

Subject: February – April 2025 Financial Status and Actions

From: Bowman Kell, Treasurer 2025
To: Board of Trustees, Unity of Fairfax 2025
Date: Presented July 22, 2025

1. Executive Summary for February through April 2025

- a. Due to staff turnover, our financial reporting was significantly disrupted and necessitated reconstruction of financials by our CPAs and Treasurer.
- b. Love offerings and Total Revenue trending down over 2024 creating shortfall. Ministry Fund and Operating Reserves nearing depletion.
- c. One-time extraordinary income from Employee Retention Credit (ERC) and Bequest were truly gifts from Spirit and greatly needed to cover operating expenses.
- d. If May and June trends continue, it appears extra income has been consumed in the first half of the year.
- e. Board needs to focus on a plan to reach out to congregants to share current state needs, fundraising and our prosperity beliefs.

2. Income Highlights

Type	Comments	Month			YTD Budget Variance
		Feb	Mar	Apr	
Love Offerings	Lower than expected; Mar included bequest	\$ 25,735	\$ 35,512	\$ 31,323	\$ (39,418)
Rentals	Short term rentals up	\$ 17,273	\$ 14,485	\$ 18,386	\$ 4,303
Fundraising	12 for 12 anniversary less than target More Fundraisers planned later in year			\$ 5,521	\$ (12,145)
All Other	ERC received Feb UWM contest and laptop sale Apr	\$ 27,956		\$ 1,000	\$ 36,000

3. Expense Highlights: (parenthesis indicates lower expenses)

Type	Comments	Month			YTD Budget Variance
		Feb	Mar	Apr	
Compensation & Benefits	1 new FTE added	\$ 35,062	\$ 34,028	\$ 34,353	\$ (7,385)
Occupancy	Gas and snow removal up (cold winter)	\$ 20,569	\$ 19,976	\$ 19,793	\$ 2,815
Gen & Admin	Board Retreat & Online subscriptions up	\$ 9,354	\$ 4,995	\$ 5,110	\$ 2,439
Ministry	Aligned with budget	\$ 1,197	\$ 1,901	\$ 2,266	\$ (1,284)
Tithes	Feb larger due to ERC income	\$ 7,143	\$ 5,698	\$ 5,632	\$ (1,136)

4. Operating Summary trends:

	Jul 21 2025	Apr 30 2025	Jan 31 2025	Dec 31 2024
Cash	\$ 20,751	\$ 44,966	\$ 21,887	\$ 25,586
Reserves (Capital & Operating)	\$ 33,856	\$ 54,493	\$ 88,908	\$ 57,548
Investment Fund (Vanguard)	\$ 115,299 6/30	\$ 116,661 3/31		\$ 119,908
Restricted Funds	\$ 12,160	\$ 13,706	\$ 10,205	\$ 12,627

5. Motions:

A. Transfer motion recommendation for Board

Background and rationale: In 2017 and 2018, the Boards of Trustees refinanced the building mortgage, saving \$3,527 per month (\$42,324 annually). In 2018, the Board began transferring \$3,527 monthly from the Ministry Fund to the Capital Reserve or Operating Reserve Fund as a savings cushion. In the financially lean times during COVID, Boards regularly approved moving funds back from Capital or Operating Funds to the Ministry Fund to cover financial shortfall. The 2024 Treasurer and Finance Director reviewed this practice with CPAs, who suggested amending it due to the frequent need to transfer funds back to Ministry Fund. In 2025, a change in practice was discussed with the Finance Committee.

Motion A: Effective immediately, the Finance Committee recommends the monthly \$3527 automatic transfer to Operating or Capital Reserves be stopped while the budget and cash flow needs remain under stress. In the interim, they suggest the Senior Minister, Treasurer and Bookkeeper discern what is reasonable to transfer into Operating and/or Capital Reserves. Every quarter, the Finance Committee will continue to assess and discuss targets for growing Operating and Capital Reserves with the intent to create a savings cushion for future capital expenditures.

