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OWASP Financial Narrative

Attached please find the financial package for OWASP US which represents financial performance for the third month of 2022 ended March 31st 2022, Q1 2022.

We have started 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 March 2022, is $248,190 vs 2022 Budget of $201,000 or $47,490 ahead of Budget as of 3.31.22

The reasons for this include:

* Actual, recognized Corp Membership at $115,901 was $53,401 ahead of the YTD 2022 Budget of $62,500
* Actual recognized Individual Membership at $68,958 was $6,042 UNDER the YTD 2022 Budget of $75,000
* Actual recognized Donations, YTD of $8,012 was $11,988, below the YTD budgeted amount of $20,000
* YTD Event income of $55,415 was $22,915 above the YTD budget of $32,500
* Merch income of $204 vs $0 budget YTD

**Expenses:** On an accrual basis, total expenses through March 2022, were $298,828 as compared to an approved YTD budget of $338,683. The results are OWASP is $39,855 UNDER the approved YTD 2022 budgeted expenses.

The reasons for this Variance to YTD include:

* Chapters, Projects and G&A were a combined $52,238 under budget with Events and Outreach being over budget by a combined $13,297
* All other depts were $6,617 under budget

**Net Income/Loss:** Net Profit (Loss) as of March 31st, 2022, is -$50,338. The approved budgeted net profit (loss) was Negative -$137,683. The actual net profit is better than budget by $87,345 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 $ 1,450,371 was -$9,465 less than 2.28.22 and $30,364 more than the 3.31.21 balance or a 42% increase in our cash balance in a continuing 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 $1,251,715 of operating Cash or 10.3 months of reserve at the $121,000 of avg monthly Operating expenses and 7 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.