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OWASP Financial Narrative

Attached please find the financial package for OWASP US which represents financial performance for the month ended July 31st, 2023.

The financials ONLY consider the US activities through July 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 July 2023, is $1,282,041 vs. 2023 **Approved Budget** of $1,539,609 or $257,568 under **the Approved Budget** as of 7.31.23.

The reasons for this include:

* Actual, recognized Corp Membership at $167,331 is $95,169 UNDER the YTD 2023 **Approved Budget** of $262,500.
* Actual recognized Individual Membership at $174,235 is $765 UNDER the YTD 2023 **Approved Budget** of $175,000.
* Actual, recognized Project & Technology income at $62,947 is AHEAD of the YTD 2023 **Approved Budget** of $52,500 projected through July 2023.
* Actual recognized Donations/Grants of $20,653 are $42,930 UNDER the YTD budgeted amount of $63,583.

**Donations received in July include:**

* + $29.06 – UKOGF Donation
  + $1,250 – CREST Q2 payout
  + $25 – Amer online
  + $165.76 – Stripe donation unspecified for specific chapter/project
  + $99.71 – Stripe deposit from Cause Works
  + $35.07 – PayPal donations
* Actual recognized Event Income of $856,743 is $125,405 UNDER the YTD 2023 **Approved Budget** of $982,148.
  + Registrations for Dublin total $292,833 vs. planned total of $145,865.
  + Sponsorships & Training for Dublin total $292,328 vs. planned total of $291,783.
  + Additional event income from SnowFroc totals $71,889.15.
  + German Day event income totals $23,557 for sponsorships and $934 for registrations.
  + AppSec Israel event income totals $119,040 for sponsorships vs. budget of $227,000.
  + BASC event income totals $17,000 for sponsorships.
  + AppSec PNW event income totals $25,740.
  + Virtual Training Day event income totals $13,130.
  + 2023 New Zealand Day event income totals $1000.
  + 2023 Poland Day event income totals $61.09 YTD.
* Merch and Trademark income is $2,871 UNDER the **Approved Budget**.

**Expenses:** On an accrual basis (INCURRED), total expenses through July 2023 were $1,535,778 as compared to the YTD 2023 **Approved Budget** of $1,643,528. The results are OWASP is $107,750 UNDER the **Approved** YTD 2023 budget for expenses.

The reasons for this Variance to YTD include:

* Project spend was $6,311 under budget.
* Events are **over budget** by $12,693.
  + Event expenses recorded in July total:
    - $469.71 additional spend for AppSec San Francisco - Konik & Company shipping charges
    - $1,010 vs. $0 budgeted spend for Virtual Training Day.
    - $774.18 additional spend for Dublin
    - $200 payment for LASCON Texas Franchise Tax.
    - $685 additional spend for German Day.
* Chapters and Outreach were a combined $28,597 under budget.
* G&A is under budget by $118,478.
* All other depts were a combined over budget in spending by $32,943 – this is due to having no budget for fundraising and actuals of $40,270 for fundraising due to salary allocation.

**Net Income/Loss:** Net Profit (Loss) as of July 31st, 2023, is $(253,737). The **Approved** budgeted net profit (loss) was $(103,919). The actual net loss is over the **Approved** budget by $149,818. This is due to conference income being ~$125K less than budget as well as membership income being ~$97K less than budget, however, total expenses are ~$108K less than budget, offsetting the difference in actual vs. projected net income. Net income is down from 7.31.22 (last year) by $373,622.

**Months of Operational Reserve**: The cash balance of $2,275,543 is $159,750 MORE than 6.30.23 and $456,360 more than the 7.31.22 balance, or a 25% increase in our cash balance YoY.

If we segregate the AP and assumed Project balance, we would have approximately $2,061,891 or 11 months of reserve at the $187K of average monthly operating expenses and 8.3 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 August 22nd.