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OWASP Financial Narrative

Attached please find the financial package for OWASP US which represents financial performance for the sixth months of 2022 ended June 30th, 2022.

Regarding the Dissolution process for VZW, we have received and approved the proposal for the incorporation of a Foundation in the Netherlands and hope to have that begin in the next month or so. The financials ONLY consider the US activities through June 2022 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 June 2022, is $809,459 vs 2022 Budget of $792,000 or $17,459 ahead of Budget as of 6.30.22 (excluding the “grant” that has not arrived actual revenue is $117,459 ahead of Budget thru 6.30.22)

The reasons for this include:

* Actual, recognized Corp Membership at $268,067 was $143,067 AHEAD of the YTD 2022 Budget of $125,000
* Actual recognized Individual Membership at $138,496 was $11,504 UNDER the YTD 2022 Budget of $150,000
* Actual recognized Donations, YTD of $21,930 was $118,070, UNDER the YTD budgeted amount of $140,000 (however $100,000 of the shortfall is due to the budgeted/estimated Grant that has not occurred as of 6.30.22, so actual donations are $18,070 underbudget through 6.30.22)
* YTD Event income of $379,567 was $24,567 AHEAD of the YTD budget of $355,000
* Merch and Trademark income is UNDER Budget by $20,601, combined, YTD

**Expenses:** On an accrual basis, total expenses through June 2022, were $651,543 as compared to an approved YTD budget of $845,866. The results are OWASP is $194,323 UNDER the approved YTD 2022 budget for expenses (though excluding the budgeted expenses associated with the “grant” in the 2022 Budget actual expenses are only $94,323 below budget thru 6.30.22).

The reasons for this Variance to YTD include:

* Projects were $119,486 under budget (excluding the $90,000 for the estimated “grant” expenses that have not occurred, actual underspending in Projects is only $29,486)
* Events leveled off and were only $1,484 over budget through 6.30.22
* Chapters and Outreach were a combined $46,929 under budget due primarily to underspending by Chapters of $16,794 and underspending in Marketing by $9,000
* All other depts were $29,392 under budget ($22,000 of this was budgeted EU expenses that have not occurred)

**Net Income/Loss:** Net Profit (Loss) as of June 30th, 2022, is $157,917. The approved budgeted net profit (loss) was Negative -$53,866. The actual net profit is AHEAD of budget by $211,782 due to underspending in certain areas and exceeding the Revenue budget YTD 2022, again in certain revenue categories as noted above.

**Months of Operational Reserve**: With a cash balance of $ 1,688,990 was $59,398 MORE than 5.31.22 and $621,269 more than the 6.30.21 balance or a 58.2% increase in our cash balance in a continually challenging Pandemic year 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 Proj bal we would have approximately $1,487,655 ($91,277 more than 5.31.22) of operating Cash or 12.3 months of reserve at the $121,000 of avg monthly Operating expenses (one more month than 5.31.22) and 8 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.