

The logo is a circular emblem with a gold-to-white gradient. It features a central white cross with a stylized, ornate design. The text "THE LUTHERAN HIGH SCHOOL ASSOCIATION" is written in a circular path around the top, and "OF GREATER MILWAUKEE" is written around the bottom. Two small white dots separate the top and bottom text on the left and right sides.

**Delegate Meeting
The Lutheran High School
Association of Greater Milwaukee**

Wednesday, February 10, 2010



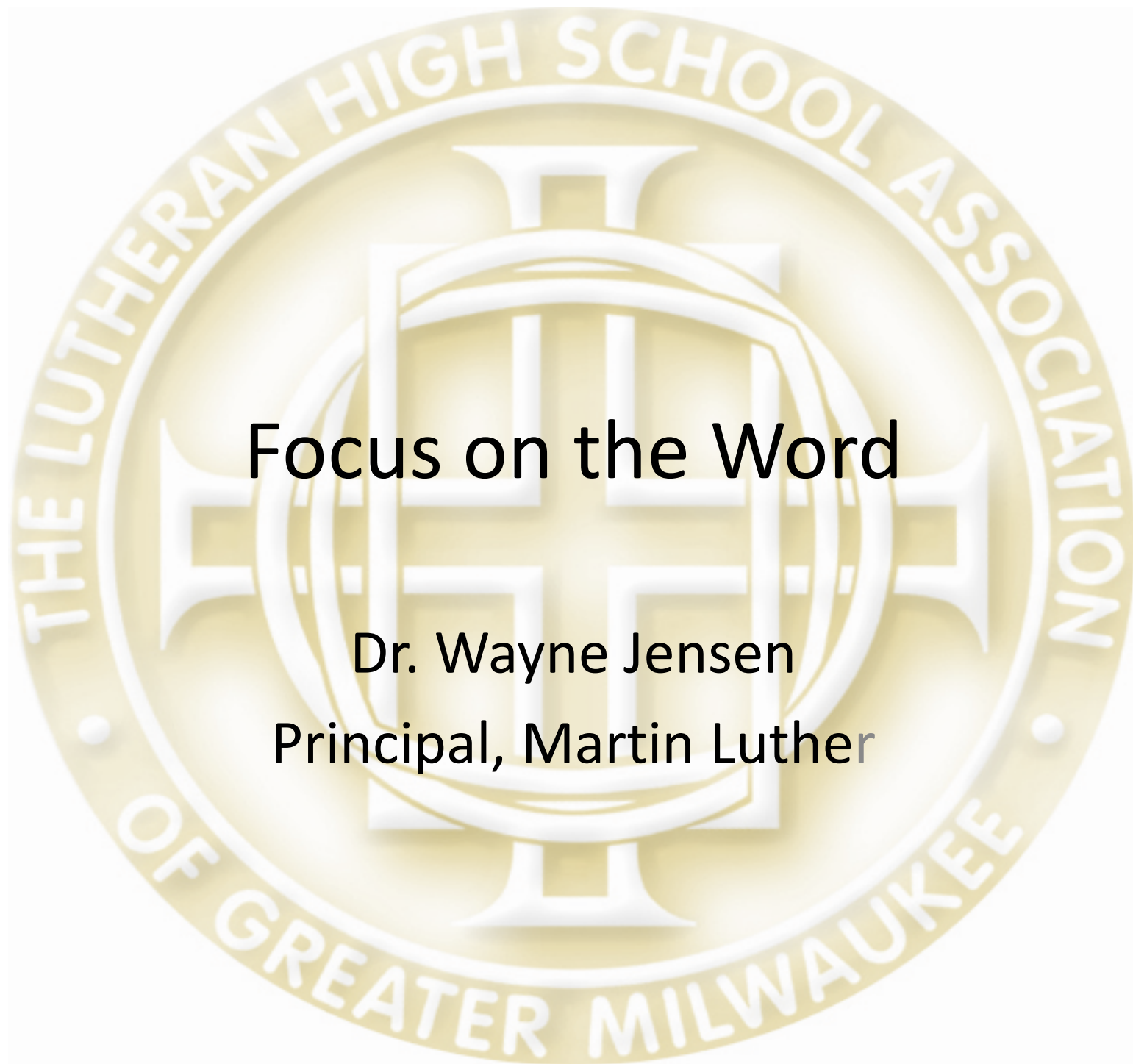
Welcome

Mr. Tom Schoewe, President

The background of the slide features a large, semi-transparent seal of the Lutheran High School Association of Greater Milwaukee. The seal is circular and contains a central emblem with a cross and a shield. The text "LUTHERAN HIGH SCHOOL ASSOCIATION" is written along the top arc, and "GREATER MILWAUKEE" is written along the bottom arc.

