

Dear Faith Family,

With the beginning of the new year comes a new budget season, and the church seems positioned in a significantly better position than last year.

One of our budget goals is to budget at 90% of prior year giving. Doing so gives us two lines of defense, along with a 3 month reserve, to guard against a downturn in giving.

Why is this important? Primarily because we have staff and their families to take care of. Churches who don't manage well often have no choice but to cut staff salaries or impose other measures when times are lean.

Given the generally lower income coming out of Covid, our 90% goal has been difficult to achieve. Here's how the last two budgets have looked:

| <u>PRIOR YEAR</u> | <u>INCOME</u> | <u>BUDGET</u> |
|--------------------------|----------------------|----------------------|
| 2022-23 | \$825k | \$812k |
| 2023-24 | \$706k | \$750k |

In 2022-23, we were at 98% of prior year income, but in 2023-24, income was reduced to \$706k. At the same time, we added the position of youth pastor, and were able to lower the budget to \$750k.

With regards to this current fiscal year, the middle months, including summer, were quite anemic. In September, we found ourselves \$60,000 in deficit. However, the last three months have shown remarkable levels of giving, and we have cut that deficit to \$17,000.

Further, we are on track to end the fiscal year (March 31st) at \$760,000, which is the first increase in annual giving since 2020.

This is remarkable news, and it reflects the increase in attendance and other positive indications of growth in the church.

Throughout all of this, we understand that the economic outlook has been unsure. We also believe the biblical truism that when we honor the Lord by returning to him what is his portion (tithing), he promises to bless us and meet all of our needs.

No doubt if you have been in worship service recently, there has been a real sense of the presence of the Holy Spirit. We were thankful for the lives that are being changed and impacted by the ministries of City First Church.

As a church staff, we want to thank you for trusting us, believing in us, and for partnering with us to love our neighbors and serve our community.

Respectfully submitted,

Ron Alexander