

**ELCA CHURCHWIDE ORGANIZATION
2010 OPERATING RESULTS SUMMARY
FOR THE FISCAL YEAR ENDING JANUARY 31, 2011**

The churchwide organization of the Evangelical Lutheran Church in America had income in excess of expense of \$2.6 million in current operating funds for the fiscal year ended January 31, 2011, an unfavorable variance of \$1.4 million from January 31, 2010.

Receipts totaled \$66.8 million for the fiscal year compared with \$76.5 million the previous year, a decrease of \$9.8 million or 12.8 percent. Expenses related to the current operating fund amounted to \$64.2 million, a decrease of \$8.4 million or 11.6 percent from January 31, 2010. Revenue in the period was favorable to the budget by \$1.7 million or 2.6 percent. Expenses were favorably below the authorized unit spending plans by \$0.9 million or 1.4 percent.

Income from congregations through synods in the form of mission support income for fiscal 2010 was \$52.6 million, a decrease of \$7.1 million or 11.8 percent. However, mission support income was favorable to the revised budget by \$1.6 million or 3.2 percent.

Other temporarily restricted and unrestricted funds available for the budgeted operations of the church amounted to \$14.1 million compared with \$16.8 million in 2009. The largest portion of other income came from Missionary Sponsorship support, which totaled \$3.6 million and was unfavorable to 2009 by less than \$66 thousand or 1.8 percent. Bequest and Trust income was uncommonly low with a decrease of \$2.6 million from 2009 and under budget by \$1.0 million. Investment income was \$0.8 million, a decrease of \$0.9 million from 2009 but favorable to budget. Other sources of income included: support from the Mission Investment Fund and Thrivent for new congregational development, \$2.5 million; endowment income, \$2.1 million; Vision for Mission, \$1.5 million – a historical high; and other income of \$2.2 million.

Contributions to ELCA World Hunger for the 12-month period were \$17.7 million. World Hunger income was unfavorable to fiscal 2009 by \$1.8 million. A decrease in income received through synods and bequests/trusts were the leading factors, down \$1.5 million and \$1.1 million respectively. Direct gifts from individuals and congregations were higher than both the previous year and budget by \$0.6 million. ELCA members contributed \$12.4 million for the ELCA Disaster Response in 2010, double that received in 2009. This included gifts for the Haiti Disaster Response of \$8.3 million.

Fiscal year 2010 was one of immense challenge for the churchwide organization given the decrease of almost 13 percent in current operating revenue. The financial situation called for close monitoring of income, contingency and under-spending plans, and a mid-year decrease to the Church Council approved spending authorization. These measures were successful in avoiding an operating deficit and stabilizing operations. The net income of \$2.6 million was primarily a product of income results favorable to plan in the final two months of the year and was important in providing stability and rebuilding cash and investments to the desired level. It was not necessary to implement a 5 percent underspending plan as a result of improved income projections and favorable operating cost variances, and as a result, partnership grants that were on hold most of the year were released in the final month.

World Hunger income, which trailed expectations throughout most of 2010 and was \$1.0 million under budget, also had a strong fourth quarter to close the year with income exceeding fourth quarter 2009 by \$0.2 million.

Mission support income was the significant factor impacting the current operating budget in 2010. The churchwide organization experienced a decrease of 11.8 percent in mission support income and 64 of 65 synods were down in mission support contributions compared to 2009. However, the fiscal year closed with January 2011 favorable to January 2010, breaking an 18-month trend of mission support decreases in same- month prior-year comparisons. January 2011 mission support was higher than January 2010 by \$0.1 million. In addition, total mission support income exceeded the revised 2010 budget by \$1.6 million, a positive indicator that the budget revisions made earlier in 2010 and projecting to 2011 were sufficient and the churchwide organization can enter fiscal year 2011 without the underspending plan restriction that was in place throughout 2010. As a result of the restructuring activities completed last year and with income beginning to stabilize, the churchwide organization is in a good position for delivering on its commitments for mission. The continued collaboration between synods and the churchwide organization in encouraging, monitoring and projecting mission support income continues to be important and much appreciated.

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