

UNITY OF FAIRFAX Treasurer's Report

January 28, 2024

TO: Board of Trustees

FROM: Ed Merritt, Treasurer

SUBJECT: Current financial status and issues

This report covers December and 2023 year-end financial performance, with discussion on the church's overall financial performance in 2023 and the outlook for 2024.

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

- Love offerings At **\$69.5K**, December love offerings were an outstanding cap to the year. This level of giving, which includes both fundraiser-specific and general donations, was by far the largest monthly amount of giving to the church in 2023 (and, in fact, represented the largest single-month total since the pandemic began in 2020).

However, to put this in a larger perspective, this exceptional month brought total love offerings for the year to almost the identical level of 2022, **\$516k** or a **\$43k/month average**. Nonetheless, this can be seen as a positive development as it represents a halt to the multi-year slide in church donation income we have witnessed in the prior three years. Also positive, this total year result meant that we just exceeded our donations target for the year of \$510k reaching **101%** of goal, though we were still somewhat shy (**94%**) of our overall income target.

- Operating profit/loss December showed an operating profit of **\$13K**, which was \$17k more than the budgeted loss of \$4k for the month. For the year, we saw a loss of **\$90k**, compared with a budgeted loss of **\$52k**. (It is worth noting that the net loss noted here encompasses an internal transfer to operating reserves of **\$43k**, so the actual loss would be somewhat less.)
- Operating Cash December closed with **\$45K** (\$33K in ministry fund and \$12K operating reserves), with another **\$19K** in capital reserves for a total of **\$64K** in unrestricted and accessible reserve accounts. This starts 2024 with \$11k more cash on hand than in 2023 and reflects approximately **\$47k** in cash use for the year.

End of year: As noted above, 2023 saw a steadying of the level of donations compared with 2022, bucking the trend of declining levels of giving in recent years. (The timing of donations slightly exacerbated a trend of higher levels of giving in the second half of the year compared with the first: This year the ratio of first half/second half donations was **42%/58%**. Early January results this year suggest this trend may be continuing.) However, the overall solid level of giving, coupled with increases of income from other sources such as rentals and modest decreases in expenses has continued closing the income/expense gap this past year.

2024 budget Building on our experience in 2023, the draft 2024 budget makes relatively conservative assumptions regarding changes in income and expenses in the coming year and looks to continue the trajectory of bringing expenses and income into alignment. The draft budget will be reviewed at the upcoming Board meeting and a final version will be presented at the February Community Dialogue meeting.

Motions: Below is one item I will submit for consideration by the Board at our upcoming meeting:

- Make a transfer of 10% of the Mildred Park Endowment Fund to the Operating Reserve account, as allowed by the fund's rules and following a practice by the Board over the past few years.

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

	DECEMBER			2023 ANNUAL		
	MTH Actual	MTH Budget	MTH Variance	ANNUAL Actual	ANNUAL Budget	ANNUAL Variance
Income						
LOVE OFFERING INCOME	\$ 50,989	\$ 41,667	\$ 9,322	\$ 439,215	\$ 500,000	\$ (60,785)
FUNDRAISING INCOME	18,513	833	17,679 *	75,723	10,000	65,723
EVENTS INCOME	60	-	60	7,857	-	7,857
EPS INCOME	-	333	(333)	5,414	4,000	1,414
SHORT TERM RENTAL	1,725	833	892	13,260	10,000	3,260
LONG TERM RENTAL	10,750	10,750	-	129,000	129,000	-
BOOKSTORE SALES	694	300	394	4,158	3,600	558
TO BE DETERMINED *	-	5,333	(5,333)	-	64,000	(64,000)
OTHER INCOME	6	167	(160)	2,167	2,000	167
Total Income	\$ 82,737	\$ 60,217	\$ 22,521	\$ 676,794	\$ 722,600	\$ (45,806)
Expenses						
COMPENSATION & BENEFITS	27,414	30,704	(3,290)	354,187	368,449	(14,262)
OCCUPANCY EXPENSE	21,459	18,863	2,597	230,258	226,350	3,908
GENERAL & ADMINISTRATIVE	6,617	3,804	2,813	48,268	45,643	2,625
EPS WORKSHOPS	-	-	-	350	-	350
EVENTS	-	-	-	5,287	-	5,287
FUNDRAISING EXPENSE	-	-	-	1,300	-	-
MINISTRIES EXPENSE						
Total Worship Ministry	798	517	281	6,170	6,200	(30)
Total Music Ministry	618	255	363	3,664	3,060	604
Total Youth Ministry	100	313	(213)	1,090	3,750	(2,660)
Total Bookstore Expenses	949	150	799	2,435	1,800	635
Total Earthcare Ministry	-	250	(250)	2,518	3,000	(482)
Total Miscellaneous Ministries	0	100	(100)	637	1,200	(563)
Total MINISTRIES EXPENSE	2,465	1,584	881	16,514	19,010	(2,496)
TITHES	8,273	6,022	2,251	67,679	72,260	(4,581)
ALLOCATION TO INTERNAL						
Transfer to Capital Reserves	-	-	-	-	-	-
Transfer to Operating Reserves	3,527	3,527	0	42,324	42,320	4
Transfer to Benevolence	-	33	(33)	541	400	141
ALLOCATION TO INTERNAL	3,527	3,560	(33)	42,865	42,720	145
Total Expenses	\$ 69,755	\$ 64,536	\$ 5,219	\$ 766,708	\$ 774,432	\$ (9,024)
Net Income	\$ 12,982	\$ (4,319)	\$ 17,301	\$ (89,914)	\$ (51,832)	\$ (36,782)

