

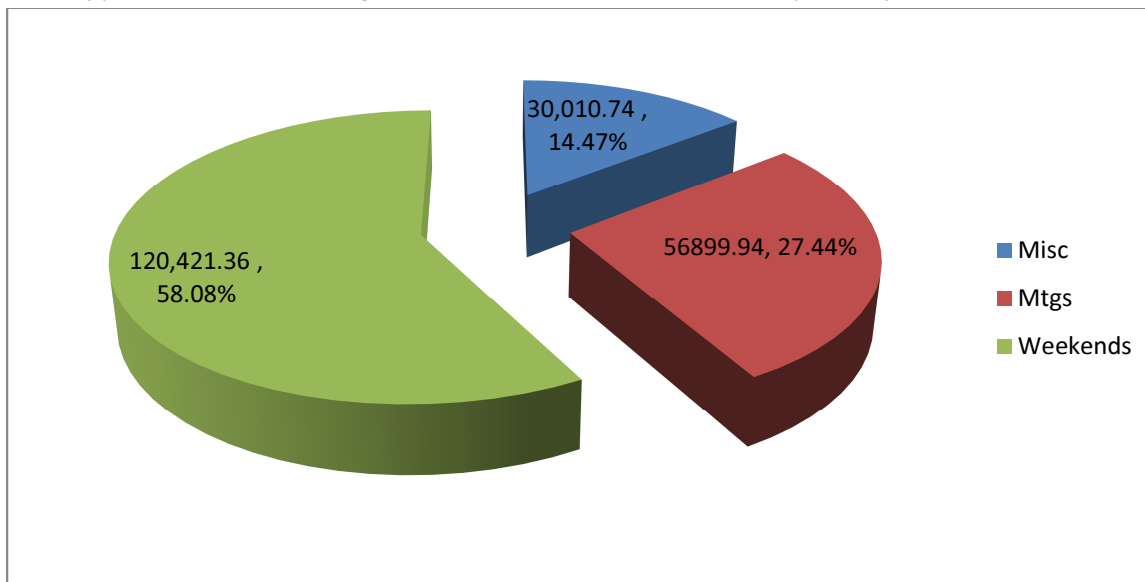
Call To Be Family dba Lutheran Marriage Encounter Annual Financial Report 2013 (Revised 2-7-24)

Preparation of this report has been somewhat daunting. First because of the change in finance position causing headaches in transferring and updating accounts. Second, because of the disappointing statistics for the 2013 year.

One of the difficulties in setting up new accounts or transferring old ones is the financial institutions need for documentation of the authority to set up an account. To address this I am proposing that at each Board meeting when a Board or officer change occurs a resolution be adopted showing the current corporate officers and Directors. I am attaching a draft sample for this resolution for consideration.

