

ELCA CHURCHWIDE ORGANIZATION 2009 SECOND QUARTER OPERATING RESULTS SUMMARY

The churchwide organization of the Evangelical Lutheran Church in America had expenses in excess of revenue of \$1.3 million in current operating funds for the six-month period ended July 31, 2009, an unfavorable variance of \$2.5 million from July 31, 2008, but favorable to the seasonal budget by \$2.8 million.

Receipts totaled \$37.9 million for the period compared with \$40.5 million the previous year, a decrease of \$2.7 million or 6.6 percent. Expenses related to the current operating fund amounted to \$39.2 million, a decrease of \$0.2 million or 0.5 percent from July 31, 2008. Revenue in the period was favorable to the budget by \$1.3 million or 3.2 percent. Expenses were below the six-month authorized unit spending plans by \$1.5 million or 3.6 percent.

Income from congregations through synods in the form of mission support income for the first six months in fiscal 2009 was \$29.5 million, a decrease of \$1.8 million or 5.7 percent. Mission support income was favorable to the revised budget by \$0.2 million or 0.9 percent.

Other temporarily restricted and unrestricted funds available for the budgeted operations of the church amounted to \$8.3 million compared with \$9.2 million in the first six months of 2008. The largest portion of other income came from bequests and trusts, which totaled \$2.1 million and were favorable to budget by \$0.9 million, although unfavorable to 2008 by an equal amount. Investment income was \$1 million, an increase of \$0.6 million from the same period in 2008. Other sources of income included: support from the Mission Investment Fund and Thrivent Financial for Lutherans for new congregational development, \$1.7 million; missionary sponsorship, \$1.4 million; endowment income, \$1.1 million; Vision for Mission, \$0.3 million; and other income of \$0.7 million.

Total contributions to the ELCA World Hunger Appeal for the first six months were \$6.9 million, of which \$6.8 million was for the general appeal. World Hunger Appeal income was unfavorable to the same six-month period in fiscal 2008 by \$0.8 million. A decrease in bequests and trust income was the primary factor, down \$0.7 million to the unusually high income in first and second quarter 2008. Gifts submitted through synods for World Hunger were unfavorable by \$0.4 million to 2008. World Hunger operating expenditures for the six-month period were favorable to budget by \$1.6 million and \$2.1 million favorable to 2008.

ELCA members contributed \$0.6 million for the ELCA Disaster Response in the first six months of 2009. This compares to a total of \$1.8 million in revenue for the same period in 2008.

The first six months of 2009 closed with positive net results compared to the revised budget, but a significant unfavorable variance in comparison to the first six months of 2008. Mission support decreased in 50 synods compared to 2008 remittances. Of those, 27 synods have remitted mission support at an unfavorable variance to July 2008 greater than five percent, with 8 being greater than ten percent. Decreases in gifts for World Hunger and Disaster Response are consistent with those of mission support. The reduced income projections approved by the Church Council at their spring meeting were shown to be on target for the first half of the year. Actual income and expenses for the period are right on plan, with slight positive variances in both cases.

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