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OWASP Financial Narrative

Attached please find the financial package for OWASP US which represents financial performance for the month ended April 30th, 2023.

The financials ONLY consider the US activities through April 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 April 2023, is $909,943 vs. 2023 **Approved Budget** of $1,015,983 or $106,039 under **the Approved Budget** as of 4.30.23.

The reasons for this include:

* Actual, recognized Corp Membership at $106,608 is $43,392 UNDER of the YTD 2023 **Approved Budget** of $150,000.
* Actual recognized Individual Membership at $99,000 is $1,000 UNDER the YTD 2023 **Approved Budget** of $100,000.
* Actual, recognized Project & Technology income at $30,927 is AHEAD of the YTD 2023 **Approved Budget** of $10,000 projected through April 2023.

**Amounts received in April include:**

* + $300 – Allocated from Corp funds to ZAP
  + $300 – Allocated from Corp funds to Top 10
  + $300 – Allocated from Corp funds to Devsecops Maturity Model
  + $10.77 – Stripe payment for ModSecurity
  + $555 – Stripe payment for JuiceShop
  + $100 – Stripe payment for Dependency Track
* Actual recognized Donations/Grants of $17,026 are $28,058 UNDER the YTD budgeted amount of $45,083.

**Donations received in April include:**

* + $500 – London Chapter donation
  + $338 – Stripe donations
  + $18.15 – UKOGF Donation
  + $300 – Allocated to Mexico Chapter
  + $300 – Allocated to Riviera Maya Chapter
  + $600 – Allocated to Bay Area Chapter
* Actual recognized Event Income of $656,251 is $52,647 UNDER the YTD 2023 **Approved Budget** of $708,898.
  + Registrations for Dublin total $292,833 vs. planned total of $145,865.
  + Sponsorships & Training for Dublin total $296,760 vs. planned total of $291,783.
  + Additional event income from SnowFroc totals $71,889.15.
* Merch and Trademark income is $1,500 UNDER the **Approved Budget**.

**Expenses:** On an accrual basis (INCURRED), total expenses through April 2023 were $1,485,730 as compared to the YTD 2023 **Approved Budget** of $999,513. The results are OWASP is $486,216 OVER the **Approved** YTD 2023 budget for expenses.

The reasons for this Variance to YTD include:

* Project spend was $4,081 over budget.
* Events are **over budget** by $552,707 – we are ~$21,972 under in expenses for Dublin vs. budget, however, the big jump in spending comes from recording and paying the Hyatt Regency final bill for San Francisco for a total of $518,638 in 2023.
* Chapters and Outreach were a combined $11,271 under budget.
* G&A is under budget by $49,958.
* All other depts were a combined over budget in spending by $20,657 – this is due to having no budget for fundraising and actuals of $23,756 for fundraising due to salary allocation.

**Net Income/Loss:** Net Profit (Loss) as of April 30th, 2023, is $(575,786). The **Approved** budgeted net profit (loss) was $16,470. The actual net loss is under the **Approved** budget by $592,256. This is due to the bill from Global AppSec San Francisco being entered in March. Net income is down from 4.30.22 (last year) by $525,963.

**Months of Operational Reserve**: The cash balance of $2,252,170 is $15,025 MORE than 3.31.23 and $742,315 more than the 4.30.22 balance, or a 49% increase in our cash balance YoY.

If we segregate the AP and assumed Project balance, we would have approximately $ 2,031,466 ($21,164 less than 3.31.23) or 10.8 months of reserve at the $187K of average monthly operating expenses and 8.1 months of reserve at the $248K of avg of all monthly expenses (this includes all the event expenses).

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

We should be mindful of our expenses – the current Approved 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. You will also notice I have added three tabs in the financial package to better explain several balances on the balance sheet:

* Suspense payments
* Undeposited funds
* Refunds Payable

Please review and let us know if any reclassifications are necessary. I will see you all next week for the Board call on May 23rd.