

## **Fiscal 2007 First Quarter Operating Results**

The churchwide organization of the Evangelical Lutheran Church in America had expenses in excess of revenue of \$1.3 million in current operating funds at the end of the first quarter for fiscal year 2007.

Receipts totaled \$18.4 million for the quarter compared with \$18.9 million the previous year, a decrease of \$0.5 million or 2.5%. Expenses related to the current operating fund amounted to \$19.7 million, an increase of \$1.0 million or 5.4% from the first quarter in fiscal 2006. Revenue was unfavorable to the first quarter budget by \$1.5 million or 7.3%. Expenses for the quarter were below anticipated unit spending by \$1.3 million or 6.3%.

Income from congregations through synods in the form of mission support for the first quarter increased to \$15.6 million, an increase of \$0.3 million or 2.0%. While this is a very good sign, you must keep in mind the seasonality of mission support income, especially as it relates to Easter receipts in congregations. April 2007 was very favorable compared to April of 2006 (\$5.31 million v. \$4.96 million), but May of 2006 was the highest May in the last three years. While Easter was only 8 days earlier in 2007 than 2006, we feel that Easter 2006 receipts did not reach the churchwide organization until May 2006. Therefore, we must really wait until we have received mission support for May 2007 before any consistent comparison between years can be accurately made.

Other temporarily restricted and unrestricted funds available for the budgeted operations of the church amounted to \$2.8 million compared with \$3.6 million in the first quarter of 2006. Two major unfavorable variances to budget were the \$1.0 from Thrivent for support of congregational development received by this time last year and bequest and trust distributions which are less than the 2007 first quarter budget by 0.5 million. The Thrivent income is still anticipated but the timing is not specifically known at this time, while historical evidence tells us that the bequest and trust income should reach budgeted levels by the end of the fiscal year. Other major sources of income and the amounts received during the first quarter in 2007 in these categories include: Missionary Sponsorship, \$0.6 million; investment income \$0.7 million; endowment income \$0.5 million; support from the Mission Investment Fund for new starts, \$0.4 million; Vision for Mission, \$0.09 million; and other income of \$1.8 million.

Total contributions to the ELCA World Hunger Appeal through April 30, 2007 for the general World Hunger Appeal was \$2.7 million as compared to \$2.2 million at April 30, 2006. This continues the very positive trend of support for the World Hunger Appeal and leaves us on target to reach our 2007 budgeted income level of \$18.75 million. Designated World Hunger income received in the first quarter was \$0.13 million, of which \$0.1 million was given for the Stand with Africa campaign.

ELCA member giving and federal grants receipts in the first quarter of 2007 total \$1.5 million in disaster response receipts as compared to \$2.5 million as of April 30, 2006.

Overall, the first quarter of 2007 reflect positive financial results for the churchwide organization. Mission support is showing preliminary signs of comparing favorably to last year; investment income remains strong; other income variances are understandable and do not lead to unfavorable anticipated results; world hunger income remains strong; and unit spending continues within anticipated spending plans. With mission support being over 80% of the current fund income budget, its performance continues to be the primary determinate of our year-end results.