Subject: December 2025 Financial Status and Actions

From: Bowman Kell, Treasurer 2025
To: Board of Trustees, Unity of Fairfax
Date: Presented February 24, 2026

1. **Executive Summary December**
   a. Income: Love offerings strongest month with $62k. This was $5-7k lower than 2024 and 2023 for the month of December. YTD budget variance is $91k under budget. Since 2019, our monthly average amount of Love Offerings and Fundraising have trended downward from $53k (2019) to $37k (2025) per month. In 2025, 61% of this income was received July – Dec.
   b. Most expenses were under budget, except for Equipment repairs and Utilities which are both over budget YTD. In late December, having reviewed the year-to-date November financials, the Treasurer, Board Chair and Senior Minister recommend a motion that all 'accrued unpaid tithes" be calculated based on 10% of gross Love Offerings as an exception for 2025; and that the Board revisit and update the policy manual language in 2026.
   c. CPAs have contacted the IRS twice regarding Unity of Fairfax not appearing in the IRS Exempt Organization Business Master File (BMF). Data was filed with the IRS to clarify our 501(c)3 status under the umbrella of Unity Worldwide Ministries (UWM). Since the BMF is still not up to date, the IRS and our CPAs now suggest we resubmit the paperwork.
   d. Finance Committee: at its December 2025 meeting discussed the Solar Proposal for Walkway panels. See their recommendations in section 5a below.
   e. 2026 Budget has been reviewed with the Finance Committee, Staff and key ministry teams for insight and recommendations. There is an overall projected deficit of $150k. At the February Community Dialogue, the congregation was asked to share ideas for increasing Love Offerings, Grants and Fundraising to address the deficit.
   f. **Reflecting on the 2025 year**, there were gifts and challenges.
      - Due to staff turnover, our financial reporting was significantly disrupted which necessitated reconstruction by our CPAs and Treasurer. That challenge was also a gift as it spotlighted inconsistency and inefficiency which led to process improvements in our bookkeeping process.
      - While Love Offerings trended downward, we were blessed with $75k in extraordinary income from the Employee Retention Credit (ERC) from the IRS.
      - Our list of capital improvement needs grew (which is a long-term challenge); however, we were blessed with critical expertise who solved our fire alarm problem and saved us $50k in potential expense.
      - The Board made calls to congregants to engage them in dialogue and make them aware of our financial challenges. The community responded.
      - Grounded in the Truth of our Faith and practicing prosperity principles, we ended the year without having to initiate the emergency cash flow plan.
      - Looking ahead to 2026, together we can craft an innovative plan to meet the budget deficit, address capital improvement priorities while expanding our ministry reach and community engagement.

2. December Income Highlights

Type	Comments	Month December	YTD Budget Variance
Love Offerings	Strongest month YTD. Year-end activity as expected	$ 61,582	$ (73,639)
Rentals	Short term rentals continue solid progress	$ 19,770	$ 16,894
Fundraising	Giving Tuesday raised $2,700 (budget was $15k)	$ 2,700	$ (28,906)

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

Type	Comments	Month December	YTD Variance
Compensation & Benefits	Year-end Staff bonuses; under budget YTD	$ 38,325	$ (27,195)
Occupancy	Digital sign repair unexpected; YTD utilities and equipment repairs all over budget	$ 20,526	$ 11,713
Gen & Admin	As expected, on budget	$ 5,120	$ 2,876
Ministry	Trending under budget	$ 1,626	$ (6,430)
Tithes	Up to date in paying 2025 tithes	$ 9,000	$ (49,847)

4. Operating Summary as of Year-end 2025:

	Dec 31 2025	Dec 2024	Dec 2023
Surplus or (Deficit)	$ (5,325)	$ 15,032	$ (39,082)
Cash (Ministry)	$ 15,469	$ 25,586	$ 33,217
Reserves (Operating & Capital)	$ 41,872	$ 57,548	$ 31,187
Investment Fund (Vanguard)	$ 126,687	$ 119,908	$ 112,224
Restricted Funds	$ 7,776	$ 12,627	$ 13,082