B. Emergency Cash Flow Plan

Background and rationale: Unity's timely financial management information has been disrupted due to turnover of church accountant while the Treasurer and Senior Minister have worked hands-on with our CPAs to painstakingly reconstruct the February, March and April financials. While we experienced one-off extraordinary income (Employee Retention Credits and Bequest) early in the year, at the same time our core Love Offerings were significantly lower than expected and masked by delayed financials. We suspect love offerings are impacted by congregant anxiety and uncertainty with current economic and political volatility (particularly as the VA/DC/MD area has been especially affected). In addition, there is an urgent need to replace our obsolete Fire Alarm Control Panel System. Bids received range from \$26,000 to \$66,000.

The Ministry Fund and Operating Reserves Fund have been depleted to a point where the Finance Committee recommends the Board approve emergency transfers from the Capital Reserve and Investment Funds to cover operating expenses.

Motion B: The Finance Committee recommends the Board authorize the Senior Minister, Treasurer and Bookkeeper initiate emergency transfers from the Unity of Fairfax Investment Fund and Capital Reserve Fund to the Ministry Fund and/or Operating Reserves Fund between monthly Board meetings, if needed not to exceed \$20,000 monthly. This will ensure our upcoming operating expenses and capital expenditures (such as replacing the Fire Alarm System) can be executed. The Finance Committee also recommends the Board share with the congregation their plan to address the shortfall, imminent capital expenditures and fundraising through the August 3 Community Dialogue, Board Newsletter, and congregant calls.

6. Financial Reports attached:

- A. Statement of Financial Position – Balance Sheet
- B. Budget vs. Actual Variance Report – Ministry Fund
- C. Statement of Activity by Fund

Unity of Fairfax			
Statement of Financial Position			
As of April 30, 2025			
	30-Apr-25	31-Dec-24	\$ Change
ASSETS			
Current Assets			
Bank Accounts			
Unrestricted cash	\$ 39,583	\$ 25,586	\$ 13,997
Reserve Cash			\$ -
Security Deposits	\$ 27,599	\$ 27,240	\$ 360
Capital Reserve	\$ 20,851	\$ 20,841	\$ 10
Operating Reserve	\$ 33,645	\$ 36,707	\$ (3,062)
Total Reserve Cash	\$ 82,096	\$ 84,788	\$ (2,692)
Restricted Cash			\$ -
Benevolence Fund	\$ 3,571	\$ 3,571	\$ -
Secular Fund	\$ 8,706	\$ 7,627	\$ 1,079
Sacred Grounds	\$ 1,429	\$ 1,429	\$ -
Total Restricted Cash	\$ 13,706	\$ 12,627	\$ 1,079
Total Bank Accounts	\$ 135,384	\$ 123,000	\$ 12,384
Total Other Current Assets	\$ 10,961	\$ 18,130	\$ (7,169)
Total Current Assets	\$ 146,345	\$ 141,131	\$ 5,214
Fixed Assets			
Fixed Assets			\$ -
Land	\$ 419,328	\$ 419,328	\$ -
Building and Grounds	\$ 4,188,854	\$ 4,188,854	\$ -
Equipment	\$ 71,890	\$ 71,290	\$ 600
Furniture, Fixtures, Software	\$ 144,776	\$ 144,776	\$ -
Accumulated Depreciation	\$ (2,492,859)	\$ (2,448,174)	\$ (44,684)
Total Fixed Assets	\$ 2,331,989	\$ 2,376,074	\$ (44,084)
Other Assets			
Unity of Fairfax Investment Fund	\$ 116,661	\$ 119,908	\$ (3,247)
TOTAL ASSETS	\$ 2,594,995	\$ 2,637,113	\$ (42,117)
LIABILITIES AND EQUITY			
Liabilities			
Total Current Liabilities	\$ 42,886	\$ 41,257	\$ 1,629
Long-Term Liabilities			
2701 Hunter Mill Montessori Escrow	\$ 25,000	\$ 25,000	\$ -
2703 Committee For Helping Others Escrow	\$ 2,000	\$ 2,000	\$ -
Total 2800 Mortgage Payable	\$ 773,445	\$ 833,447	\$ (60,001)
Total Long-Term Liabilities	\$ 800,445	\$ 860,447	\$ (60,001)
Total Liabilities	\$ 843,331	\$ 901,703	\$ (58,373)
Equity			
3000 Net Assets	\$ 1,677,784	\$ 1,677,784	\$ -
3400 Gain/Loss on Disposal	\$ 1,179	\$ 1,179	\$ -
3500 Unrealized Gain/Loss on Investments	\$ 53,200	\$ 56,447	\$ (3,247)
Net Revenue	\$ 19,503		\$ 19,503
Total Equity	\$ 1,751,664	\$ 1,735,409	\$ 16,255
TOTAL LIABILITIES AND EQUITY	\$ 2,594,995	\$ 2,637,113	\$ (42,117)

