Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2007

Open to Public Inspection

A For the 2007 calendar year, or tax year beginning OCT 1, 2007 and ending SEP 30, 2008

B Check if applicable: [ ] Address change [ ] Name change [ ] Initial return [ ] Termination [ ] Amended return [ ] Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: LUTHERAN WORLD RELIEF

Number and street (or P.O. box if mail is not delivered to street address): 700 LIGHT STREET — Room/suite:

City or town, state or country, and ZIP + 4: BALTIMORE, MD 21230-3850

D Employer identification number: 13-2574963

E Telephone number: (410)230-2700

F Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) If "Yes," enter number of affiliates ▶ N/A

H(c) Are all affiliates included? N/A [ ] Yes [ ] No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

G Website: ▶WWW.LWR.ORG

J Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

K Check here ▶ [ ] if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than $25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number ▶ N/A

M Check ▶ [ ] if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 42,405,568.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	28,508,110.	
	c	Indirect public support (not included on line 1a)	1c	719,781.	
	d	Government contributions (grants) (not included on line 1a)	1d	2,380,119.	
	e	**Total** (add lines 1a through 1d) (cash $ 21,221,466. noncash $ 10,386,544.)			1e 31,608,010.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2
	3	Membership dues and assessments			3
	4	Interest on savings and temporary cash investments			4
	5	Dividends and interest from securities			5 1,547,611.
	6 a	Gross rents	6a		
	b	Less: rental expenses	6b		
	c	Net rental income or (loss). Subtract line 6b from line 6a			6c
	7	Other investment income (describe ▶)			7

		(A) Securities		(B) Other
8 a	Gross amount from sales of assets other than inventory	9,213,224.	8a	
b	Less: cost or other basis and sales expenses	9,359,541.	8b	
c	Gain or (loss) (attach schedule)	<146,317.>	8c	

8 d	Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 1		8d	<146,317.>
9	Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ [ ]			
a	Gross revenue (not including $ ____ of contributions reported on line 1b)	9a		
b	Less: direct expenses other than fundraising expenses	9b		
c	Net income or (loss) from special events. Subtract line 9b from line 9a			9c
10 a	Gross sales of inventory, less returns and allowances	10a		
b	Less: cost of goods sold	10b		
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a			10c
11	Other revenue (from Part VII, line 103)			36,723.
12	**Total revenue** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11		12	33,046,027.
Expenses 13	Program services (from line 44, column (B))		13	30,199,860.
14	Management and general (from line 44, column (C))		14	1,843,200.
15	Fundraising (from line 44, column (D))		15	1,120,171.
16	Payments to affiliates (attach schedule)		16	
17	Total expenses. Add lines 16 and 44, column (A)		17	33,163,231.
Net Assets 18	Excess or (deficit) for the year. Subtract line 17 from line 12		18	<117,204.>
19	Net assets or fund balances at beginning of year (from line 73, column (A))		19	42,389,983.
20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 2		20	<2,713,747.>
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20		21	39,559,032.

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For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions

Form 990 (2007)

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $ 10920286 noncash $ 11527143) If this amount includes foreign grants, check here ▶ [X]	22b	22,447,429.	22,447,429.	STATEMENT 4	
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	755,258.	258,297.	458,523.	38,438.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	3,871,193.	3,180,732.	440,991.	249,470.
27 Pension plan contributions not included on lines 25a, b, and c	27	230,788.	207,033.	10,183.	13,572.
28 Employee benefits not included on lines 25a - 27	28	685,896.	552,003.	94,671.	39,222.
29 Payroll taxes	29	241,501.	163,951.	58,645.	18,905.
30 Professional fundraising fees	30	168,214.			168,214.
31 Accounting fees	31	33,000.		33,000.	
32 Legal fees	32	18,097.	1,403.	16,694.	
33 Supplies	33	132,370.	116,589.	10,636.	5,145.
34 Telephone	34	148,849.	135,023.	10,628.	3,198.
35 Postage and shipping	35	140,341.	36,819.	6,242.	97,280.
36 Occupancy	36	479,935.	368,678.	75,141.	36,116.
37 Equipment rental and maintenance	37	187,114.	156,808.	11,862.	18,444.
38 Printing and publications	38	373,659.	173,939.	568.	199,152.
39 Travel	39	1,349,969.	1,186,055.	128,631.	35,283.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	83,498.	73,553.	6,798.	3,147.
43 Other expenses not covered above (itemize)					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g SEE STATEMENT 3	43g	1,816,120.	1,141,548.	479,987.	194,585.
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	33,163,231.	30,199,860.	1,843,200.	1,120,171.

Joint Costs. Check ▶ [X] if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ▶ [X] Yes ☐ No

If "Yes," enter (i) the aggregate amount of these joint costs $ 107,132. ; (ii) the amount allocated to Program services $ 43,374. ; (iii) the amount allocated to Management and general $ 0. ; and (iv) the amount allocated to Fundraising $ 63,758.

Part III Statement of Program Service Accomplishments *(See the instructions)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ SEE STATEMENT 5

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)

		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a	PLEASE SEE STATEMENT 21 FOR REPRESENTATIVE ACHIEVEMENTS.	
	(Grants and allocations $ 22,447,429.) If this amount includes foreign grants, check here ▶ [X]	30,199,860.
b		
	(Grants and allocations $) If this amount includes foreign grants, check here ▶ [ ]	
c		
	(Grants and allocations $) If this amount includes foreign grants, check here ▶ [ ]	
d		
	(Grants and allocations $) If this amount includes foreign grants, check here ▶ [ ]	
e	Other program services (attach schedule)	
	(Grants and allocations $) If this amount includes foreign grants, check here ▶ [ ]	
f	**Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	30,199,860.

Part IV Balance Sheets *(See the instructions)*

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only*			(A) Beginning of year		(B) End of year
Assets					
45 Cash - non-interest-bearing			548,929.	45	158,288.
46 Savings and temporary cash investments			4,516,876.	46	4,073,023.
47 a Accounts receivable	47a	926,562.			
b Less. allowance for doubtful accounts	47b		819,305.	47c	926,562.
48 a Pledges receivable	48a	2,649,907.			
b Less: allowance for doubtful accounts	48b		1,355,948.	48c	2,649,907.
49 Grants receivable				49	
50 a Receivables from current and former officers, directors, trustees, and key employees				50a	
b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				50b	
51 a Other notes and loans receivable	51a				
b Less: allowance for doubtful accounts	51b			51c	
52 Inventories for sale or use			3,518,081.	52	2,377,482.
53 Prepaid expenses and deferred charges				53	
54 a Investments - publicly-traded securities STMT 7 ▶ ☐ Cost ☒ FMV			30,464,920.	54a	27,853,377.
b Investments - other securities ▶ ☐ Cost ☐ FMV				54b	
55 a Investments - land, buildings, and equipment basis STMT 6	55a				
b Less: accumulated depreciation	55b			55c	
56 Investments - other SEE STATEMENT 8			4,125,944.	56	3,910,662.
57 a Land, buildings, and equipment basis	57a	1,151,475.			
b Less: accumulated depreciation	57b	779,551.	282,322.	57c	371,924.
58 Other assets, including program-related investments (describe ▶ SEE STATEMENT 9)			1,102,498.	58	1,397,755.
59 **Total assets** (must equal line 74). Add lines 45 through 58			46,734,823.	59	43,718,980.
Liabilities					
60 Accounts payable and accrued expenses			1,373,065.	60	1,308,847.
61 Grants payable				61	
62 Deferred revenue				62	
63 Loans from officers, directors, trustees, and key employees				63	
64 a Tax-exempt bond liabilities			2,971,775.	64a	2,851,101.
b Mortgages and other notes payable				64b	
65 Other liabilities (describe ▶)				65	
66 **Total liabilities.** Add lines 60 through 65			4,344,840.	66	4,159,948.
Net Assets or Fund Balances					
Organizations that follow SFAS 117, check here ▶ ☒ and complete lines 67 through 69 and lines 73 and 74					
67 Unrestricted			26,641,553.	67	25,432,851.
68 Temporarily restricted			15,593,316.	68	13,959,407.
69 Permanently restricted			155,114.	69	166,774.
Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74					
70 Capital stock, trust principal, or current funds				70	
71 Paid-in or capital surplus, or land, building, and equipment fund				71	
72 Retained earnings, endowment, accumulated income, or other funds				72	
73 **Total net assets or fund balances.** Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)			42,389,983.	73	39,559,032.
74 **Total liabilities and net assets/fund balances.** Add lines 66 and 73			46,734,823.	74	43,718,980.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return *(See the instructions)*

a	Total revenue, gains, and other support per audited financial statements			a	31,644,733.
b	Amounts included on line a but not on Part I, line 12				
1	Net unrealized gains on investments	b1			
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify)	b4			
	Add lines b1 through b4			b	0.
c	Subtract line b from line a			c	31,644,733.
d	Amounts included on Part I, line 12, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify) SEE STATEMENT 10	d2	1,401,294.		
	Add lines d1 and d2			d	1,401,294.
e	**Total revenue** (Part I, line 12). Add lines c and d ▶			e	33,046,027.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements			a	33,163,231.
b	Amounts included on line a but not on Part I, line 17:				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify)	b4			
	Add lines b1 through b4			b	0.
c	Subtract line b from line a			c	33,163,231.
d	Amounts included on Part I, line 17, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify)	d2			
	Add lines d1 and d2			d	0.
e	**Total expenses** (Part I, line 17). Add lines c and d ▶			e	33,163,231.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) *(See the instructions)*

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 11		645,027.	110,231.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 13			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) SEE STATEMENT 13	75b	X	
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization."	75c		X
	If "Yes," attach a statement that includes the information described in the instructions			
d	Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column See the instructions)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information *(See the instructions)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77		X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X	
b	If "Yes," enter the name of the organization ▶ SEE STATEMENT 12 and check whether it is ☐ exempt or ☐ nonexempt			
81 a	Enter direct and indirect political expenditures. (See line 81 instructions) 81a 0.			
b	Did the organization file **Form 1120-POL** for this year?	81b		X

Part VI Other Information *(continued)*

			Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X	
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) 82b			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to *quid pro quo* contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b		
85 a	*501(c)(4), (5), or (6).* Were substantially all dues nondeductible by members? N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less? N/A	85b		
	If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year			
c	Dues, assessments, and similar amounts from members 85c N/A			
d	Section 162(e) lobbying and political expenditures 85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h		
86	*501(c)(7) organizations* Enter: a Initiation fees and capital contributions included on line 12 86a N/A			
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A			
87	*501(c)(12) organizations.* Enter: a Gross income from members or shareholders 87a N/A			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 87b N/A			
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Part IX	88a		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI ▶	88b		X
89 a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0.			
b	*501(c)(3) and 501(c)(4) organizations* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.			
e	*All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		X
f	*All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		X
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		X

90 a List the states with which a copy of this return is filed ▶ SEE STATEMENT 14

b Number of employees employed in the pay period that includes March 12, 2007 90b 98

91 a The books are in care of ▶ LAURA MORALES Telephone no. ▶ (410)230-2700

Located at ▶ 700 LIGHT STREET, BALTIMORE, MD ZIP + 4 ▶ 21230-3850

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ SEE STATEMENT 15 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X	

Part VI Other Information *(continued)*

		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ SEE STATEMENT 16	91c	X	

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* **Form 1041**- Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

Part VII Analysis of Income-Producing Activities *(See the instructions.)*

Note: *Enter gross amounts unless otherwise indicated*

	Unrelated business income (A) Business code	(B) Amount	Excluded by section 512, 513, or 514 (C) Exclusion code	(D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	1,547,611.	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	<146,317.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue.					
a MISCELLANEOUS					36,723.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		1,401,294.	36,723.
105 **Total** (add line 104, columns (B), (D), and (E))				▶	1,438,017.