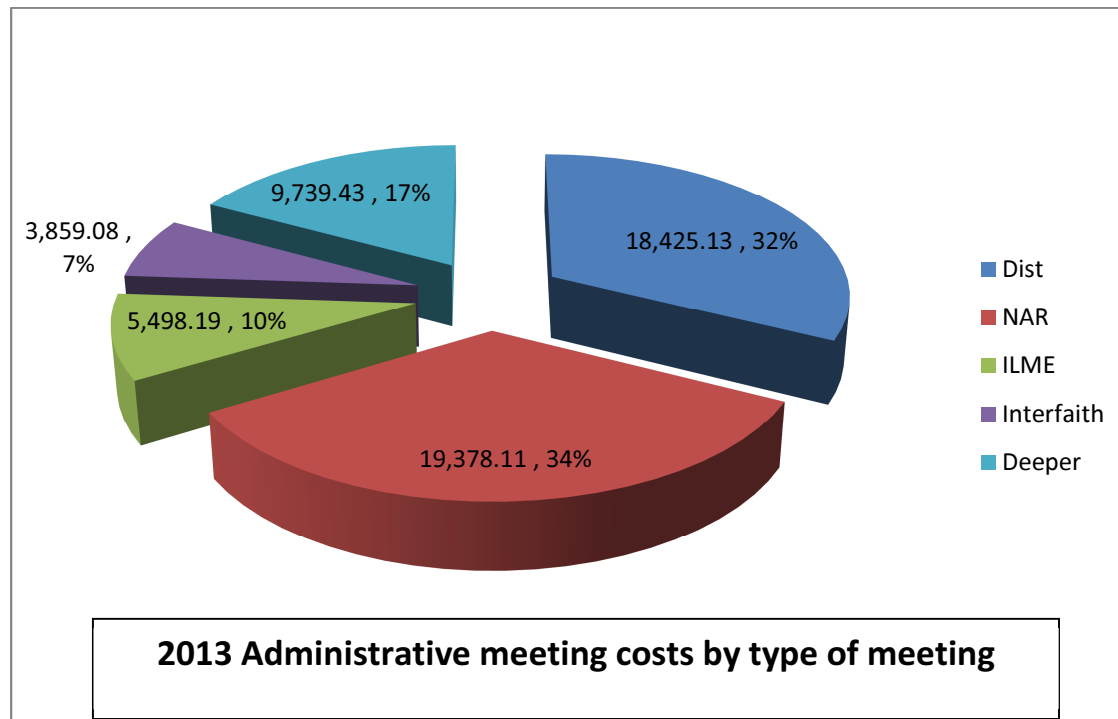
The weekend statistical report is attached to this report and a cursory review shows that we had 7 fewer weekends in 2013 and 104 fewer couples on weekends. This is over 25% reduction in program services in a single year. From a financial perspective I cannot establish why such a change. I can however evaluate the impact. In simple numbers we had a \$28,857.91 operating loss for 2013. This is partially offset overall by a gain in value of the DREAM Fund. Weekend donations exceeded weekend facility, travel, and pastoral supply by \$15,530.

In evaluating the per-couple cost on weekends it is clear that our weekend quote falls considerably short. In simple terms the average weekend quote across the country should be \$712 to cover all expenses. To explain this I inserted the graph below. The biggest expenses are the direct weekend expenses and the administrative meetings (including Deepers). Using these figures; the cost per couple attending a weekend breaks down as follows: Direct weekend expense \$413.82, administrative costs and supplies \$103.13, meeting costs 195.53 for a total of \$712.48 per couple.



Of the \$30,010.74 miscellaneous some expenses such as a portion of printing is actually a weekend expense. Current reporting does not permit separating these items as administrative or weekend expense. I plan to change the expense line items so that weekend expenses can be identified.

The graph below shows the cost breakdown of meeting costs. It should be clear that most of the cost involves transportation and housing with a smaller portion going toward meeting space.



The table below shows the 2013 balances for the DREAM Fund.

2013 DREAM FUND	12/31/12	6/30/13	9/30/13	12/31/13
Morgan Stanley Mutual Funds	67,656.41	74,228.24	78,478.82	85,128.64
Morgan Stanley cash position	27,884.85	27,886.23	27,886.94	27,792.66
Cash in NAR Operating Accts	33,367.09	26,981.75	23,789.08	22,206.92
TOTAL BALANCE	128,908.35	122,710.88	126,962.17	133,546.06

The Morgan Stanley balances reflect unrealized growth in value.

The cash in NAR accounts reflect the following transactions:

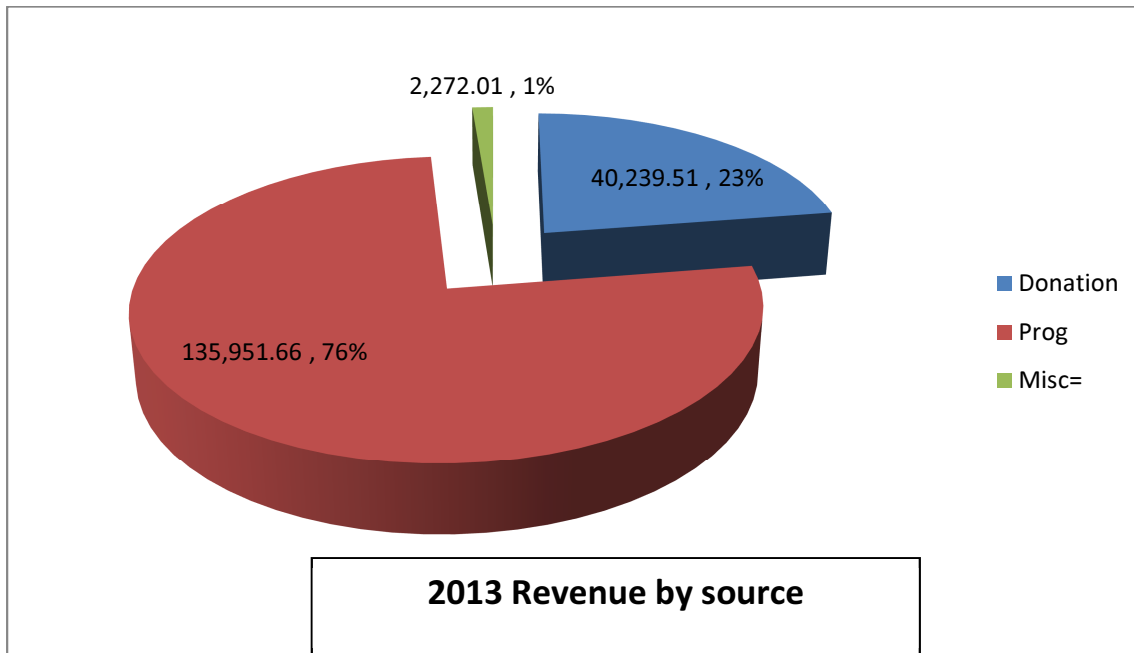
1-23-13	Leinicke Group Marketing	-\$3192.67
4-11-13	Leinicke Group Marketing	-\$3192.67
7-9-13	Leinicke Group Marketing	-\$3192.67
10-21-13	Leinicke Group Marketing	-\$3192.67
12/31/13	Credit for memorial donations in NAR accounts	+ 1,610.51

I believe that payment for the two year contract for the marketing plan is complete with the 4th quarter payment in 2013. Continuation of the marketing plan would require new approval.

The reason for the remaining balance in the NAR operating accounts is that DREAM Fund donations (including the Hillman estate in 2012 were not deposited to the Morgan Stanley accounts due to investment costs). I intend to open new no-load accounts to eliminate future investment front-end fees.

I offer the graph below which analyzes revenue sources. Over 99% comes from donations. As mentioned earlier, weekend revenue (application, W.E. donations, & post-dated) actually covered the direct weekend charges (facility, presenter travel, pastoral supply). This is consistent with prior years.

What is different in 2013 is that the other donations fall considerably short of covering the administrative costs. In prior years a shortfall was typical but in 2013 it was \$28,857 which is significantly greater than prior experience.



Program revenue includes application fees, weekend and post-dated donations.

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	All	Average
-4,811	-27,444	-25,435	-17,158	+15,735	+22,198	-36,915	-6,153

*2012 includes \$46,667 from Hillman estate and about \$18,000 Reunion profit. If these exceptional revenues are excluded, the average shortfall would be \$16,930 per year. This is probably the appropriate average figure to compare with the \$28,857 shortfall in 2013.

These data reflect the status of our operating reserve fund. While the DREAM Fund continued to grow the operating reserve has declined.

For the six years that Ken & Gina provided the financial reports they routinely warned of the impact of the declining reserve fund. Each year they stated that we could run out of funds within a few years. Considering the current status of over \$28,000 in shortfall and just under \$80,000 in operating reserves the date for running out of funds is now less than three years away if we stay on the current course.

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 intended for 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.
- Add a cash position DREAM Fund account with check writing for withdrawals.
- Transfer DREAM Fund cash from operating accounts into DREAM Fund accounts.

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 February 7-9, 2014.

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:

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 Ted & Jane Guthrie
- 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 John & Jennifer Pettinger
- District-4 Clergy Executive Ted & Marty Hartman

This Resolution hereby adopted

Donald Christiansen, President

Date

Charlotte Ricks, Secretary

Date