Unity of Fairfax Budget vs. Actuals MINISTRY Fund YTD through April 2025	Actual YTD April 2025	Budget YTD April 2025	Variance to Budget	Actual YTD 2024 Jan - Apr	Variance 2024 vs. 2025
Revenue					
LOVE OFFERING INCOME					
MidWeek Credit Card	\$ 11,015	\$ 12,187	\$ (1,172)	\$ 12,490	\$ (1,475)
MidWeek EFT	\$ 26,748	\$ 29,368	\$ (2,620)	\$ 29,361	\$ (2,613)
MidWeek BillPay	\$ 1,612	\$ 3,760	\$ (2,148)	\$ 3,267	\$ (1,655)
MidWeek Snail Mail	\$ 33,731	\$ 53,371	\$ (19,641)	\$ 49,159	\$ (15,428)
MidWeek STRIPE	\$ 27,691	\$ 25,510	\$ 2,181	\$ 25,599	\$ 2,092
Sunday Offering	\$ 17,316	\$ 25,740	\$ (8,424)	\$ 19,697	\$ (2,381)
Sunday Cash Offering	\$ 1,222	\$ 1,910	\$ (688)	\$ 2,164	\$ (942)
MidWeek Giving Tuesday	\$ -	\$ 5,000	\$ (5,000)		
MidWeek Bequest	\$ 18,093	\$ 20,000	\$ (1,907)		\$ 18,093
Total LOVE OFFERING INCOME	\$ 137,428	\$ 176,846	\$ (39,418)	\$ 141,737	\$ (4,309)
EPS INCOME	\$ 3,053	\$ 1,232	\$ 1,821	\$ 1,625	\$ 1,429
EVENTS INCOME	\$ -	\$ 1,217	\$ (1,217)		
FUNDRAISING INCOME	\$ 5,521	\$ 17,667	\$ (12,145)	\$ 2,844	\$ 2,677
SHORT TERM RENTAL INCOME	\$ 21,480	\$ 16,733	\$ 4,746	\$ 8,510	\$ 12,970
LONG TERM RENTAL INCOME	\$ 44,292	\$ 44,735	\$ (443)	\$ 43,000	\$ 1,292
BOOKSTORE SALES	\$ 917	\$ 1,600	\$ (683)	\$ 997	\$ (79)
OTHER INCOME	\$ -	\$ -	\$ -		\$ -
Grant Income	\$ 10,000	\$ 3,333	\$ 6,667		\$ 10,000
Miscellaneous	\$ 28,956	\$ -	\$ 28,956	\$ 9	\$ 28,948
Total OTHER INCOME	\$ 39,502	\$ 3,503	\$ 36,000	\$ 104	\$ 39,384
Total Revenue	\$ 252,194	\$ 263,533	\$ (11,340)	\$ 198,815	\$ 53,363
Expenditures					
COMPENSATION & BENEFITS	\$ 136,432	\$ 143,817	\$ (7,385)	\$ 111,394	\$ 25,039
OCCUPANCY EXPENSE	\$ 81,325	\$ 78,510	\$ 2,815	\$ 75,992	\$ 5,333
GENERAL & ADMINISTRATIVE	\$ 24,786	\$ 22,346	\$ 2,439	\$ 15,646	\$ 9,397
EPS WORKSHOPS	\$ -	\$ 267	\$ (267)		
EVENTS	\$ -	\$ 1,481	\$ (1,481)	\$ 38	\$ (38)
FUNDRAISING EXPENSE	\$ -	\$ 768	\$ (768)		
MINISTRIES EXPENSE					\$ -
Worship Ministry	\$ 3,211	\$ 3,938	\$ (727)	\$ 3,063	\$ 236
Music	\$ 1,717	\$ 1,866	\$ (149)	\$ 2,203	\$ (486)
Youth	\$ 2,090	\$ 1,709	\$ 381	\$ 1,492	\$ 598
Bookstore Expenses	\$ 382	\$ 1,026	\$ (644)	\$ 404	\$ (22)
Earth Care	\$ 1,239	\$ 1,333	\$ (95)		\$ 1,239
Total MINISTRIES EXPENSE	\$ 8,639	\$ 9,923	\$ (1,284)	\$ 7,162	\$ 1,565
OUTGOING TITHES	\$ 25,217	\$ 26,353	\$ (1,136)	\$ 19,880	\$ 5,337
INTERNAL ALLOCATIONS	\$ -	\$ -	\$ -		\$ -
Transfer to Operating Reserves	\$ 14,108	\$ 14,108	\$ -	\$ 14,108	\$ -
Transfer to Benevolence Fund				\$ 162	\$ (162)
Uncategorized Expense	\$ 432				\$ 432
Total Expenditures	\$ 290,939	\$ 297,574	\$ (6,635)	\$ 244,381	\$ 46,902
Net Revenue	\$ (38,745)	\$ (34,041)	\$ (4,704)	\$ (45,566)	\$ 6,462

Unity of Fairfax Statement of Activity by Fund January - April 2025	Ministry Fund	Capital Reserve	Operating Reserve	UoF Investment Fund	Sacred Grounds	Benevolence Fund	Secular Fund	TOTAL
Revenue								
LOVE OFFERING INCOME	\$ 133,928							\$ 133,928
EPS INCOME	\$ 3,053							\$ 3,053
FUNDRAISING INCOME	\$ 5,521							\$ 5,521
SHORT TERM RENTAL INCOME	\$ 21,480							\$ 21,480
LONG TERM RENTAL INCOME	\$ 44,292							\$ 44,292
BOOKSTORE SALES	\$ 917							\$ 917
OTHER INCOME								\$ -
Grant Income	\$ 10,000						\$ 3,500	\$ 13,500
Miscellaneous	\$ 28,956		\$ 47,835					\$ 76,792
Total Revenue	\$ 248,679	\$ 15	\$ 47,835				\$ 3,500	\$ 300,029
Expenditures								
COMPENSATION & BENEFITS	\$ 136,432							\$ 136,432
OCCUPANCY EXPENSE	\$ 81,325							\$ 81,325
GENERAL & ADMINISTRATIVE	\$ 25,042					\$ 2,616	\$ 735	\$ 28,394
MINISTRIES EXPENSE	\$ 8,726							\$ 8,726
OUTGOING TITHES	\$ 25,217							\$ 25,217
INTERNAL ALLOCATIONS	\$ 14,108		\$(14,108)					\$ -
Uncategorized Expense	\$ 432							\$ 432
Total Expenditures	\$ 291,283		\$(14,108)			\$ 2,616	\$ 735	\$ 280,526
Net Revenue	\$ (42,604)	\$ 15	\$ 61,943			\$ (2,616)	\$ 2,765	\$ 19,503