Note: *Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See the instructions.)*

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
103A	PROVIDES SUPPORT FOR THE POOR AND OPPRESSED OF LESS DEVELOPED COUNTRIES IN THEIR EFFORTS TO MEET BASIC HUMAN NEEDS.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
N/A	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts *(See the instructions.)*

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: *If "Yes" to* **(b)**, *file Form 8870* **and** *Form 4720 (see instructions).*

Part XI Information Regarding Transfers To and From Controlled Entities. *Complete only if the organization is a controlling organization as defined in section 512(b)(13)* N/A

	Yes	No
106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Laura B Morales — Signature of officer — Date 2/13/2009

Laura B. Morales Acting Vice President of Finance — Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Martin Mauch, CPA	Date 02/10/09	Check if self-employed ☐	Preparer's SSN or PTIN (See Gen Inst X)
Firm's name (or yours if self-employed), address, and ZIP + 4	TAIT, WELLER & BAKER LLP 1818 MARKET STREET, SUITE 2400 PHILADELPHIA, PA 19103		EIN ▶	Phone no. ▶ (215) 979-8800

Form **990** (2007)

723164/12-27-07

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No 1545-0047

2007

Name of the organization: LUTHERAN WORLD RELIEF

Employer identification number: 13 2574963

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
EVARISTE KARANGWA 700 LIGHT STREET, BALTIMORE, MD 21230	DIR AFRICA 40.00	96,313.	25,369.	0.
MICHAEL WATT 700 LIGHT STREET, BALTIMORE, MD 21230	DIR LATIN AM 40.00	94,056.	14,511.	0.
LISA NEGSTAD 700 LIGHT STREET, BALTIMORE, MD 21230	SR INT CONSULTANT 40.00	93,545.	13,961.	0.
MARYCE RAMSEY 700 LIGHT STREET, BALTIMORE, MD 21230	DIR ASIA/MIDE 40.00	90,085.	15,372.	0.
JOANNE FAIRLEY 700 LIGHT STREET, BALTIMORE, MD 21230	DEP DIR ASIA/ME 40.00	76,241.	18,506.	0.
Total number of other employees paid over $50,000 ▶	22			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
COMMUNITY COUNSELLING SERVICE CO., LLC P.O. BOX 27462, NEW YORK, NY 10087-7462	FUNDRAISING COUNSELING	101,003.
TAIT, WELLER & BAKER LLP 1818 MARKET ST., SUITE 2400, PHILADELPHIA, PA	AUDITING	62,750.
THE KONTERRA GROUP, LLC 700 12TH STREET, SUITE 700, WASHINGTON, DC 20005	CONSULTING SERVICES	59,786.
GLOBAL IMPACT 66 CANAL CENTER PLAZA, SUITE 310, ALEXANDRIA, VA	ADVERTISING SERVICES	58,822.
Total number of others receiving over $50,000 for professional services ▶ 0		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
UNITED HEALTHCARE 22703 NETWORK PLACE, CHICAGO, IL 60673-1227	HEALTH INSURANCE	395,774.
BRETHREN SERVICE CENTER 500 MAIN STREET, P.O. BOX 188, NEW WINDSOR, MD	WAREHOUSING	357,537.
MISSION & RELIEF LOGISTICS P.O. BOX 125, AKRON, PA 17501	TOOTHPASTE INVENTORY	342,135.
MIDWEST WAREHOUSE, INC. 398 EAST RICHMOND ST., SO., ST. PAUL, MN 55075	WAREHOUSING	287,288.
MTS TRAVEL 124 E. MAIN ST., 4TH FLOOR, EPHRATA, PA 17522	TRAVEL AGENT	261,645.
Total number of other contractors receiving over $50,000 for other services ▶ 9		

Part III **Statements About Activities** (See page 2 of the instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ _____ $ 27,278. (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) VI-B, LINE I	1	X	
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities? SEE STATEMENT 17	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V-A, FORM 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a		X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966? N/A	4b		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A	4c		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶ N/A			
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ N/A			
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0.			
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶ 0.			

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 ☐ A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b ☐ A community trust Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 ☐ An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:

☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents? Yes	No	(e) Amount of support
Total ▶					

14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Part IV-A **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	32,141,401.	34,911,324.	47,872,960.	28,456,892.	143,382,577.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,628,397.	1,279,572.	428,158.	584,464.	3,920,591.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule Do not include gain or (loss) from sale of capital assets	66,696.	77,096.	SEE STATEMENT 18 138,675.	136,004.	418,471.
23 Total of lines 15 through 22	33,836,494.	36,267,992.	48,439,793.	29,177,360.	147,721,639.
24 Line 23 minus line 17	33,836,494.	36,267,992.	48,439,793.	29,177,360.	147,721,639.
25 Enter 1% of line 23	338,365.	362,680.	484,398.	291,774.	

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 2,954,433.

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. **Do not file this list with your return** Enter the total of all these excess amounts ▶ 26b 1,043,701.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 147,721,639.

d Add: Amounts from column (e) for lines: 18 3,920,591. 19 _____ 22 418,471. 26b 1,043,701. ▶ 26d 5,382,763.

e Public support (line 26c minus line 26d total) ▶ 26e 142,338,876.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 96.3561%

27 **Organizations described on line 12:** a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return.** Enter the sum of such amounts for each year: N/A

(2006) (2005) (2004) (2003)

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year: N/A

(2006) (2005) (2004) (2003)

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶ 27c N/A

d Add: Line 27a total _____ and line 27b total _____ ▶ 27d N/A

e Public support (line 27c total minus line 27d total) ▶ 27e N/A

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f N/A

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g N/A %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h N/A %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

NONE

Part V **Private School Questionnaire** (See page 9 of the instructions.) N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)

N/A

(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ▶ a ☐ if the organization belongs to an affiliated group. Check ▶ b ☐ if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -	41		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

If the amount on line 40 is -	The lobbying nontaxable amount is -
Not over $500,000	20% of the amount on line 40
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

N/A

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers	X		
b Paid staff or management (Include compensation in expenses reported on lines c through h.)	X		
c Media advertisements		X	
d Mailings to members, legislators, or the public	X		15,887.
e Publications, or published or broadcast statements	X		2,145.
f Grants to other organizations for lobbying purposes	X		6,750.
g Direct contact with legislators, their staffs, government officials, or a legislative body	X		2,496.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			27,278.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities. SEE STATEMENT 19

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: N/A

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule: N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SALE OF INVESTMENTS - DETAILS AVAIL. UPON REQUEST	9,213,224.	9,359,541.	0.	<146,317.>
TO FORM 990, PART I, LINE 8	9,213,224.	9,359,541.	0.	<146,317.>

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 2

DESCRIPTION	AMOUNT
NET UNREALIZED LOSSES ON LONG-TERM INVESTMENTS	<2,713,747.>
TOTAL TO FORM 990, PART I, LINE 20	<2,713,747.>

FORM 990 OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
RETAINED SERVICES	1,382,779.	867,415.	474,716.	40,648.
MEMBERSHIP FEES	84,923.	49,238.	6,650.	29,035.
MISCELLANEOUS	244,714.	188,153.	20,668.	35,893.
REIMBURSEMENT OF ADMIN. EXPENSES	<132,535.>		<132,535.>	
WEB COSTS	12,887.	7,153.		5,734.
BANK AND MERCHANT FEES	165,848.		82,573.	83,275.
INSURANCE	57,504.	29,589.	27,915.	
TOTAL TO FM 990, LN 43	1,816,120.	1,141,548.	479,987.	194,585.

FORM 990 CASH GRANTS AND ALLOCATIONS TO OTHERS STATEMENT 4

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
SEE STATEMENT 24	22,447,429.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	22,447,429.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III STATEMENT 5

EXPLANATION

LUTHERAN WORLD RELIEF WORKS WITH PARTNERS IN 35 COUNTRIES TO HELP PEOPLE GROW FOOD, IMPROVE HEALTH, STRENGTHEN COMMUNITIES, END CONFLICT, BUILD LIVELIHOODS AND RECOVER FROM DISASTERS.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
MUTUAL FUNDS	FMV			7,410,575.	7,410,575.
COMMON STOCK	FMV	4,432,559.			4,432,559.
CORPORATE BONDS	FMV		0.		
TO FORM 990, LINE 54A, COL B		4,432,559.	0.	7,410,575.	11,843,134.

FORM 990 GOVERNMENT SECURITIES STATEMENT 7

DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
U.S. GOVERNMENT SECURITIES	FMV	16,010,243.		16,010,243.
TOTAL TO FORM 990, LINE 54A, COL B		16,010,243.		16,010,243.

FORM 990 OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	AMOUNT
OTHER INVESTMENTS	MARKET VALUE	358,166.
INVESTMENT IN LUTHERAN CENTER CORPORATION	MARKET VALUE	3,400,214.
INVESTMENT IN DIVINE CHOCOLATE	MARKET VALUE	152,282.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		3,910,662.

FORM 990 OTHER ASSETS STATEMENT 9

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
ADVANCE - FIELD PROGRAMS	818,867.	1,046,288.
FUNDS HELD BY TRUSTEE	283,631.	351,467.
TOTAL TO FORM 990, PART IV, LINE 58	1,102,498.	1,397,755.

FORM 990 OTHER REVENUE INCLUDED ON FORM 990 STATEMENT 10

DESCRIPTION	AMOUNT
LOSS ON SALE OF INVESTMENTS	<146,317.>
INVESTMENT AND ENDOWMENT INCOME NET OF AMOUNTS DESIGNATED FOR CURRENT OPER.	1,547,611.
TOTAL TO FORM 990, PART IV-A	1,401,294.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 11

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
KIRK HOWARD BETTS 700 LIGHT STREET BALTIMORE, MD 21230-3850	CHAIRPERSON 9.00	0.	0.	0.
GLORIA S. EDWARDS 700 LIGHT STREET BALTIMORE, MD 21230-3850	VICE CHAIRPERSON 4.50	0.	0.	0.
PHILIP D.W. KREY 700 LIGHT STREET BALTIMORE, MD 21230-3850	SECRETARY 3.00	0.	0.	0.
MATTHEW C. HARRISON 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 3.00	0.	0.	0.
APRIL ULRING LARSON 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 3.00	0.	0.	0.
RAFAEL MALPICA-PADILLA 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 3.00	0.	0.	0.
LINDSAY K. MACK 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 4.00	0.	0.	0.
RICHARD A. NELSON 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 3.00	0.	0.	0.
EMMA GRAEBER PORTER 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 3.00	0.	0.	0.
LINDA K. REISER 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 3.00	0.	0.	0.
JONATHAN D. SCHULTZ 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 3.00	0.	0.	0.

