

2006 OPERATING RESULTS SUMMARY

The churchwide organization of the Evangelical Lutheran Church in America had an excess of income over expense of \$3.5 million in current operating funds for the fiscal year ended January 31, 2006. In addition, in April 2005 the Church Council approved a designation of \$4.0 million to further mission and ministry throughout the church. This designation resulted in net expense over income of \$0.5 million for the fiscal year.

Receipts totaled \$81.8 million for fiscal year 2005 compared with \$81.2 million the previous year, an increase of \$0.6 million or 0.7 %. Expenses related to these funds amounted to \$78.3 million, an increase of \$1.5 million or 2.0% from fiscal 2004. Revenue was favorable to the budget approved by Church Council by \$0.8 million or 1.0%. Expenses were below the Church Council authorized level by \$2.6 million or 3.3%.

Income from congregations through synods in the form of mission support decreased slightly to \$65.5 million, a decrease of \$0.2 million or 0.2%. Other funds, both temporarily restricted and unrestricted, available for the budgeted operations of the church, amounted to \$16.3 million compared with \$15.6 million received in 2004. Major sources of income in these categories included: Missionary Sponsorship, \$3.7 million; bequest and trust income, \$4.1 million; endowment income \$2.4 million; support from the Mission Investment Fund, \$1.5 million; Vision for Mission, \$1.0 million; fraternal grants, \$1.0 million; and other income of \$2.7 million.

Total contributions to the ELCA World Hunger Appeal in 2005 reached \$17.7 million, of which a record \$17.0 million was for the general World Hunger Appeal as compared to \$16.2 one year ago. This figure is extremely gratifying due to the significant outpouring of support for hurricane relief from ELCA members. Designated world hunger income was \$0.7 million, of which \$0.4 million was given for the "Stand with Africa" campaign. Disaster response once again dominated both the world and church news last year, with ELCA members contributing a total of \$36.8 million in 2005 compared to \$10.5 million in 2004. An additional \$0.9 million was received from external grants. Domestic Disaster Response expects another \$5.6 million in federal grants for Hurricane Relief in 2006. Of the total disaster income, \$6.2 million was designated for 2004 South Asia Tsunami and \$25.7 million was received for Hurricane Relief.

The overall financial results for fiscal 2005 were positive. Total current income and expense were up over the prior year and restricted increase reached record levels. Mission support revenue declined very slightly for the fourth consecutive year with five of nine regions and one-half of synods sending in more in mission support income in 2005 than in 2004. The range in variances was again high, with increases as high as 30.8% and decreases as low as 14.1%. Investment income increased 556% or \$0.8 million due to the great influx of disaster income, the value of the investments, and improved rates. Increases in bequest and trust income of \$0.9 million once again were able to off-set the flat mission support and the continuing decline in missionary sponsorship (\$0.2 million lower than budget) and Vision for Mission income (\$0.2 million lower than budget), but the rate of increase cannot be anticipated to continue.