

UNITY OF FAIRFAX Treasurer's Report

September 25, 2021

TO: Board of Trustees

FROM: Dave Richardson, Treasurer

SUBJECT: Current financial status and issues

We can celebrate the first month this year with a positive operating budget.

This report also presents a first-draft 2022 budget for review.

Current Financials: Three metrics. August and year-to-date financials are appended.

- Love offerings (see attached ministry fund budget page). August love offerings were **60K**. There are two encouraging aspects to this: Refirement contributions totaled over 20K; regular love offerings improved from the lows of the last several months to about 40K.
- Operating profit/loss (at the bottom of the same budget vs actual chart). Expenses were slightly below budget contributing to a 2K positive operating balance. In addition, from an accounting standpoint the PPP loan was forgiven and was recognized. Consequently the cumulative operating loss, with the September improvement, declined to 24K.
- Operating Cash on hand. (reference the Statement of financial condition). Last month's board decision moved 40K into the depleted operating reserve account. We added cash this month leading to a combined unrestricted and operating reserve cash balance of 68K, up from 21K last month. (End of August: Unrestricted operating cash 18K; operating reserves 50K).

Montessori school increased monthly payment to 5K in September and received authorization to open from the county. It will start with limited classes as soon as possible. We will update plan including formalizing revised lease agreement. Best guess is that rent payments will gradually increase through end of year.

Refiring campaign is going well though slowed in September. Three \$6500 contributions led the good response. Staff analysis affirms that the reach-out efforts to re-engage congregants is critically important. A majority of contributions are coming from previously less-engaged congregants. Some, but not all Regular contributors are participating. Continued follow up is strongly merited.

2022 budget first draft is attached. it assumes restoration of several income sources and a couple modest expense increases. it shows a sizeable operating loss, mitigated in part by the cash process, that should be reduced in subsequent budget drafts. It could be impacted by performance over the balance of 2021. Note that rent will not return to pre-pandemic levels because the Montessori rental is smaller (one building, not two) than the prior Pinnacle lease.

Unity of Fairfax
Statement of Financial Position
As of August 31, 2021

	AUGUST 2021	DEC 2020	Change
ASSETS			
Current Assets			
Unrestricted cash	18,142	28,336	(10,194)
Reserve Cash			
Security Deposits	25,005	25,003	2
Capital Reserve	68,661	131,758	(63,097)
Operating Reserve	49,627	348	49,279
Restricted Cash			
Benevolence Fund	3,916	8,264	(4,348)
Capital Improvements	100	3,686	(3,586)
Sacred Grounds	2,258	2,170	88
Vision 2020	100	100	-
Total Bank Accounts	167,809	199,665	(31,856)
Other Current Assets	12,349	24,493	(12,144)
Total Current Assets	180,158	224,158	(44,000)
Fixed Assets			
Land	419,328	419,328	-
Building and Grounds	4,227,741	4,207,336	20,405
Equipment	75,524	73,181	2,343
Furniture, Fixtures, Software	179,863	167,625	12,238
Accumulated Depreciation	(2,128,676)	(2,039,586)	(89,090)
Construction In Progress	-	-	-
Total Fixed Assets	2,773,781	2,827,883	(54,103)
Mildred Park Endowment Fund	134,195	119,920	14,274
TOTAL ASSETS	3,088,134	3,171,962	(83,828)
LIABILITIES AND EQUITY			
Liabilities			
Total Current Liabilities	9,301	14,664	(5,363)
Long-Term Liabilities			
Hunter Mill Montessori Escrow	25,000	25,000	-
Pinnacle Academy Escrow	-	-	-
Mortgage Payable	1,260,937	1,335,408	(74,471)
Note Payable - SBA PPP Loan	-	-	-
Note Payable - Energy Loan	-	6,024	(6,024)
Total Long-Term Liabilities	1,285,937	1,366,432	(80,494)
Total Liabilities	1,295,238	1,381,096	(85,858)
Equity			
Net Assets	1,776,733	1,758,250	18,483
Unrealized Gain/Loss on Investments	28,408	14,133	14,274
Net Income	(12,245)	18,483	(30,728)
Total Equity	1,792,896	1,790,867	2,029
TOTAL LIABILITIES AND EQUITY	3,088,134	3,171,962	(83,829)

Unity of Fairfax
Statement of Cash Flows - Ministry
January - August, 2021

	Total
OPERATING ACTIVITIES	
Net Revenue	(23,886)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Draw PPP2	77,702
Deposits in Transit	10,253
Accounts Payable	1,335
United VISA	(3,097)
Stripe Deposits Pending	3,649
Accrued Bills Payable	(2,956)
Accrued Tithes	(1,036)
Prepaid Rental Deposits	(2,080)
Outreach Passthrough	1,100
YOU Rally Passthrough	(1,599)
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	83,271
Net cash provided by operating activities	59,385
INVESTING ACTIVITIES	
Capital Reserve transfer	(28,216)
Fixed Assets:Accumulated Depreciation	39,828
Net cash provided by investing activities	11,612
FINANCING ACTIVITIES	
Mortgage Payable	(75,167)
Note Payable - Energy Loan	(6,024)
Net cash provided by financing activities	(81,191)
Net cash increase for period	(10,194)
Cash at beginning of period	28,336
Cash at end of period	18,142

Unity of Fairfax
Statement of Activity by Fund
YTD AUGUST 2021

	Ministry Fund	Capital Reserve	Operating Reserve	Security Reserve	Total UnRestricted	Benefo					TOTAL	
						lence Fund	Capital Improv ement	MP Endwm ent Fund	Sacred Grounds	Vision 2020		Total Restricted
Income												
LOVE OFFERING INCOME	356,417			-	356,417	870	-	-	1,450	-	2,320	358,737
EPS INCOME	5,996				5,996						-	5,996
EVENTS INCOME	-				-						-	-
FUNDRAISING INCOME	1,775				1,775						-	1,775
SHORT TERM RENTAL INCOME	2,080				2,080						-	2,080
LONG TERM RENTAL INCOME	25,000				25,000						-	25,000
BOOKSTORE SALES	-				-						-	-
GRANT INCOME *	77,702				77,702						-	77,702
OTHER INCOME	7,886	172	-		8,061						-	8,061
Total Income	476,856	172	-	-	477,031	870	-	-	1,450	-	2,320	479,351
Expenses												
COMPENSATION & BENEFITS	247,180				247,180						-	247,180
OCCUPANCY EXPENSE	163,797	12,390			176,187				1,362		1,362	177,549
GENERAL & ADMINISTRATIVE	41,830				41,830	5,932					5,932	47,762
EPS WORKSHOPS	-				-						-	-
EVENTS	-				-						-	-
FUNDRAISING EXPENSE	-				-						-	-
MINISTRIES EXPENSE	8,172				8,172						-	8,172
OUTGOING TTIES	10,933				10,933						-	10,933
ALLOCATIONS TO INTERNAL FUNDS	28,831	(18,689)	(9,527)		615	(615)					(615)	-
Total Expenses	500,743	(6,299)	(9,527)	-	484,917	5,317	-	-	1,362	-	6,679	491,596
Net Income *	(23,886)	6,471	9,527	2	(7,886)	(4,447)	-	-	88	-	(4,359)	(12,245)

Notes to the Statement Of Activity:

Unity of Fairfax
Budget vs. Actuals: FY_2020 - Ministry Fund
AUGUST 2021

	MTH Actual	MTH Budget	MTH Variance	YTD Actual	YTD Budget	YTD Variance	Annual 2021 Draft Budget
Income							
LOVE OFFERING INCOME	\$ 60,117	\$ 50,000	\$ 10,117	\$ 356,417	\$ 400,000	\$ (43,583)	\$ 600,000
EPS INCOME	(150)	1,400	(1,550)	5,996	11,200	(5,204)	16,800
EVENTS INCOME	-	500	(500)	-	4,000	(4,000)	6,000
FUNDRAISING INCOME	-	833	(833)	1,775	6,667	(4,892)	10,000
SHORT TERM RENTAL	260	200	60	2,080	1,600	480	2,400
LONG TERM RENTAL	4,000	5,691	(1,691)	25,000	45,525	(20,525)	68,288
BOOKSTORE SALES		300	(300)		2,400	(2,400)	3,600
GRANT INCOME *	77,702	-	77,702	77,702	-	77,702	72,000
OTHER INCOME	1,630	100	1,530	7,886	800	7,086	1,200
Total Income	\$ 143,559	\$ 59,024	\$ 84,535	\$ 476,856	\$ 472,192	\$ 4,664	\$ 780,288
Expenses							
COMPENSATION & BENEFITS	30,132	30,077	55	247,180	240,616	6,564	360,924
OCCUPANCY EXPENSE	21,978	19,575	2,403	163,797	156,600	7,197	234,900
GENERAL & ADMINISTRATIVE	4,632	6,800	(2,168)	41,830	54,400	(12,570)	81,600
EPS WORKSHOPS	-	280	(280)	-	2,240	(2,240)	3,360
EVENTS		250	(250)		2,000	(2,000)	3,000
FUNDRAISING EXPENSE			-				
MINISTRIES EXPENSE			-				
Total Worship Ministry	200	729	(529)	6,436	5,833	602	8,750
Total Music Ministry	135	250	(115)	924	2,000	(1,076)	3,000
Total Youth Ministry		150	(150)	255	1,200	(945)	1,800
Total Bookstore Expenses		180	(180)		1,440	(1,440)	2,160
Total Earthcare Ministry	-	458	(458)	500	3,667	(3,167)	5,500
Total Miscellaneous Ministries	-	50	(50)	58	400	(342)	600
Total MINISTRIES EXPENSE	335	1,818	(1,483)	8,172	14,540	(6,368)	21,810
TITHES	6,585	5,902	683	39,915	47,219	(7,304)	70,829
Tithes Expensed Elsewhere	(3,590)	(2,360)	(1,230)	(28,982)	(18,880)	(10,102)	(28,320)
OUTGOING TITHES	2,995	3,542	(548)	10,933	28,339	(17,407)	42,509
FUNDS							
Transfer to Capital Reserves	-	3,527	(3,527)	18,689	28,216	(9,527)	42,324
Transfer to Operating Reserves	3,527		3,527	9,527		9,527	
Transfer to Benevolence	-	140	(140)	615	1,120	(505)	1,680
FUNDS	3,527	3,667	(140)	28,831	29,336	(505)	44,004
Total Expenses	\$ 63,598	\$ 66,009	\$ (2,410)	\$ 500,742	\$ 528,071	\$ (27,329)	\$ 792,107
Net Income *	\$ 79,961	\$ (6,985)	\$ 86,946	\$ (23,886)	\$ (55,879)	\$ 31,993	\$ (11,819)

Notes to the Statement Of Activity:

* Grant Income

The SBA paid off our \$77,702 PPP2 loan to United Bank

2022 Ministry Fund Draft Budget Projection

Income	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	Draft 2021	Draft 2022
Love Offering Income	\$ 656,753	\$ 669,803	\$ 635,954	\$ 634,119	\$ 614,054	\$ 600,000	\$ 600,000
EPS Workshop Income	(14,458)	6,822	11,587	26,870	17,413	16,800	30,000
Events Income	18,771	11,974	10,584	20,413	0	6,000	0
Fundraising Income				23,483	10,929	10,000	30,000
Short Term Rental Income	18,163	11,489	7,451	4,997	3,311	2,400	3,120
Long Term Rental Income	177,034	185,894	195,186	204,943	61,701	68,288	129,000
Bookstore Sales	17,610	13,833	11,995	11,658	1,902	3,600	0
Other Income	<u>1,324</u>	<u>7,814</u>	<u>4,322</u>	<u>1,628</u>	<u>6,298</u>	<u>1,200</u>	<u>6,000</u>
Total Income	\$ 875,197	\$ 907,629	\$ 877,079	\$ 928,111	\$ 715,608	\$ 708,288	\$ 798,120
Expenses							
Compensation & Benefits							
Salaries	320,339	336,522	284,692	344,060	311,024	277,980	264,000
Health Insurance	13,063	17,744	31,988	21,203	18,059	17,136	36,000
Housing & Retirement	38,700	38,760	47,670	47,764	47,808	47,808	67,200
Payroll Taxes	<u>20,343</u>	<u>21,522</u>	<u>17,651</u>	<u>26,190</u>	<u>16,118</u>	<u>18,000</u>	<u>18,000</u>
Total Compensation & Benefits	\$ 392,445	\$ 414,548	\$ 382,001	\$ 439,217	\$ 393,009	\$ 360,924	\$ 385,200
Occupancy Expense							
Amort, Depre, & Interest Exp	\$ 201,419	\$ 189,282	\$ 193,076	\$ 188,885	\$ 188,657	\$ 188,400	\$ 195,600
Property Maintenance	47,933	53,883	59,981	38,097	29,636	30,000	40,200
Utilities	36,347	32,613	34,426	34,805	23,299	24,000	24,200
Lease Expense Reimbursement	<u>(22,095)</u>	<u>(21,134)</u>	<u>(26,484)</u>	<u>(23,947)</u>	<u>(16,294)</u>	<u>(2,000)</u>	<u>0</u>
Total Occupancy Expense	\$ 263,604	\$ 254,644	\$ 260,999	\$ 237,840	\$ 225,298	\$ 240,400	\$ 260,000
General & Administrative							
Staff & Support Expenses	\$ 15,412	\$ 11,356	\$ 2,890	\$ 26,203	\$ 18,452	\$ 18,000	\$ 18,000
Finance, Insur, Legal Expense	10,341	8,264	11,246	42,364	27,282	27,600	24,740
Office & Facilities Expense	40,267	37,738	45,512	47,658	29,549	36,000	23,050
Marketing					4,638		6,480
Total General & Administrative	\$ 66,020	\$ 57,358	\$ 59,648	\$ 116,225	\$ 79,921	\$ 81,600	\$ 72,270
EPS Workshops Expense	\$ 7,386	\$ 6,049	\$ 9,025	\$ 18,473	\$ 105	\$ 3,360	
Events Expense	\$ 5,813	\$ 1,525	\$ 2,044	\$ 4,837	\$ 1,442	\$ 3,000	
Fundraising Expense	\$ -	\$ -	\$ -	\$ -	\$ 977	\$ -	\$ -
Ministries Expense							
Worship Ministry	\$ 11,036	\$ 8,447	\$ 11,144	\$ 9,350	\$ 6,392	\$ 8,750	\$ 3,900
Music Ministry	14,087	20,406	19,689	13,636	3,992	3,000	3,100
Youth Ministry	4,809	4,548	6,408	4,031	972	1,800	2,400
Bookstore Expenses	7,565	9,539	7,543	7,994	2,160	2,160	0
Earthcare Ministry					8,188	0	4,800
Miscellaneous Ministries	<u>3,990</u>	<u>1,270</u>	<u>0</u>	<u>360</u>	<u>792</u>	<u>600</u>	<u>1,320</u>
Total Ministries Expense	\$ 41,487	\$ 44,210	\$ 44,784	\$ 35,371	\$ 22,496	\$ 16,310	\$ 15,520
Tithes	\$ 87,520	\$ 90,763	\$ 87,825	\$ 92,811	\$ 71,560	70,829	79,806
Tithes Expensed Elsewhere					<u>(21,898)</u>	<u>(28,320)</u>	
Outgoing Tithes	\$ 87,520	\$ 90,763	\$ 87,825	\$ 92,811	\$ 49,662	\$ 42,509	\$ 79,806
Allocation To Internal Funds							
Transfer to Capital Reserves			\$ 42,324	\$ 42,324	\$ 42,324	\$ 42,324	\$ 42,324
Transfer to Benevolence Fund			<u>12,049</u>	<u>2,687</u>	<u>1,741</u>	<u>1,680</u>	<u>3,000</u>
Total Allocation to Internal Funds	\$ -	\$ -	\$ 54,373	\$ 45,011	\$ 44,065	\$ 44,004	\$ 45,324
Total Expenses	\$ 864,275	\$ 869,097	\$ 900,699	\$ 989,785	\$ 816,975	\$ 792,107	\$ 858,120
Net Income from Operations	\$ 10,922	\$ 38,532	\$ (23,620)	\$ (61,674)	\$ (101,367)	\$ (83,819)	\$ (60,000)
SBA Grant Income					\$ 87,000	\$ 77,702	\$ -
Target Net Income					\$ (14,367)	\$ (6,117)	\$ (60,000)
Cash Basis Adjustments							
Transfers to Reserves					\$ 42,324	\$ 42,324	\$ 42,324
Depreciation					\$ 132,277	\$ 142,000	\$ 144,000
Mortgage Principal Payments					\$ (53,378)	\$ (122,000)	\$ (115,200)
Adjusted Cash Basis Net Income					\$ 106,856	\$ 56,207	\$ 11,124