5. **Other**:
   a. **Finance Committee Recap from December 8, 2025**: The Finance Committee (FC) reviewed the proposal from Ed Merritt (Solar Committee) regarding a solar energy initiative (above). While the committee expressed general support for the project's long-term cost-saving potential and its alignment with church values, members noted several fiscal concerns. Specifically, 2025 Treasurer Bowman Kell highlighted the risk of setting a precedent for future funding requests. **Considering a significant projected budgetary shortfall for 2026, the FC emphasized the need to view this project within the broader context of the church's financial health.** The FC requested the following enhancements and considerations for the proposal:

   - **Comprehensive Cost-Benefit Analysis:** The proposal should be updated to include long-term maintenance and insurance costs, alongside a list of project risks and rewards.
   - **Contingency Planning:** Given the potential for unexpected expenses, the FC advises that the current $10,000 may be insufficient and suggests a more robust buffer.
   - **Regulatory & Grant Risk:** Members expressed concern regarding the reliability of government incentives, noting that potential grant reversals or policy shifts could impact the project's ROI.

- **Repayment Guarantees:** The FC noted apprehension regarding the church's capacity to guarantee loan repayments to congregant lenders under current financial projections.
- **Strategic Resource Allocation:** Concerns were raised regarding the reallocation of funds away from critical daily operations to support what is currently viewed as an aspirational nice to have enhancement.

6. **Motion**:

   Background: In order for our Senior Minister to transact business with financial institutions regarding potential bequests, Rev. Russell Heiland needs written authorization from the Board of Trustees. He is already empowered to handle financial transactions relating to our existing banking and investment relationships. This motion would extend that beyond existing accounts.

   Motion: Approve Rev. Russell Heiland, Senior Minister of Unity of Fairfax be authorized to conduct business in the name of Unity of Fairfax or on in its behalf.

7. **Attached Financial Reports for December:**
   a. Statement of Financial Position
   b. Budget vs. Actual Month and Annual
   c. Statement of Activity by Fund (Unrestricted and Restricted)

Statement of Financial Position YTD Dec 31 2025			
Unity of Fairfax			
	12/31/25	12/31/24	$ Change
Assets			
Current Assets			
Bank Accounts			
Total for 1100 Unrestricted cash	**$ 16,989**	**$ 25,586**	**$ (8,597)**
1200 Reserve Cash			
1205 Security Deposits (Fidelity)	$ 28,315	$ 27,240	$ 1,076
1211 Capital Reserve	$ 20,872	$ 20,841	$ 31
1212 Operating Reserve	$ 21,001	$ 36,707	$ (15,706)
Total for 1200 Reserve Cash	**$ 70,189**	**$ 84,788**	**$ (14,599)**
1300 Restricted Cash (1300)			
1301 Benevolence Fund	$ 3,420	$ 3,571	$ (151)
1302 Secular Fund	$ 4,356	$ 7,627	$ (3,271)
1303 Sacred Grounds	$ 1	$ 1,429	$ (1,428)
1304 Special Purpose Fund	$ -		$ -
Total for 1300 Restricted Cash (1300)	**$ 7,777**	**$ 12,627**	**$ (4,850)**
Total for Other Current Assets	**$ 10,293**	**$ 18,130**	**$ (7,837)**
Fixed Assets			
1600 Land	$ 419,328	$ 419,328	$ -
Total for 1610 Building and Grounds	**$ 4,188,854**	**$ 4,188,854**	**$ -**
Total for 1620 Equipment	**$ 73,040**	**$ 71,290**	**$ 1,750**
Total for 1630 Furniture, Fixtures, Software	**$ 144,776**	**$ 144,776**	**$ -**
1640 Accumulated Depreciation	$ (2,582,228)	$ (2,448,174)	$ (134,053)
Total for Fixed Assets	**$ 2,243,771**	**$ 2,376,074**	**$ (132,303)**
Total for Fixed Assets	**$ 2,243,771**	**$ 2,376,074**	**$ (132,303)**
Other Assets			
1801 Unity of Fairfax Investment Fund	$ 126,687	$ 119,908	$ 6,779
Total for Assets	**$ 2,477,900**	**$ 2,635,749**	**$ (157,848)**
Liabilities and Equity			
Liabilities			
Total for Current Liabilities	**$ 29,290**	**$ 41,257**	**$ (11,967)**
Long-term Liabilities			
2700 Escrow Liabilities			
2701 Hunter Mill Montessori Escrow	$ 25,000	$ 25,000	$ -
2703 Committee For Helping Others Escrow	$ 2,000	$ 2,000	$ -
Total for 2700 Escrow Liabilities	**$ 27,000**	**$ 27,000**	**$ -**
Total for 2800 Mortgage Payable	**$ 673,809**	**$ 833,447**	**$ (159,638)**
Total for Long-term Liabilities	**$ 700,809**	**$ 860,447**	**$ (159,638)**
Total for Liabilities	**$ 730,099**	**$ 901,704**	**$ (171,605)**
Equity			
3400 Gain/Loss on Disposal	$ 1,179	$ 1,179	$ -
3500 Unrealized Gain/Loss on Investments	$ 75,528	$ 56,447	$ 19,081
3000 Net Assets	$ 1,676,420	$ 1,661,388	$ 15,032
Net Income	$ (5,325)	$ 15,032	$ (20,357)
Total for Equity	**$ 1,747,801**	**$ 1,734,045**	**$ 13,756**
Total for Liabilities and Equity	**$ 2,477,900**	**$ 2,635,749**	**$ (157,849)**