WARREN SCHUMACHER 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 3.00	0.	0.	0.
MYRNA SHEIE 700 LIGHT STREET BALTIMORE, MD 21230-3850	DIRECTOR 4.50	0.	0.	0.
JOHN NUNES 700 LIGHT STREET BALTIMORE, MD 21230-3850	PRESIDENT 40.00	174,956.	23,359.	0.
JEFFERY WHISENANT 700 LIGHT STREET BALTIMORE, MD 21230-3850	EXECUTIVE VICE PRESIDENT 40.00	139,733.	18,532.	0.
LAURA MORALES 700 LIGHT STREET BALTIMORE, MD 21230-3850	ACTING VP FINANCE & ADMIN 40.00	84,446.	17,497.	0.
LISA BAUMGARTNER BONDS 700 LIGHT STREET BALTIMORE, MD 21230-3850	VP EXTERNAL RELATIONS 40.00	130,314.	23,440.	0.
TIMOTHY MCCULLY 700 LIGHT STREET BALTIMORE, MD 21230-3850	VP INTERNATIONAL PROGRAMS 40.00	115,578.	27,403.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		645,027.	110,231.	0.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 12
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
EVANGELICAL LUTHERAN CHURCH IN AMERICA	X	
LUTHERAN CHURCH - MISSOURI SYNOD	X	

FORM 990 EXPLANATION OF RELATIONSHIP PART V-A, LINE 75B STATEMENT 13

INDIVIDUAL'S NAME	TITLE OR ROLE
PAUL MILES	DIRECTOR (FORMER)

INDIVIDUAL'S NAME	TITLE OR ROLE
COMMUNITY COUNSELLING SERVICE CO., LLC	CONSULTING FIRM

EXPLANATION OF RELATIONSHIP

DURING THE YEAR ENDED SEPTEMBER 30, 2008, LWR USED THE SERVICES OF A CONSULTING FIRM (COMMUNITY COUNSELLING SERVICE CO., LLC), WHERE A FORMER BOARD MEMBER (MR. PAUL MILES) IS AN EXECUTIVE OF THE FIRM. LWR PAID A TOTAL OF $101,003 IN FEES AND EXPENSES TO THIS FIRM.

FORM 990 LIST OF STATES RECEIVING COPY OF RETURN PART VI, LINE 90 STATEMENT 14

STATES

AL,AK,AZ,AR,CA,CO,CT,DE,DC,FL,GA,HI,ID,IL,IN,IA,KS,KY,LA,ME,MD,MA,MI,MN,MS MO,MT,NE,NV,NH,NJ,NM,NY,NC,ND,OH,OK,OR,PA,RI,SC,SD,TN,TX,UT,VT,VA,WA,WV,WI, WY

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST STATEMENT 15

NAME OF COUNTRY

NICARAGUA
PERU
COLOMBIA
BOLIVIA
BURKINA FASO
MALI
NIGER
KENYA

UGANDA
TANZANIA
INDIA
SRI LANKA
PHILIPPINES
INDONESIA

FORM 990	NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS AN OFFICE	STATEMENT 16

NAME OF COUNTRY

NICARAGUA
PERU
COLOMBIA
BOLIVIA
BURKINA FASO
MALI
NIGER
KENYA
UGANDA
TANZANIA
INDIA
SRI LANKA
PHILIPPINES
INDONESIA

SCHEDULE A EXPLANATION OF TRANSACTIONS PART III, LINE 2C STATEMENT 17

DURING THE YEAR ENDED SEPTEMBER 30, 2008, LWR USED THE SERVICES OF A CONSULTING FIRM (COMMUNTIY COUNSELLING SERVICE CO., LLC), WHERE A FORMER BOARD MEMBER (MR.PAUL MILES)IS AN EXECUTIVE OF THE FIRM. LWR PAID A TOTAL OF $101,003 IN FEES AND EXPENSES TO THIS FIRM.

SCHEDULE A OTHER INCOME STATEMENT 18

DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
MISCELLANEOUS	66,696.	77,096.	138,675.	136,004.
TOTAL TO SCHEDULE A, LINE 22	66,696.	77,096.	138,675.	136,004.

SCHEDULE A STATEMENT OF LOBBYING ACTIVITIES - PART VI-B STATEMENT 19

LUTHERAN WORLD RELIEF (LWR) OCCASIONALLY PAID STAFF TO DRAFT LETTERS TO BE SIGNED BY EXECUTIVE DIRECTORS OF NON-GOVERNMENT ORGANIZATIONS AND LWR AND TO MEET AND/OR PLACE TELEPHONE CALLS TO MEMBERS OF CONGRESS AND THEIR STAFF AND/OR OFFICIALS OF THE EXECUTIVE BRANCH WITH VIEWS ON INTERNATIONAL DEVELOPMENT AND FOREIGN POLICY ISSUES URGING OPPOSITION OR SUPPORT OF SPECIFIC LEGISLATIVE INITIATIVES OR GOVERNMENT ACTIONS. LUTHERAN WORLD RELIEF OCCASSIONALLY ASKED VOLUNTEERS TO CALL MEMBERS OF CONGRESS AND THEIR STAFF AND/OR OFFICIALS OF THE EXECUTIVE BRANCH WITH VIEWS ON INTERNATIONAL AND FOREIGN POLICY ISSUES URGING OPPOSITION OR SUPPORT OF SPECIFIC LEGISLATIVE INITIATIVES OR GOVERNMENT ACTIONS.
OCCASSIONALLY LWR WILL ELECTRONICALLY PUBLISH AND MAIL TO LWR DONORS, VOLUNTEERS,CONGRESSIONAL STAFF AND LEGISLATORS CORRESPONDENCE URGING ACTION ON A PARTICULAR PIECE OF LEGISLATION THAT IS IN CONCERT WITH LWR'S MISSION. OCCASSIONALLY LWR MAY SUPPORT A LECTURE OR SEMINAR THAT SUPPORTS LWR'S MISSION. SUCH AN EVENT MAY ALSO OPPOSE OR ADVOCATE FOR A PARTICULAR PIECE OF LEGISLATION.

Lutheran World Relief
EIN: 13-2574963
9/30/2008
Form 990

Statement 20

Part I, Line 1(e) - Contributions, Gifts, Grants & Other Amounts Received

Direct Public Support				
Contributions		$ 20,403,135		
		1,405,459		
	ca	5,028,150		
		1,250,000		
		421,366		
			28,508,110	
Indirect Public Support			719,781	
US Government Grants				
Direct Programs		2,329,719		
Ocean Freight Reimbursement		50,400		
			2,380,119	
Total				**$ 31,608,010**

Lutheran World Relief
EIN: 13-2574963
9/30/2008
Form 990

Statement 21

What is the organization's primary exempt purpose?

Lutheran World Relief works with partners in 35 countries to help people grow food, improve health, strengthen communities, end conflict, build livelihoods and recover from disasters.

Some representative examples of programs and accomplishments include

LWR strives to have a deep and lasting impact in the countries where we work One example of this includes **a project in Tanzania where LWR is working with the Evangelical Lutheran Church of Tanzania (ELCT) to** help prevent and control malaria in underserved rural areas. Part of USAID's Malaria Communities Program, this project has provided training on malaria diagnosis and treatment to health professionals in 31 ELCT hospitals and dispensaries, and mobilized more than 550 church leaders and volunteers to expand community outreach and education on malaria prevention and treatment So far these malaria messages have reached more than 35,000 people thanks to this program

In the Philippines, LWR responded quickly when conflict erupted on Mindanao in August 2008, displacing thousands of families from their homes LWR worked with two local partners to provide emergency food rations, blankets, mosquito nets, sleeping mats and sanitized water containers to more than 3000 families affected by the conflict

A project in Bolivia successfully reduced the rate of malnutrition among an indigenous Quechua community of 308 families By introducing frost and drought resistant varieties of staple crops such as wheat, quinoa, and peas, LWR and our local partner helped the farmers significantly increase their production The farmers also learned to raise chickens, and the addition of eggs to their diet added a significant source of protein After two years, the rate of chronic malnutrition in the community dropped by 6 3 percent

In the U.S , LWR provides an avenue for Lutherans to put their faith into action by helping their neighbors in need One of the most popular programs is making quilts and health kits, school kits and layettes for distribution during emergencies During the year ending September 30, 2008, LWR distributed more than 911,000 donated quilts and kits worth $11 5 million to 28 countries.

Part III, Statement of Program Service Activities

	Grants/ Allocations	Total Expenses
International Programs, Relief and Development	$ 22,439,056	$ 27,628,540
Faith in Action(Education and Public Policy)	8,373	2,256,811
Organizational Effectiveness	-	314,509
Total	**$ 22,447,429**	**$ 30,199,860**

Lutheran World Relief
EIN: 13-2574963
9/30/2008
Form 990

Statement 22

Page 4, Line 64(a) Tax-Exempt Bond Liabilities

Date of Issue:	7/26/2007
Purpose of Issue:	To advance refund the Maryland Economic Development Revenue Bonds, Series 2000 ("2000 Bonds") issued by the Maryland Economic Development Corporation.
Original Amount of Issue	$5,805,000 (Half of issue is attributable to Lutheran World Relief) (LWR is jointly and severably liable with Lutheran Immigration and Refugee Service.)
Date of filing of 8038:	
Amount of issue outstanding	$2,851,101, including unamortized bond premium
Unexpended prodeeds	None
Maturity Date:	4/1/2029
Repayment terms:	According to sinking fund provisions beginning in 2008
Interest Rate	5.25%
Collateral:	None

Statement 23

Depreciation schedule to support Part IV, Line 57, Column B

Asset	Cost	Accumulated Depreciation	Value
Furniture	$ 213,406	$ 187,063	$ 26,343
Equipment - Domestic	286,451	285,944	507
Equipment - Overseas	113,326	112,801	525
Renovations	98,283	43,084	55,199
Software	18,646	9,399	9,247
Motor Vehicles	39,000	36,600	2,400
Motor Vehicles-Overseas	277,588	72,365	205,223
Buildings - Overseas	104,775	32,295	72,480
Total	**$ 1,151,475**	**$ 779,551**	**$ 371,924**

Lutheran World Relief
EIN 13-2574963
9/30/2008
Form 990
Statement 24
Schedule of Grants, Line 22b

