CHAPTER 8: INSTITUTIONAL RESOURCES

Characteristics of Excellence:

This chapter demonstrates Trinity's compliance with these Middle States standards:

Standard 2: Planning and Resource Allocation
Standard 3: Institutional Resources
Standard 7: Institutional Assessment

Consistent with the expectations for planning and resource allocation in Standards 2 and 3, Trinity's Chief Financial Officer Barbara Lettiere prepares annual Strategic Financial Assessment reports and the Board of Trustees reviews these reports. Trinity also has a five-year strategic financial plan, including targets for enrollment and revenue growth, and these targets tie to the strategic plan. These reports and their supporting documentation are available in the Document Room and on the website.

Middle States has expressed particular interest in Trinity's financial condition throughout the long relationship of both institutions. Like many of the small, religiously-affiliated special mission institutions in the Middle States region, Trinity manages to accomplish its mission without a large pool of endowed resources. Thrift is a longstanding way of life at Trinity, a habit derived from the values of the Sisters of Notre Dame whose contributed services were a pillar of Trinity's financial support for the first seven decades. Trinity formally ended the practice of contributed services in 1991, and only a few sisters continue in active service at Trinity.

Trinity's rapidly-declining market share and consequent financial decline in the 1970's and 1980's was a result of numerous factors: coeducation, Title IX, and the loss of contributed services as the sisters left Trinity to pursue other ministries. But another significant factor, little understood at the time, was Trinity's inability to keep up with the rapidly changing expectations of the student consumers (and their parents) for tangible goods on the campus, a result of the chronic under-funding of the budget and lack of endowment of any size. From 1965 onward, for a four decade stretch through the building booms of the 1980's and 1990's, Trinity built no new buildings, renovated no existing facilities, and added no significant technology.

The 1996 Middle States accreditation moment proved to be a critical opportunity in Trinity's financial renaissance. The 1996 Self-Study and team visit affirmed the 1992 strategic plan *Toward Trinity 2000*, including goals for new facilities, notably, the Trinity Center for Women and Girls in Sports. From 1996 to 2000, Trinity entered a new period of strategic planning and began serious preparations for a new building project and capital campaign, and a major bond issue. In the Centennial era 1997 – 2001, major donors stepped forward to provide leverage to launch the Centennial Campaign; enrollment increased as well, the new strategic reorganization into three schools won approval, and external funding sources in the Washington-area business and foundation sectors began to take notice of Trinity's renaissance and new emphasis on service to the District of Columbia.

In the last five years, Trinity has realized these financial accomplishments:

- Successful completion of the $12 million Centennial Campaign, the largest completed campaign in Trinity's history;
- Received the first credit-grade bond rating in Trinity's history, Bbb-, from Standard and Poor's;
- Completed a $19.3 million bond issue for construction of the Trinity Center for Women and Girls in Sports (through Wachovia Bank);
- Received nearly $2.5 million in grants for academic technology (including grants from the U.S. Department of Education, U.S. Department of Labor, U.S. Department of Defense, and America Online/Time Warner);
- Reduced the tuition discount rate from nearly 50% to 39%;
- Replaced the entire administrative hardware and software infrastructure;
- Consecutive (FY '03, '04, 05) "clean" audit opinions;
- Completely redeveloped all financial management practices and policies.

Gratifying as these accomplishments are for Trinity, many challenges remain. The key strategic financial challenges for Trinity in 2005-2006 are:

- Continuing tuition dependency (net tuition is 75% of all revenues) with slow enrollment growth;
- Continuing inability of students to contribute significantly towards their tuitions (other than their federal and institutional grants);
- Cash flow pressures caused by the timing of federal financial aid funds disbursements;
- Stagnant external environment for investments and charitable gifts;
- Rapidly increasing costs of utilities;
- Balancing the need for tuition discounting verses receivables and bad debt impacts.
- Increasing pressure on comparability ratios for salaries and benefits;
- Age of facilities and technology infrastructure, and the gap between consumer demands on the infrastructure and the ability of the current infrastructure to support the demands;

The key strategic financial initiatives for Trinity in 2005-2006 are:

- Annual fund growth to $1 million consistently to provide budget relief;
- Increased external grant/contract opportunities to support strategic initiatives;
- Master planning and facilities development for academic and residential programs;
- Preparation and launch of minimum $25 million *Trinity 2010* campaign.

I. FINANCIAL RETROSPECTIVE AND CURRENT BUDGET ENVIRONMENT

Chart 8.1 shows the growth in Trinity's net worth since 1995. The development of the Trinity Center for Women and Girls in Sports was the primary driver of the significant increase in Trinity's assets and liabilities in this period.

