

**Call to Be Family dba Lutheran Marriage Encounter  
North American Region  
Annual Financial Report 2017**

**OVERVIEW**

This Report is an abbreviated version due to not having the Revenue & Expense sheets completely formatted. This Report relies on actual end of year fund balances and thus has accurate figures. What will be added for the final Report will be the details for line items, tables, and charts.

The end-of-year tax letters have been mailed to all donors who made donations in excess of the Fair Market Value of their LME Experience (if applicable). There were 273 different donors with 185 receiving tax letters.

The 2017 Financial Report shows that we are statistically well ahead of our 2016 results. As with many changes, there isn't a single reason and that is especially applicable for 2017.

During the year we served a small increase in the number of newly encountered couples (205) compared to (196). Another positive aspect was increasing the number of experiences from 19 to 21. These numbers are a mixed blessing. Using an arbitrary benchmark of ten couples per experience we dropped back below the benchmark because the number of couples increased at a lower rate than the number of experiences. As a practical analysis these data reflect that we are statistically even with the prior year for program services.

Since assuming the task of finance officer in 2013 each year's report came with a caution. First, if we didn't make changes we would run out of funds. Then, even with finances are on the positive side we need to wait to be sure that this trend continues. The updated table below suggests that our current results can be accepted as normal. The total change is nearly \$40,000 (from negative \$19,000 to positive \$21,667) for the two periods compared. Thus, I am removing the cautionary tone from this Report.

	<b>Balance summary- Operating acct</b>	<b>Annual Change</b>
<b>2013</b>	<b>\$79,374.21</b>	<b>-\$28,441.04</b>
<b>2014</b>	<b>\$69,811.66</b>	<b>-\$9,562.55</b>
	<b>2-year average change</b>	<b>-\$19,001.80</b>
<b>2015</b>	<b>\$101,762.93</b>	<b>\$31,951.27</b>
<b>2016</b>	<b>\$111,025.27</b>	<b>\$9,263.34</b>
<b>2017</b>	<b>*\$143,595.60</b>	<b>21,667.73</b>
	<b>3-year average change</b>	<b>\$20,960.78</b>

Please note, the Operating Account would be \$2,185 higher or \$145,780.60 in comparison to prior years and the annual gain would be \$23,852.73 if the remainder of the Kranz Grant were not being transferred to the DREAM Fund. (The Kranz Grant was made for scholarships to assist Ohio area couples many years ago and is about 80% used.)

## **DREAM FUND**

The DREAM Fund had expenditures of \$10,650 for the marketing programs and \$2,000 for the Young Couple's Initiative. Expenditures are offset by an increase in value of mutual; funds donations for the Marketing Program, the INDIA Outreach, and transfer of the Kranz Grant. The DREAM Fund remains viable for a number of years at its current value of \$101,491.21 and projected expenditures. Investment gains reported in 2016 and 2017 of \$19,429.06 are not predictable and can actually be losses in a down market. See attached spreadsheet showing details.

A significant change during 2017 and continuing into 2018 is approval of an outreach to India. This initiative will be funded through the DREAM fund with about half of the estimated \$12,400 total coming from the DREAM balance and about half from informal pledges. Since adoption of the budget at the July NAR Meeting the budget is increased with a \$1,500 additional donation to cover the cost of Pastor Subin's wife to attend a LME Experience with her husband in St. Louis. Unfortunately she was unable to obtain a visa and her ticket costs of \$1,975.96 are non-refundable and non-transferrable. The \$475.96 difference will be offset by other donations and more favorable ticket costs for presenters of the Outreach Experience in May.

## **REUNION**

The District-1 and Reunion coordinators will report on the Reunion. I am including the financial result for 2016 and 2017 as there might be a minor difference based on transactions in December. The total revenue over expenses was \$2,558.23 with \$2,484 from the silent auction and \$74.23 profit from the Reunion itself.

## **Weekend (Experience) Statistics**

For 2017 I am making some additional revisions on reporting Experience statistics, particularly the breakdown of financial reporting. The first table below reports the simple statistics of Experiences and attendees. This reflects an increase of two LME Experiences from 2016 (21 vs 19). And an increase of 9 attending couples (205 vs 196). The number of attendees seems to have stabilized somewhat from prior years trends of reduced attendance each year. As mentioned before, the average couples per Experience dropped below 10 to 9.76. This isn't a significant statistical change but is a measure of our operating efficiency.

<b>2017 Summary</b>	<b>Experience per District</b>	<b>Couples per Experience</b>	<b>Lutherans</b>	<b>Lutheran Clergy</b>	<b>Other Clergy</b>
District-1	9	108	112	7	1
District-2	7	44	28	5	2
District-3	4	48	55	0	0
District-4	1	5	6	0	0

<b>NAR Total</b>	<b>21</b>	<b>205</b>	<b>201</b>	<b>12</b>	<b>3</b>
------------------	-----------	------------	------------	-----------	----------

The table on the next page is designed to provide a realistic picture of how we are doing with Experience finances. In revising our application fee and how we treat Experience donations I believe this better reflects our current model and provides the ability to compare the breakdown of donations with how they are applied. Using the averages shown; attendee donations covered 100% of the non-deductible FMV costs (although there were three Experiences that fell below). And, the charitable donation portion covered \$66.87 of the \$150 administrative add-on. The balance of the add-on (\$83.13 totaling \$17,041.65) is covered by donations from non-attendees or other miscellaneous revenues. I will analyze the add-on amount below the table.

**Partial chart of revised weekend finance formulas.**

	Experience	Average	Average	Average	Average#
	Avg direct costs (facility + PC travel)	Fair Mkt Value couple	Per-couple FMV Donation	Per-couple charitable donation	PC per experience
District-1	-\$416.98	\$355.04	\$355.04	\$61.94	3.67
District-2	-\$377.30	\$307.14	\$307.14	\$70.15	2.86
District-3	-\$348.13	\$268.75	\$352.46	\$79.38	4.00
District-4	-\$396.00	\$340.19	\$340.19	\$56.00	3.00
<b>*NAR Aggregate</b>	<b>\$80,325</b>	<b>\$383.87</b>	<b>\$341.94</b>	<b>\$66.87</b>	<b>3.24</b>

- The NAR Aggregate Experience cost is the actual amount reported on Experience Finance forms.
- The other aggregate columns are simple averages of the District amounts above which are derived from Experience Finance Reports of expected attendee donations and might not match actual donations received.

Several years ago we revised the administrative add-on from \$175 to \$150 based on having increased the application fee. A key review is whether the current add-on fee is still accurate. In simple calculations I could arrive at a figure of \$169 for the add-on. However, I do not recommend that change this year based on the fact that we have extraordinary figures relating to the Reunion and that we hosted an ILME Meeting this year. If an adjustment is necessary I would suggest waiting until next year when we won't have as much extraordinary expenses and the evaluation will be more reliable.

We will submit the more complete Report when the line item details are proofed and updated.

Respectfully submitted,

*Dean & Marcia Redman*

Dean & Marcia Redman,  
NAR Finance

Attachment: DREAM FUND Details