Partner (Acronym)	Partner (Full Name)	Address	Total
ACK-DOSS	Anglican Church of Kenya, Directorate of Social Services (ACK-DOSS)	P O Box 40502 Nairobi Code 00100 KENYA	$ 7,945
ACT	Action by Churches Together	150 route de Ferney P O Box 2100 1211 Geneva 2 Switzerland	651,024
AFATT	Association des Femmes Artisanes du Tissage Traditionnel	s/c Coordination Régionale des Artisane de Ségou BP 421 Ségou MALI	6,290
AFEY	Association des Femmes Entreprenantes du Yatenga	BP 325 Ouahigouya BURKINA FASO	22,298
AFPRO	Action for Food Production	25/1A, Institutional Area D Block Janakpuri New Delhi 110 058 India	20,293
AGB	Alejandro Go Beltran Foundation	Door 2 Sebastian Building Capistrano and Echem Streets Cagayan de Oro City Philippines	29,320
AGEUP	Asociacion de Grupos Evangelicos Universitarios del Peru	Jr Patrilica 170 Pueblo Libre Lima, Peru	21,110
AJVLS/SE	Association des Jeunes Volontairs pour la Lutte Contre le SIDA/Sauvegarde de L'Environnment	BP 55 Tenkodogo BURKINA FASO	51,377
AMANA	Union des Cooperatives des Producteurs de Sésame "AMANA" du Village de TARA	S/C Maine de Gaya BP 44 Gaya NIGER	82,385
Amity	The Amity Foundation	71 Hankou Raod Nanjing Jiangsu 210008 The People's Republic of China	146,443
APSIES	Asociacion para la Salud y el Servicio Intercomunal en El Salvador	Ave Roosevelt No 10 Barrio El Centro Lolotique San Miguel EL SALVADOR	78,237
ARADO	Fundacion Arado	Av Irala No 423 2do Piso Santa Cruz Bolivia	59,351
ASOHABA	Asociacion de Productores de Haba	Calle 26 de infantena No 107 Potosi, Bolivia	49,869
ASPROCAFE INGRUMA	Asociación de Pequeños Productores de Café INGRUMA	Carrera 8 No 10-20 Riosucio Caldas COLOMBIA	15,101
ASSIST	ASSIST	G T Road Chilakaluripet 522616 Guntur District Andhra Pradesh India	21,545
ASSURED	Agency for Sustainable Rural Development and Relief	MIG 3 Vivekananda Colony, Cantonement Vizianagaram 535 003 Andhra Pradesh India	25,008
ATSWA	Annal Theresa Social Work Association	4/64 East Street Madanambedu Village & Post Sathyavedu Mandal Chittoor Dist, Pin - 517 588 Andhra Pradesh India	107,158
BCHOS	Bosongo Community Health Outreach Services	P O Box 2200 Kisii KENYA	31,582
BDSI	Balay Dabaw Sur Inc	Mabini 5th Sts Digos City Davo del Sur Philippines	39,942

Lutheran World Relief
EIN 13-2574963
9/30/2008
Form 990
Statement 24
Schedule of Grants, Line 22b

Partner (Acronym)	Partner (Full Name)	Address	Total
BENKADI TON	L'Association Benkadi Ton de Diakobougou	Commune de Sakoiba Cercle de Ségou MALI	$ 71,902
BMFI	Balay Mindanaw Foundation, Inc	#53, 12th Street, Zone 2, Upper Bulua Cagayan de Oro City 9000 Philippines	64,630
CACAONICA	La Cooperativa de Servicios Agroforestales Y Mercadeo de Cacao	Deposito PEPSI 25 Metros al Sur Waslala Matagalpa NICARAGUA	62,862
CAFENICA	La Asociacion de Cooperativas de Pequenos Productores de Cafe de Nicaragua	Parque DARIO 1 cuadre al este Matagalpa NICARAGUA	23,976
CASA	Church s Auxiliary for Social Action	Rachna Building 2 Rajendra Place Pusa Road New Delhi 110 008 India	75,000
CDS	Corporación Desarrollo Social	Edificio Gedeón, Piso 7 (La Matuna) Cartagena Colombia	71,999
CEB	Contribution à l Education de Base	B P 708 Niamey NIGER	12,796
CECOCAFEN	Central de Cooperativas Cafetaleras del Norte	de Banco Uno dos cuadras al este la esquina opuesta al Tribunal de Apelaciones Matagalpa, Nicaragua	183,403
CEDO	Community Enterprises Development Organization Ltd	P O Box 246 Kyotera UGANDA	192,123
CEPES	Centro Peruano de Estudios Sociales	Av Salaverry 818 Jesus Maria Lima Peru	70,000
CEPRODE	Centro De Proteccion Para Desastres	Av Palma Soriano y C Holguin #171 Col Yumuri San Salvador El Salvador	35,000
CERD	Center for Empowerment and Resource Development	102 ER L Mendoza Building Kamuning Road Quezon City 1103 Philippines	59,280
CESS	Centro de Estudios Sociales "Solidandad"	Leoncio Prado 443 Chiclayo, Lambayeque Peru	42 099
CHAMBASHO SACCOS	Chama Cha Ushirika Wa Akiba Na Mikopo - CHAMBASHO SACCOS LTD	CHAMBASHO SACCOS LTD Kata Ya Hogoro P O Box 93 Kongwa - Dodoma TANZANIA	33,098
CIDI	Community Integrated Development Initiatives	P O Box 20664 Kampala UGANDA	61,071
CIEETS	Centro Intereclesial de Estudios Teológicos y Sociales	Plaza El Sol 1c al Sur 50 Vrs Arriba (Este) Residencial Los Robles Managua Nicaragua	80,000
CMAI	Christian Medical Association of India	Plot 2, A3 Local Shopping Centre Janakpuri New Delhi 110 058 India	198,568
CORAMBIENTE	CORAMBIENTE	Carrera 23 No 55-54 Bucaramanga, Santander Colombia	84,504
CORSOC	Corporación Para el Desarrollo Social Communitario	Calle 15 # 16-78 Barrio Alfonos López Tierralta Córdoba Colombia	22,813
CSDO-SC	Coalition of Social Development Organizations in South Cotabato	#4 2/F NDMU Complex Alunan Avenue Koronadal City Philippines	4,651

Lutheran World Relief
EIN 13-2574963
9/30/2008
Form 990
Statement 24
Schedule of Grants, Line 22b

Partner (Acronym)	Partner (Full Name)	Address	Total
CWS	Church World Services	c/o Anne Regier P O Box 968 Elkhart, IN 46515	$ 31,844
CWS - Indonesia	Church World Services - Indonesia	JL Kemang Selatan II/No 4-A Kemang Jakarta 12730 Indonesia	64,891
CWS - Thailand	Church World Services - Thailand	ATTN Mr William Dangers 10th Fl The CCT Building 328 Phayathai Rd Ratchathevi Bangkok 10400	190,000
DAKUPA	Cercle de Solidarité et de Développement du Boulgou	B P 167 Garango BURKINA FASO	4,000
DEWERAL E WALTARE	Groupement Deweral E Waltare	s/c Association Fidima BP 234 Fada N gourma BURKINA FASO	5,795
DIAL	DIAL	Carrera 9 #81A-25 Piso 9 Bogota Colombia	10,000
DISHA	DISHA	13/88 Block C-4/B Flat No 88 Janakpun New Delhi - 110 058 India	16,049
DVV	Dalit Vikas Vindu	At Addi Bungalow P O Jhumari Telaiya District Koderma Jharkhand India	92,941
EDAC	Equipo de Desarrollo Agropecuario de Cajamarca	Las Casuarinas 340 Urbanizacion el Ingenio Cajamarca Peru	50,000
EDUCA	Instituto de Fomento de Una Educacion de Calidad	Calle Luis N Saenz 581 Jesus Maria Lima 11 Peru	51,872
ELCK	Evangelical Lutheran Church of Kenya	P O Box 44685 00100 Nairobi KENYA	22,560
ELCT	Evangelical Lutheran Church in Tanzania	P O Box 3033 Boma Road Arusha TANZANIA	261,737
ELCT-Dodoma	Evangelical Lutheran Church in Tanzania - Dodoma Diocese	P O Box 1681 Dodoma TANZANIA	29,939
EXCELLENT	Excellent Development Kenya	P O Box 16 Kola Machakos KENYA	4,576
FUFO	Fédération des Unions de la Filière Oignon de Madaoua	BP 34 Madaoua NIGER	64,220
FUNDE	Fundación Nacional para el Desarrollo	Calle Arturo Ambrogi #411 entre 103 y 105 Averuda Norte Colonia Escalon San Salvador, El Salvador	46,180
GCCE	Gumurtondo Coffee Cooperative Enterprise Ltd (GCCE)	P O Box 283 Mbale UGANDA	178,926
GUIREYAAWES	La Fédération des Guireyaawés	Cercle de Koro Région de Mopti MALI	57,639
HARSHA	HARSHA Trust	Plot No 217/B Bayababa Matha Lane Unit - IX Flats Bhubaneswar 751 022 Orissa India	26,262
HOZEM	Chama Cha Akiba Na Mikopo- Hozem	P O Box 3415 Dodoma TANZANIA	50,469

Lutheran World Relief
EIN 13-2574963
9/30/2008
Form 990
Statement 24
Schedule of Grants, Line 22b

Partner (Acronym)	Partner (Full Name)	Address	Total
HUMBOLDT	Centro Alexander von Humboldt	Apartado Postal 768 Managua, Nicaragua	$ 65,040
ICADE	Instituto para la Cooperacion y el Auto-Desarrollo	Barrio Abajo Continuo al Hotel Mackarthur Casa No 444 Apartado Postal 4079 Tegucigalpa	50,000
ICB	International Center of Bethlehem	PO Box 162 Paul VI Street 109 Bethlehem Palestine via Israel	(2,422)
IDEA	Institute for Development Education and Action	Administrative Office Swami Vivekanand Path Belwanwa PO Motihari District East Champaran Bihar 845 401 India	50,958
IDEAS-CAJ	Centro de Investigacion, Documentacion, Educacion Asesoria y Servicios	Av Arenales #645 Lima 1 Peru	19,144
IELCO	Inglesia Evangelica Luterana de Colombia	Iglesia Evangelica Luterana de Colombia Calle 75 No 20 C - 54 Bogota, Colombia	14,849
Infancia Feliz	Foundacion Infancia Feliz	CARRERA 9 SUR Nº 66-33 - BARRIO 7 DE ABRIL BARRANQUILLA, ATLÁNTICO COLOMBIA	36,665
IOCC	International Orthodox Christian Charities	110 West Road Suite 360 Baltimore MD 21204	10,000
IPC	Iglesia Presbyteriana de Colombia	Carrera 46, No 48-50 Barranquilla, Colombia	18,650
ISARA	Indian Social Action and Research Association	Tina Complex, Flat-B Block-4 425 C M G Road (Handevpur) Kolkata 700 082 West Bengal India	17,000
ITDG	Soluciones Practicas ITDG	Av Jorge Chavez 275 Miraflores Lima 18 Peru	23 595
Ivoleni	Ivoleni Self Help Group	P O Box 311 Sultan Hamud KENYA	23 320
JEKAFO	L Association Jèkafo de Diéna	Commune de Diéna Cercle de Bla MALI	81,577
Jorge Artel	Corporación Jorge Artel	Calle 2 de Badillo No 36-95 Off 2004 Edificio Coomibol Cartagena de Indias Colombia	35,000
JSF	Josefa Segovia Foundation Inc	2nd Floor JSF Building Abayon Subdivision Calinan 8018 Davao City Philippines	11,456
K-REP	K-REP Development Agency	P O Box 10528 Nairobi 00100 KENYA	40,000
KAPWA	KAPWA Upliftment Foundation, Inc	427 Duran Street Juna Subdivision Matina Davao City 8000 Philippines	33,869
KELC	Kenya Evangelical Lutheran Church	P O Box 54128 Nairobi KENYA	15,000
KIFISACCO	Kibaigwa Financial Services Savings and Credit Cooperative Society Limited	c/o P O Box 1167 Dodoma TANZANIA	67,001
KWIMINIA CBO	Kwiminia Community Based Organization	P O Box 41 Kalawa KENYA	584
Kyeemwea	Kyeemwea Kiatine Irrigation Self Help Group	c/o P O Box 16 Kilala Makueni KENYA	51,929