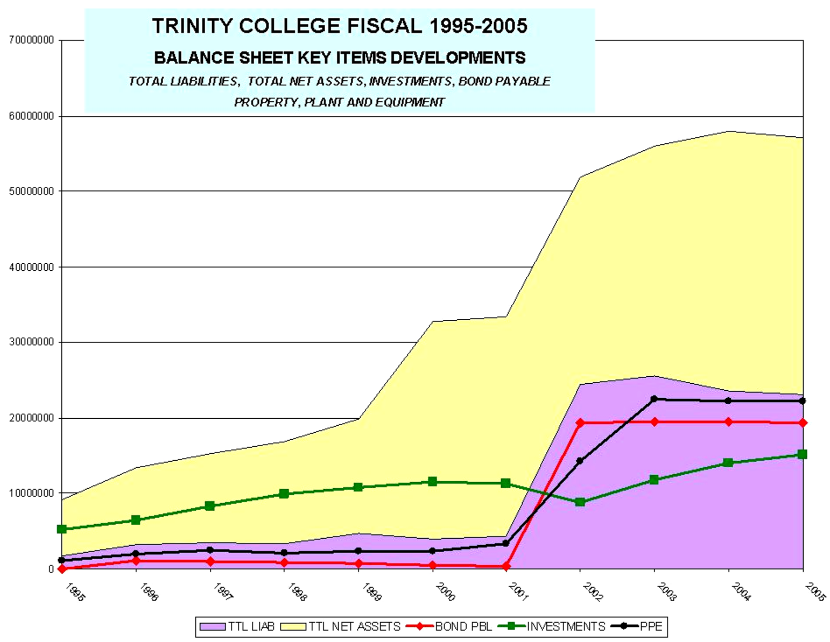


CHART 8.1:
1995-2005
Balance Sheet
Growth

Trinity's audited financial statements include the balance sheets that formed the basis for this graph. The audited financial statements for Fiscal Years 2003, 2004 and 2005 are on the website, and all audited financial statements since 1995 are available in the Document Room.

A. Resource Allocation and Budget Process

A critical component of success of the financial plan is an effective resource allocation and budget process. Consistent with the expectations of Middle States Standards 2 and 3, the annual budget and the resultant resource allocation processes at Trinity begin with the Strategic Plan.

At the beginning of every budget cycle, the President prepares a memorandum of all the strategic initiatives that need to be funded. These initiatives tie right back to the Strategic Plan. Working with the President and CFO, the Admissions directors for each school then provide new student forecasts, and the Enrollment Management Team estimates retention rates for current students. With these enrollment projections, the CFO creates the tuition revenue forecasts for each school and semester. In setting annual tuition rates, the CFO, President and Board consider competitive forces, the economic conditions of the student body and revenue needs of the institution. The Board approves the recommended rates in the February board meeting.

Each academic and administrative department forecasts expenses according to their current operations and additional strategic initiatives, and the CFO receives these estimates as part of the budget development process. Departments must provide support for their new initiatives in terms of connections to the Strategic Plan.

At this point in the process, the financial management team enters all inputs into the Budget Financial Model. The goal of the process is to fund all strategic initiatives and "balance the budget." Typically, these goals are not met after the first pass of the data. It then becomes an iterative process of adjusting revenue and expense expectations.

Trinity's operating budget in Fiscal 2006 is close to $22 million, net of financial aid. Trinity has achieved a balanced operating budget for each of the last three years, largely as a result of constrained spending since revenues have remained flat. The key to achieving the result of a balanced budget is the monthly reporting of budget versus actual results for each department. Each month the Finance Department does an expense variance analysis for each department and corrective measures are taken to ensure compliance with budget forecasts. Examples of these reports are in the Document Room.

Chart 8.2 shows Trinity's operating budget comparing 2005 actuals and 2006 plan:

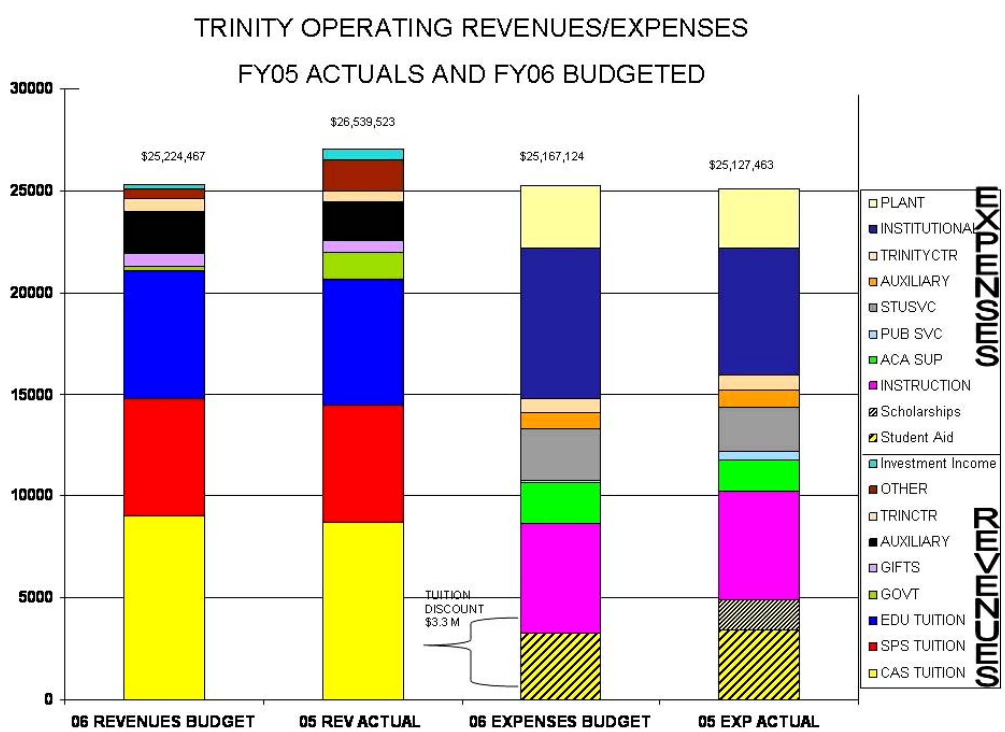


CHART 8.2:
2005 and 2006 Budgets

As a general matter, as the chart reveals, Trinity's operating budget is relatively static. However, certain important objectives must occur on the expense side in order to ensure effective operations. Hence, budgeting for facilities expenses has increased in Fiscal 2006. The increase in expenses for institutional support include exceptional expenses for master planning, the market study, accreditation and completion of the software conversion.

Additional budget detail and analysis (sources of tuition revenues, expenses by type) is available in the Document Room.

B. Strategic Financial Assessment

Trinity uses Moody's medians for Baa small institutions to assess its financial performance. Most of these medians are in the form of ratio analysis. Financial ratio analysis focuses attention on issues such as relative liquidity, financial viability and leverage. Trinity uses these ratios as yardsticks to measure the use of financial resources to achieve the institution's mission. There are literally hundreds of ratios, but Trinity has focused on a few that provide answers to questions that should be of concern to the Board, senior management and funding sources. Through the use of these ratios, Trinity is not only able to assess its own longitudinal progress on certain financial measures, but also is able to compare itself or benchmark its progress against the median of similarly sized institutions.

Chart 8.3 below shows some financial descriptors for the small institutions which Moody's measures and how Trinity compares to these measures. The chart demonstrates that Trinity is smaller in size than the Moody's peer group, but it is important to note that these are small institutions with a bond rating. By focusing on the parameters which are important to the credit rating agencies, Trinity can help insure that it will be able to keep its credit rating.

CHART 8.3: Moody's Medians

MOODY'S MEDIANS FOR Baa SMALL INSTITUTIONS AND TRINITY COMPARISON FY05		
	MOODY'S MEDIAN	TRINITY PERFORMANCE FY05
Total Debt	$25.2 million	$19.3 million
Total Revenue	$38.4 million	$22 million
Total Expenses	$39.6 million	$22 million
Total Gift Revenue	$3.9 million	$746, 000
Total FTE Enrollment	2,103	1,390
Tuition Discount	31.8%	39%

Trinity's method of assessing its financial performance is an adaptation of the model presented in Ratio Analysis in Higher Education by Prager, McCarthy, and Sealy. This model is based on five fundamental questions and the financial measures used to assess each question. The five questions are as follows:

- What is the institution's mission?
- Are financial resources sufficient to support the mission?
- What financial resources are available to support the mission?
- How are financial resources used to support the mission?
- Are financial resources applied efficiently and effectively to support the mission?

Central to this model is Trinity's mission which has been addressed in other sections of this report. This chapter will address how Trinity uses this model to assess its financial performance relative to its mission. Five years of financial data were used to establish the most recent trends.

Are financial resources sufficient to support the mission?

Trinity uses the Viability Ratio (Chart 8.4) and the Return on Net Assets Ratio (Chart 8.5) to address this question. The Viability Ratio measures one of the most basic elements of financial health - the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date.

