

# Call to Be Family dba Lutheran Marriage Encounter

## North American Region

### Annual Financial Report 2014

#### **OVERVIEW**

The 2014 Financial Report comes with both positive and negative aspects. For the positive; we reduced our annual shortfall in operating accounts from \$28,857 to \$10,057. This is a 65% reduction in deficit spending. It is actually a remarkable accomplishment in a single year. However, any deficit spending for an organization such as ours is a negative accomplishment. As the Finance Officer I applaud all the efforts to address our financial situation such as: encouraging financial support, donating reimbursable expenses, and reducing the number of meetings and related costs. I encourage the leadership to continue to keep its collective eye on the ball to maintain a financially viable ministry.

The deficit as a percentage of expenses dropped from 13.9% in 2013 to 5.6% in 2014.

Based on our 2014 results the dire warning of 3-years of available operating funds has now doubled to over six years. The DREAM Fund could continue to cover shortfalls for several additional years.

Another negative aspect is the drop in weekend statistics. We held one less weekend which isn't statistically significant. What is significant is that the average couple attendance per weekend dropped from 9.9 to 8.7. The number of newly encountered couples dropped from 298 in 2013 to 252 in 2014. Although 2013 showed a small uptick in attendance 2014 continued a longer-term steady drop in the weekend experience. The weekend statistics report is included as an attachment.

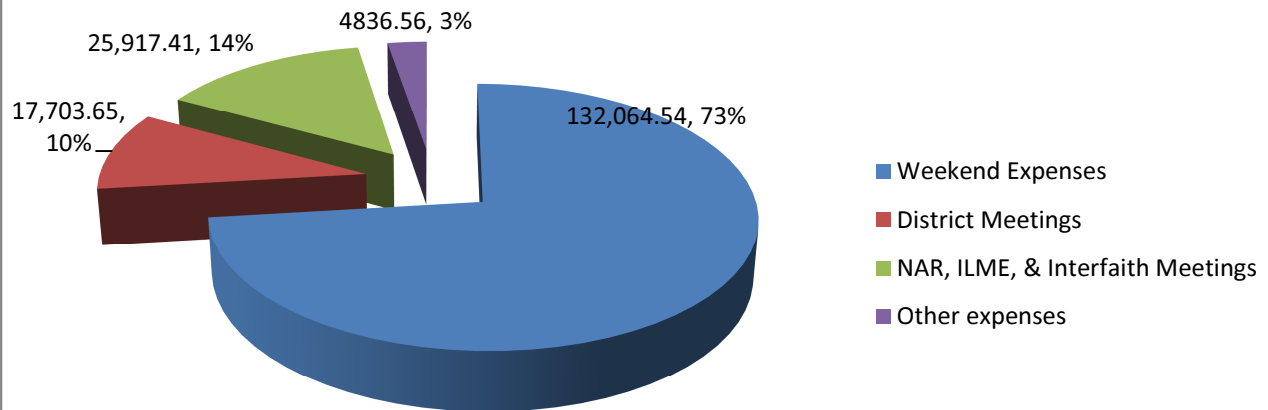
#### **EXPENSES**

For 2014 I revised accounting categories to more accurately identify weekend costs. This resulted in weekend costs previously reported as miscellaneous items such as printing now being reported as weekend expenses. A reliable way to compare annual results is to combine miscellaneous and weekend expenses. This result is \$150,443 in 2013 or \$504.84 per couple attending a weekend. For 2014 the result is \$136,901 or \$543.26 per couple. The increase in cost per couple can be reasonably expected due to fewer couples per weekend.

The analysis of expenses shows that administrative meeting expenses (excluding the Deeper since there wasn't one in 2014) dropped from 27.4% of expenses to 24.2% for a total reduction of \$3,539.45. There were efforts to implement cost-saving strategies in 2014 which is most likely the reason for the reduction in expenses. Since some of these strategies were in place for only part of the year it is likely that a greater reduction will result in 2015.

Expenses by category are shown on the graph on page-2. Details of expenses are shown on the attached Consolidated spreadsheet. One notation is that 45% (\$2,193) of other expenses are processing fees for financial transactions (Intuit credit cards, PayPal, Thrivent, etc.). The expense of processing fees is about 3.56% of the revenues generated from these sources. The remaining "other" \$2,643 is a remarkably small portion of total expenses and includes items such as WWME and music licensing, non-weekend printing & postage, ILME website hosting, and non-weekend supplies.