Unity of Fairfax Budget vs. Actuals

January - December 2025

	Actual	Budget	Variance
Income			
4100 LOVE OFFERING INCOME			$ -
4101 MidWeek Credit Card	$ 47,899	$ 36,562	$ 11,337
4102 MidWeek EFT	$ 92,543	$ 88,105	$ 4,438
4104 MidWeek BillPay	$ 1,612	$ 11,280	$ (9,668)
4105 MidWeek Snail Mail	$ 176,076	$ 160,114	$ 15,962
4106 MidWeek STRIPE	$ 52,493	$ 76,529	$ (24,037)
4107 Sunday Offering	$ 61,804	$ 77,219	$ (15,416)
4109 Sunday Cash Offering	$ 3,681	$ 5,729	$ (2,048)
4110 MidWeek Giving Tuesday	$ 2,700	$ 15,000	$ (12,300)
4111 MidWeek Bequest	$ 18,093	$ 60,000	$ (41,907)
Total 4100 LOVE OFFERING INCOME	**$ 456,900**	**$ 530,538**	**$ (73,639)**
Total 4210 EPS INCOME	**$ 3,152**	**$ 3,697**	**$ (545)**
4220 EVENTS INCOME		$ 3,651	$ (3,651)
4300 FUNDRAISING INCOME			$ -
4301 Auction	$ 14,973	$ 25,000	$ (10,027)
4350 LO - Anniversary Fundraiser	$ 6,056	$ 12,000	$ (5,944)
4399 Other Fundraising Income	$ 3,065	$ 16,000	$ (12,935)
Total 4300 FUNDRAISING INCOME	**$ 24,094**	**$ 53,000**	**$ (28,906)**
4400 SHORT TERM RENTAL INCOME	$ 71,528	$ 50,200	$ 21,328
4450 LONG TERM RENTAL INCOME	$ 129,771	$ 134,205	$ (4,434)
Total 4500 BOOKSTORE SALES	**$ 2,879**	**$ 4,800**	**$ (1,921)**
4600 OTHER INCOME		$ 100	$ (100)
4604 Grant Income	$ 13,500	$ 10,000	$ 3,500
4609 Miscellaneous	$ 77,803	$ -	$ 77,803
Total 4600 OTHER INCOME	**$ 92,423**	**$ 10,608**	**$ 81,815**
Total Revenue	**$ 780,746**	**$ 790,700**	**$ (9,954)**
Expenses			
Total 6100 COMPENSATION & BENEFITS	**$ 404,256**	**$ 431,451**	**$ (27,195)**
Total 6200 OCCUPANCY EXPENSE	**$ 247,244**	**$ 235,531**	**$ 11,713**
Total 6300 GENERAL & ADMINISTRATIVE	**$ 69,915**	**$ 67,039**	**$ 2,876**
6510 EPS WORKSHOPS		$ 800	$ (800)
Total 6520 EVENTS	**$ -**	**$ 4,444**	**$ (4,444)**
Total 6600 FUNDRAISING EXPENSE	**$ -**	**$ 2,304**	**$ (2,304)**
Total 6700 MINISTRIES EXPENSE	**$ 23,338**	**$ 29,768**	**$ (6,430)**
Total 6800 OUTGOING TITHES	**$ 29,213**	**$ 79,060**	**$ (49,847)**
Total Expenses	**$ 773,967**	**$ 864,505**	**$ (90,538)**
Net Revenue	**$ 6,779**	**$ (73,806)**	**$ 80,584**

