

UNITY OF FAIRFAX Treasurer's Report

January 28, 2023

TO: Board of Trustees

FROM: Dave Richardson, Treasurer

SUBJECT: Current financial status and issues

This report covers December and 2022 year-end financial performance. It provides commentary on the 2022 end of year financial status with thoughts for 2023.

Current Financials: Three metrics. December/year-end cumulative financials are appended.

- Love offerings. December love offerings were **49K** versus the regular monthly goal of 50K, a solid though not exceptional end to the year, and a very good 4th quarter performance. Year-to-date love offerings were 517K vs the 600K target (and 547K giving in 2021). In percentage terms, annual love offerings were 86% of the budget and 95% of the prior year.
- Operating profit/loss. December showed an operating loss of **12K** reflecting a number of extra expenses that pushed December expenses over budget by about 5K. Year-to-date operating loss is **107K** versus a budgeted operating loss of 27K.
- Operating Cash. December closed with **32K** (12K in ministry fund and 20K operating reserves), with another **21K** in capital reserves for a total of **53K** in unrestricted and accessible reserve accounts. This is down 16K from November and weaker than expected. Total cash use for the year has been 53K, exactly half of the reserves that we had when we started the year. The outflow was substantially reduced in the second half though not fully halted. The authorized transfer of about 19K from the Mildred Park Endowment was not completed by end of year because of some procedural complications with Vanguard, but that transfer has been completed in January.

End of year: The strong second half and fourth quarter love offerings significantly helped reduce the annual budget gap. As previously reported, **second-half love offerings were 65K higher than first half.**

I was too optimistic last month about how we would end the year in terms of cash on hand and in reserves, but overall have stabilized in the second half of the year. After July, cash flow was positive, ending the year in the same amount of cash as at the end of July (which reflected the very weak June/July love offerings). As noted above, coming into 2023 we have 53K in unrestricted, operating and capital reserves plus 19K from MPE in January.

2023 budget. The draft 2023 budget Version 3 was included in last month's report and based on our January meeting will be used for the February Community Dialogue. Two comments: 1) Unlike 2022, our 2023 budget assumes a further decline in love offerings as opposed to the recovery that we saw in 2022 – an opportunity; 2) Based on early January results, there is a high probability we will start the year with well below-average love offerings as we did in 2022 – our monthly target now is 42K compared to the 50K target last year. That target assumes that we will achieve 7.5K/month of income from 'other' sources (not LO/not Montessori rent); that's likely to also start slowly.

Unity of Fairfax
Statement of Financial Position
As of December 31, 2022

	Dec 2022	DEC 2021	Change
ASSETS			
Current Assets			
Unrestricted cash	12,320	28,142	(15,821)
Reserve Cash			
Security Deposits	25,150	25,005	145
Capital Reserve	21,175	68,695	(47,520)
Operating Reserve	20,059	27,735	(7,676)
Restricted Cash			
Benevolence Fund	2,737	3,954	(1,217)
Capital Improvements	100	100	-
Sacred Grounds	3,758	4,008	(250)
Vision 2020	-	-	-
Total Bank Accounts	85,300	157,640	(72,340)
Other Current Assets	23,112	12,706	10,406
Total Current Assets	108,412	170,345	(61,934)
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	(2,309,237)	(2,175,137)	(134,100)
Construction In Progress	-	-	-
Total Fixed Assets	2,613,512	2,728,727	(115,214)
Mildred Park Endowment Fund	123,827	146,918	(23,091)
TOTAL ASSETS	2,845,751	3,045,990	(200,239)
LIABILITIES AND EQUITY			
Liabilities			
Total Current Liabilities	17,076	9,165	7,912
Long-Term Liabilities			
Hunter Mill Montessori Escrow	25,000	25,000	-
Pinnacle Academy Escrow	-	-	-
Mortgage Payable	1,083,782	1,201,713	(117,930)
Note Payable - SBA PPP Loan	-	-	-
Note Payable - Energy Loan	-	-	-
Total Long-Term Liabilities	1,108,782	1,226,713	(117,930)
Total Liabilities	1,125,859	1,235,877	(110,019)
Equity			
Net Assets	1,768,982	1,776,733	(7,751)
Unrealized Gain/Loss on Investments	18,166	41,131	(22,965)
Net Income	(67,255)	(7,751)	(59,504)
Total Equity	1,719,893	1,810,113	(90,220)
TOTAL LIABILITIES AND EQUITY	2,845,751	3,045,990	(200,239)

Unity of Fairfax
Statement of Cash Flows - Ministry
December 2022

	Total	
OPERATING ACTIVITIES		
Net Revenue	(106,739)	
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	6,611	
Payroll Taxes Payable	2,997	
Stripe Deposits Pending	(5,177)	
Accrued Tithes	6,654	
Deposits in Transit	(11,726)	
Prepaid Expenses	(1,337)	
Deferred Revenue	(795)	
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	27,227	
Net cash provided by operating activities	(79,512)	
INVESTING ACTIVITIES		
Fixed Assets: Accumulated Depreciation	134,100	
Fixed Assets: Additions		
Transfers to Operating Reserves	47,520	
Net cash provided by investing activities	181,620	
FINANCING ACTIVITIES		
Mortgage Payable	(117,930)	
Net cash provided by financing activities	(117,930)	
Net cash increase for period	(15,822)	
Cash at beginning of period	28,142	
Cash at end of period	12,320	12,320