Lutheran World Relief
EIN 13-2574963
9/30/2008
Form 990
Statement 24
Schedule of Grants, Line 22b

Partner (Acronym)	Partner (Full Name)	Address	Total
LCMS World Relief	LCMS World Relief and Human Care	1333 S Kirkwood Road St. Louis MO 63122-7295	$ 15,000
Lembaga Posko	Lembaga Posko Kemanusiaan Banda Aceh	Jl Twk Hasyim Banta Muda No 65 Kampung Mulia - Kota Banda Aceh INDONESIA	91,333
LHM	Lutheran Hour Ministries	660 Mason Ridge Center Drive St. Louis MO 63141	5,000
LIMPAL	Liga Internacional de Mujeres por la Paz y la Libertad	Calle 2B No 66-38 Bogota, Colombia	20,077
LKM	Lembaga Keuangan Mikro - Ebeni Haezen	Jalan Amerpa No 5 Desa Mudik Gunung Sitoli Kab Nias Kode Pos 22814 Indonesia	26,300
Lougourou Goumo	Groupement des Femmes de Lougourou-Goumo	c/o YA G TU BP 7 Bandiagara MALI	1,293
LWF/WS	Lutheran World Federation/World Service	P O Box 2100 Route de Ferney 150 Geneva 2 Switzerland	1,473,182
LWF/WS Jerusalem	Lutheran World Federation/World Service - Jerusalem Program	PO Box 19178 Jerusalem 91191 via Israel	100,000
LWR ARO	LWR Andean Regional Office	Apartado Postal 18-0822 General Silva 117 Miraflores Lima 18 PERU	14,334
LWSI	Lutheran World Service India	84 Dr Suresh Sarkar Road Kolkata 700014	70 804
MAKUTANO	Makutano Sand Dam Water Project	P O Box 78 Kalawa KENYA	584
MATUMAINI SACCOS	Chama Cha Ushirika Wa Akiba Na Mikopo Matumaini	MATUMAINI SACCOS P O Box 1126 Dodoma TANZANIA	30 662
Mbututini	Nzambani horticultural F/Mbututini	P O Box 16 Ngwata KENYA	4,440
MECC/DSPR	Middle East Council of Churches/Department of Service for Palestinian Refugees	Nablus Road 31 PO Box 19195 Jerusalem 91191 via Israel	125,000
MFI	Mahintana Foundation Inc	Cannery Housing Cannery Site Polomolok 9504 South Cotabato Philippines	43,896
MINGA	Asociacion de Grupos Mancomunados de Trabajo-MINGA	Av Rosenhammer Esq Chiquitos s/n Correo Central San Ignacio de Velasco Santa Cruz BOLIVIA	52,874
MINGA (Colombia)	Asociación MINGA	Calle 19 No 4-68 Oficina 1203 Bogotá Colombia	13,000
MOPAWI	Mosquitia Pawisa	Apartado Postal 2175 4b 2a Calle, Tres caminos Tegucigalpa, Honduras	111,000
MRWTC	Mtumba Rural Women s Training Center	P O Box 899 Dodoma TANZANIA	22,191
MUAMBA	Muamba Water Project	P O Box 41 Kalawa KENYA	584
MUSOKOTO	Musokoto Joint Farmers Self Help Group	P O Box 42 Nambale KENYA	19,161

Lutheran World Relief
EIN 13-2574963
9/30/2008
Form 990
Statement 24
Schedule of Grants, Line 22b

Partner (Acronym)	Partner (Full Name)	Address	Total
MWRAF	Muslim Women s Research and Action Forum	73/15A Kirulapone Avenue Colombo 5 Sri Lanka	$ 45,253
Nangondire	Groupement Latier Nangondire	s/c Association Fidima BP 234 Fada N Gourma BURKINA FASO	3,050
NCAS	National Centre for Advocacy Studies	Serenity Complex Ramnagar Colony Pahsan PUNE 411 021 INDIA	43 472
NDCC	Patna Notre Dame Sisters Society	Palaputra P O Patna 800 013 Bihar India	32,302
NOR SUD	Fundacion Nor Sud	Calle Guyanas No 23 Sucre BOLIVIA	158,180
Nyolo	Nyolo Dairy Group	P O Box 28 Ng ambwa KENYA	41,055
OICH	Organizacion Indigena Chiquitana	Av Bavera Calle 2 Concepcion Santa Cruz Bolivia	30,111
OND Hesed	OND Hesed Foundation Inc	Upper Paredes B1 Baldostamon Subdivision Koronadal City 9506 South Cotabato	16,065
PKN	Pawan Krus Niketan	C/o Catholic Cooperative Society Building P B No 2 Purulia Road Ranchi - 834 001 Jharkhand INDIA	17 998
Pouroly	Groupement des Femmes de Pouroly	s/c TA G TU BP 4 Bandiagara MALI	1,293
PRADAN	Professional Assistance for Development Action	Gouratola Sahi Near Telephone Exchange Keonjhar 758 001 India	1,172
RANAW MERN	RANAW Mindanao Emergency Response Network	Door C-03 M&M Apartment Block 2 Purok Anthurium Barangay Mahayahay	15,887
REEP	Rural Economic Empowerment Project	P O Box 47 Butula KENYA	19,843
RIKIWAZAH	RIKIWAZAH Kikundi Cha Walima Zabibu Hombolo	P O Box 3415 Dodoma TANZANIA	28,700
RKM	Sri Ramakrishna Sarada Math & Mission	Rabindra Path Vivekananda Central School Hazaribag Jharkhand 825301 India	18,296
Saa Sutura	Groupement Saa Sutura	s/c Association Fidima BP 234 Fada N'Gourma BURKINA FASO	3,050
San Javier	Asociacion Civil San Javier del Peru	Av Los Chancas 328 Huancavelica, Peru	132,399
SCM/N	Share and Care in Medico Nepal	PO BOX 10657 Kathmandu District, NEPAL	18,397
Sembrando Paz	Asociación Sembrando Semillas de Paz	Calle 32 #17-194 Sincelejo Sucre Colombia	15,597
SEPAR	Servicios Educativos, Promocion y Apoyo Rural	Av Francisco Solano No 290 San Carlos Huancayo PERU	48,016

Lutheran World Relief
EIN 13-2574963
9/30/2008
Form 990
Statement 24
Schedule of Grants, Line 22b

Partner (Acronym)	Partner (Full Name)	Address	Total
SFIRD	Society for Integrated Rural Development	#15-12-68 Venkatrao Nagar GUNTUR - 522 001 Andhra Pradesh INDIA	$ 47,282
SJASL	St John Ambulance Sri Lanka	65/11 Sir Chittampalam A Gardiner Mawatha Colombo 02 Sri Lanka	(12,302)
SOPPEXCCA	SOPPEXCCA	De la Ferretería Blandon Moreno 1 Cuadra al Oeste Apartado Postal #2 Jinotega Nicaragua	173,203
Soroly	Groupement des Femmes de Soroly	s/c YA G TU BP 4 Bandiagara MALI	1 293
SPAA	Santhal Pargana Antyodaya Ashram	Purandaha, B Deogarh Dist Deogarh, 814112 Jharkhand INDIA	10,783
SPECTRUM	Sarangani Province Empowerment and Community Transformation Forum, Inc	Calderon Bldg Quirino Avenue cor Camia St General Santos City	27,565
SR	Secretariado Rural	Belisario Salinas 530 1er Piso La Paz Bolivia	20 000
TIERRA	Fundacion Tierra	Calle Hermanos Manchego No 2576 La Paz BOLIVIA	164,824
TriFED-ARBC	Tripartite Partnership for Agrarian Reform and Rural Development Federation - Agrarian Reform Beneficiaries Cooperatives	Barangay San Jose Poblacion Montevista Compostela Valley Province Mindanao Philippines	55,484
UAPAD	L'Union des Assocations Paysannes pour une Agriculture Durable (UAPAD) Femme de Mandiakuy	Commune de Mandiakuy Cercle de Tominian MALI	68,824
UCA SAN RAMON	UCA SAN RAMON	Contiguo a donde fueron las oficinas de la Policía Nacional en San Ramón	27,378
UGPR/B	l Union des Groupements de producteurs de Riz de Bagré (UGPR/B)	S/C MOB 03 B P 7073 Ouagadougou 03 BURKINA FASO	80,128
UNAG	Unión Nacional de Agricultores y Ganaderos	UNAG oficina Nacional Reparto las Palmas costado Norte edificio Julia Pasos Km 3 ½ carretera sur Apartado Postal 4526 Managua Nicaragua	30 008
URCPCE	L'Union Régionale des Caisses Populaires du Centre Est	BP 85 Koupéla BURKINA FASO	40,000
UTIENU POUGIDI	Groupement Utienu Pougidi Libaali	s/c Association Fidima BP 234 Fada N Gourma BURKINA FASO	3,050
VAD	Voluntary Action for Development	P O Box 22281 Kampala UGANDA	67,258
Venegre	Association Vénégré de Gourgou	BP 24 Tenkodogo BURKINA FASO	57,250
WCRP-USA	World Conference of Religions for Peace	777 United Nations Plaza New York NY 10017	5,000
Wendeguele	Groupement Feminin de Wendeguele	s/c YA G TU BP 04 Bandiagara MALI	1,293
WH	Casa de la Mujer	Av Hernando Sanabria y 3er Anillo Santa Cruz Bolivia	29,954

Lutheran World Relief
EIN 13-2574963
9/30/2008
Form 990
Statement 24
Schedule of Grants, Line 22b

