

2006 OPERATING RESULTS SUMMARY

The churchwide organization of the Evangelical Lutheran Church in America had income over expense of \$2.97 million in current operating funds for the fiscal year ended January 31, 2007.

Receipts totaled \$82.9 million for fiscal year 2006 compared with \$82 million the previous year, an increase of \$0.9 million or 1.1 %. Expenses related to the current operating fund amounted to \$79.9 million, an increase of \$1.8 million or 2.4% from fiscal 2005 before Church Council designated funds. Revenue was favorable to the budget by \$2.0 million or 2.4%. Expenses were below the Church Council authorized level by \$1.0 million or 1.2%.

Income from congregations through synods in the form of mission support increased slightly to \$65.7 million, an increase of \$0.2 million or 0.3%. This exceeded mission support levels for the two years prior and was the first increase in annual mission support since 2001.

Other temporarily restricted and unrestricted funds available for the budgeted operations of the church amounted to \$17.2 million compared with \$16.5 million in 2005. Major sources of income in these categories included: Missionary Sponsorship, \$3.8 million; bequest and trust income, \$3.5 million; investment income \$2.4 million; endowment income \$2.1 million; support from the Mission Investment Fund for new starts, \$1.5 million; Vision for Mission, \$1.2 million; fraternal grants, \$1.0 million; and other income of \$1.8 million.

Total contributions to the ELCA World Hunger Appeal in 2006 reached \$20.1 million, of which a record \$19.1 million was for the general World Hunger Appeal as compared to \$17.0 one year ago. This is the largest single year increase in World Hunger receipts since 1999, and brings us well within reach of the goal established at the 1999 Churchwide Assembly of \$25 million in World Hunger income. Designated World Hunger income was \$0.9 million, of which \$0.7 million was given for the Stand with Africa campaign.

ELCA members in 2006 contributed \$5.1 million in disaster response receipts and an additional \$3.4 million was received in federal grants for hurricane relief, for a total of \$8.5 million. This compares to \$36.8 million from members and \$0.9 million in external grants in 2005. The disaster appeal that received the most donations was the 2005 hurricanes response with receipts of \$2.4 million. Other disaster income was primarily for the general domestic disaster fund with \$0.9 million received and the general international disaster fund with \$0.4 million.

Overall, it was a year of positive financial results for the churchwide organization. Mission support revenue increased in 37 synods and four regions. The range in synod variances was again high, with increases as high as 27.1% and decreases as low as 19.0%, but the vast majority of synods performed within 5% of their plan. Investment income realized a short-term boost of 156.9% or \$1.4 million due to the great influx of disaster income, the value of the investments, and improved rates. Bequest and trust income exceeded budget by \$1.0 million and once again contributed to a positive revenue variance, allowing for the transfer of \$0.8 million to the newly created Mission Development Fund.

Exhibit A, Part 4b, pages 1-7 provide additional information including variance analysis relative to budget and previous year results and a report of mission support by synods.