT TERM RENTAL INCOME	780				780							780
LONG TERM RENTAL INCOME	9,000				9,000							9,000
BOOKSTORE SALES	-				-							-
GRANT INCOME *	-				-							-
OTHER INCOME	213	70			283							283
Total Income	149,246	70	-	-	149,316	135	-	-	-	-	135	149,451
Expenses												
COMPENSATION & BENEFITS	89,770				89,770							89,770
OCCUPANCY EXPENSE	58,411				58,411							58,411
GENERAL & ADMINISTRATIVE	16,189				16,189	2,000						16,189
EPS WORKSHOPS	-				-							-
EVENTS	-				-							-
FUNDRAISING EXPENSE	-				-							-
MINISTRIES EXPENSE	2,800				2,800							2,800
OUTGOING TITHES	3,821				3,821							3,821
ALLOCATIONS TO INTERNAL FUNDS	11,041	(10,581)			460	(460)						460
Total Expenses	182,032	(10,581)	-	-	171,451	1,540	-	-	-	-	(1,405)	171,451
Net Income *	(32,786)	10,651	-	-	(22,135)	(1,405)	-	-	-	-	(1,405)	(23,540)

Notes to the Statement Of Activity:

Unity of Fairfax
Budget vs. Actuals: FY_2020 - Ministry Fund
MARCH 2021

	MTH	MTH	MTH	YTD	YTD	YTD	Annual
	Actual	Budget	Variance	Actual	Budget	Variance	2021 Draft
							Budget
Income							
LOVE OFFERING INCOME	\$ 46,895	\$ 50,000	\$ (3,105)	\$ 134,646	\$ 150,000	\$ (15,354)	\$ 600,000
EPS INCOME	1,150	1,400	(250)	4,607	4,200	407	16,800
EVENTS INCOME	-	500	(500)	-	1,500	(1,500)	6,000
FUNDRAISING INCOME	-	833	(833)	-	2,500	(2,500)	10,000
SHORT TERM RENTAL	260	200	60	780	600	180	2,400
LONG TERM RENTAL	3,000	5,691	(2,691)	9,000	17,072	(8,072)	68,288
BOOKSTORE SALES		300	(300)		900	(900)	3,600
GRANT INCOME *		-	-		-	-	72,000
OTHER INCOME	1	100	(99)	213	300	(87)	1,200
Total Income	\$ 51,306	\$ 59,024	\$ (7,718)	\$ 149,246	\$ 177,072	\$ (27,826)	\$ 780,288
Expenses							
COMPENSATION & BENEFITS	29,136	30,077	(941)	89,770	90,231	(461)	360,924
OCCUPANCY EXPENSE	18,360	19,575	(1,215)	58,411	58,725	(314)	234,900
GENERAL & ADMINISTRATIVE	5,295	6,800	(1,735)	16,189	20,400	(15,335)	81,600
EPS WORKSHOPS	-	280	(280)	-	840	(840)	3,360
EVENTS		250	(250)		750	(750)	3,000
FUNDRAISING EXPENSE		-	-		-	-	-
MINISTRIES EXPENSE		-	-		-	-	-
Total Worship Ministry	1,508	729	779	1,858	2,188	(329)	8,750
Total Music Ministry	-	250	(250)	284	750	(466)	3,000
Total Youth Ministry	158	150	8	158	450	(292)	1,800
Total Bookstore Expenses		180	(180)		540	(540)	2,160
Total Earthcare Ministry	-	458	(458)	500	1,375	(875)	5,500
Total Miscellaneous Ministries		50	(50)		150	(150)	600
Total MINISTRIES EXPENSE	1,666	1,818	(151)	2,800	5,453	(2,653)	21,810
TITHES	5,389	5,902	(513)	14,924	17,707	(2,783)	70,829
Tithes Expensed Elsewhere	(3,708)	(2,360)	(1,348)	(11,103)	(7,080)	(4,023)	(28,320)
OUTGOING TITHES	1,681	3,542	(1,862)	3,821	10,627	(6,806)	42,509
FUNDS							
Transfer to Capital Reserves	3,527	3,527	-	10,581	10,581	-	42,324
Transfer to Benevolence	115	140	(25)	460	420	40	1,680
FUNDS	3,642	3,667	(25)	11,041	11,001	40	44,004
Total Expenses	\$ 59,779	\$ 66,009	\$ (6,230)	\$ 182,032	\$ 198,027	\$ (15,995)	\$ 792,107
Net Income *	\$ (8,473)	\$ (6,985)	\$ (1,489)	\$ (32,786)	\$ (20,955)	\$ (11,831)	\$ (11,819)