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OWASP Financial Narrative

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

The financials ONLY consider the US activities through March 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 March 2023, is $865,631 vs 2023 **Approved Budget** of $934,274 or $68,643 under **the Approved Budget** as of 3.31.23.

The reasons for this include:

* Actual, recognized Corp Membership at $82,158 is $30,342 UNDER of the YTD 2023 **Approved Budget** of $112,500.
* Actual recognized Individual Membership at $80,311 is $5,311 OVER the YTD 2023 **Approved Budget** of $75,000.
* Actual, recognized Project & Technology income at $29,361 is AHEAD of the YTD 2023 **Approved Budget** of $10,000 projected through March 2023.

**Amounts received in March include:**

* + $300 – Allocated from Corp funds to Mobile Security
  + $800 - Allocated from Corp funds to Top 10
  + $200 – Allocated from Corp funds to API Security
* Actual recognized Donations/Grants of $17,470 are $18,530 UNDER the YTD budgeted amount of $36,000.

**Donations received in March include:**

* + $55.89 – Mass Pay from Leanpub
  + $34.76 – Brightfunds Donation
  + $26.55 – UKOGF Donation
  + $38.92 – Brightfunds Donation
  + $232.14 – Stripe Donations
* Actual recognized Event Income of $656,251 is $42,647 UNDER the YTD 2023 **Approved Budget** of $698,898.
  + Registrations for Dublin total $292,833 vs. planned total of $145,865.
  + Sponsorships & Training for Dublin total $292,329 vs. planned total of $291,783
  + Additional event income from SnowFroc totals $71,089.15
* Merch and Trademark income is $1,500 UNDER the **Approved Budget**.

**Expenses:** On an accrual basis (INCURRED), total expenses through March 2023 were $1,215,343 as compared to the YTD 2023 **Approved Budget** of $880,071. The results are OWASP is $335,272 OVER the **Approved** YTD 2023 budget for expenses.

The reasons for this Variance to YTD include:

* Project spend was $5,150 over budget.
* Events are **over budget** by $333,406 – we are under in expenses for Dublin vs. budget, however, the big jump in spending comes from recording the Hyatt Regency final bill for San Francisco for a total of $518,638.
* Chapters and Outreach were a combined $3,300 over budget.
* G&A is under budget by $20,659.
* All other depts were a combined over budget in spending by $14,071 – this is due to having no budget for fundraising and actuals of $17,239 for fundraising due to salary allocation.

**Net Income/Loss:** Net Profit (Loss) as of March 31st, 2023, is $(349,712). The **Approved** budgeted net profit (loss) was $54,203. The actual net loss is under the **Approved** budget by $403,915. This is due to the bill from Global AppSec San Francisco being entered in March. Net income is down from 3.31.22 (last year) by $297,808.

**Months of Operational Reserve**: The cash balance of $2,237,145 is $602,552 LESS than 2.28.23 and $786,142 more than the 3.31.22 balance, or a 54% increase in our cash balance YoY.

If we segregate the AP and assumed Project balance, we would have approximately $2,052,630 ($533,390 less than 2.28.23) or 10.9 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.

I will see you all next week for the Board call on April 18th.