Agenda

- Focus on the Word
- Approval of Minutes
- Quota Approval
- Board Nominations
- Board Remarks
- Financial Update
- Governance and Partnership Formula



Focus on the Word

Dr. Wayne Jensen

Principal, Martin Luther

The seal is circular with a gold border. The text "THE LUTHERAN HIGH SCHOOL ASSOCIATION" is written along the top inner edge, and "OF GREATER MILWAUKEE" is written along the bottom inner edge. In the center is a white, stylized cross with rounded ends, overlaid on a circular emblem that resembles a globe or a shield.

Approval of October 14 Minutes

Mr. Tom Schoewe
President



Quota Approval

Mr. Tom Schoewe
President



Request for Board Nominations

Tom Schoewe
President



Board Remarks

Tom Schoewe
President

Top Priorities—2009/2010

From October, 2009

- Attain \$6.0 Challenge Goal
- Balance the budget
- Adopt Strategic Plan
- Develop and Implement Marketing Plan
- Reevaluate Governance and Quota





Financial Report / CEO Report

Todd J. Moritz

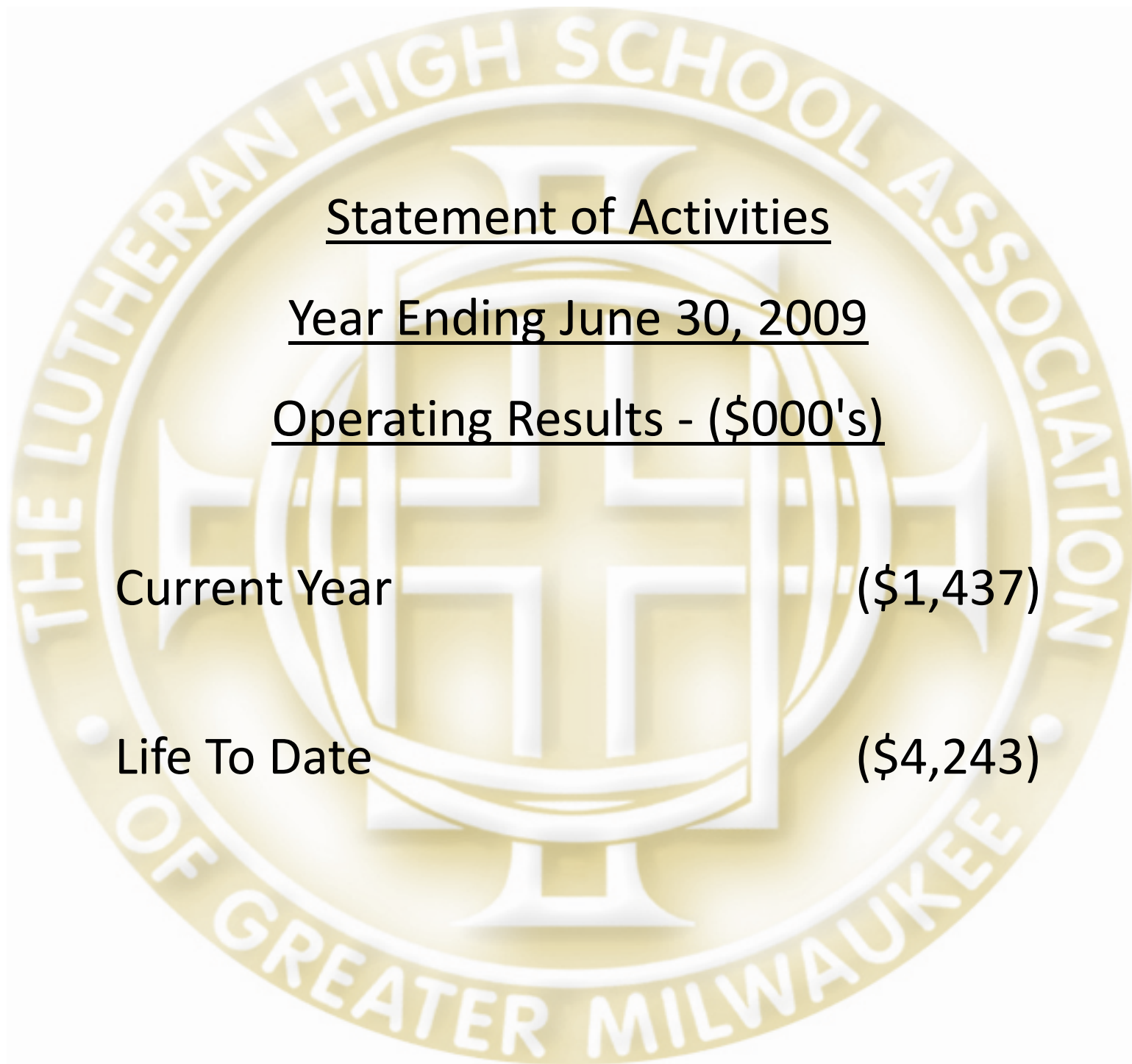
Chief Executive Officer

Statement of Financial Position

Selected Items - \$(000)'s

	<u>FY 2009</u>	<u>FY 2008</u>
Operating Cash	\$694	\$477
Bank Debt	\$25,522	\$9,702
Pledges*	\$1,519	\$3,213
<u>Endowment</u>		
Investments	\$1,002	\$1,162
Fund Bal.	\$1,973	\$3,077