Partner (Acronym)	Partner (Full Name)	Address	Total
WN	World Neighbors	4127 NW 122 Street Oklahoma City, Oklahoma 73120	$ 44,000
XAES	Xavier Agriculture Extension Services	Almagro Compound Villafuerte Street 7001 Ipil Zamboanga Sibugay Philippines	(4,368)
YA G TU	Yam-Gribolo-Tumo / Association pour la Promotion de la Femme	BP 4 Bandiagara MALI	12,982
YTD	Yayasan DaTafahea PGI Daerah Nias	Jl Diponegoro No 331 B Gunung Sitoli Nias District Kode Pos 22815	26,215
YEU	Yakkum Emergency Unit	Jl Sam Ratulangi No 8 Yogyakarta 55223 Indonesia	234 427
		SUBTOTAL	8,981,548
		Facilitation Fund Expenses (Small Grants <$5K)	275,740
		Other Worldwide (ELCA [$2 650] + LCMS [$8 170])	8,373
		SUBTOTAL GRANTS (Cash)	9,265,661
		Material Aid (non-cash)	11,527,143
		Material Aid (cash)	1,654,625
		GRAND TOTAL	$ 22,447,429

LUTHERAN WORLD RELIEF, INCORPORATED

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

SEPTEMBER 30, 2008

TAIT, WELLER & BAKER LLP

LUTHERAN WORLD RELIEF, INCORPORATED

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position, September 30, 2008 and 2007	2
Statement of Activities and Changes in Net Assets, Year ended September 30, 2008 with Summarized Information for 2007	3
Statement of Functional Expenses, Year ended September 30, 2008 with Summarized Information for 2007	4
Statements of Cash Flows, Years ended September 30, 2008 and 2007	5
Notes to Financial Statements	6
SUPPLEMENTAL INFORMATION	
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL INFORMATION	13
Area Support and Program Services Expenses, Year ended September 30, 2008 with Summarized Information for 2007	14

TAIT, WELLER & BAKER LLP

Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Lutheran World Relief, Incorporated
Baltimore, Maryland

We have audited the accompanying statement of financial position of Lutheran World Relief, Incorporated (the "Organization") as of September 30, 2008, and the related statements of activities and changes in net assets, of functional expenses, and of cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Lutheran World Relief, Incorporated's 2007 financial statements and, in our report dated December 19, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lutheran World Relief, Incorporated as of September 30, 2008, the changes in its net assets, its functional expenses and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
January 14, 2009

LUTHERAN WORLD RELIEF, INCORPORATED

STATEMENTS OF FINANCIAL POSITION

September 30, 2008 and 2007

	2008	2007
ASSETS		
Cash and cash equivalents	$ 4,231,311	$ 5,063,329
Accounts receivable – U.S. Government	926,562	819,305
Miscellaneous receivables and advances to overseas offices	1,046,288	821,343
Contributions receivable *(Note 3)*	2,649,907	1,355,948
Marketable securities *(Note 2)*	28,211,543	30,897,564
Other investments *(Note 2)*	152,282	237,876
Plant and equipment – net of accumulated depreciation *(Note 4)*	371,924	282,322
Funds held by trustee *(Note 7)*	351,467	283,631
Investment in Lutheran Center Corporation *(Note 5)*	3,400,214	3,455,424
	41,341,498	43,216,742
Inventories of donated materials for distribution, at estimated values	2,377,482	3,518,081
Total assets	$43,718,980	$46,734,823
LIABILITIES		
Accounts payable and other accrued expenses	$ 1,308,847	$ 1,373,065
Long-term debt *(Note 7)*	2,851,101	2,971,775
Total liabilities	4,159,948	4,344,840
NET ASSETS		
Unrestricted		
General *(Note 8)*	21,943,445	22,101,150
Plant and Equipment Fund		
Unexpended	740,000	740,000
Investment in plant and equipment	371,924	282,322
	23,055,369	23,123,472
Inventories of donated materials for distribution, at estimated values	2,377,482	3,518,081
Total unrestricted net assets	25,432,851	26,641,553
Temporarily restricted *(Note 8)*	13,959,407	15,593,316
Permanently restricted *(Note 8)*	166,774	155,114
Total net assets	39,559,032	42,389,983
Total liabilities and net assets	$43,718,980	$46,734,823

See notes to financial statements.

LUTHERAN WORLD RELIEF, INCORPORATED

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended September 30, 2008 with Comparative Totals for 2007

	2008						2007
	Unrestricted						
	Operations	Material Aid	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Comparative Total
Support							
Church body support							
Evangelical Lutheran Church in America	$ 800,000	$ -	$ 800,000	$ 4,228,150	$ -	$ 5,028,150	$ 4,746,184
Lutheran Church – Missouri Synod	937,500	-	937,500	312,500	-	1,250,000	1,250,140
	1,737,500	-	1,737,500	4,540,650	-	6,278,150	5,996,324
Contributions	7,632,215	-	7,632,215	1,849,469	11,660	9,493,344	8,508,783
Foundation grants	-	-	-	259,686	-	259,686	99,929
Bequests	1,387,465	-	1,387,465	17,994	-	1,405,459	797,182
U.S. Government grants *(Note 9)*							
Relief and other programs	323,917	-	323,917	2,005,802	-	2,329,719	3,201,137
Ocean freight reimbursement	50,400	-	50,400	-	-	50,400	131,340
Foods Resource Bank	-	-	-	421,366	-	421,366	367,389
Thrivent Financial for Lutherans	2,307	-	2,307	5,000	-	7,307	25,000
Action by Churches Together	-	-	-	109,250	-	109,250	21,797
Church World Service via CROP	-	-	-	147,004	-	147,004	-
Combined Federal Campaign	-	-	-	719,781	-	719,781	459,668
	9,396,304	-	9,396,304	5,535,352	11,660	14,943,316	13,612,225
Total support	11,133,804	-	11,133,804	10,076,002	11,660	21,221,466	19,608,549
Revenue							
Miscellaneous	36,723	-	36,723	-	-	36,723	66,696
Total revenue	36,723	-	36,723	-	-	36,723	66,696
Total support and revenue – cash	11,170,527	-	11,170,527	10,076,002	11,660	21,258,189	19,675,245
Support-In-Kind							
Inventories of donated materials for distribution, at estimated values	-	10,386,544	10,386,544	-	-	10,386,544	12,670,914
Net assets released from restrictions *(Note 8)*	11,714,116	-	11,714,116	(11,714,116)	-	-	-
Total support and revenue	22,884,643	10,386,544	33,271,187	(1,638,114)	11,660	31,644,733	32,346,159

Expenses							
Program Services							
International Programs, Relief and Development (including in-kind shipments of $11,527,143 and $14,110,292 in 2008 and 2007, respectively)	16,101,397	11,527,143	27,628,540	-	-	27,628,540	30,047,533
Faith in Action (Education and Public Policy)	2,256,811	-	2,256,811	-	-	2,256,811	1,914,735
Organizational Effectiveness	314,509	-	314,509	-	-	314,509	179,785
Total program services	18,672,717	11,527,143	30,199,860	-	-	30,199,860	32,142,053
Supporting Services							
General management	1,843,200	-	1,843,200	-	-	1,843,200	1,830,398
Fundraising	1,120,171	-	1,120,171	-	-	1,120,171	1,063,871
Total supporting services	2,963,371	-	2,963,371	-	-	2,963,371	2,894,269
Total expenses	21,636,088	11,527,143	33,163,231	-	-	33,163,231	35,036,322
Excess (deficiency) of income over expenses	1,248,555	(1,140,599)	107,956	(1,638,114)	11,660	(1,518,498)	(2,690,163)
Other Changes In Net Assets							
Investment return net of amounts designated for current operations *(Note 2)*	(1,316,658)	-	(1,316,658)	4,205	-	(1,312,453)	3,137,401
Loss on early retirement of debt *(Note 7)*	-	-	-	-	-	-	(293,688)
Change in net assets	(68,103)	(1,140,599)	(1,208,702)	(1,633,909)	11,660	(2,830,951)	153,550
Net Assets							
Beginning of year	23,123,472	3,518,081	26,641,553	15,593,316	155,114	42,389,983	42,236,433
End of year	$23,055,369	$ 2,377,482	$25,432,851	$ 13,959,407	$166,774	$39,559,032	$42,389,983

See notes to financial statements.

LUTHERAN WORLD RELIEF, INCORPORATED

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2008 with Comparative Totals for 2007

	PROGRAM SERVICES					SUPPORTING SERVICES				TOTAL EXPENSES	
	International Programs, Relief And Development	Faith In Action (Education And Public Policy)	Organizational Effectiveness	2008 Total	2007 Comparative Total	General Management	Fundraising	2008 Total	2007 Comparative Total	2008 Total	2007 Comparative Total
Salaries	$ 2,324,724	$ 878,589	$190,733	$ 3,394,046	$ 2,804,683	$ 840,126	$ 282,049	$1,122,175	$1,202,768	$ 4,516,221	$ 4,007,451
Employee health, retirement and other benefits	590,209	175,107	38,703	804,019	658,814	164,242	58,653	222,895	236,597	1,026,914	895,411
Payroll taxes	86,610	63,460	13,881	163,951	135,637	58,645	18,905	77,550	69,560	241,501	205,197
Total salaries and related expenses	3,001,543	1,117,156	243,317	4,362,016	3,599,134	1,063,013	359,607	1,422,620	1,508,925	5,784,636	5,108,059
Retained services	439,491	412,863	16,464	868,818	900,354	524,410	208,862	733,272	608,990	1,602,090	1,509,344
Program materials and other supplies	86,447	26,552	3,590	116,589	114,835	10,636	5,145	15,781	20,363	132,370	135,198
Communications	101,752	31,211	2,060	135,023	123,059	10,628	3,198	13,826	13,580	148,849	136,639
Web costs	-	7,153	-	7,153	2,938	-	5,734	5,734	3,161	12,887	6,099
Postage	14,405	22,000	414	36,819	32,426	6,242	97,280	103,522	89,607	140,341	122,033
Occupancy costs											
Cost share, including interest/rent	121,724	132,517	16,221	270,462	287,159	75,141	36,116	111,257	150,493	381,719	437,652
Overseas	98,216	-	-	98,216	73,682	-	-	-	-	98,216	73,682
Insurance	29,522	67	-	29,589	45,810	27,915	-	27,915	27,672	57,504	73,482
Equipment rental, repairs and capital outlay	129,428	25,563	1,817	156,808	105,098	11,862	18,444	30,306	41,836	187,114	146,934
Travel and meetings	967,235	200,307	18,513	1,186,055	782,364	128,631	35,283	163,914	135,046	1,349,969	917,410
Printing, publications and film	5,015	168,646	278	173,939	108,492	568	199,152	199,720	125,061	373,659	233,553
Membership fees	29,349	19,695	194	49,238	39,078	6,650	29,035	35,685	36,437	84,923	75,515
Bank and merchant fees	-	-	-	-	-	82,573	83,275	165,848	162,630	165,848	162,630
Material aid											
Donated materials (blankets and quilts, medical, etc)	11,527,143	-	-	11,527,143	14,110,292	-	-	-	-	11,527,143	14,110,292
Cash related costs	1,654,625	-	-	1,654,625	1,504,363	-	-	-	-	1,654,625	1,504,363
Grants (cash)	9,257,288	8,373	-	9,265,661	10,150,724	-	2,447	2,447	-	9,268,108	10,150,724
Other program costs	16,696	42,716	-	59,412	47,543	-	-	-	460	59,412	48,003
Miscellaneous	88,368	30,617	9,756	128,741	57,691	20,668	33,446	54,114	66,453	182,855	124,144
Reimbursement of administrative expenses	-	-	-	-	-	(132,535)	-	(132,535)	(124,947)	(132,535)	(124,947)
Total expenses before depreciation	27,568,247	2,245,436	312,624	30,126,307	32,085,042	1,836,402	1,117,024	2,953,426	2,865,767	33,079,733	34,950,809
Depreciation of equipment	60,293	11,375	1,885	73,553	57,011	6,798	3,147	9,945	28,502	83,498	85,513
TOTAL EXPENSES	$27,628,540	$2,256,811	$314,509	$30,199,860	$32,142,053	$1,843,200	$1,120,171	$2,963,371	$2,894,269	$33,163,231	$35,036,322

See notes to financial statements.

