

OWASP Financial Narrative

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

The financials ONLY consider the US activities through May 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 May 2023, is $1,162,903 vs. 2023 **Approved Budget** of $1,334,692 or $171,789 under **the Approved Budget** as of 5.31.23.

The reasons for this include:

* Actual, recognized Corp Membership at $128,222 is $59,278 UNDER of the YTD 2023 **Approved Budget** of $187,500.
* Actual recognized Individual Membership at $122,747 is $2,253 UNDER the YTD 2023 **Approved Budget** of $125,000.
* Actual, recognized Project & Technology income at $57,452 is AHEAD of the YTD 2023 **Approved Budget** of $28,750 projected through May 2023.

**Amounts received in May include:**

* + $24,000 – OWASP 2023 CRS Project Gold Sponsor
	+ $500 – Allocated from Corp funds to Defect Dojo Project
	+ $2,000 – Stripe payment for Mobile Security
	+ $25 – Stripe payment for App Security Verifi
* Actual recognized Donations/Grants of $21,368 are $24,048 UNDER the YTD budgeted amount of $45,417.

**Donations received in May include:**

* + $61.09 – Donation from Katarzyna Stalmach for Poland chapter
	+ $1,200 – Stripe donation for Orange County Chapter
	+ $25.88 – Amazon Smile Donation
	+ $2,732 – Crest Q4 2022 and Q1 2023
	+ $100 – Blackbaud Giving Fund Donation
	+ $88.99 – Donation from Amazon Smile
	+ $3.65 – Bright Funds Donation
	+ $131.02 – Stripe donations – unspecified for specific chapter/project
* Actual recognized Event Income of $832,983 is $112,915 UNDER the YTD 2023 **Approved Budget** of $945,898.
	+ Registrations for Dublin total $295,539 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.
	+ German Day event income totals $23,557 for sponsorships and $718 for registrations.
	+ AppSec Israel event income totals $132,900 for sponsorships vs. budget of $227,000.
	+ BASC event income totals $17,000 for sponsorships.
* Merch and Trademark income is $1,371 UNDER the **Approved Budget**.

**Expenses:** On an accrual basis (INCURRED), total expenses through May 2023 were $1,328,926 as compared to the YTD 2023 **Approved Budget** of $1,357,977. The results are OWASP is $29,051 UNDER the **Approved** YTD 2023 budget for expenses.

***Note:*** The conference expense bill for San Francisco of ~$500K has been moved to match expense with 2022 earned conference income.

The reasons for this Variance to YTD include:

* Project spend was $13,428 over budget.
* Events are **over budget** by $53,628.
	+ Event expenses recorded in May total:
		- $175,418 for AppSec Israel vs. budget of $201,522.
		- $43,928 for German Day vs. $0 budgeted spent.
		- $146 for BASC vs. $0 budgeted spend.
		- $5,369 for RSA Board Travel expense.
		- $22,235 additional spend for Dublin.
* Chapters and Outreach were a combined $12,894 under budget.
* G&A is under budget by $108,167.
* All other depts were a combined over budget in spending by $24,955 – this is due to having no budget for fundraising and actuals of $29,343 for fundraising due to salary allocation.

**Net Income/Loss:** Net Profit (Loss) as of May 31st, 2023, is $(166,024). The **Approved** budgeted net profit (loss) was $(23,286). The actual net loss is over the **Approved** budget by $142,738. This is due to conference income being ~$113K less than budget as well as membership income being ~$62K less than budget, however, total expenses are ~$29K less than budget, offsetting the difference in actual vs. projected net income. Net income is down from 5.31.22 (last year) by $90,669.

**Months of Operational Reserve**: The cash balance of $2,167,317 is $84,852 LESS than 4.30.23 and $537,094 more than the 5.31.22 balance, or a 33% increase in our cash balance YoY.

If we segregate the AP and assumed Project balance, we would have approximately $1,860,170 ($171,296 less than 4.30.23) or 9.9 months of reserve at the $187K of average monthly operating expenses and 7.5 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 June 27th.