

The Lutheran High School Association of Greater Milwaukee

Stakeholder Meeting

November 12, 2009

Welcome to Brookfield Lutheran
Church!

Opening Remarks

Todd J. Moritz

Chief Executive Officer

The Lutheran High School Association

Agenda

- About me
- An update from our schools
- State of the Association
- Action items
- Your help is needed!

About Me

- Relationships
- My Mission
 - To simplify the administrative burden of ministry
- MBA / CPA
- 28 years in Financial / Executive Management
- 11 years in LCMS ministry
- Why am I here?
 - God's calling
 - I have a passion for His Church
 - My high school experience
 - I am "all in"!

My Style

- Relationships
- Honest
- Candid
- Transparent
- Collaboration
- Participatory

Why an Association?

- Provides “central services”. Things we can do better together including:
 - Accounting
 - Billing & Receivables
 - Development
 - Payroll
 - Information Tech.
 - Facilities Mgmt.
- Educational / Administrative Collaboration
- Financial Strength
 - Able to take sizable risk

Our Strengths

- Strong spiritual student community
- Outstanding academic education
- Passionate / dedicated faculty and staff
- Strategic Leadership Team
- Rich history

Milwaukee Lutheran High School

Mr. Paul Bahr

Principal

BLC Member

Lake Country Lutheran High School

Mr. Mark Bahr
Principal

Martin Luther High School

Mr. Paul Doerr
Religion Teacher
BLC Member

State of the Association

Todd Moritz

CEO

We have really good schools!