LUTHERAN WORLD RELIEF, INCORPORATED

STATEMENTS OF CASH FLOWS

Years ended September 30, 2008 and 2007

	2008	2007
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Cash received from contributors	$ 17,249,387	$ 16,245,663
Cash received from U.S. Government	2,272,862	3,076,402
Interest and dividends received	1,547,611	1,628,397
Miscellaneous receipts	91,933	209,272
Grants paid	(9,268,108)	(10,150,724)
Cash paid for other expenditures	(12,346,654)	(10,456,986)
Net cash provided by (used for) operating activities	(452,969)	552,024
Cash flows from investing activities		
Purchase of equipment	(173,100)	-
Purchase of investments	(9,301,673)	(151,282,816)
Proceeds from sale of investments	9,213,224	134,879,954
Net cash used for investing activities	(261,549)	(16,402,862)
Cash flows from financing activities		
Issuance of long-term debt	-	2,902,500
Repayment of long-term debt	(117,500)	(2,820,000)
Premium and deferred loan costs paid in conjunction with issuance of long-term debt	-	(44,333)
Write-off of discount and deferred loan costs in connection with early retirement of long-term debt	-	92,438
Net cash provided by (used for) financing activities	(117,500)	130,605
Net decrease in cash	(832,018)	(15,720,233)
Cash and cash equivalents		
Beginning of year	5,063,329	20,783,562
End of year	$ 4,231,311	$ 5,063,329
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net assets	$ (2,830,951)	$ 153,550
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Support-in-kind	(10,386,544)	(12,670,914)
Material aid in-kind	11,527,143	14,110,292
Amortization of discount/premium and deferred loan costs	2,046	1,305
Depreciation	83,498	85,513
Equity in loss in Lutheran Center Corporation	55,210	142,576
(Gain)/loss on sale of investments	146,317	(576,575)
Change in unrealized (appreciation) depreciation	2,713,747	(932,429)
(Increase) decrease in		
Accounts receivable – U.S. Government	(107,257)	(256,075)
Miscellaneous receivables and advances to overseas offices	(230,165)	(257,154)
Contributions receivable	(1,293,959)	118,013
Funds held by trustee	(67,836)	108,732
Increase (decrease) in		
Accounts payable and accrued expenses	(64,218)	525,190
Net cash provided by (used for) operating activities	$ (452,969)	$ 552,024

See notes to financial statements.

(1) SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

Lutheran World Relief *("LWR")* works with partners in 35 countries to help people grow food, improve health, strengthen communities, end conflict, build livelihoods and recover from disasters.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

LWR occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 107 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include $4,073,023 and $4,516,875 of money market funds and commercial paper with maturities of 90 days or less as of September 30, 2008 and 2007, respectively.

INVESTMENTS

The fair value of investments traded on a securities exchange is determined based on market prices for these investments.

As part of its investment policy, LWR follows prohibitions to investing in specific companies practiced by the two primary supporting Church bodies to the extent such prohibitions are communicated to LWR.

PLANT, EQUIPMENT AND DEPRECIATION

Furniture and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which are 10 years for furniture and equipment, and 5 years for overseas transportation and other equipment.

INVENTORY OF DONATED MATERIALS

Inventory of donated materials (blankets and quilts, food, medical and other supplies) is valued at their estimated fair value at date of receipt. Donated goods are removed from inventory at the time of shipment of such goods at values assigned on the date of receipt.

- *NET ASSETS*

LWR's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of LWR and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of LWR and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by LWR. Generally, the donors of these assets permit LWR to use all or part of the income earned on related investments for general or specific purposes.

CONTRIBUTIONS

LWR reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

GRANTS PAYABLE

LWR does not record multi-year grants payable since each grant award is conditional, subject to ongoing review and evaluation.

U.S. GOVERNMENT GRANTS

LWR has various grants with the United States Agency for International Development (***"USAID"***) and the Department of State (***"USDOS"***). LWR applies for such funds at the time the expenditure is made, which is the basis for recognizing revenue ***(See Note 9)***.

ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services.

INCOME TAXES

As a non-profit organization under Section 501(c)(3) of the Internal Revenue Code, LWR is exempt from federal, state and city corporate income taxes.

RECLASSIFICATIONS

Certain reclassifications were made to the 2007 financial statements to conform to the 2008 presentation.

PRIOR YEAR INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with LWR's audited financial statements for the year ended September 30, 2007, from which the summarized information was derived.

(2) INVESTMENTS

At September 30, 2008 and 2007, investments consisted of the following:

MARKETABLE SECURITIES

	2008		2007	
	Cost	Market	Cost	Market
U.S. Government Securities	$15,591,998	$16,010,243	$14,389,469	$14,591,495
Common Stock	4,739,911	4,432,559	4,862,391	5,618,860
Corporate Bonds	-	-	1,615,977	1,610,065
Mutual funds				
Balanced	1,371,792	1,271,430	1,273,333	1,521,812
Equity	3,082,757	2,959,934	2,930,503	3,911,001
Bond	2,141,123	2,065,081	2,007,713	2,037,453
High Yield	703,885	598,197	655,252	621,272
Income	589,086	515,933	558,213	552,962
Other	421,451	358,166	407,021	432,644
	$28,642,003	$28,211,543	$28,699,872	$30,897,564

OTHER INVESTMENTS

Other investments represent LWR's investment in Divine Chocolate, the world's first farmer-owned Fair Trade chocolate company. This investment is an integral component of LWR's program relating to Fair Trade activities.

INVESTMENT RETURN

The following summarizes the total investment return for the years ended September 30, 2008 and 2007:

	2008	2007
Net investment income	$ 1,547,611	$1,628,397
Net realized gain/(loss)	(146,317)	576,575
Net unrealized gain/(loss)	(2,713,747)	932,429
Investment income	$(1,312,453)	$3,137,401

During the fiscal year ended September 30, 2001, LWR approved a fixed rate of return ***("spending rate")*** in utilizing investment income and net gains for operations. The spending rate was not utilized in either fiscal years 2008 or 2007.

(3) CONTRIBUTIONS RECEIVABLE

Contributions are recognized when the donor makes a promise to give to LWR that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions receivable include commitments and various deferred gift annuity contracts which are held by others, but for which LWR has been named the beneficiary. As of September 30, 2008 and 2007, contributions receivable consist of the following:

	2008	2007
Other commitments	$1,716,814	$ 526,404
Deferred gifts	933,093	829,544
	$2,649,907	$1,355,948

(4) PLANT AND EQUIPMENT

The costs of such assets were as follows:

	2008	2007
Office furniture and equipment – headquarters	$ 616,785	$ 607,590
Office building – overseas	104,775	104,775
Transportation and other equipment – overseas operations	429,915	382,965
	1,151,475	1,095,330
Less accumulated depreciation	779,551	813,008
Net value	$ 371,924	$ 282,322

(5) INVESTMENT IN LUTHERAN CENTER CORPORATION

LWR occupies approximately 33% of the office space and common space in the Lutheran Center owned by Lutheran Center Corporation *("LCC")*. LCC, a non-profit organization, was organized to construct and operate the office building which LWR, Lutheran Immigration and Refugee Service *("LIRS")* and other organizations occupy. LWR has a 50% interest in LCC and as such, carries its investment in LCC on the equity method. LWR, LIRS and other tenants are providing monthly payments to LCC under a partial cost sharing agreement which provides for reimbursement of costs, including interest and depreciation, in operating the building based upon space occupied. The Agreement is for 30 years commencing September 1, 1999 through August 31, 2029 with six renewal options of 10 years each. Since LWR occupies less than 50% of the total space, repayment of LWR's portion of debt and related interest is funded by the other tenants cost share contributions based upon their percentage of space occupied. For the years ended September 30, 2008 and 2007, LWR has recorded occupancy expense of $343,939 and $405,724, respectively. The recording of depreciation expense as part of the cost share reduces the investment in LCC since LWR has previously provided equity investments in LCC. At September 30, 2008 and 2007, LWR's equity in LCC was $3,400,214 and $3,455,424, respectively. At September 30, 2008, LCC assets consisted principally of the building. The building is subject to a ground lease which provides for LCC to pay rent of $1 per year for the fifty years, with four optional ten-year extensions.

(6) LINE OF CREDIT

LWR maintains a line of credit with a bank on which the maximum permitted balance is $500,000. Interest is calculated at the London Inter Bank Offered Rate ***("LIBOR")*** plus 0.95% and is payable monthly. The line of credit expires on February 28, 2009. As a condition of the line of credit, LWR must maintain liquidity of at least $5,000,000. At September 30, 2008 and 2007, there was no balance outstanding.

(7) DEBT

On July 26, 2007, LWR and LIRS borrowed $5,805,000 through the issuance of Economic Development Revenue Bonds, Series 2007, ***("2007 Bonds")*** through the Maryland Economic Development Corporation. The 2007 Bonds were issued to advance refund the Maryland Economic Development Revenue Bonds, Series 2000 ***("2000 Bonds")*** issued by the Maryland Economic Development Corporation. In addition, proceeds of the 2007 Bonds were used to pay a portion of the issuance costs of the 2007 Bonds. LWR and LIRS are jointly and severally liable for the 2007 Bonds and as such, each has recorded 50% of the outstanding debt and related issue costs. In the event that LIRS is unable to payoff their portion of the outstanding debt, LWR will be liable. LCC, as owner of Lutheran Center, has guaranteed the repayment of the debt. LWR and LIRS must maintain a joint leverage ratio (cash and investments to annual debt service) of 5 to 1 or approximately $2,500,000.

The 2007 Bonds were issued as Serial Bonds maturing April 1 in the years 2008 through 2029 and have annual mandatory sinking fund provisions which begin in 2008. The 2007 Bonds bear interest at 5.25% per annum. Deferred loan costs in the amount of $113,106 were incurred in connection with the issuance of the 2007 Bonds and LWR capitalized 50% of these costs which are being amortized on a straight-line basis over the life of the bonds. Long-term debt on the 2007 Bonds at September 30, 2008 and 2007 is shown on the statement of financial position including unamortized bond premium of $66,101 and $69,275, respectively.