* \$780K pledge write off in FY 2009



Statement of Activities

Year Ending June 30, 2009

Operating Results - (\$000's)

Current Year (\$1,437)

Life To Date (\$4,243)

Actions to reverse trends

- Management changes
 - CEO, CFO, Development, Advancement
- Replacement of operating systems
 - Financial / Development
- Significant expense reductions / reorganization
 - Multiple layoff's / reduction of positions
- Success to date in campaign
 - \$1.0M in pledges to \$4.4M in a few months
 - Multiple giving options

Actions to reverse trends

- Operating fund grant of \$250K
- Marketing Teams in full swing
 - ML, MLHS & Association
- Governance / Quota changes proposed
- 18 Month Strategic Plan in Place
- Five year Strategic Plan in development
 - Completed early Fall 2010
- First year turnaround goals on target
- Renegotiation of Thrivent debt in process

Current Cash Position

January 31 – (\$000's)

- Cash Balance - \$1,745
- Endowment Funds - \$986
- Debt capacity maxed
 - \$1.5M line of credit up for renewal March 15
- If successful in campaign
 - Additional capacity or use of Endowment required
 - adequate five year cash plan
- Unsuccessful campaign
 - Renegotiated Debt required

Please excuse the interruption for a brief word from our sponsor ...

- We need your help
 - Won't you consider a five year pledge?
- Big or small, I believe everyone can do something.
- July 2009 – less than 200 contributors
- Today – over 1,600!
- Please ... prayerfully consider a pledge
- Information in back
- Give / pledge on-line at www.lhsagm.org

Back to the numbers ...

Financial Forecast - (\$000's)

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
MLHS		\$0	\$187
ML		(\$310)	\$62
LCL		(\$316)	\$3
LCL Start Up		<u>\$400</u>	<u>\$0</u>
Total	<u>(\$1,437)</u>	<u>(\$226)</u>	<u>\$252</u>

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Financial Details

- Audit – Contact Karen
- FY 2010 Forecast – Web Site (click on CEO)

Karen Walrath

Chief Financial Officer

(414) 421-9100 ext. 220

KWalrath@lhsagm.org



Governance and Partnership Formula

The seal of the Lutheran High School Association of Greater Milwaukee is a circular emblem. It features a central shield with a cross, set within a stylized frame. The text "LUTHERAN HIGH SCHOOL ASSOCIATION" is written along the top arc, and "OF GREATER MILWAUKEE" along the bottom arc. The entire seal is rendered in a light gold or yellow color with a subtle gradient and shadow effect.

Topics

- Brief History
- Committee Suggestions
- Discussion
- April Special Meeting
- Process for April

Quota Points to Delegates

October 14, 2009

- Quota receipts in decline
- Church partnership declining
- Unproductive delegate meetings
- Some potential changes

Quota results in decline

- Delegate approved congregational quota is 14% of “adjusted” home receipts, of which
- Congregation quota was intended to and did provide 30% of operational budget
 - This equates to approximately \$3.9M in FY 2009
- Quota has been declining annually and in FY 2009 was \$1.5M which was 11.5% of operational budget

Church ownership is declining

“actual” quota percentages as of September 30:

<u>Cong.</u>	<u>%</u>	<u>Students</u>	<u>Annual \$'s per student</u>	
21	1% or less	182	\$54,286	\$298
9	2% to 6%	194	\$345,952	\$1,783
9	7% to 10%	162	\$396,479	\$2,447
<u>5</u>	11% to 14%	<u>191</u>	<u>\$652,101</u>	<u>\$3,414</u>
44		729	\$1,448,818	\$1,987

3 congregations are at 14%

Percent of Congregational Budget

	<u>1984</u>	<u>1987</u>	<u>1991</u>	<u>2009</u>
14%	21	17	14	3
8% to 13%	6	12	12	9
7%	6	4	4	2
2% to 6%	10	11	16	9
0 to 1%	<u>0</u>	<u>0</u>	<u>0</u>	<u>21</u>
	43	44	46	44

Source of Revenue - Operating Fund

	<u>1978</u>	<u>1986</u>	<u>1991</u>	<u>1993</u>	<u>2009</u>
Tuition & Fees	61%	58%	59%	65%	85%
Congregations	32%	27%	28%	25%	12%
Development	6%	13%	11%	9%	3%
Other	<u>1%</u>	<u>2%</u>	<u>2%</u>	<u>1%</u>	<u>0%</u>
	100%	100%	100%	100%	100%

Unproductive delegate meetings

- “infomercials”
- Only regular action taken was voting for Board of Directors
- Limited input
- Unclear role of delegates

Some potential changes

- “House of Representatives” system - more input commensurate with congregation’s participation
 - % contributor (i.e. those with 1% vs. 14%)
 - number of students sent to our schools
 - average dollars contributed per student
- Limit discount per student that some congregations receive
- Input from Non-LCMS churches
 - 517 or 41% of students come from Non-Association churches
- Change delegate role?



