

Hello to all of our Thrive supporters. On behalf of the Bethany College Board I want to thank you for your continued prayer and financial support for the Thrive program over the last three years. In this our fourth year we have 18 young people enrolled. This was a huge increase over last fall and is a great encouragement to us, an indication we are doing God's will, we are helping build whole and holy disciples, while holding up a light in a very dark world. Young people are responding to our message that God has a plan for their life, that he loves them and wants to be part of their future. And we all feel very blessed to be part of that work.

God has worked miraculously year after year in providing what we need as we have needed it. And we thank Him for that. Since reorganizing the College in 2016, the Bethany Board has had to make hard financial decisions every year in order to keep the College solvent and the Thrive program viable. The largest single challenge we have had to face occurred this last March with the Covid-19 pandemic. The various government dictated measures which have been implemented to curtail the spread of this disease has definitely had a negative impact on our operations. The restrictions on gatherings has deprived us of a large portion of our annual income, that being from facility rentals. Facility rentals has been the source of a major portion of our Operating income since Bethany was reorganized and began offering the Thrive program. Our income from facility rentals had shown a very significant year over year increase and with the enrollment we had for the 2019 / 2020 academic year we had anticipated a balanced budget, albeit one that did not include any significant debt servicing, for the 2019 / 2020 fiscal year. Our Operating Budget had the possibility of being balanced. That all changed in March.

We did not anticipate the onset of a pandemic in our fiscal planning, but the Lord is bigger than Covid-19. Our revenues took a very sharp decline between March and August, typically a very busy time of year for us in rentals. We had to seriously consider if we could offer Thrive in the fall of 2020. But God blessed us with a very unexpected increase in enrollment to 18 students, which was very much an answer to prayer. In the 2020 / 2021-year enrollment tuition will be our main source of revenue. We do anticipate some very modest revenue from rentals in the spring and summer of 2021. However the swing from facility rentals to enrollment tuition as being the major source of Operating funds made us consider how we should administer the program, and what the future may hold for Bethany College.

In re-considering all facets of how we do business, the Board had to address the huge back log in deferred maintenance and the very sizable mortgage, both of which were in arrears and needed to be permanently addressed. The College has title to a large real estate holding, the campus is approximately 13 acres in size, and we operate / maintain five buildings comprising a total area of 82,000 square feet. Three of these buildings are dormitories which harkens back to the day when hundreds of students were on campus ever year, pursuing everything from two-year Diplomas to four-year Degrees. The Thrive program currently occupies most of one dormitory, using two classrooms in the main Administration Building, as well as marginal use of the kitchen and dining room. The buildings range in age from the 1960's, to 1993. The Board has been fortunate to have a small group of dedicated volunteers to serve on a Facility Team which has valiantly tried to maintain the Grounds and Buildings over the past 4 years. But with a very limited budget and a never-ending list of jobs needing doing, they could not keep up with the ravages of time. This summer the roofs on the Administration Building let us know they are desperate for attention, with many substantive leaks in many areas. Prompted by the President having

to relocate his office due to the roof leaks, the list of items which need attention within the next year was updated. It ran into the hundreds of thousands of dollars in value. The campus buildings are not the only legacy which the current Bethany College Board inherited. In addition to attempting to maintain the buildings and grounds, the current Board has been struggling with how to service the \$943,000 mortgage inherited from the previous Board and held by the Canadian Conference of Mennonite Brethren Churches (CCMBC). Sporadic payments have been made over the last four years but like the leaky roofs, the day comes when the problem has to be addressed in its entirety. The Board believes that day has now come.

CCMBC Investments has been very patient with Bethany College and has worked with us over the years to try and find a solution to the un-serviced debt. With the total value of deferred maintenance and the mortgage being over \$1.6 million dollars in value, and the recent appraised value of the campus at a maximum value of \$525,000, no amount of fiscal analysis can avoid recognizing the fact that Bethany cannot continue on as it has these past few years. The Board has considered asking you, our supporters, to donate the funds needed to address the deferred maintenance and the mortgage. This would allow Bethany to continue to operate as we have done, operate the facility, pursue rentals and continue to offer the Thrive program here on our campus in Hepburn. We believe staying in Hepburn is very important to the continued success of Thrive. Dormitory life in a small town without the distractions of a large urban area is a very important aspect, perhaps an essential one, to the success we have seen in the personal growth of the student's faith. They have had to learn to live with other people, help other people, be seen by other people as sinners struggling to do better, to be growing in Christ. These are not lessons which can be learned through remote learning or Zoom meetings, or walks to the Seven Eleven.

The question the Board is struggling with is do we want to retain ownership of the campus and with it all of the costs associated with operations, while delivering Thrive? Facility Rentals will someday be possible again and based on past history those can generate considerable revenue. But is that the business we should be in? How much of our staff's time do we dedicate to facility rentals and building maintenance? Or do we focus on Thrive and let someone else take that responsibility on?

The Board has had to ask ourselves (and the Lord), what is the mandate of Bethany, is it not the great commission, is it not to help our young people find their way through the mess the world is in? Should we expend what finances we have been entrusted with to rebuild buildings or rebuild people? It is reality that at present we cannot do both, and when faced with the choice we feel it should be people that are the priority.

The Board has struggled with how to move forward, and CCMBC has been of great assistance in walking with us in making a decision. We are in agreement that Bethany requires either:

- A) a very large influx of cash to address the mortgage and the deferred maintenance.
- B) the campus must be sold, with the revenue from the sale going to CCMBC and the mortgage vacated.

Bethany College is a legal entity unto itself and can continue on without the campus. Ideally, we would negotiate into any sale agreement a long-term rental agreement which would allow for Bethany College to continue to operate Thrive here in Hepburn. There are also variants of a sale which can be considered such as a division of Titles which would see Bethany College retain sufficient facility in which to offer Thrive and sell the rest of the property. We are looking to you, our supporters to pray about this, seek God's will and tell us what you believe we should do. The Board feels some degree of responsibility to the many generations of Bethany supporters who have come before us, who built the campus into what it is. Perhaps we are the generation who dropped the torch, perhaps we are the generation who has to find a new way. Either way, we have to work within what we, collectively as a group of believers, see as the will of the Lord.

To all of you who have faithfully supported us in so many ways for so long, the Board very much desires to hear your comments on the issue of do we ask for sufficient funds to retire the mortgage and address the long list of deferred maintenance items, or do we sell the campus but retain sufficient space to continue to operate Thrive. The Board wants to do God's will as it is revealed to us. We have struggled mightily with making this decision and if other members of the body of Christ believe they have been moved by God to provide insight into his desires for Thrive then we would love to hear from you. We are planning for the next academic year now, and so need to resolve our plans for the campus early in the new year. If you wish to reach out to us with what is on your heart please do so by January 10th, 2021. Send your comments to " board@thrivesk.com".

Yours in Christ.

Clark Brotzell

Chairman, Bethany College.