In conjunction with the issuance of the 2007 Bonds, a Debt Service Reserve Fund was created in the amount of $476,594 and LWR has recorded 50% of these funds as Funds held by Trustee. Funds in the Debt Service Reserve Fund may be withdrawn by the Trustee to make the principal or interest payments of the 2007 Bonds in the event that the other funds available for the purpose are inadequate.

Principal payments under the terms of the 2008 Bond indenture are as follows:

Date	LWR Portion	LIRS Portion	Total
April 1, 2009	$ 77,500	$ 77,500	$ 155,000
April 1, 2010	80,000	80,000	160,000
April 1, 2011	82,500	82,500	165,000
April 1, 2012	87,500	87,500	175,000
April 1, 2013	92,500	92,500	185,000
April 1, 2014 and thereafter	2,365,000	2,365,000	4,730,000
	$2,785,000	$2,785,000	$5,570,000

- Interest on the 2007 Bonds for the year ended September 30, 2008 and 2007 amounted to $150,884 and $25,926, respectively. Payments of principal and interest are partially funded by other tenants in the Lutheran Center through allocation of building costs based upon space occupied ***(See Note 5)***. In connection with the extinguishment of the 2000 Bonds in the amount of $2,767,500, LWR incurred a loss of $293,688, relating to the write-off of the unamortized deferred loan costs and bond discount and other refunding costs.

(8) NET ASSETS

General unrestricted net assets include $1,918,323 and $2,316,289 in 2008 and 2007, respectively, of amounts designated by the Board of Directors as quasi-endowment funds and accumulated earnings thereon.

Temporarily restricted net assets at September 30, 2008 and 2007 are available for the following purposes:

	2008	2007
Stand With Africa	$ 82,964	$ 48,871
Small Farmers	43,425	106,784
Sudan Relief and Rehabilitation	259,478	317,816
South Asia Tsunami Relief and Rehabilitation	11,229,608	12,679,371
East Africa Drought Response	93,704	101,127
West Africa Drought Response	210,247	391,181
Kenya-Response to Drought & Famine	20,747	20,447
Pastoralist Survival and Recovery – Niger	-	40,877
Water for Women	241,744	145,699
Other Temporarily Restricted Funds	117,140	186,103
Use in future periods		
Contributions	1,660,350	1,555,040
	$13,959,407	$15,593,316

Permanently restricted net assets at September 30, 2008 and 2007, respectively, are available for the following purposes:

	2008	2007
Endowment Fund	$ 66,000	$ 66,000
Kathryn F. Wolford Global Fund For Women	100,774	89,114
	$166,774	$155,114

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors, as follows:

Purpose restrictions accomplished:	
International Programs, Relief and Development	$10,500,307
Faith in Action (Education and Public Policy)	37,264
Organizational Effectiveness	314,509
Grant Relations and Management	150,016
Time restrictions expired	712,020
	$11,714,116

(9) U.S. GOVERNMENT GRANTS

LWR has entered into grant agreements with USAID and USDOS for various programs. The revenues and expenditures for the years ended September 30, 2008 and 2007 are as follows:

	2008		2007	
	Revenues	Expenditures	Revenues	Expenditures
Relief and other programs				
USAID	$ 697,175	$ 697,175	$ 667,308	$ 667,308
USDOS	1,632,544	1,632,544	2,533,829	2,533,829
	2,329,719	2,329,719	3,201,137	3,201,137
Ocean Freight Reimbursement – USAID	50,400	50,400	131,340	131,340
Total U.S. Government Grants – Cash	$2,380,119	$2,380,119	$3,332,477	$3,332,477

(10) PENSION PLAN

All employees of LWR are enrolled in the defined contribution pension plan made available and administered by the Board of Pensions of the Evangelical Lutheran Church in America. Contributions to this plan are based upon earnings for all eligible employees and are accrued and funded on a current basis. Pension expense was approximately $289,000 for 2008 and $207,000 for 2007.

(11) RELATED PARTY TRANSACTIONS

During the years ended September 30, 2008 and 2007, LWR used the services of a consulting firm where a former Board member is an executive of the firm. LWR paid $97,500 and $60,000 during the years ended September 30, 2008 and 2007, respectively, for these services.

(12) COMMITMENTS AND CONTINGENCIES

During the year ended September 30, 2008, LWR entered into loan guarantee agreements with certain nonprofit microfinance institutions overseas in order to facilitate credit for various partner organizations. Under these agreements, LWR would be jointly responsible with the microfinance institutions for non-payment by the borrowers. The terms of these guarantees are generally over the life of the outstanding loans, which currently become due on or before December 31, 2010. As of September 30, 2008, LWR's maximum commitments under these agreements is approximately $170,000. LWR did not incur any expense due to non-payment during the year ended September 30, 2008.

SUPPLEMENTAL INFORMATION

TAIT, WELLER & BAKER LLP

Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL INFORMATION

Lutheran World Relief, Incorporated
Baltimore, Maryland

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole of Lutheran World Relief, Incorporated as of and for the year ended September 30, 2008 which are presented in the preceding section of this report. The accompanying supplemental information for area support and program services expenses, pages 14 to 16, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
January 14, 2009

LUTHERAN WORLD RELIEF, INCORPORATED

AREA SUPPORT AND PROGRAM SERVICES EXPENSES

Year ended September 30, 2008 with Comparative Totals for 2007

	PROGRAM SERVICES				
	2008				2007
	International Programs, Relief And Development	Faith In Action (Education And Public Policy)	Organizational Effectiveness	2008 Total	Comparative Total
Africa					
Burkina Faso	$ 1,925,674	$ -	$ -	$ 1,925,674	$ 1,599,210
Burundi	-	-	-	-	30,000
Chad	34,000	-	-	34,000	5,000
Congo	311,154	-	-	311,154	15,105
Ethiopia	19,000	-	-	19,000	-
Kenya	1,787,547	-	-	1,787,547	1,907,067
Liberia	-	-	-	-	4,485
Mali	304,385	-	-	304,385	1,415,915
Mauritania	965,948	-	-	965,948	811,190
Niger	989,095	-	-	989,095	964,142
Sierra Leone	1,078,377	-	-	1,078,377	1,005,789
Somalia	30,000	-	-	30,000	-
Sudan	968,551	-	-	968,551	1,692,131
Tanzania	1,359,338	-	-	1,359,338	1,021,703
Uganda	655,522	-	-	655,522	1,836,348
Zambia	79,400	-	-	79,400	5,000
Zimbabwe	204,010	-	-	204,010	-
Program Management	427,319	-	-	427,319	383,230
	11,139,320	-	-	11,139,320	12,696,315
Asia					
Afghanistan	82,836	-	-	82,836	1,900,817
Bangladesh	30,162	-	-	30,162	-
Cambodia	435,919	-	-	435,919	-
China	151,833	-	-	151,833	-
India	1,553,952	-	-	1,553,952	1,986,378
Indonesia	882,301	-	-	882,301	250,404
Laos	172,892	-	-	172,892	-
Myanmar	286,855	-	-	286,855	-
Nepal	23,397	-	-	23,397	54,606
Philippines	558,771	-	-	558,771	339,820
Sri Lanka	191,524	-	-	191,524	273,919
Thailand	1,269,264	-	-	1,269,264	1,358,449
Program Management	485,017	-	-	485,017	406,284
Other	-	-	-	-	650,000
	6,124,723	-	-	6,124,723	7,220,677

LUTHERAN WORLD RELIEF, INCORPORATED

AREA SUPPORT AND PROGRAM SERVICES EXPENSES – (Continued)

Year ended September 30, 2008 with Comparative Totals for 2007

	PROGRAM SERVICES				
	2008				2007
	International Programs, Relief And Development	Faith In Action (Education And Public Policy)	Organizational Effectiveness	2008 Total	Comparative Total
Eastern Europe/Central Asia					
Armenia	$ 170,297	$ -	$ -	$ 170,297	$ 231,451
Azerbaijan	1,042,809	-	-	1,042,809	1,587,063
Bosnia-Hercegovina	117,618	-	-	117,618	-
Georgia	716,270	-	-	716,270	413,029
Romania	-	-	-	-	179,752
Tajikistan	486,671	-	-	486,671	319,504
Ukraine	886,830	-	-	886,830	684,768
Yugoslavia	218,890	-	-	218,890	289,776
	3,639,385	-	-	3,639,385	3,705,343
Latin America					
Bolivia	576,584	-	-	576,584	330,143
Colombia	358,255	-	-	358,255	347,196
Costa Rica	5,000	-	-	5,000	-
El Salvador	159,417	-	-	159,417	210,033
Guatemala	-	-	-	-	254,750
Guyana	-	-	-	-	5,000
Haiti	69,000	-	-	69,000	50,000
Honduras	161,000	-	-	161,000	95,415
Nicaragua	1,408,757	-	-	1,408,757	695,002
Peru	1,185,952	-	-	1,185,952	1,344,166
Program Management	359,662	-	-	359,662	322,885
Other	23,595	-	-	23,595	52,132
	4,307,222	-	-	4,307,222	3,706,722
Middle East					
Iraq	-	-	-	-	10,000
Jordan	238,416	-	-	238,416	512,163
Lebanon	195,435	-	-	195,435	10,000
Palestine	135,503	-	-	135,503	741,958
Pakistan	31,844	-	-	31,844	-
Syrian Arab Republic	173,703	-	-	173,703	382,057
Other	125,000	-	-	125,000	89,000
	899,901	-	-	899,901	1,745,178
Total area program expenses	26,110,551	-	-	26,110,551	29,074,235

LUTHERAN WORLD RELIEF, INCORPORATED

AREA SUPPORT AND PROGRAM SERVICES EXPENSES – (Continued)

Year ended September 30, 2008 with Comparative Totals for 2007

	PROGRAM SERVICES				
	2008				2007
	International Programs, Relief And Development	Faith In Action (Education And Public Policy)	Organizational Effectiveness	2008 Total	Comparative Total
Other program expenses					
Cross Regional –					
Program Management	$ 686,398	$ -	$ -	$ 686,398	$ 333,637
Organizational Effectiveness	-	-	312,624	312,624	374,358
Material Resources –					
Program Management	77,650	-	-	77,650	60,837
Emergencies –					
Program Management	86,457	-	-	86,457	78,619
Grant Relations and Management	49,523	-	-	49,523	120,761
Communications, Education and Public Policy	-	2,245,436	-	2,245,436	1,887,595
Worldwide	557,668	-	-	557,668	155,000
Total other program expenses	1,457,696	2,245,436	312,624	4,015,756	3,010,807
Total expenses before depreciation	27,568,247	2,245,436	312,624	30,126,307	32,085,042
Depreciation of equipment	60,293	11,375	1,885	73,553	57,011
Total expenses (2008)	$27,628,540	$2,256,811	$314,509	$30,199,860	$32,142,053