

President's Report "Mile Markers"

Our April 2010 board meeting focused on two questions: Should we keep the school open? And if so, what are the "big rocks" that we need to move to make it viable?

The first question was answered when, in less than a month, we felt the campus and local community was working toward harmony and our campus was rallying around weekly corporate prayer. In addition, the curriculum was given a refreshed focus on Bible-centred learning which provided the foundational one-year Bible-immersion program and nearly doubled our Bible-Theology content in the four-year program.

We continue to enjoy a strong sense of harmony on the campus, a gift from God and perhaps the most important measure of our community health. Division is an ever-present danger, one which we watch for and guard against with vigilance. It is a privilege to work with this team of professionals who stand guard, looking after our campus and our students.

results, results, results...

Now I believe it is time to look at the results we have seen from the rocks we have been moving into place over the last three years. The bedrock of our philosophy has been to make the most of what we have, both in terms of people as well as facilities.

Reduction in payroll – Our payroll has been declining steadily since the spring of 2010 to the current level of 66 full-time equivalent employees. The corresponding cost has dropped from \$300,000/month in the summer of 2010 to \$200,000/month for a cost savings of 33%.

Reduction in health-care costs – In the summer of 2010 our costs for health care coverage reached \$16,000/month. This expense line has been running around \$7,000/month for the past 2 years, saving us more than 50% and reflecting a much healthier and happier campus community.

Enrolment – The number of paying students which bottomed out at about 250 in April of 2010 rebounded to a recent level around 290. A better measure of our productivity is the number of credits we have sold which allows us to capture summer course offerings as well. Total credits sold over the trailing 12 months have climbed from 5242 in 2010/11 to 6225 in the current 2012/13 year, an increase of 19% over those two years.

In terms of the campus, we have taken the occupancy level of Founders Hall (classroom building) from an estimated 30% to nearly 100% by moving the high school over and taking their 70 year old, wooden building off-line for an estimated savings of at least \$50,000 per year. The renovation of classrooms in Founders Hall was led by our faculty who put aside their Kindles and pulled out hammers and paintbrushes to show us all how to work. At the same time All-Weather Windows provided much needed windows for the building.

In addition to the high school building, we have also taken Imbach off-line for further savings and plan to take the Fine Arts building off-line this year. As the money is available, we will likely be demolishing these three buildings.

In the past three years we have replaced or substantially repaired four roofs – Cunningham/Dearing Memorial Hall (the men’s and women’s residences), North Auditorium, Davidson Apartments, and the Oasis (which is now home to the junior high and has probably gone from 10% occupancy to 100% as a result).

Finance – The overall effect for us financially is that we have gone from an operating loss of \$2.6 million in the year ended June 2010 (which was skated on-side by the gain on sale of land of \$3.4 million) to currently operating close to break-even (our summers are still slow so we hope to turn a small profit for this full year).

looking ahead...

We continue to look for efficiencies. One that we believe will offer both economic improvements as well as bring more harmony across the campus is moving from three schools (PBC, PSMA and PCAAT within PBI) to one school. As a result, it may be time to ask the question, what name is the best “container” to reflect the scope of these programs that would still retain the brand that has been built over the history of the school? We have an idea or two that we would like to try out on you.

We are currently putting the finishing touches on a Strategic Plan which we will be presenting to the Board (you will receive it in the next few days). We have given a considerable amount of time around the campus thinking about our longer term direction and the document has the fingerprints of most of our stakeholder groups on it, including two years of discussion with the Board.

Distance Education (“eLearning”) has become a major part of our plans for the future and the faculty have, once again, stepped up to the challenge... This time re-tooling their subjects for learners from around the world (“any place, any pace”), most of whom will only be met electronically. This is a substantial investment on the part of the school and is being built into our budget, although extra funding would allow this to happen more quickly.

In addition, we will be presenting a freshened up “Policies and Procedures for Responding to Reports of Harassment, Abuse and Assault” and a preliminary budget for the upcoming year (ending June 30, 2014).

Parable Place will likely see a fairly extensive renovation this year, turning it into a professional recording classroom. It will be used both for recording classes for eLearning as well as a recording studio for the Digital Media program’s major project of recording the al-Hayat “Discipleship Essentials” training in Urdu, Arabic, Omro, Farsi and English. This is in partnership with the Klemke Foundation, Wagdi Iskander, Herbert Beerens, TransWorld Radio and other interested friends and donors of the school.

We also hope to move the faculty over to Maxwell Centre by this fall, improving the capacity utilization of this building and freeing up the Faculty Building for Worship Arts and/or external renters.

The next physical plant challenges (in no particular order) include:

- installing a fibre-optic internet pipe across the campus,
- closing the tunnels and repairing the sidewalks,
- moving each building to its own heating system,
- finishing the Cunningham/Dearing residence renovation,
- campus beautification, and
- paving the parking lots.

At some point, we might need a better auditorium/performance hall. The one building that is still running at low capacity utilization is the dining hall, so we are wondering how we can put it to better use. It would be wonderful to cover the campus centre square with some type of atrium, connecting our main buildings and allowing that space to be used year round. We can always dream, right?

in conclusion...

We have been blessed with many excellent partnerships and celebrated them on the eve of our Global Connections Conference in March at a “Prairie Partners Dinner”. We believe partnership is both a good theology and good business: it seems to be the way God works and it is a very efficient way to deliver excellent programming while benefitting our partners. We are far stronger together than we could be on our own.

God has truly put much in our hands and we are grateful.

As a member of our board, you are very much a part of what God is doing on this campus. We need you and appreciate your joining us in this effort to improve Biblical literacy so that we can “know Christ and make Him known”.

Again, let me take this opportunity to thank you for the roles you play,

Mark

Mark L. Maxwell
President