

Subject: January 2025 Financial Status and Actions

From: Bowman Kell, Treasurer 2025

To: Board of Trustees, Unity of Fairfax 2025

Date: Presented February 25, 2025

1. Executive Summary January

- a. Income overall higher than expected. Love offerings stronger than Jan 2024.
- b. Employee Retention Credit (ERC) is extraordinary income (non-recurring)
 - Payment 1: Received \$47.8k in Jan
 - Payment 2: Not yet received. IRS notified a partial refund of \$27.9k, instead of \$37.3k expected. Insperty, our agent, is seeking clarification.
- c. Internal monthly transfer of \$3.5k from Ministry Fund to Operating Reserves. Finance Committee recommends modifying the current practice (see Motion B below).

2. January Income Highlights

Type	Comments	Month			YTD Variance
		Actual	Budget	Variance	
Love Offerings	Strongest Jan in past 3 years	\$ 41,357	\$ 44,212	\$ (2,855)	\$ (2,855)
Fundraising	No fundraisers planned for Jan. Budget spread equally across all 12 months.	\$ -	\$ 4,417	\$ (4,417)	\$ (4,417)
Grant & Extraordinary Income**	Employer matched contribution and ERC. ** Extraordinary not budgeted.	\$ 57,835	\$ 833	\$ 9,167	\$ 9,167

3. January Expense Highlights: (parenthesis indicates lower expenses)

Type	Comments	Month			Year-End Variance
		Actual	Budget	Variance	
Compensation & Benefits	Under budget overall	\$ 32,990	\$ 35,954	\$ (2,964)	\$ (2,964)
Occupancy	Gas and water higher than expected	\$ 21,213	\$ 19,811	\$ 1,402	\$ 1,402

4. Operating Summary as of January 31, 2025:

	Jan 2025	Dec 2024	Dec 2023
Surplus or (Deficit) across All Funds	\$ 45,370	\$ 15,032	\$ (39,082)
Cash	\$ 21,887	\$ 25,586	\$ 33,217
Reserves (Capital & Operating Funds)	\$ 88,908	\$ 57,548	\$ 31,187
Restricted Funds	\$ 10,205	\$ 12,627	\$ 13,082

5. Motions:

A. 2025 Budget:

Background and rationale: A preliminary budget was presented January 28, 2025 and approved by the Board of Trustees. During January, an additional ministry request for a budget increase prompted another review. As a result, the budget changes need to be re-approved.

Motion A: The 2025 Unity of Fairfax budget with updates be approved.

B. Transfer to Operating and/or Capital Reserves:

Background and rationale: In 2017 and 2018, the Boards of Trustees refinanced the building mortgage, saving \$3,527 per month (\$42,324 annually). In 2018, the Board began transferring \$3,527 monthly from the Ministry Fund to the Capital Reserve or Operating Reserve Fund as a savings cushion. In the financially lean times during COVID, Boards regularly approved moving funds back from Capital or Operating Funds to the Ministry Fund to cover financial shortfall. The 2024 Treasurer and Finance Director reviewed this practice with CPAs, who suggested amending it due to the frequent need to transfer funds back to Ministry Fund. In 2025, a change in practice was discussed with the Finance Committee.

Motion B: The Finance Committee recommends effective March 1, 2025, the monthly \$3527 transfer practice to Operating Reserves be modified:

- When the Ministry Fund is greater than \$20,000, make a monthly transfer of \$500 from the Ministry Fund into Operating Reserves (\$250) and Capital Reserves (\$250).
- Establish targets for growing Operating and Capital Reserves to the Board.
- Review the transfer and targets at least quarterly and make additional recommendations to the Board whereby creating a savings cushion for future capital expenditures.

