

ELCA CHURCHWIDE ORGANIZATION 2009 OPERATING RESULTS SUMMARY

The churchwide organization of the Evangelical Lutheran Church in America had income in excess of expense of \$3.9 million in current operating funds for the fiscal year ended January 31, 2010, a favorable variance of \$0.7 million from the fiscal year 2008.

Current income totaled \$76.5 million for the year compared with \$83.4 million the previous year, a decrease of \$6.9 million or 8.2%. Expenses related to the current operating fund amounted to \$72.6 million, a decrease of \$7.6 million or 9.5% from fiscal 2008. Revenue was unfavorable to the budget by \$0.3 million or 0.3%. Expenses were below the authorized spending plans by \$4.2 million or 5.4%.

Receipts from congregations through synods in the form of mission support income for fiscal year 2009 decreased to \$59.7 million, a reduction of \$5.6 million or 8.6%, and the major factor in the total revenue decline. Mission support income was unfavorable to budget by \$2.3 million or 3.7%.

Other temporarily restricted and unrestricted funds available for the budgeted operations of the churchwide organization amounted to \$16.8 million compared with \$18.1 million in 2008. The largest favorable variance was in the category of investment income with \$1.7 million, an increase of \$0.4 million from 2008 and a \$0.7 million positive budget variance. Other major sources of income in these categories included: Bequests and Trusts, \$4.1 million; Missionary Sponsorship, \$3.6 million; endowment income, \$2.3 million; support from the Mission Investment Fund of the ELCA for new congregational development, \$1.6 million; support from Thrivent Financial for Lutherans, \$0.9 million; Vision for Mission, \$1.0 million; and other income of \$1.5 million.

Total contributions to the general ELCA World Hunger Appeal in fiscal 2009 were \$19.6 million. The annual appeal was unfavorable to 2008 by \$1.9 million but favorable to budget by \$0.8 million. Bequests and trusts income of \$1.6 million in 2009 as compared to \$3.9 million in 2008 was the primary unfavorable variance. Gifts submitted through synods for World Hunger were unfavorable to budget by \$1.1 million and to 2008 by \$0.8 million. Gifts submitted directly by donors were favorable to budget by \$0.7 million and \$1.1 million to 2008. As with mission support, the last month of the fiscal year, normally the largest month for income, experienced a negative variance with receipts down from January 2009 by \$0.25 million.

ELCA members contributed \$6.2 million for the ELCA disaster response in fiscal 2009. This compares to a total of \$4.3 million in contributions in 2008. These figures include \$4.5 of the over \$6.0 million received by the end of February for the response to the January 2010 earthquake in Haiti.

The fiscal year 2009 closed with positive net results as a result of careful planning, close monitoring of income, and intentional under-spending by units. ELCA synods worked closely with the churchwide organization throughout the year to provide updated projections on their mission support plans, so that the offsetting adjustments could be made to spending. It was critical in 2009 that the churchwide organization avoid a deficit and close the year with income over expense in order to meet cash reserve requirements, put the churchwide organization in a better position for responding to sudden changes in income, meet current obligations and unanticipated mission opportunities, and address capital budget requirements.

Annual mission support income increased in only one of the 65 synods in 2009, while in 2008, 29 synods increased their mission support sharing. Of the 64 synods that decreased their 2009 mission support to the

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BUDGET AND FINANCE COMMITTEE

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churchwide organization, 53 had decreases greater than 5%, with 19 of those showing decreases in excess of 10%.

The lingering downturn in the economy, first experienced in income results in 2008, continues to be felt by ELCA members and congregations and to affect congregational income. Late in 2009, congregations also experienced varying levels of disagreement over the actions of the 2009 Churchwide Assembly, and in some synods this had a compounding effect on income results and projections. In 2010, continued monitoring will be important in order to maintain positive operating results and sustain our capacity for mission and ministry.