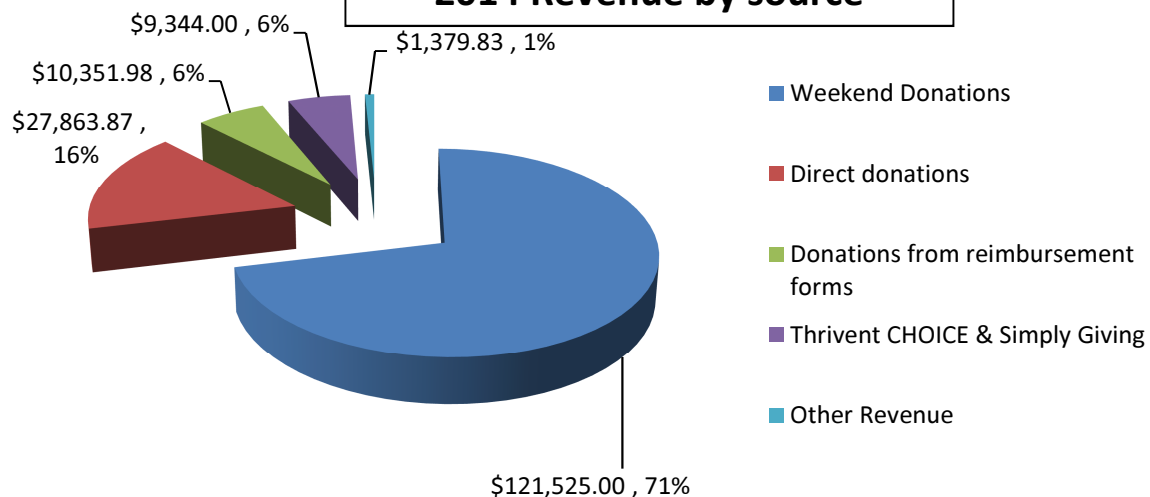
## 2014 Expenses by Category



### **REVENUE**

A major focus for 2014 was to seek more revenues through non-weekend donations. Analysis shows an increase of \$7,321 in these donations with \$10,352 from reimbursement forms. We should consider that the donation of reimbursable expenses could have driven meeting & travel costs higher due to increased reporting of expenses. We can't really determine the exact effect on expenses since instead of increasing; meeting/travel expenses went down. Thus, the combined effect of controlling meeting costs and encouraging donating back reimbursable expenses is the most significant factor in reducing deficit spending in 2014. The other factor is the \$9,739 DEEPER expense from 2013 not incurred in 2014. Details of revenues are shown on the attached Consolidated spreadsheet with a summary in the graph below. With some of these factors in place for only part of the year it is reasonable to expect further improvement in 2015.

## 2014 Revenue by source



**DREAM Fund**

The table below shows the 2014 balances for the DREAM Fund.

<b>2014 DREAM FUND</b>	<b>12/31/12</b>	<b>12/31/13</b>	<b>12/31/14</b>
Morgan Stanley Mutual Funds	67,656.41	85,128.64	91,230.02
Morgan Stanley cash position	27,884.85	27,792.66	27,700.44
T Rowe Price MM checking		22,206.92	7,367.82
In Operating Fund accounts	33,367.09		
<b>TOTAL BALANCE</b>	<b>128,908.35</b>	<b>133,546.06</b>	<b>126,298.28</b>

The Morgan Stanley balances reflect unrealized growth in value.

The cash in NAR accounts reflect the following transactions:

4-17-14	Leinicke Group Marketing	-\$3140.00	
5- 1-14	Leinicke Group Marketing	-\$2900.00	
8- 6-14	Leinicke Group Marketing	-\$2900.00	
9-18-14	Leinicke Group Marketing	-\$3000.00	
11-30-14	Leinicke Group Marketing	-\$2900.00	
	Total Marketing payments		-\$14,480
12-31-14	Credit for memorial donations in NAR accounts		+ 496.20

This credit will be transferred upon approval by the NAR Board making the total \$126,794.48.

