

OWASP Financial Narrative

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

We have started the dissolution process for OWASP VZW and incorporating as a Foundation in the Netherlands (most likely in Q3, 2022), the financials ONLY consider the US activities through May 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 May 2022, is $441,749 vs 2022 Budget of $406,000 or $35,749 ahead of Budget as of 5.31.22 (excluding the “grant” that has not arrived actual revenue is $135,748 ahead of Budget thru 5.31.22)

The reasons for this include:

* Actual, recognized Corp Membership at $217,359 was $113,192 AHEAD of the YTD 2022 Budget of $104,167
* Actual recognized Individual Membership at $117,655 was $7,345 UNDER the YTD 2022 Budget of $125,000
* Actual recognized Donations, YTD of $11,309 was $122,024, UNDER the YTD budgeted amount of $133,333 (however $100,000 of the shortfall is due to the budgeted/estimated Grant that has not occurred as of 5.31.22)
* YTD Event income of $95,097 was $62,597 AHEAD of the YTD budget of $32,500
* Merch and Trademark income is UNDER Budget by $11,000, combined, YTD

**Expenses:** On an accrual basis, total expenses through May 2022, were $496,755 as compared to an approved YTD budget of $647,542. The results are OWASP is $150,787 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 $60,787 below budget thru 5.31.22).

The reasons for this Variance to YTD include:

* Chapters and Projects were a combined $144,622 under budget (excluding the $90,000 for the estimated “grant” expenses that have not occurred, actual underspending in Projects and Chapters is only $54,622)
* Events are over budget by $11,691 due to A) Benelux expenses, an event that was not in the 2022 Budget (though revenue for Benelux was $18,352 or showed net income of $10,700). B) Career Fair expenses were $2,775 over budget and C) the March training was $826 over budget in expenses
* All other depts were $23,644 under budget

**Net Income/Loss:** Net Profit (Loss) as of May 31st, 2022, is -$67,866. The approved budgeted net profit (loss) was Negative -$241,542. The actual net profit is AHEAD of budget by $173,676 ( $45,204 better than April 2022) 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 $ 1,629,592 was $12,368 MORE than 4.30.22 and $648,105 more than the 5.31.21 balance or a 66.03% 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. If we segregate the AP and assumed Proj bal we would have approximately $1,396,378 ($125,014 more than 4.30.22) of operating Cash or 11.5 months of reserve at the $121,000 of avg monthly Operating expenses (one more month than 4.30.22) 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.