

December 8, 2017

To the Rolling Hill Church family,

Re: Fiscal year 1<sup>st</sup> quarter budget update

The fiscal 1<sup>st</sup> quarter ended September 30. To review, we budgeted \$730,000 for general giving this year and \$78,000 of missions giving. The budget to actual giving for the first quarter was as follows:

	1st Quarter Budget	1st Quarter Actual	1st Quarter Shortfall
General Giving	182,500	126,716	(55,784)
Mission Giving	19,000	11,700	(7,300)

Due to some belt tightening and deferred expenditures, the impact on unrestricted cash was not quite as bad. As reported in our budget presentation (enclosed), our unrestricted cash was ~\$477,000 on July 11. As of October 2, unrestricted cash was ~\$434,000 for a decrease in cash of ~\$43,000 over the quarter. Cash restricted to Missions decreased ~\$8,000 to a balance of ~\$120,000 as of October 2.

For the first fiscal quarter, costs and expenses were in line with budget and expectations. As noted above, expenditures for the first quarter were actually less as a whole than expected. So the remaining discussion of the 1<sup>st</sup> quarter financial update will relate to giving.

Now, you might be guessing that the fiscal quarter that starts in the middle of summer might not be the best giving quarter. You would be correct on that guess. Recent history shows that the 1<sup>st</sup> quarter is not the best giving quarter but over the last four fiscal years, the 1<sup>st</sup> fiscal quarter is not necessarily the worst giving quarter for the year either. For a little historical context, we have provided the last four fiscal year 1<sup>st</sup> quarter giving results (rounded to nearest \$100).

Fiscal Year	1st Quarter General Giving
2014-2015	176,100
2015-2016	170,700
2016-2017	154,600
2017-2018	126,700

Obviously, this is not best trend. The 1<sup>st</sup> quarter giving is a concern for us. Not because we had one quarter with negative cash flow. We have had those in the past. The concern is that giving is trending lower and consistent negative cash flows over time cannot be maintained without drastic changes or severe consequences.

So how can we reverse this trend?

During the annual budget review (enclosed), I mentioned that we presented the budget for enthusiasm. I got a few chuckles in the crowd over that comment but I was not trying to be facetious. If the church family is not enthused about what the church is doing and the resources it is spending, then the response to fund what the church is doing will not be there. We believe that God provides resources to this church to help accomplish His will. You are the delivery system you for those resources. We want

you to be enthused about what the church is doing. We want our church to be an outreach of the gospel. We want to engage the community and world around us. Our recent focus should be an indication of this outreach.

We also need to grow. Not to become bigger for bigger sake but to be healthy. Healthy organisms grow and reproduce. Our church needs to do the same. Growing (spiritually and in numbers) is a natural result of devoting ourselves to the gospel both in living it and sharing it.

We deeply appreciate the giving of our church family. We are solely dependent on these generous gifts to continue operating as a local church. In order to maintain our current ministry, our giving will need to increase. We ask all our church family to reconsider their giving so our church can maintain and increase its outreach of the gospel.

Thanks,

Doug Edwards  
Elder and Finance Committee member