

## 2008 OPERATING RESULTS SUMMARY

The churchwide organization of the Evangelical Lutheran Church in America had income in excess of expense of \$3.2 million in current operating funds for the fiscal year ended January 31, 2009, a favorable variance of \$0.6 million from the fiscal year 2007.

Receipts totaled \$83.4 million for the year compared with \$83.6 million the previous year, a decrease of \$0.2 million or 0.2%. Expenses related to the current operating fund amounted to \$80.2 million, a decrease of \$0.8 million or 1.0% from fiscal 2007. Revenue was favorable to the budget by \$1.4 million or 1.7%. Expenses were below the authorized unit spending plans by \$1.8 million or 2.2%.

Income from congregations through synods in the form of mission support income for fiscal 2008 decreased to \$65.3 million, a decrease of \$0.8 million or 1.3%, and was unfavorable to the budget by \$1.3 million or 2.0%. All of the actual decrease in mission support income occurred in January, the last month of the fiscal year.

Other temporarily restricted and unrestricted funds available for the budgeted operations of the church amounted to \$18.1 million compared with \$17.5 million in fiscal 2007. The major favorable variance was bequest and trust income with \$5.0 million, an increase of \$2.7 million from 2007 and a \$2.5 million positive budget variance. Other major sources of income in these categories included: Missionary Sponsorship, \$3.8 million; endowment income, \$2.6 million; support from the Mission Investment Fund and Thrivent Financial for Lutherans for support of new congregational development, \$2.5 million; investment income, \$1.3 million; Vision for Mission, \$1.1 million; and other income of \$1.9 million.

Total contributions to the ELCA World Hunger Appeal in fiscal 2008 were \$22.0 million, of which \$21.4 million was for the general World Hunger Appeal. The regular annual appeal was favorable to fiscal 2007 by \$0.1 million. Bequests and trusts income of \$3.9 million was the primary positive variance as it was \$0.3 million favorable to the revised budget and \$1.6 million favorable to 2007. Gifts submitted through synods for World Hunger were unfavorable to budget by \$0.6 million and to 2007 by \$0.7 million. Gifts submitted directly by donors were unfavorable to budget by \$1.0 million and \$0.9 million to 2007. As with mission support, the last month of the fiscal year, normally the largest month for income, experienced a significant negative variance with receipts down from January 2008 by \$1.0 million.

ELCA members contributed \$4.3 million for the ELCA disaster response and an additional \$0.2 million was received in federal grants for hurricane relief, for a total of \$4.5 million. This compares to a total of \$7.0 million in revenue in fiscal 2007.

The fiscal year 2008 closed with positive net results but some signs of potential weaker giving that deserve careful analysis and monitoring. Mission support increased in 29 synods in 2008 compared to 41 in 2007. Of the 29 synods with increased mission support, only four had increases greater than 5%, as compared to eight synods in 2007. The number of synods with decreases greater than 5% tripled from three in 2007 to nine in 2008. The decreases in gifts for World Hunger and disaster response are consistent with those of mission support. As economic uncertainty in the country continues into 2009, our ability to respond quickly and strategically to any changes in income levels will be critical to the continued financial stability of the churchwide organization in order to sustain our capacity for our mission and ministries. This will require close work and collaboration with churchwide units, synods and other partners.

Additional details on the financial results can be found in the subsequent pages.