Following is a list of memorials credited to the DREAM Fund:

- 1-15-14 \$25. Memorial to Jim & Connie Buch
- 2-3-14 \$50. Memorial to Harriette Groth
- 2-6-14 \$25. Memorial Harriette Groth
- 2-21-14 \$50. In honor of Ralph & Judi Golnick's 50th anniversary
- 6-12-14 \$50. Memorial to John Minkley (former D-2 Finance)
- 12-31-14 \$150. Memorials to Bruce Zellmer
- Monthly \$10.10 (total \$121.20) Support the DREAM donation

The following table shows the annual surplus or shortfall of revenues and expenses in prior years:

<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2010</b>	<b>*2011</b>	<b>*2012</b>	<b>2013</b>	<b>2014</b>	
-4,811	-27,444	-25,435	-17,158	+15,735	+22,198	-28,857	-10,057	

\*2011 and 2012 include exceptional revenues from the Hillman estate and the Reunion

We wish to pass on thanks to the District Finance couples for their attention to their tasks and their prompt reporting of District finances. We want to recognize Bob and Sandy Cain for their years of service as District-1 Finance as they stepped down during 2014. Without replacement we assumed the task of processing District-1 finances.

Following is a list of actions accomplished in 2014:

- Revise operating account designations to separate weekend expenses from administrative expenses such as supplies and printing.
- Open new no-load funds to transfer the Morgan Stanley investments into. (Accounts are open but some funds still need to be transferred).
- Add a cash position DREAM Fund account with check writing for withdrawals.
- Transfer DREAM Fund cash from operating accounts into DREAM Fund accounts.
- Consolidated donations from all sources except Thrivent Simply Giving into a single database and sent a single Tax letter from NAR Finance instead of from NAR and each District.
- Change the expense reimbursement form to include an option to donate reimbursable expenses.

Proposed actions for 2015 are:

- Further consolidate the donations database to record the fair market value (FMV) of weekends as a negative amount with all donations offsetting the weekend FMV for attendees.
- Complete transfer of DREAM accounts to no-load accounts at T Rowe Price.

Following this narrative are the following attachments:

1. Proposed resolution to be updated and approved each time an officer or director position changes.
2. Consolidated financial report showing combined totals for District and NAR accounts.
3. Worldwide Marriage Encounter weekend statistics report for NAR and European Region

Respectfully submitted,

*Dean & Marcia Redman*

Dean & Marcia Redman,  
NAR Finance

**Call To Be Family, dba Lutheran Marriage Encounter  
Resolution**

The following resolution was hereby adopted by consensus action of the North American Region of call To Be Family, dba Lutheran Marriage Encounter at the Board meeting April 10-12, 2015.

This organization is a tax exempt corporation registered in the State of Washington as a non-profit corporation under UBI# 601427528. The registered agent for the corporation is: Carl Presley, 4420 51st Ave NE, Seattle, WA 98105-4933

We are a public charity (determination letter 1978) under the rules of the U.S. Internal Revenue Service and are classified as a 501 c(3) organization. Our federal EIN is 91-1003177. Our charitable tax filing (Form 990) is on file with the IRS, on our International website [www.ilme.org](http://www.ilme.org), or available by request. Our website for weekend application and program information is [www.godlovesmarriage.org](http://www.godlovesmarriage.org).

Principal Corporate officers of this organization are:

Donald Christiansen President 2539 Larry Tim Dr Saginaw, MI 48601 989-777-1877 Fv4t7@chartermi.net	John Orwig Vice President 2860 1st Ave West Buffalo, WY 82834 307-684-2700 johnworwig@hotmail.com	Charlotte Ricks Secretary 1220 Gift Ave. Peoria, IL 61604 309-682-7273 Dcrlme1094@comcast.net	Dean Redman Treasurer 3615 Amberidge Dr Chapel Hill, NC 27514 Ph 919-797-0501 narfinancecouple@gmail.com
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This organization has no fixed business address. Official business is conducted out of the homes of volunteers. Official business contacts may be to one of the appropriate corporate officers listed above.

Formal actions of the organization are made by the Board of directors as listed below. Directors serve jointly as husband and wife with one vote per couple.

- North American Region Lay Executive                      Donald & Judy Christiansen
- North American Region Clergy Executive                      John & Nancy Orwig
- District 1 Lay executive    Steve & Sue Rufe
- District-1 Clergy Executive    Ed & Emily Kast
- District-2 Lay Executive    Roger & Chris Williams
- District-2 Clergy executive    Dan & Judy Teuscher
- District-3 Lay Executive    Larry & Coke Guilfoile
- District-3 Clergy Executive    Dave & Elsa Larson
- District-4 Lay Executive    Ron & Nancy Hawkes
- District-4 Clergy Executive    Ted & Marty Hartman

This Resolution hereby adopted

\_\_\_\_\_  
Donald Christiansen, President

\_\_\_\_\_  
Date

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Charlotte Ricks, Secretary

\_\_\_\_\_  
Date