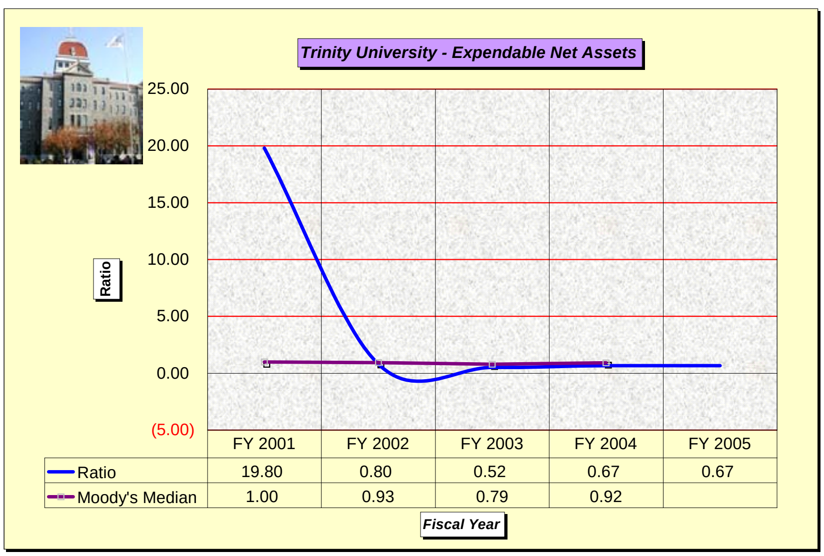
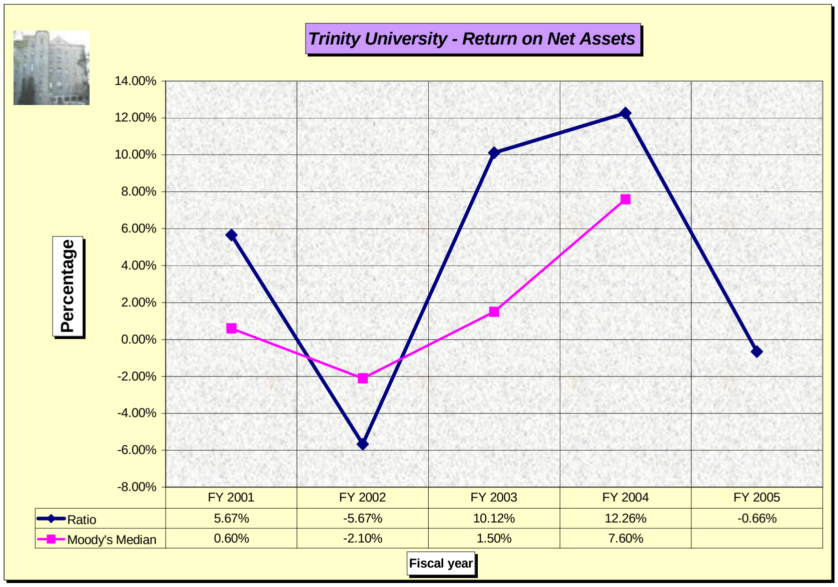


CHART 8.4: Expendable Net Assets (Viability Ratio)

Chart 8.4 shows that Trinity's Viability Ratio is .67. Ideally it should be 1. The Moody's median for the peer group is .92. Because most debt relating to plant assets is long-term and doesn't have to be paid off at once, it is safe to say that no absolute threshold will indicate whether an institution is no longer financially viable. Trinity uses this ratio because it is a stringent one and should Trinity seek additional debt, it is an important measure that rating agencies evaluate.

Chart 8.5 shows Trinity's return on Net Assets. Since FY 2002, there were two years of improved performance. In FY '05, this measure turned negative due to declining enrollment and the end of the Capital Campaign.

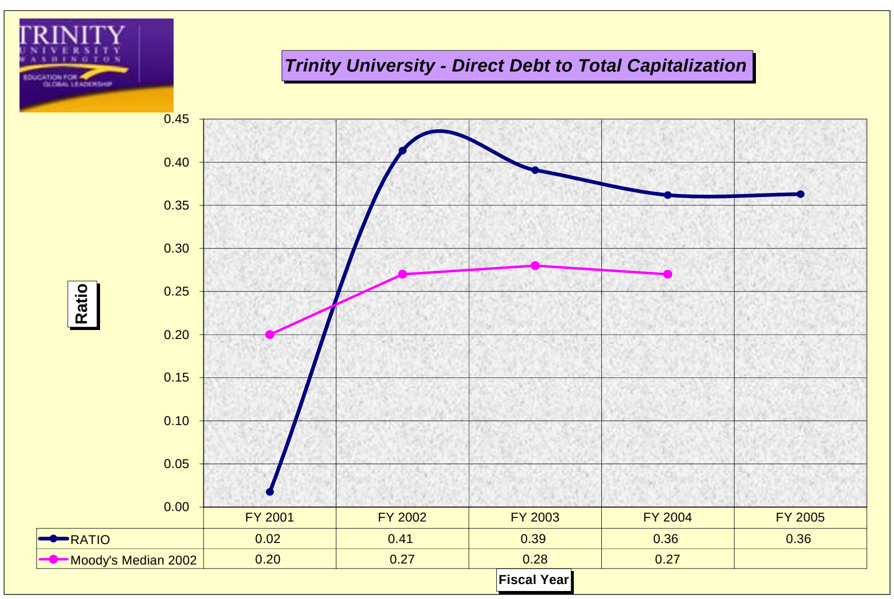


	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Ratio	5.67%	-5.67%	10.12%	12.26%	-0.66%
Moody's Median	0.60%	-2.10%	1.50%	7.60%	

CHART 8.5: Return on Net Assets

What financial resources are available to support the mission?