6. **Attached Financial Reports for December:**

- a. Statement of Financial Position – Balance Sheet
- b. Statement of Cash Flows for Ministry Fund
- c. Budget vs. Actual Month and Annual
- d. Statement of Activity by Fund (Unrestricted and Restricted)

Unity of Fairfax
Statement of Financial Position
January 2025

	JAN2025	DEC2024	\$ Change
ASSETS			
Current Assets			
Unrestricted cash	21,887	25,586	(3,698)
Reserve Cash			
Security Deposits	27,333	27,240	93
Capital Reserve	20,844	20,841	3
Operating Reserve	68,064	36,707	31,357
Restricted Cash			
Benevolence Fund	3,571	3,571	(0)
Secular Grant	5,206	7,627	(2,421)
Sacred Grounds	1,429	1,429	-
Total Bank Accounts	148,333	123,000	25,333
Deposit In Transit			-
Other Current Assets	16,447	18,130	(1,684)
Total Current Assets	164,780	141,131	23,649
Fixed Assets			
Land	419,328	419,328	-
Building and Grounds	4,188,854	4,188,854	-
Equipment	71,890	71,290	600
Furniture, Fixtures, Software	144,776	144,776	-
Accumulated Depreciation	(2,459,345)	(2,448,174)	(11,171)
Total Fixed Assets	2,365,503	2,376,074	(10,571)
Mildred Park Endowment Fund	119,908	119,908	-
TOTAL ASSETS	2,650,191	2,637,113	13,078
LIABILITIES AND EQUITY			
Liabilities			
Total Current Liabilities	35,848	41,257	(5,409)
Long-Term Liabilities			
Hunter Mill Montessori Escrow	25,000	25,000	-
Committee for Helping Others	2,000	2,000	-
Mortgage Payable	806,564	833,447	(26,883)
Total Long-Term Liabilities	833,564	860,447	(26,883)
Total Liabilities	869,411	901,703	(32,292)
Equity			
Net Assets	1,677,784	1,662,752	15,032
Gain/Loss on Disposal	1,179	1,179	
Unrealized Gain/Loss on Investments	56,447	56,447	-
Net Income	45,370	15,032	30,339
Total Equity	1,780,779	1,735,409	45,370
TOTAL LIABILITIES AND EQUITY	2,650,191	2,637,113	13,078

Unity of Fairfax
Statement of Cash Flows - Ministry
January 2025

	Total
OPERATING ACTIVITIES	
Net Revenue	(5,991)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Bank Transfer (from Operating Reserves) **	10,000
Bank Transfer (to Capital Reserves) **	
Accounts Payable	10,697
Credit Cards Payable	4,842
Sales Taxes Payable	103
Stripe Deposits Pending	(329)
Accrued Tithes	14,701
Prepaid Expenses	(4,805)
Deferred Revenue	1,000
Accrued Bills Payable	3,623
Deposit In Transit	2,000
Miscellaneous	1,442
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	43,274
Net cash provided by operating activities	37,283
INVESTING ACTIVITIES	
Fixed Assets: Accumulated Depreciation	(11,171)
Fixed Assets: Additions	600
Transfers from Vanguard MPE	-
Transfers to Operating Reserves	(3,527)
Net cash provided by investing activities	(14,098)
FINANCING ACTIVITIES	
Mortgage Payable	(26,883)
Amortization	
Net cash provided by financing activities	(26,883)
Net cash increase for period	(3,698)
Cash at beginning of period	25,586
Cash at end of period	21,887