* transferred June 2022

** transferred April 2022 & July 2022

Unity of Fairfax
Statement of Activity by Fund
YTD DECEMBER 2022

	Ministry Fund	Capital Reserve	Operating Reserve	Security Reserve	Total UnRestricted	Benevolence Fund	Capital Improvement Fund	MP Endowment Fund	Sacred Grounds	Vision 2020	Total Restricted	TOTAL
Income												
LOVE OFFERING INCOME	516,567				516,567	5,747	-	-	-	-	5,747	522,314
EPS INCOME	5,047				4,014						-	4,014
FUNDRAISING INCOME	2,978				2,978						-	2,978
SHORT TERM RENTAL INCOME	8,520				8,520						-	8,520
LONG TERM RENTAL INCOME	127,750				127,750						-	127,750
BOOKSTORE SALES	896				896						-	896
GRANT INCOME	-				-						-	-
OTHER INCOME	2,776	80	-	31	2,887						-	2,887
Total Income	664,534	80	-	31	664,645	5,747	-	-	-	-	5,747	670,392
Expenses												
COMPENSATION & BENEFITS	357,938				357,938						-	357,938
OCCUPANCY EXPENSE	242,094				242,094						-	242,094
GENERAL & ADMINISTRATIVE	43,881				43,881	8,955			250		9,206	53,087
EPS WORKSHOPS	1,490				1,490						-	1,490
EVENTS	1,052				1,052						-	1,052
MINISTRIES EXPENSE	15,534				15,534						-	15,534
OUTGOING TITHES	66,453				66,453						-	66,453
ALLOCATIONS TO INTERNAL FUNDS	42,831	-	(42,324)		507	(507)					(507)	-
Total Expenses	771,273	-	(42,324)	-	728,949	8,448	-	-	250	-	8,699	737,648
Net Income	(106,739)	80	42,324	31	(64,304)	(2,702)	-	-	(250)	-	(2,952)	(67,255)

Unity of Fairfax
Budget vs. Actuals: Ministry Fund
December 31, 2022

							<i>Annual 2022 Draft</i>
	MTH Actual	MTH Budget	MTH Variance	YTD Actual	YTD Budget	YTD Variance	Budget
Income							
LOVE OFFERING INCOME	\$ 48,549	\$50,000	\$ (1,451)	\$516,567	\$ -	\$516,567	\$ 600,000
EPS INCOME	283	1,667	(1,383)	5,047	-	5,047	20,000
FUNDRAISING INCOME	277	1,667	(1,390)	2,978	-	2,978	20,000
SHORT TERM RENTAL	-	340	(340)	8,520	-	8,520	4,080
LONG TERM RENTAL	10,750	10,646	104	127,750	-	127,750	127,750
BOOKSTORE SALES	723	333	390	896	-	896	4,000
GRANT INCOME *	-	-	-	-	-	-	-
OTHER INCOME	4	191	(187)	2,776	-	2,776	2,290
Total Income	\$ 60,586	\$64,843	\$ (4,258)	\$664,534	\$ -	\$664,534	\$ 778,120
Expenses							
COMPENSATION & BENEFITS	32,856	29,571	3,285	357,938	-	357,938	354,850
OCCUPANCY EXPENSE	22,346	21,233	1,113	242,094	-	242,094	254,800
GENERAL & ADMINISTRATIVE	4,350	4,185	165	43,881	-	43,881	50,220
EPS WORKSHOPS	50	83	(33)	1,490	-	1,490	1,000
EVENTS	202	-	202	1,052	-	1,052	-
FUNDRAISING EXPENSE			-				
MINISTRIES EXPENSE			-				
Total Worship Ministry	678	567	111	7,744	-	7,744	6,800
Total Music Ministry	423	258	165	2,745	-	2,745	3,100
Total Youth Ministry	231	200	31	1,938	-	1,938	2,400
Total Bookstore Expenses	716	200	516	716	-	716	2,400
Total Earthcare Ministry	800	400	400	2,301	-	2,301	4,800
Total Miscellaneous Ministries	-	200	(200)	89	-	89	2,400
Total MINISTRIES EXPENSE	2,848	1,825	1,023	15,534	-	15,534	21,900
TITHES	6,059	6,484	(425)	66,453	-	66,453	77,812
ALLOCATION TO INTERNAL							
Transfer to Capital Reserves	-	-	-	-	-	-	
Transfer to Operating Reserves	3,527	3,527	-	42,324	-	42,324	42,324
Transfer to Benevolence	31	167	(136)	507	-	507	2,000
ALLOCATION TO INTERNAL	3,558	3,694	(136)	42,831	-	42,831	44,324
Total Expenses	\$ 72,268	\$67,076	\$ 5,193	\$771,272	\$ -	\$771,272	\$ 804,906
Net Income *	\$(11,683)	\$(2,232)	\$(9,451)	\$(106,739)	\$ -	\$(106,739)	\$(26,786)

Notes to the Statement Of Activity: