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OWASP Financial Narrative

Attached please find the financial package for OWASP US which represents financial performance for the month ended February 28th, 2023.

The financials ONLY consider the US activities through February 2023 YTD.

**Statement of Activities – Accrual Basis**

The following is a summary of the YTD Statement of Activities:

**Revenue:** On an accrual basis (EARNED Revenue), total revenue through February 2023, is $718,487 vs 2023 **DRAFT Budget** of $806,065 or $87,578 under **the DRAFT Budget** as of 2.28.23.

The reasons for this include:

* Actual, recognized Corp Membership at $54,833 is $20,167 UNDER of the YTD 2023 **DRAFT Budget** of $75,000.
* Actual recognized Individual Membership at $50,679 is $679 OVER the YTD 2023 **DRAFT Budget** of $50,000.
* Actual, recognized Project & Technology income at $21,979 is AHEAD of the YTD 2023 **DRAFT Budget** of $0 projected through February 2023.

**Amounts received in February include:**

* + $15,000 - OWASP 2022 MoD Security CRS Sponsorship
  + $1,111 - OWASP API Security Project
  + $500 – Mobile Security
* Actual recognized Donations/Grants of $5,834 are $12,333 UNDER the YTD budgeted amount of $18,167.

**Donations received in February include:**

* + $70.93 – Amazon Smile
  + $60.24 – Network for Good
  + $ 216.88 – Misc. donation
  + $2,000 – London Chapter donation
  + $2,400 – Orange County Chapter donation
* Actual recognized Event Income of $585,162 is $77,486 UNDER the YTD 2023 **DRAFT Budget** of $662,648.
  + Registrations for Dublin total $292,833 vs. planned total of $170,865.
  + Sponsorships & Training for Dublin total $292,329 vs. planned total of $491,783.
* Merch and Trademark income is right in-line with budget.

**Expenses:** On an accrual basis (INCURRED), total expenses through February 2023 were $513,958 as compared to the YTD 2023 **DRAFT Budget** of $724,962. The results are OWASP is $211,004 UNDER the **DRAFT** YTD 2023 budget for expenses.

The reasons for this Variance to YTD include:

* Project spend was $21,966 over budget due to reimbursement spend for CRS Developer Retreat.
* Events are **under budget** by $240,050 due to budgeted higher spend for Dublin than incurred (recorded into QuickBooks YTD) – breakdown:



* Chapters and Outreach were a combined $3,000 over budget.
* G&A is under budget by $5,826.
* All other depts were a combined over budget in spending by $9,878 – this is due to having no budget for fundraising and actuals of $11,695 for fundraising due to salary allocation.

**Net Income/Loss:** Net Profit (Loss) as of February 28th, 2023, is $204,529. The **DRAFT** budgeted net profit (loss) was $81,103. The actual net profit is larger than the **DRAFT** budget by $123,426. This is due to lower actuals for income in membership, donations and conference income but less conference spend for Dublin than projected. Net income is up from 1.31.22 (last year) by $211,342.

**Months of Operational Reserve**: The cash balance of $2,839,697 is $123,989 MORE than 1.31.23 and $1,381,789 more than the 2.28.22 balance, or a 95% increase in our cash balance YoY.

The cash reserve figure is a **fantastic** achievement and a testament to the OWASP Staff and the OWASP Community’s support of the Foundation. If we segregate the AP and assumed Project balance, we would have approximately $2,586,020 ($15,432 more than 1.31.23) or 13.8 months of reserve at the $187K of average monthly operating expenses and 10.4 months of reserve at the $248K of avg of all monthly expenses (this includes all the event expenses and is the same as 1.31.23 as the projected expenses in the **DRAFT** budget are higher than 2022).

The Non-Profit industry average months of Operational reserve is 6 months.

We should be mindful of our expenses – the current draft budget is projecting a loss for 2023, and though we have cash reserves to invest in operations, projects, or whatever deemed fit, we should try to keep additional travel costs at a minimum where possible. We still have not identified the two payments received without any indication of what the payments are for - $3,750 Wire from OWASP Foundation with no backup and $6,197.89 of Stripe payments with no identification of what the payment is for.

I will see you all next week for the Board call on March 28th.