

UNITY OF FAIRFAX Treasurer's Report

January 21, 2022

TO: Board of Trustees

FROM: Dave Richardson, Treasurer

SUBJECT: Current financial status and issues

This report synthesizes Unity 2021 financial condition and previews some short and longer term 2022 financial issues.

Current Financials: Three metrics. An abbreviated summary of December and full-year financials is appended. Final 2021 financials will be provided as soon as final accounting is completed.

- Love offerings. December love offerings, following the normal pattern, were the strongest this year at **63K**, well above the straight-line 50K monthly target. Annual love offerings of **549K** beat our most recent projection but were 10% below the 600K goal.
- Operating profit/loss. December was a break-even month. Cumulative operating loss of **54K** is about 25K less than the operating loss projected at the beginning of the year.
- Operating Cash on hand. Operating cash of **49K** (21K in ministry fund and 28K operating reserves) preserves most of the reserve money transferred from capital reserves to operating reserves mid-year.

Financial highlights of 2021

- Despite extension of pandemic restrictions that contributed to shortfall of love offerings and school rent payments, operating loss of 54K less than originally projected.
- PPP loan.
- Montessori school finally opened and paying rent at very end of year.
- Significant investment in facility and grounds for church reopening and school conversion.
- Above average 133K paydown of property mortgage to 1.2MM.
- Combined operating and capital reserves reduced from 132K (2020) to 97K (2021), still above 90K (2019).
- Mildred Park Endowment investment gains increased total from 120K to 147K.

2022 budget/projection.

- Operating income is expected to jump 160K based on recovery of love offerings and school rent payments.
- Expenses are expected to increase about 90K, mostly reallocation of tithe revenue.
- A projected operating loss of 78K is similar to the annual loss projected for 2021.
- With accounting adjustments, cash use would be in the 50K range, or as low as 10K if all allocations to reserves are applied to current operating costs (not desirable).
- This budget was prepared before the Omicron variant extended pandemic impacts, including the turn back to all-virtual services.

Recommended board actions:

- Celebrate 2021 year ending financial position, but be attuned to continuing financial stress.
- Encourage, support and measure progress of Rev Russ' re-engagement and growth plans.
- Monitor operating income. Early-year contributions tend to be below average. Plan monthly reviews of cash position; significant depletion of current unrestricted and operating reserve cash should trigger first stage remedial financial actions.
- Treasurer will recommend changes to Mildred Park Endowment usage expectations to assure financial flexibility.

Unity of Fairfax
Statement Of Activity - Ministry Fund
December 2021- DRAFT

	Total	
	Dec 2021	Jan - Dec 2021 (YTD)
Revenue		
4100 LOVE OFFERING INCOME	62,509	549,045
4210 EPS INCOME	584	10,361
4300 FUNDRAISING INCOME		1,775
4400 SHORT TERM RENTAL INCOME	260	3,120
4450 LONG TERM RENTAL INCOME	8,500	52,000
4500 BOOKSTORE SALES	537	1,138
4600 OTHER INCOME	(794)	84,933
Total Revenue	71,596	702,372
Gross Profit	71,596	702,372
Expenditures		
6100 COMPENSATION & BENEFITS	34,085	371,525
6200 OCCUPANCY EXPENSE	19,959	239,147
6300 GENERAL & ADMINISTRATIVE	7,362	67,009
6510 EPS WORKSHOPS	148	198
6700 MINISTRIES EXPENSE	2,699	15,792
6800 OUTGOING TITHES	3,570	19,145
6900 ALLOCATIONS TO INTERNAL FUNDS	3,585	43,360
Total Expenditures	71,407	756,176
Net Operating Revenue	189	(53,804)

2022 Ministry Fund Draft Budget Projection

Income	2019	2020	EAC 2021	Draft 2022
Love Offering Income	\$ 634,119	\$ 614,054	\$ 544,000	\$ 600,000
EPS Workshop Income	26,870	17,413	11,000	20,000
Events Income	20,413	0	0	0
Fundraising Income	23,483	10,929	1,775	20,000
Short Term Rental Income	4,997	3,311	3,000	3,000
Long Term Rental Income	204,943	61,701	50,000	129,000
Bookstore Sales	11,658	1,902	0	0
Other Income	1,628	6,298	8,000	6,000
Total Income	\$ 928,111	\$ 715,608	\$ 617,775	\$ 778,000
Expenses				
Compensation & Benefits				
Salaries	344,060	311,024	267,800	278,000
Health Insurance	21,203	18,059	19,200	22,000
Housing & Retirement	47,764	47,808	61,000	67,000
Payroll Taxes	26,190	16,118	19,000	18,000
Total Compensation & Benefits	\$ 439,217	\$ 393,009	\$ 367,000	\$ 385,000
Occupancy Expense				
Amort, Depre, & Interest Exp	\$ 188,885	\$ 188,657	\$ 186,000	\$ 195,600
Property Maintenance	38,097	29,636	30,000	40,200
Utilities	34,805	23,299	25,000	24,200
Lease Expense Reimbursement	(23,947)	(16,294)		0
Total Occupancy Expense	\$ 237,840	\$ 225,298	\$ 241,000	\$ 260,000
General & Administrative				
Staff & Support Expenses	\$ 26,203	\$ 18,452	\$ 18,000	\$ 18,000
Finance, Insur, Legal Expense	42,364	27,282	23,000	24,740
Office & Facilities Expense	47,658	29,549	25,000	23,050
Marketing		4,638	5,000	6,480
Total General & Administrative	\$ 116,225	\$ 79,921	\$ 71,000	\$ 72,270
EPS Workshops Expense	\$ 18,473	\$ 105	\$ -	\$ -
Events Expense	\$ 4,837	\$ 1,442	\$ -	\$ -
Fundraising Expense	\$ -	\$ 977	\$ -	\$ -
Ministries Expense				
Worship Ministry	\$ 9,350	\$ 6,392	\$ 9,000	\$ 3,900
Music Ministry	13,636	3,992	1,200	3,100
Youth Ministry	4,031	972	800	2,400
Bookstore Expenses	7,994	2,160	300	0
Earthcare Ministry		8,188	3,500	4,800
Miscellaneous Ministries	360	792	200	1,320
Total Ministries Expense	\$ 35,371	\$ 22,496	\$ 15,000	\$ 15,520
Tithes	\$ 92,811	\$ 71,560	71,000	77,800
Tithes Expensed Elsewhere		(21,898)	(43,300)	
Outgoing Tithes	\$ 92,811	\$ 49,662	\$ 27,700	\$ 77,800
Allocation To Internal Funds				
Transfer to Reserves	\$ 42,324	\$ 42,324	\$ 42,300	\$ 42,410
Transfer to Benevolence Fund	2,687	1,741	1,700	3,000
Total Allocation to Internal Funds	\$ 45,011	\$ 44,065	\$ 44,000	\$ 45,410
Total Expenses	\$ 989,785	\$ 816,975	\$ 765,700	\$ 856,000
Net Income from Operations	\$ (61,674)	\$ (101,367)	\$ (147,925)	\$ (78,000)
SBA PPP Loans Forgiven		\$ 87,000	\$ 77,702	\$ -
Net Income	\$ (61,674)	\$ (14,367)	\$ (70,223)	\$ (78,000)