

The following is drawn from *Transformational Vision Leading to a Preferred Future*, pages 7 - 9.

Financial Strength

LBC's financial strength has never been better. We have maintained a practice of operating within a balanced budget for the last 30 years. That is due in part to a team effort of controlling expenses and spending our dollars wisely as well as through growth in enrollment and the generosity of givers. Our preferred future captures years of history and projects wise business practices to help LBC move forward into the future.

Through the generosity of a specific donor, in 2010 we were able to add \$3.7 million to our endowment, which should yield approximately \$185,000 a year for scholarships. It will be the College's practice to utilize the majority of those dollars to help reduce the annual Scholarshare Fund efforts enabling us to concentrate on capital expansion and endowment growth efforts.

Through that same estate, over \$4.2 million of indebtedness was eliminated as well. With the exception of one outstanding low interest personal loan, which becomes a gift to LBC at the individual's death, we are completely debt-free. This frees up more than \$300,000 of budgeted interest payments as well as approximately \$30,000 set aside in the operating budget to pay down principal. This net shift provides at least one source for funding our preferred future.

Capital Projects

Facilities development will play a key role in both retention and recruitment over the next 20 years at both the undergraduate and the adult learner levels of education.

Critical to the future of LBC academics, recruitment, and retention is the development of up-to-date, technologically advanced, strategically designed facilities.

Our preferred future comes with a price tag of \$39.5 million, which includes construction of the Student Learning Commons and renovations and an addition to our existing library building (faculty offices, classrooms, the iLead Center, and potentially the Center for Strategic Alliances), a 120-bed addition to Peterson Hall, refurbished student housing (West and South Apartments), additions to the Horst Athletic Center, and the promenade connecting the Good Shepherd Chapel on the south end of our campus to the Student Learning Commons on the north. It also makes provision for the east and west additions onto the Good Shepherd Chapel to accommodate our growing Worship and Performing Arts Department.

What has surfaced out of our discussion and has been made clear through the capital campaign feasibility study is a clear message that construction costs are low, as is the cost of borrowing money, so if we want to move forward, it would appear that now is the time to seriously consider doing so. Benjamin Franklin once said, "Without continued growth and progress, such words as improvement, achievement and success have not meaning." In that spirit, LBC remains committed to be a worldwide leader in biblical higher education.

Preferred Future Funding

Our plan for funding our preferred future is as follows:

- 1) Our Feasibility Study (conducted January through March 2010) supports a Capital Campaign of \$10 million for the Student Learning Commons. A capital campaign of the scope that we are considering for the Student Learning Commons is a task that takes significant time to plan, orchestrate, staff and implement. Our current timeline extends over a period of no less than 32 months. Understand that any delay, no matter how small in the process, delays the end result.

These tasks will require a "many hands" approach. We will need to select campaign committee members, chairpersons, additional part-time staff, visitors and numerous other volunteers to work with our Campaign Director, chair and consultant to insure our success.

Congruently with the campaign implementation, we will also continually seek ways to expand the donor base through Peer to Peer events and annual President's Weekends. Each Trustee, members of the Advancement Committee, Corporation members, staff, faculty and friends of the college will need to consider their abilities and capabilities as we move forward through the silent and public phases of the campaign.

It would be our goal to solidify no less than 60% of the total campaign goal in the silent phase of the campaign and 100% of the goal (in three year pledges and gifts) prior to July 2012 (see Attachment E, Campaign Timeline).

- 2) The Board of Trustees has approved and LBC has completed a \$17.5 million finance plan stretching over a 25-year period which allows us to complete the preferred future initiatives to promote growth in enrollment (see Five-Year Business Plan, Attachment F, and Construction Timelines and Costs, Attachment G)
- 3) This positions us for the next capital campaign in 5-6 years for the additions to the Good Shepherd Chapel to house our growing Worship and Performing Arts program. This campaign must be predicated on achieving enrollment targets in this program. The plan is divided into priorities and phases to be accomplished over time and as funding becomes available.