To answer this question, Trinity uses the Direct Debt to Total Capitalization (Chart 8.6), Debt Service to Operations (Chart 8.7), Annual Operating Margin (Chart 8.8), and Cushion Ratio (Chart 8.9).



	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
RATIO	0.02	0.41	0.39	0.36	0.36
Moody's Median 2002	0.20	0.27	0.28	0.27	

CHART 8.6: Direct Debt to Total Cap

The blue line above shows the effect of Trinity's bond issue in 2001. Prior to that time, Trinity's debt was below $1 million. Among Trinity's financial objectives going forward is a focus on improving total capitalization to bring the performance into line with the Moody's median.

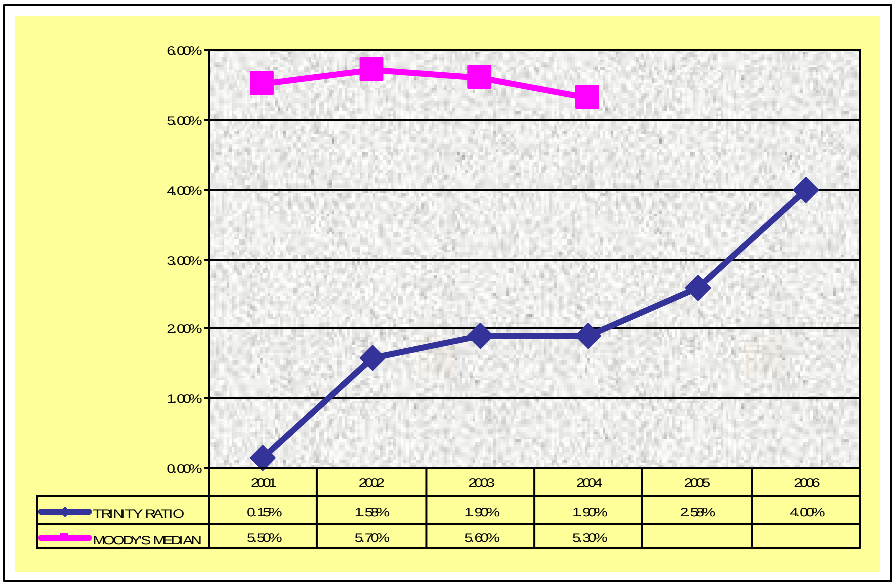


CHART 8.7:
Debt Service to Operations

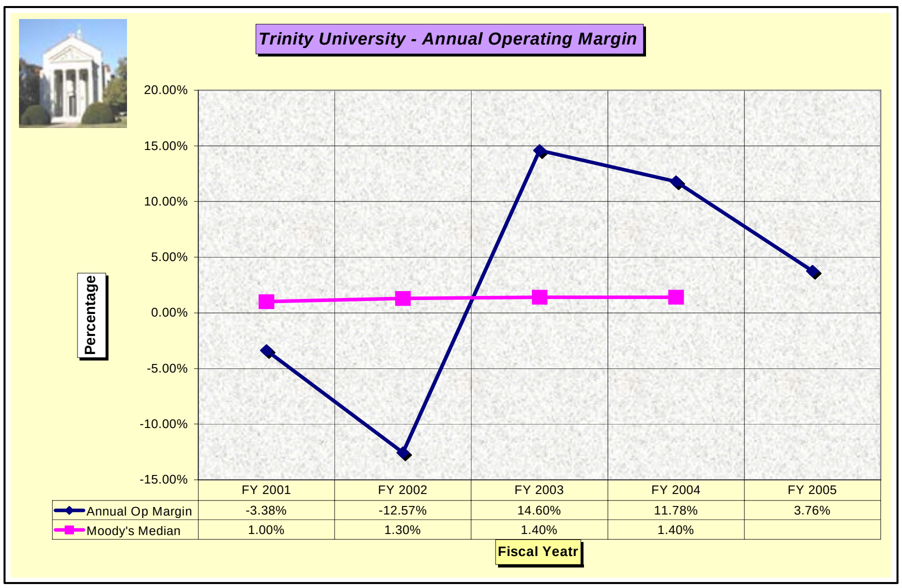


CHART 8.8:
Annual Operating Margin

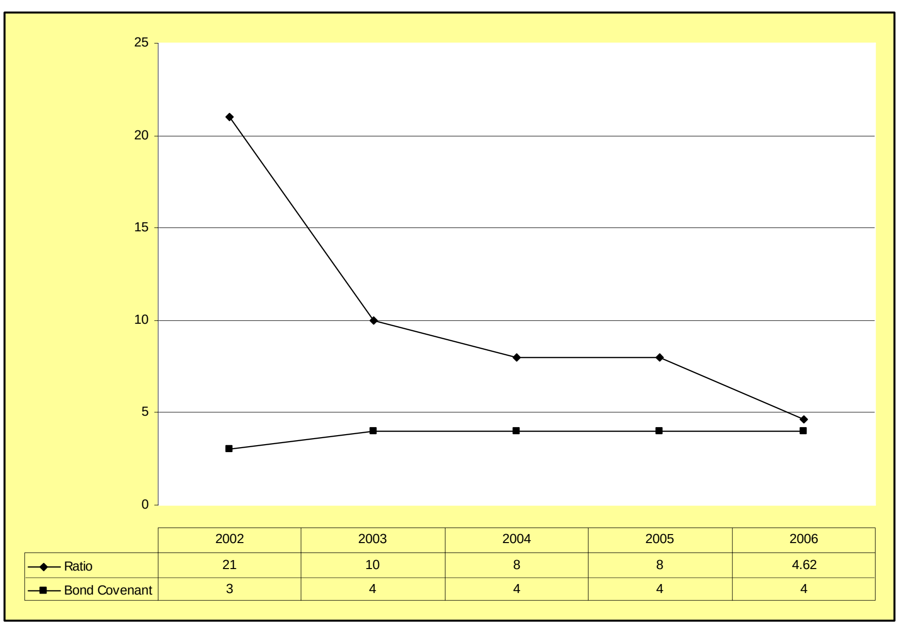


CHART 8.9:
Cushion Ratio

