

Call to Be Family dba Lutheran Marriage Encounter

North American Region

Annual Financial Report 2015

OVERVIEW

The 2015 Financial Report shows a dramatic improvement in our fiscal position. At the same time, we continued to decrease in the number of weekends and couples encountered. Thus, again this year, we have both positive and negative results.

For the past several years we have had concerns about running out of financial reserves which had gone down from about \$200,000 to \$60,000. If deficits continued like 2013 and 2014 our reserves would have been depleted in 2018. However, 2015 resulted in a major turnaround, and we ended with a surplus in operating accounts of over \$30,000. The simplest measure of finances is the net assets on the balance sheet at the end of the year. Our operating accounts balance improved from \$69,839 to \$100,421 between 2014 and 2015.

The DREAM Fund had reduced assets due to the expenses for the marketing programs and a loss in value due to stock market prices. The Fund remains viable for a number of years at its current value and projected expenditures in the future.

The reduction in weekend statistics continues to be a concern. We held seven fewer weekends which is statistically significant at a 24% reduction. The average couple attendance per weekend increased slightly from 8.7 to 8.9 but remains below the 2013 rate of 9.9. The number of newly encountered couples dropped from 252 in 2014 to 196 in 2015. Although 2013 showed a small uptick in attendance, 2014 and 2015 continued a longer-term steady drop in the weekend experience. The weekend statistics report is included as an attachment.

EXPENSES

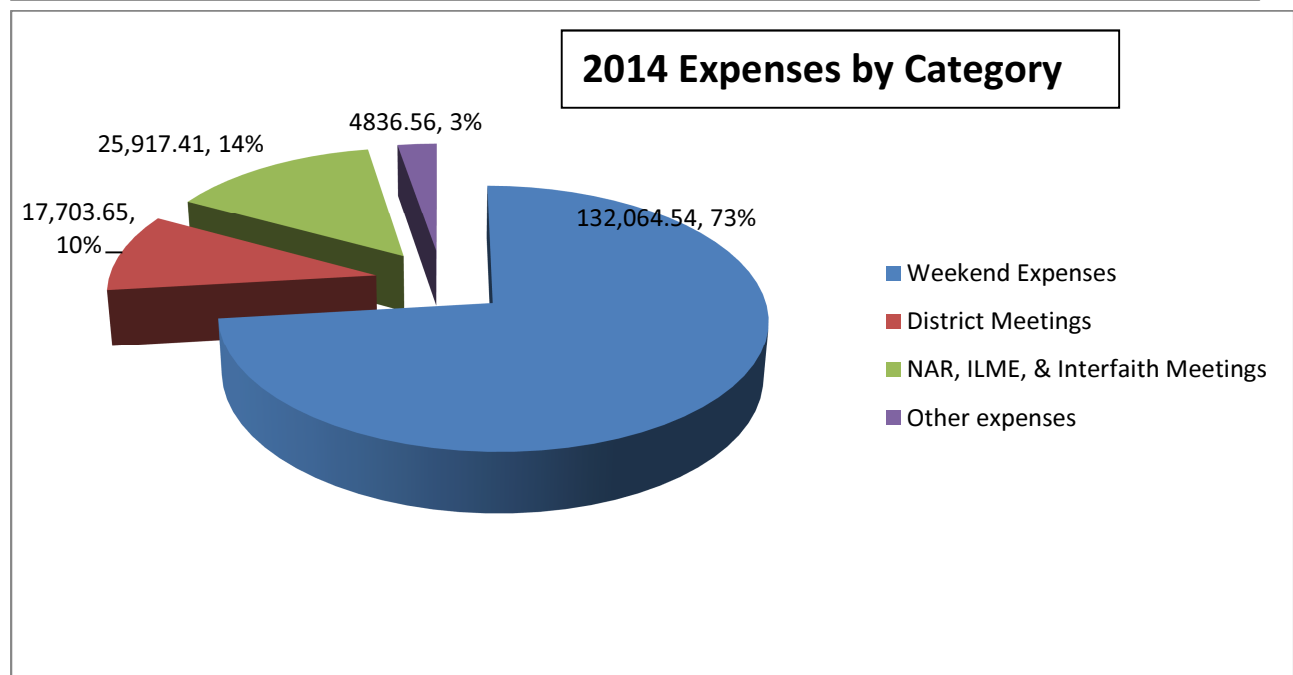
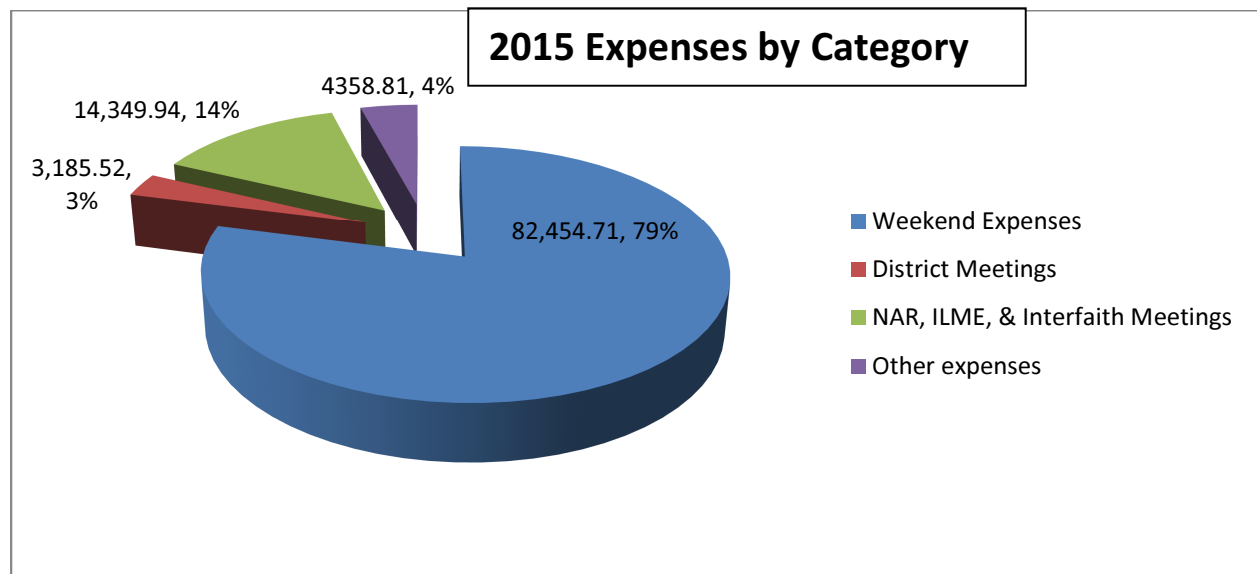
For convenience of comparison I am including the 2014 expense chart with the 2015 chart in order to see where changes occurred. One key aspect of change is the increase in the weekend costs as a percentage of total expenses going from 73% to 79%. As this is our primary mission, having a greater percentage of resources going to the mission is a positive result.

A key measure of results is the weekend costs (Facility, presenter travel, printing, etc.) per couple which dropped from \$524 in 2014 to \$421 in 2015. The per-couple facility cost used in current calculations is about \$285 and is a little low because of a non-residential and pre-paid weekend in 2015. Thus, the actual average per couple facility cost is probably around \$300.

We should plan to discuss how to calculate the weekend quote. Based on 2015 experience; the average total cost (including administrative expenses) per attending couple is \$532 which is down by over \$180 from 2014 as a result of dramatically reducing meeting costs. Applying the \$100 application fee leaves the couple's share of \$432. If we use the average \$300 facility cost an administrative add-on of \$135 instead of \$175 seems appropriate. This is a \$40 reduction from the current weekend quote but gives a result of a \$15 increase based on the additional \$55 in the application fee.

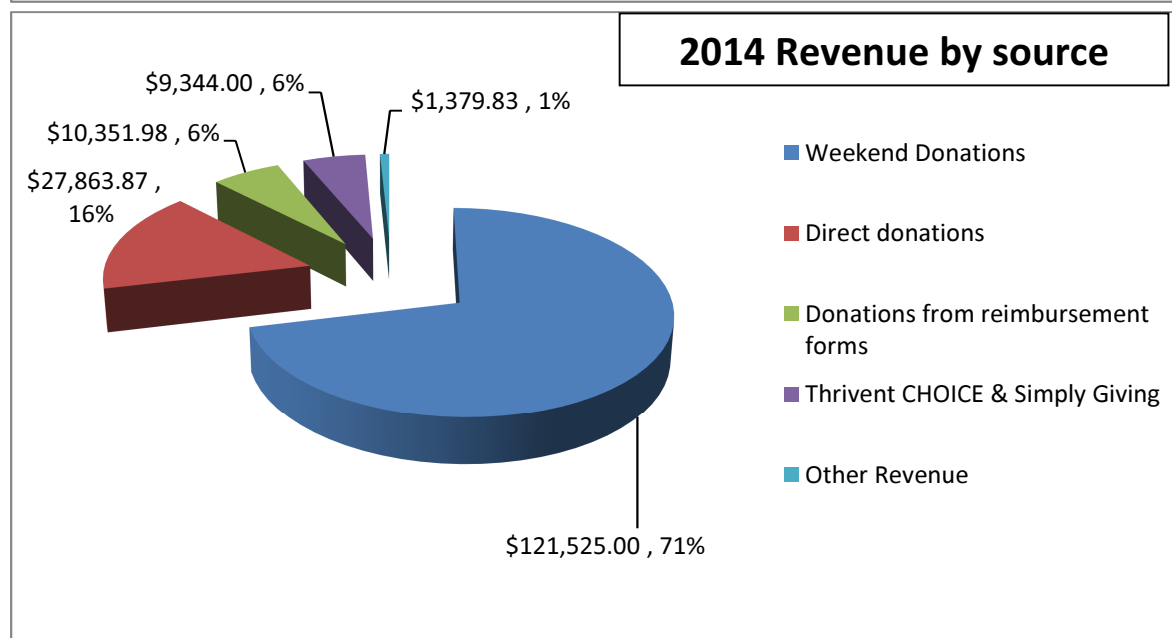
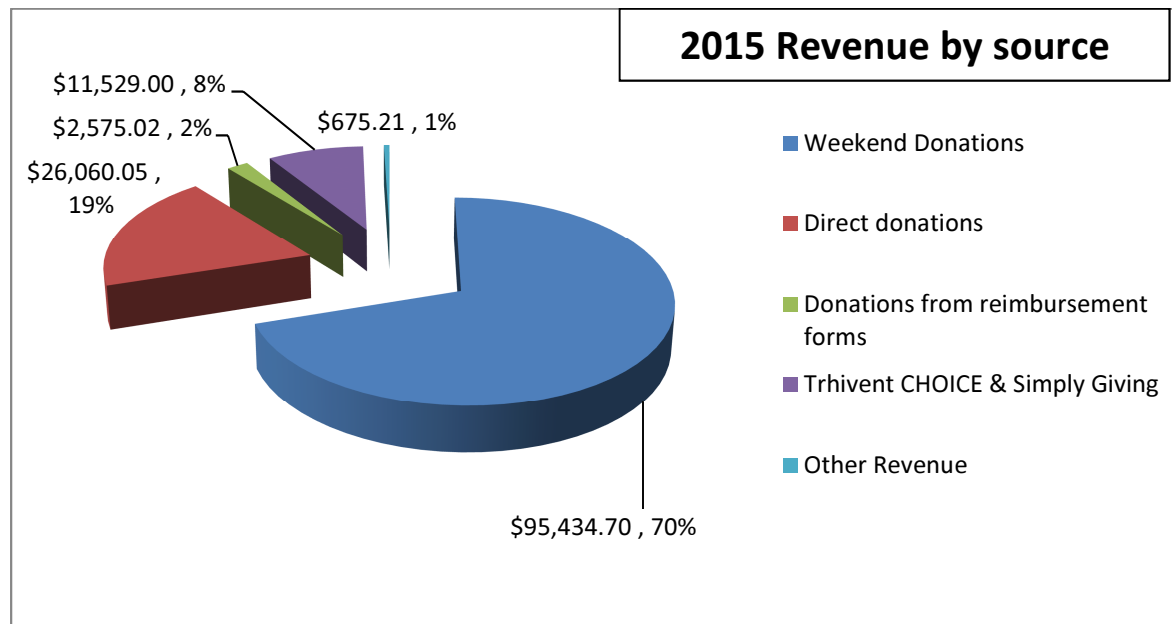
The charts show how controlling expenses in 2015 contributed to the overall surplus. Although the percentage changes in NAR and District meeting costs are dramatic the raw values demonstrate the impact. NAR meeting costs went down by \$11,568 and District costs went down by \$14,417 which makes up 85% of the resulting surplus for the year.

Expenses by category are shown on the graphs below. Details of expenses are shown on the attached consolidated spreadsheet. One notation is that 52% (\$2,249) of other expenses are processing fees for financial transactions (Intuit credit cards, PayPal, Thrivent, etc.). The expense of processing fees is about 3.6% of the revenues generated from these sources. The remaining "other" \$2,110 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.



REVENUE

During 2014 we sought to increase revenues through non-weekend donations. Analysis shows that the increase in total non-weekend donations continued into 2015 with a slight increase in these donations as a percentage of total revenue. The actual dollar amounts dropped in 2015 most significantly with lower donations back of reimbursable expenses. This is no doubt largely a result of much lower meeting and travel costs which means there are fewer expenses to donate back. As with 2014 we did not have the costs of a DEEPER which skews results compared to other years. Details of revenues are shown on the attached consolidated spreadsheet with a summary in the graphs below.



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

2006-07	2007-08	2008-09	2010	*2011	*2012	2013	2014	2015
-4,811	-27,444	-25,435	-17,158	+15,735	+22,198	-28,857	-10,057	+30,582.60

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

DREAM Fund

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

2014 DREAM FUND	12/31/12	12/31/13	12/31/14	12/31/15
Morgan Stanley Mutual Funds	67,656.41	85,128.64	91,230.02	88,786.49
Morgan Stanley cash position	27,884.85	27,792.66	27,700.44	2,651.09
T Rowe Price MM checking		22,206.92	7,367.82	11,368.85
Vanguard Temporary account for donation of securities				3,000.56
In Operating Fund accounts	33,367.09			\$ 1,342.40
TOTAL BALANCE	128,908.35	133,546.06	126,298.28	105,806.99

The Morgan Stanley balances reflect unrealized loss in value.

The cash in NAR accounts reflect the following transactions:

3- 4-15	Leinicke Group Marketing	-\$2900.00	
3-31-15	Leinicke Group Marketing	-\$3000.00	
5- 8-15	Leinicke Group Marketing	-\$2375.00	
5-21-15	Leinicke Group Marketing	-\$ 525.00	
8- 3-15	Leinicke Group Marketing	-\$4900.00	
11-13-15	Leinicke Group Marketing	-\$4301.40	
	Total Marketing payments		-\$18,001.40

12-31-15 Credit for memorial donations in NAR accounts + 846.20 (transfer pending)

Following is a list of memorials totaling \$846.40 credited to the DREAM Fund:

Donation query-2015		
Donation Date	Amount	Donation type & notations
7/8/2015	\$25.00	Memorial (Bruce Zelmer)
12/10/2015	\$121.40	Dream Fund -\$10.10 monthly
11/23/2015	\$60.00	memorial donation - Jim Duame
11/23/2015	\$25.00	memorial donation - Jim Duame
12/9/2015	\$50.00	memorial donation - Jim Duame
11/23/2015	\$25.00	memorial donation - Jim Duame
11/23/2015	\$50.00	memorial donation - Jim Duame
11/23/2015	\$50.00	memorial donation - Jim Duame
11/23/2015	\$100.00	memorial donation - Jim Duame
11/23/2015	\$20.00	memorial donation - Jim Duame
11/23/2015	\$30.00	memorial donation - Jim Duame
12/9/2015	\$50.00	memorial donation - Jim Duame
11/23/2015	\$25.00	memorial donation - Jim Duame
11/23/2015	\$25.00	memorial donation - Jim Duame
8/28/2015	\$25.00	memorial Milton Kaufman
12/7/2015	\$65.00	St. Louis DREAM Donation in memory of Jim Daume
9/1/2015	\$100.00	Memorial Milton Kaufman

We wish to pass on thanks to the District Finance couples for their attention to their tasks and their prompt reporting of District finances.

Following is a list of actions accomplished in 2015:

- NAR Finance took over administration of Thrivent Simply giving.
- Created accounts to be able to process donated securities.
- Completed Consolidation of donations from all sources into a single database and sent a single Tax letter from NAR Finance instead of from NAR and each District.

Proposed actions for 2016 are:

- Discuss and approve revision of administrative add-on for weekend quotes.
- Discuss and consider approval of recognizing the weekend facility amounts as the Fair Market Value of benefits received by weekend attendees and this to be the non-deductible amount to be reported in the end of year tax letters. Any amount given in excess of the facility cost would be shown as tax-deductible as a donation to support the ministry.
- Approve the 2015 IRS Form 990 for submission.
- Approve a revised Corporate Resolution reflecting new NAR Executives and any other changes.

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 8-10, 2016.

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, or available by request.

Our website for weekend application and program information is www.godlovesmarriage.org.

Principal Corporate officers of this organization are:

TBD	TBD	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.

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| • 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

TBD, President

Date

Charlotte Ricks, Secretary

Date