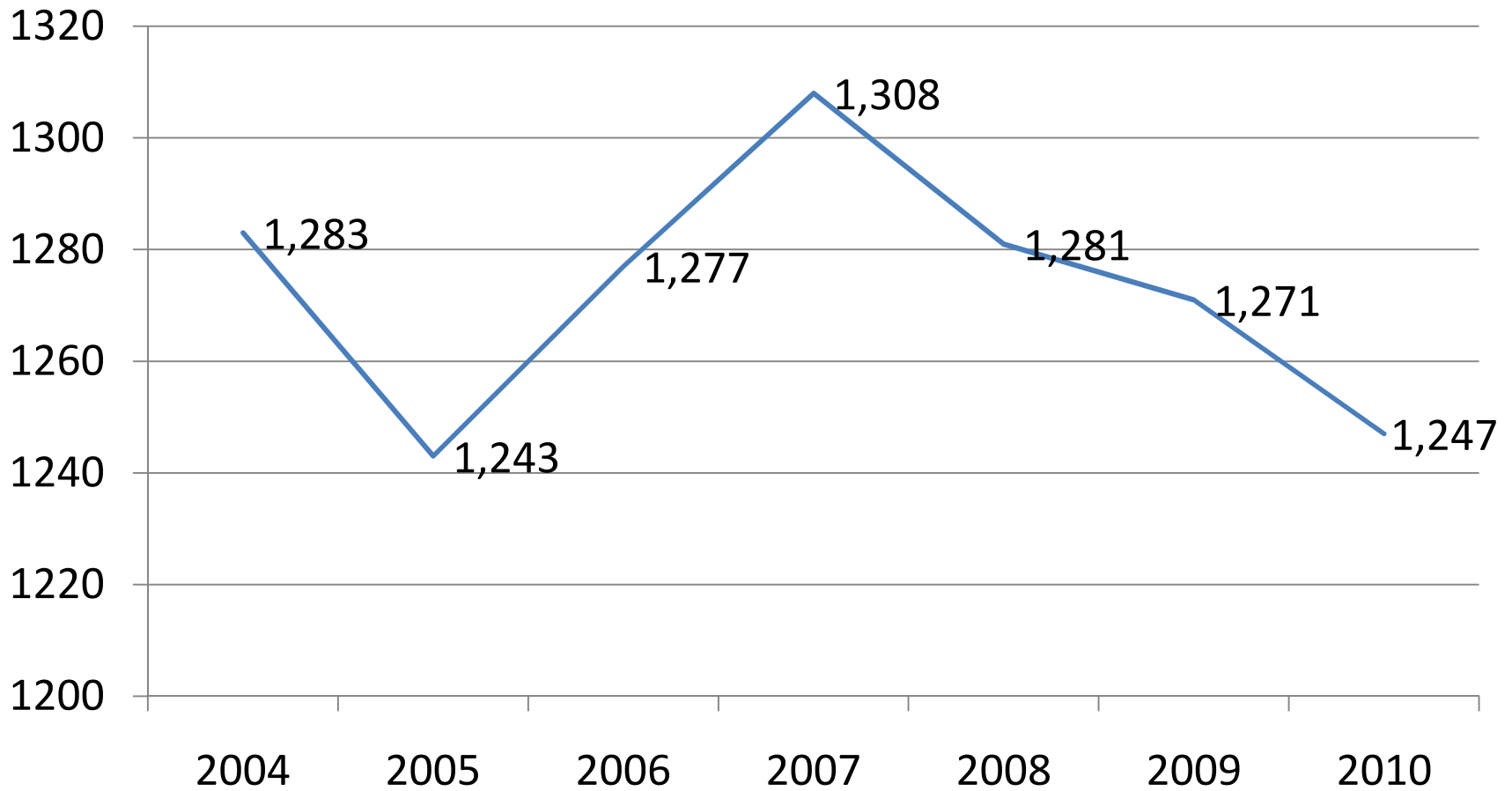
My Vision

Three healthy, viable and growing
schools

The Financial Realities

- Debt is too high
 - \$27MM
- Operating deficits past several years
 - (\$1.4MM) last year;(\$3.8MM) LTD
 - Released \$1.4MM endowment designated funds
- Borrowed from ourselves
 - \$1.1MM from Endowment
- Debt capacity maxed
 - \$1.5MM Line of Credit fully utilized
- Current cash reserves not adequate beyond spring
- Not a sustainable model

Total Enrollment



How did we get here?

- Economy
 - Individual giving down
 - Church Giving is down
 - Financial aid applications up
 - Keep tuition low pressure
- Quota system is broken
- Weak development plan
 - Stepping out in faith at LCL
 - Nominal endowment
- Absence of strategic plan
- Inaccurate financial information
- Inadequate oversight

Economic Realities

- Preliminary budget (\$900) deficit
- 6% Health Care Increase
- 13% Retirement Increase
- 5% Utilities Increase
- Declining Choice Revenue per student
- Lost Thrivent Matching Funds
- Less than 3% Tuition Increase
- Declining Church Support

Operating Fund Action Steps

- Revenue Increase
 - Adjusted Development Efforts
 - MLHS Collaboration
 - Increased Fees (Elementary Band)
- Expense Reduction
- Deferred spending
- “People” impact
 - Six Full Time
 - Multiple Part Time
- Current FY 2010 Shortfall (\$200K)

FY 2011 (Operating Fund)

- Doing nothing ...
 - Forecast is (\$551K) loss
- Imperative that we have positive cash flow
- Adjustments are underway

With man this is impossible, but with God, all things are possible. Matt. 19:26

Campaign for Lake Country Lutheran

- \$3.0MM challenge if we can raise \$6.0MM by February 28, 2010
 - \$1.4M annual interest expense for 2010
 - \$1.6M annual interest expense for 2011
- Inability to raise funds needed could result in loan default
 - Cash reserves depleted
 - Debt capacity extinguished
- \$1.0M + road construction remains

Critical Organizational Goals

- Successful Lake Country Campaign
- Balanced Operating Results
- Capital Campaign for ML / MLHS Improvement
- Marketing Plan
- Governance / Congregational Quota
- Strategic Plan

My Vision

Three healthy, viable and growing
schools

More realities

- This campaign is about “us” as an Association.
- “We” stepped out in faith at LCL
- Failure is not an option
- We could lose our schools

How you can help ...

- Pray for the schools and our leadership
 - Weekly prayer meetings
- Consider your congregations role
 - Owner or Consumer?
- Help us with a successful campaign
 - Make a gift
 - Help me work with your congregation / school
- Speak positively about our schools
 - seek clarification where necessary
- Tell me how we can do better

Stop dwelling on past events and brooding over days gone by. I am about to do something new; this moment it will unfold. Can you not perceive it? Isaiah 43:18-19

My vision: Three healthy, viable and growing schools

More Information

- Information in back
- www.lhsagm.org
 - Click on CEO
 - Frequent Updates
- My information:
 - tmoritz@lhsagm.org
 - (414) 421-9100 ext. 222
 - (414) 408-8469 (cell)
 - Come see me 😊

Questions & Answers