Note that for two of these ratios (Cushion and Debt Services) Trinity has specific targets set in the covenants of its outstanding bond. Since 2002, Trinity has met these covenants. On the other measures, Trinity continues to compare favorably with the benchmark ratios.

How are financial resources used to support the mission?

Chart 8.10 shows the relative proportion of each expense category to total expense. The proportions have remained relatively constant over time. Over the last couple of years, the proportion of the General Institutional Expense has continued to rise in response to greater I/T requirements, salary and benefit increases for professional staff in finance and I/T, and infrastructure expenses associated with facilities and maintenance.

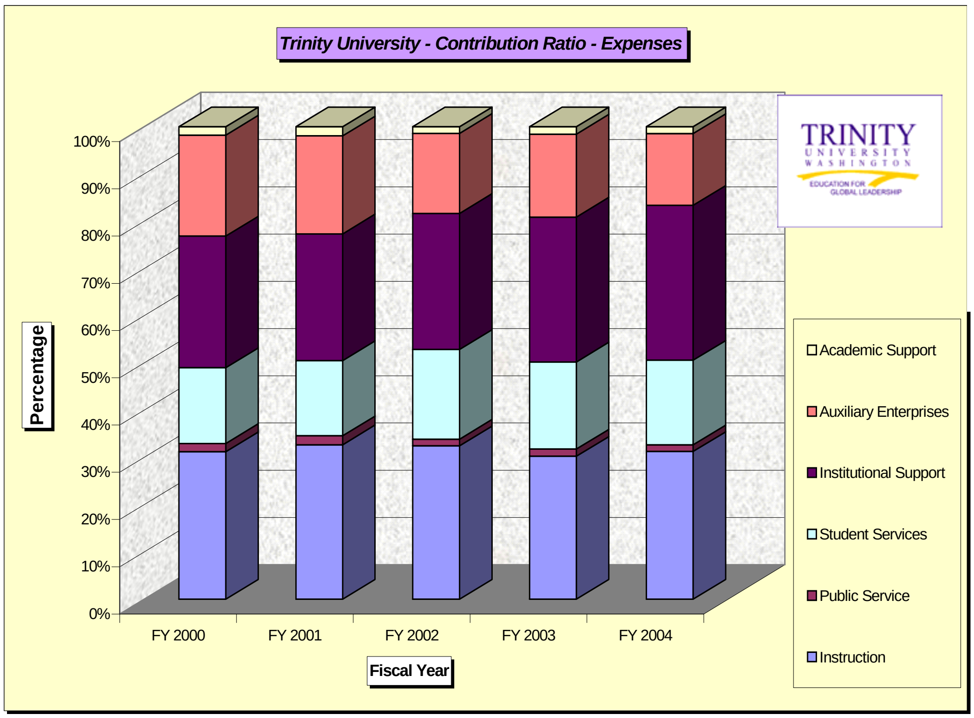


CHART 8.10:
Expense Ratios

Are financial resources applied efficiently and effectively to support the mission?