Statement of Activity by Fund 2025

Unity of Fairfax

January-December, 2025

	Ministry Fund	Capital Reserve	Operating Reserve	Benevolence Fund	Sacred Grounds	Secular Fund	Special Purpose Fund	Total
Income								
Total for 4100 LOVE OFFERING INCOME	**$ 451,275**			**$ 350**			**$ 5,275**	**$ 456,900**
Total for 4210 EPS INCOME	**$ 3,152**							**$ 3,152**
4300 FUNDRAISING INCOME								
4301 Auction	$ 14,973							$ 14,973
4350 LO - Anniversary Fundraiser	$ 6,056							$ 6,056
4399 Other Fundraising Income	$ 3,065							$ 3,065
Total for 4300 FUNDRAISING INCOME	**$ 24,094**							**$ 24,094**
Total for 4400 SHORT TERM RENTAL INCOME	**$ 69,221**							**$ 69,221**
4450 LONG TERM RENTAL INCOME	$ 129,771							$ 129,771
Total for 4500 BOOKSTORE SALES	**$ 2,879**							**$ 2,879**
4600 OTHER INCOME								
4604 Grant Income	$ 10,000					$ 3,500		$ 13,500
4609 Miscellaneous	$ 29,968		$ 47,835					$ 77,803
Total for 4600 OTHER INCOME	**$ 41,052**	**$ 36**	**$ 47,835**			**$ 3,500**		**$ 92,423**
Total for Income	**$ 721,442**	**$ 36**	**$ 47,835**	**$ 350**		**$ 3,500**	**$ 5,275**	**$ 778,438**
Expenses								
Total for 6100 COMPENSATION & BENEFITS	**$ 404,256**							**$ 404,256**
Total for 6200 OCCUPANCY EXPENSE	**$ 241,869**						**$ 5,375**	**$ 247,244**
Total for 6300 GENERAL & ADMINISTRATIVE	**$ 71,351**			**$ 5,862**	**$ 500**	**$ 1,535**		**$ 79,248**
Total for 6600 FUNDRAISING EXPENSE	**$ 375**							**$ 375**
Total for 6700 MINISTRIES EXPENSE	**$ 23,426**							**$ 23,426**
Total for 6800 OUTGOING TITHES	**$ 29,213**							**$ 29,213**
Total for Expenses	**$ 791,653**		**$ (21,162)**	**$ 5,862**	**$ 500**	**$ 1,535**	**$ 5,375**	**$ 783,763**
Net Operating Income	**$ (70,211)**	**$ 36**	**$ 68,997**	**$ (5,512)**	**$ (500)**	**$ 1,965**	**$ (100)**	**$ (5,325)**