Notes to the Statement Of Activity:

* \$56,881 includes the \$20k from our 10YR/10K Fundraiser earlier in the year
Also note that Occupancy Expense includes extra repairs & maintenance costs

Unity of Fairfax
Statement of Cash Flows - Ministry
DECEMBER 2023

	Total
OPERATING ACTIVITIES	
Net Revenue	(89,914)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Bank Transfer (from Capital Reserves) *	20,000
Bank Transfer (from Operating Reserves) **	50,000
Accounts Payable	6,301
VISA Payable	12,396
Payroll Taxes Payable	1,911
Stripe Deposits Pending	5,357
Accrued Tithes	9,917
Gain on Sale	1,178
Prepaid Expenses	1,377
Deferred Revenue	1,805
Funds Receivable	(779)
Miscellaneous	1,200
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	110,663
Net cash provided by operating activities	20,749
INVESTING ACTIVITIES	
Fixed Assets: Accumulated Depreciation	130,184
Fixed Assets: Additions	4,587
Transfers from Vanguard MPE	30,400
Transfers to Operating Reserves	(42,324)
Net cash provided by investing activities	122,847
FINANCING ACTIVITIES	
Mortgage Payable	(122,699)
Net cash provided by financing activities	(122,699)
Net cash increase for period	20,897
Cash at beginning of period	12,320
Cash at end of period	33,217

* transferred June 2023

** transferred Jan2023, May2023, Oct2023 & Dec2023

Unity of Fairfax
Statement of Activity by Fund
YTD DECEMBER 2023

	Ministry Fund	Capital Reserve	Operating Reserve	Security Reserve	Total UnRestricted	Benevolence Fund	MP Secular Grant	MP Endowment Fund	Sacred Grounds	Vision 2020	Total Restricted	TOTAL
Income												
LOVE OFFERING INCOME	439,216				439,216	1,055	-	-	2,600	-	3,655	442,871
EPS INCOME	5,414				4,014						-	4,014
EVENTS INCOME	7,857				7,857						-	7,857
FUNDRAISING INCOME	75,723				75,723						-	75,723
SHORT TERM RENTAL INCOME	13,260				13,260						-	13,260
LONG TERM RENTAL INCOME	129,000				129,000						-	129,000
BOOKSTORE SALES	4,158				4,158						-	4,158
GRANT INCOME	-				-						-	-
OTHER INCOME	2,167	37	-	113	2,317		16,778				16,778	19,095
Total Income	676,795	37	-	113	676,945	1,055	16,778	-	2,600	-	20,433	697,378
Expenses												
COMPENSATION & BENEFITS	354,187				354,187						-	354,187
OCCUPANCY EXPENSE	230,258				230,258						-	230,258
GENERAL & ADMINISTRATIVE	48,268				48,268	7,912	4,329		375		12,616	60,884
EPS WORKSHOPS	350				350						-	350
EVENTS	5,287				5,287						-	5,287
FUNDRAISING EXPENSE	1,300				1,300						-	1,300
MINISTRIES EXPENSE	16,514				16,514						-	16,514
OUTGOING TITHES	67,679				67,679						-	67,679
ALLOCATIONS TO INTERNAL FUNDS	42,865	-	(42,324)		541	(5,341)	4,800				(541)	-
Total Expenses	766,708	-	(42,324)	-	724,384	2,571	9,129	-	375	-	12,075	736,459
Net Income	(89,914)	37	42,324	113	(47,440)	(1,516)	7,649	-	2,225	-	8,358	(39,082)

Unity of Fairfax
Statement of Financial Position
DECEMBER 2023

	DEC 2023	DEC 2022	Change
ASSETS			
Current Assets			
Unrestricted cash	33,217	12,320	20,897
Reserve Cash			
Security Deposits	27,320	25,150	2,170
Capital Reserve	18,804	21,175	(2,372)
Operating Reserve	12,383	20,059	(7,676)
Restricted Cash			
Benevolence Fund	2,490	2,737	(247)
Secular Grant	8,788	100	8,688
Sacred Grounds	1,804	3,758	(1,954)
Total Bank Accounts	104,806	85,300	19,506
Deposit In Transit	-	11,726	(11,726)
Other Current Assets	12,165	11,386	779
Total Current Assets	116,971	108,412	8,559
Fixed Assets			
Land	419,328	419,328	-
Building and Grounds	4,246,627	4,246,627	-
Equipment	74,181	75,524	(1,343)
Furniture, Fixtures, Software	187,200	181,270	5,930
Accumulated Depreciation	(2,439,421)	(2,309,237)	(130,184)
Total Fixed Assets	2,487,916	2,613,512	(125,596)
Mildred Park Endowment Fund	112,224	123,827	(11,603)
TOTAL ASSETS	2,717,110	2,845,751	(128,640)
LIABILITIES AND EQUITY			
Liabilities			
Total Current Liabilities	28,241	17,076	11,164
Long-Term Liabilities			
Hunter Mill Montessori Escrow	25,000	25,000	-
Committee for Helping Others	2,000	-	2,000
Mortgage Payable	961,083	1,083,782	(122,699)
Total Long-Term Liabilities	988,083	1,108,782	(120,699)
Total Liabilities	1,016,324	1,125,859	(109,535)
Equity			
Net Assets	1,701,726	1,768,982	(67,256)
Unrealized Gain/Loss on Investments	38,142	18,166	19,976
Net Income	(39,082)	(67,255)	28,173
Total Equity	1,700,786	1,719,893	(19,106)
TOTAL LIABILITIES AND EQUITY	2,717,110	2,845,751	(128,641)