Unity of Fairfax
Budget vs. Actuals: Ministry Fund
January 2025

	Jan Actual	Jan Budget	YTD Actual	YTD Budget	Annual Budget
Income			-		
MidWeek Credit Card	2,935	3,047	2,935	3,047	36,562
MidWeek EFT	6,812	7,342	6,812	7,342	88,105
MidWeek BillPay	831	940	831	940	11,280
MidWeek Snail Mail	16,410	13,343	16,410	13,343	160,114
MidWeek STRIPE	8,020	6,377	8,020	6,377	76,529
Sunday Offering	6,349	6,912	6,349	6,912	82,948
Bequest & Other LO	-	6,250	-	6,250	75,000
TOTAL LOVE OFFERING INCOME	\$ 41,357	\$ 44,212	\$ 41,357	\$ 44,212	\$ 530,538
EPS INCOME	76	308	76	308	3,697
EVENTS INCOME	-	304	-	304	3,651
FUNDRAISING INCOME	-	4,417	-	4,417	53,000
SHORT TERM RENTAL	4,555	4,183	4,555	4,183	50,200
LONG TERM RENTAL	11,073	11,184	11,073	11,184	134,205
BOOKSTORE SALES	295	400	295	400	4,800
GRANT INCOME	10,000	833	10,000	833	10,000
OTHER INCOME	93	42	93	42	509
EXTRAORDINARY INCOME*		6,317		6,317	75,800
Total Income	\$ 67,448	\$ 65,883	\$ 67,448	\$ 65,883	\$ 790,600
Expenses					
COMPENSATION & BENEFITS	32,990	35,954	32,990	35,954	431,451
OCCUPANCY EXPENSE	21,213	19,811	21,213	19,811	237,731
ADMINISTRATIVE	5,603	5,587	5,603	5,587	67,039
EPS WORKSHOPS	-	67	-	67	800
EVENTS	-	370	-	370	4,444
FUNDRAISING EXPENSE	-	192	-	192	2,304
MINISTRIES EXPENSE					
Total Worship Ministry	880	985	880	985	11,814
Total Music Ministry	432	467	432	467	5,598
Total Youth Ministry	350	427	350	427	5,127
Total Bookstore Expenses	-	257	-	257	3,079
Total Earthcare Ministry	1,700	333	1,700	333	4,000
Total Miscellaneous Ministries	-	13	-	13	150
Total MINISTRIES EXPENSE	3,363	2,481	3,363	2,481	29,768
TITHES	6,744	6,588	6,744	6,588	79,060
ALLOCATION TO INTERNAL Reserves**	3,527	-	3,527	-	
Transfer to Benevolence	-	31	-	31	370
ALLOCATION TO INTERNAL	3,527	31	3,527	31	370
Total Expenses	\$ 73,439	\$ 71,081	\$ 73,439	\$ 71,081	\$ 852,967
Net Income	\$ (5,991)	\$ (5,197)	\$ (5,991)	\$ (5,197)	\$ (62,367)

*=Employee Retention Credit expected income from IRS. It is included in Operating Reserves Fund \$ 13,433 (not Ministry Fund total of \$790,600). Shown here as reference only.

**=To be discussed at Feb 25 Board meeting

Unity of Fairfax
YTD Statement of Activity by Fund
January 2025

	Ministry Fund	Capital Reserve	Operating Reserve	Security Reserve	Total UnRestricted	Benevolence Fund	Secular Grant	MP Endowment Fund	Sacred Grounds	Total Restricted	TOTAL
Income											
LOVE OFFERING INCOME	41,357				41,357						41,357
EPS INCOME	75				75						75
EVENTS INCOME	-				-						-
FUNDRAISING INCOME	-				-						-
SHORT TERM RENTAL INCOME	4,555				4,555						4,555
LONG TERM RENTAL INCOME	11,073				11,073						11,073
BOOKSTORE SALES	295				295						295
GRANT INCOME	10,000				10,000						10,000
OTHER INCOME	93	4	47,835		47,932						47,932
Total Income	67,448	4	47,835	-	115,287	-	-	-	-	-	115,287
Expenses											
COMPENSATION & BENEFITS	32,990				32,990						32,990
OCCUPANCY EXPENSE	21,213				21,213						21,213
GENERAL & ADMINISTRATIVE	5,602				5,602		5			5	5,607
EPS WORKSHOPS	-				-						-
EVENTS	-				-						-
FUNDRAISING EXPENSE	-				-						-
MINISTRIES EXPENSE	3,363				3,363						3,363
OUTGOING TITHES	6,744				6,744						6,744
ALLOCATIONS TO INTERNAL FUNDS	3,527		(3,527)		-						-
Total Expenses	73,439	-	(3,527)	-	69,912	-	5	-	-	5	69,917
Net Income	(5,991)	4	51,362	-	45,375	-	(5)	-	-	(5)	45,370