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OWASP Financial Narrative

Attached please find the financial package for OWASP US which represents financial performance for the second month of 2022 ended February 28th.

As we will be starting the dissolution process for OWASP VZW and incorporating as a Foundation in the Netherlands (most likely in Q2, 2022), the financials ONLY consider the US activities for February 2022 and 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 2022, is $179,314 vs 2022 Budget of $115,000 or $64,314 ahead of Budget as of 2.28.22

The reasons for this include:

* Actual, recognized Corp Membership at $81,150 was $39,483 ahead of the YTD 2022 Budget of $41,667
* Actual recognized Individual Membership at $45,543 was $4,457 UNDER the YTD 2022 Budget of $50,000
* Actual recognized Donations, YTD of $7,279 was $6,054, below the YTD budgeted amount of $13,333
* YTD Event income of $45,200 was $35,200 above the YTD budget of $10,000
* Merch income of $142 vs $0 budget YTD

**Expenses:** On an accrual basis, total expenses through February 2022, were $183,305 as compared to an approved YTD budget of $200,859. The results are OWASP is $17,554 UNDER the approved YTD 2022 budgeted expenses of $200,859.

The reasons for this Variance to YTD include:

* All depts except for Events, which was over budget by $4,045 ( though Event Income was over budget by $35,200) is due to timing of actual vs the budget

**Net Income/Loss:** Net Profit (Loss) as of February, 2022, is $-3,991. The approved budgeted net profit (loss) was Negative -$85,859. The actual net profit is better than budget by $81,868 due to underspending and exceeding the Revenue budget YTD 2022.

**Months of Operational Reserve**: With a cash balance of $ 1,459,836 was $29,074 less than 1.31.22 and $460,043 more than the 2.28.21 amount or a 46% increase in our cash balance in a very challenging Pandemic year is a fantastic achievement and a testament to the OWASP Staff. If we segregate the AP and assumed Proj bal we would have approximately $1,238,353 of operating Cash or 10.2 months of reserve at the $121,000 of avg monthly Operating expenses and 6.9 months of reserve at the $180K of avg of all monthly expenses (this includes all the event expenses). Again, a very good metric as the Non-Profit industry avg months of Operational reserve is 6 months.