Committee Suggestions

Thanks to the Committee!

- Mark Bahr
- Paul Bahr
- Tim Duchow
- Todd Moritz
- Terry Rowinski
- Tom Schoewe
- Paul Sehmer
- Pastor Kurt Wenzelburger

The background of the slide features a large, semi-transparent watermark of the seal of the Greater Milwaukee Area Catholic High School Association. The seal is circular and contains a central shield with a cross, surrounded by the text "THE CATHOLIC HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE".

Process

- Presentation / Discussion Today
- Committee recommend final changes this week.
- Final recommendation posted on web site next week
- Special Meeting April 21

Summary of Committee Suggestions

- Non-LCMS Involvement
- Flexible Board of Directors and Delegate Size
- Dissolution of Assets
- Partnership Formula

Non-LCMS Involvement

- 25% Non-LCMS congregations can participate in the Association, but:
 - Statement of Faith Included:
 - teaching and governance will be in accordance
 - Board Members will agree to uphold
 - At Least 3 LCMS Pastors
 - LCMS Delegates and Board must make up at least 75%
 - President and Vice President must be LCMS
 - Administrator (CEO) must be LCMS

Flexible Board and Delegate Size

- Number of Board members flexible based on Delegate approved “Partnership Formula”
- Each congregation nominates their own Board of Directors member
 - Nominating Committee selects final candidate of those nominated by congregation
 - Nominating Committee is a majority of non-Board members

Dissolution of Assets

- All proceeds will go to one or more LCMS ministries as determined by the Delegates





Discussion / Questions

Articles of Incorporation

By-Laws

Partnership Formula

- The Board of Directors works with staff to suggest the “Partnership Formula” (Quota) and it is approved by the Delegates
- Specific sheet for your congregation handed out to first voting delegate that arrived.

Track One – LCMS Member and Fee

- Any LCMS congregation that wishes membership in the Association will pay an annual fee of \$1 per communicant member and will be awarded one Delegate and then allowed to participate in the other Tracks.

Track Two - Financial Participation Per Student

- Any Member congregation student will receive a discount based on the average payment per student that they make. Delegates and Board seats will be awarded to congregations with five or more students. Calculation excludes Milwaukee Parental Choice Program students.

Track Two

Discount

If 5 or more students

Payment
per
student

LCL

MLHS

ML

Delegates

Board

\$1,250	\$1,100	\$1,000	\$1,000	1	0
\$2,500	\$1,100	\$2,000	\$2,100	2	0
\$3,000	\$1,100	\$2,000	\$2,100	3	1
+\$40K*	\$1,100	\$2,000	\$2,100	3	2

- \$3,000 per student plus \$40,000 in an additional annual commitment
Excludes MPCP Students

Track Three – Student Count

- Delegates and Board seats are awarded based on the number of students attending our schools, plus the financial participation per student. This includes Milwaukee Parental Choice Program students.

Track Three

<u>Students</u>	<u>Delegates</u>	<u>Total Board Seats*</u>	<u>Total Board Seats**</u>
10	1	0	0
20	2	0	0
25	3	0	1
45	4	1	2
80	5	1	3

* If \$1,250 per student support; ** If \$2,500 per student support
Includes MPCP Students

Track Four

- Three at-large Board seats for the Association will be available to Member congregations.





Discussion / Questions

Partnership
Formula

April 21 Delegate Meeting

- Separate section for voting Delegates
- Voting Delegates only can make comments
 - Delegates, please solicit feedback from your members
- Changes will be voted on in sections by written ballot. All sections will be voted on and then results tabulated
- Once approved, new documents submitted to District for their approval

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Next Meeting

- Wednesday, April 21
- 7:00 PM
- Milwaukee Lutheran High School

The seal is circular with a gold background and white text and symbols. The outer ring contains the text "THE LUTHERAN HIGH SCHOOL ASSOCIATION" at the top and "OF GREATER MILWAUKEE" at the bottom, separated by two small white dots. In the center is a white, stylized emblem consisting of a cross with rounded ends, overlaid on a shield-like shape with a decorative border.

Adjournment and Closing Prayer