There are many measures that are used to assess this question. From a financial perspective, Trinity measures the financial productivity of each dollar spent in the process of providing a degree to a student. Chart 8.11 depicts Trinity's cost per student ratio.

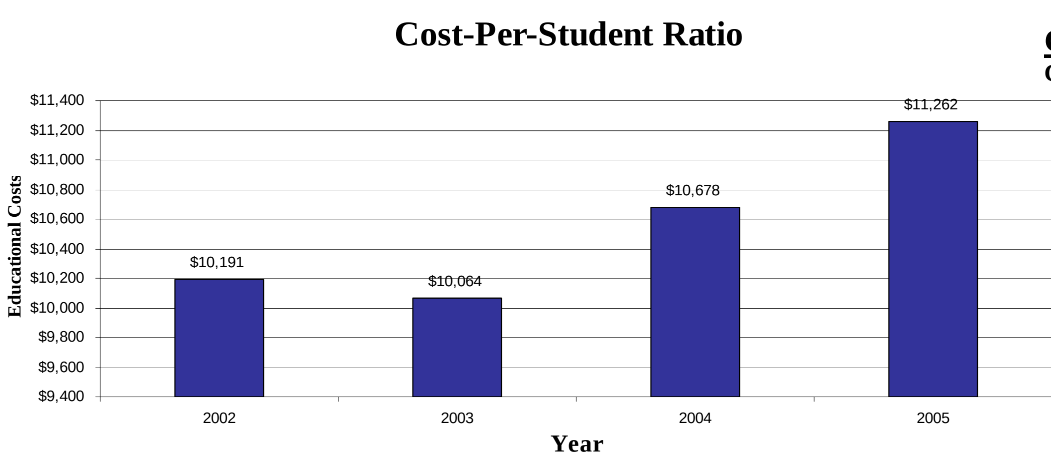


CHART 8.11
Cost Per Student

The trend in this ratio is the result of increasing costs and flat to slightly declining enrollment. Going forward, it is clear that Trinity needs to improve the productivity of these expenses by improving enrollment, analyzing course loads and curricula.

Trinity is the classic small independent college which struggles with susceptibility to economic shock, rising expenses, stagnant or falling enrollment and competition in the marketplace. Trinity's reliance on student revenue makes it ever more vulnerable to these impacts. The assessments indicate that Trinity does not have an expense problem. It has a revenue challenge which tied to enrollment and charitable gift growth. Because many of the expense are fixed, the need to generate funds is acute.

A sound financial strategy is necessary to complement the strategic plan and goals. Through the use of ratio and monthly performance monitoring, Trinity's financial strategy going forward will expand financial resources, optimize net pricing, cut expenses, control debt, build contingency funds and manage a disciplined budget system. The financial strategy to support the new strategic plan is discussed in the final chapter.

II. FUND RAISING: PLANNING THE TRINITY 2010 CAPITAL CAMPAIGN

As the previous financial discussion makes clear, revenue generation is Trinity's clear financial challenge. This section addresses Trinity's fund raising capacity and preparation for a new capital campaign. Full documentation related to Trinity's fund raising history and capacity are available on the website and in the Document Room.

A. Assessment of Fund Raising Capacity

Over the years, Trinity's fund raising efforts have focused mainly on the annual fund, with a few unsuccessful efforts at capital campaigns, up until the Centennial Campaign. At the annual fund level, the receipts generally came in at about $500,000, with a few major donors always carrying a sizeable proportion of the fund. **Chart 8.12** shows the 10-year fund raising experience:

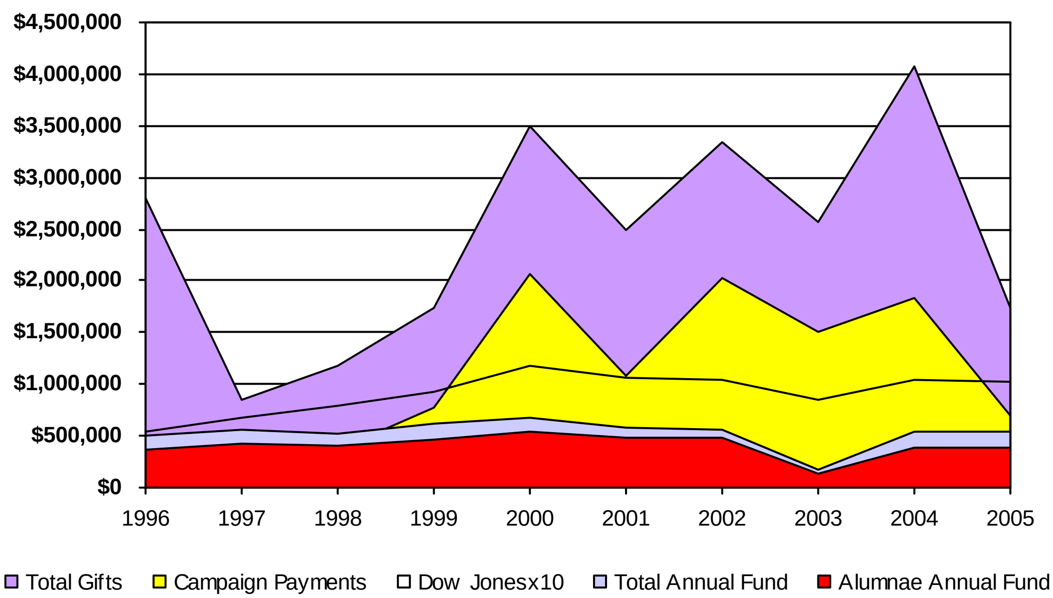


CHART 8.12: 1996 - 2005 Gifts

In this period of time, the volume of total gifts increased in large measure due to the Centennial Campaign (yellow area). At the same time, Trinity received several large grants for academic technology and student scholarships. Trinity received a Kresge Challenge in fall 2001 to complete the campaign. The downturn in Annual Fund results in 2002-2003 shows the effects of the Kresge Challenge as Trinity alumnae joined the effort to secure the Kresge grant.
As Trinity has analyzed the results of the Centennial Campaign, the approach in the new campaign becomes clear: Trinity will focus more intensively on prospective donors at the highest levels, at the same time rebuilding more consistent alumnae support in the annual fund.

B. Planning the New Capital Campaign: Campaign for Trinity 2010

At their annual planning retreat on September 30, 2005, the Trinity Board of Trustees approved proceeding with serious planning for a new campaign. The full presentation discussing campaign preparation and timetable is in the Document Room. Trinity has already begun the "silent phase" activities for a new capital campaign. Trinity has already retained a consultant to conduct electronic screening of the prospect pool and an audit of Development Office capacity. The chief priority of the new campaign will be support for the University Academic Center. Trinity believes it must continue to achieve the strategic goal for facilities development in order to meet student and faculty expectations, and to remain reasonably competitive with contemporary institutions of higher education.

III. FACILITIES

Given the considerable impact of facilities on Trinity's resources --- not only as the largest single annual expense after salaries, but also as the primary object of campaign planning, and even more important, a critical factor in Trinity's market competitiveness for enrollments --- Trinity has chosen to include the facilities discussion in this chapter on institutional resources. A realistic assessment of facilities needs must be based on a sound and comprehensive analysis of the scope and magnitude of all current and future facilities requirements, along with an equally sound and comprehensive analysis of the scope and magnitude, condition, and suitability of the existing facilities assets. This section of the Middle States report addresses the comprehensive analysis of the existing facilities and the current program to manage these assets. This section also addresses the comprehensive analysis of current and future needs that is occurring through master planning.

A. Existing Facilities Assessment

Trinity's campus includes 27 contiguous acres and eight buildings, including:

Building	***Sq. Ft.***	***Age (Start/Open)***
Main Hall *(multi-purpose: academic, residential, administrative)*	225,000	1898-1910
Notre Dame Chapel *(religious)*	20,925	1922-1924
Alumnae Hall *(dining, residential, office)*	65,700	1927–1929
Science Building *(laboratories, classrooms, offices)*	42,060	1940-1941
Cuvilly Hall *(residence hall)*	71,168	1957-1958
Library *(library, classrooms)*	39,000	1962-1963
Kerby Hall *(residence hall)*	51,980	1964-1965
Trinity Center *(athletics)*	58,164	2000-2003

All of the older buildings in this list need renovation or replacement. Master planning is part of the process to determine whether to renovate or replace.

In 2003, Trinity outsourced the management of its facilities to Aramark. It was clear that given the condition of the existing faculty that a more professional approach to management was necessary. Aramark continuously assesses Trinity's facilities needs, and that ongoing assessment informs budgeting and strategic planning for facilities. As a result of Aramark's work, Trinity now knows that deferred maintenance is about $19 million. Documentation on facilities assessment and deferred maintenance is available in the Document Room.

The chief priorities in the current facilities assessment include stabilization of the exterior shells (primarily roofs), addressing life safety and ADA access, and improving HVAC. As a result of Aramark's ongoing assessment, Trinity's expenditures for facilities maintenance and repair have increased significantly. In Fiscal 2003, 2004 and 2005, expenditures for maintenance and repair were $2.6 million, $2.8 million, and $3 million respectively. This upward trend will continue as Trinity addresses major systems and deferred maintenance progressively in each budget cycle.

In addition to increasing annual expenditures, Trinity is assessing the long-term strategy to address deferred maintenance through the strategic and master planning processes. In some cases, as indicated previously, Trinity would prefer to replace certain buildings rather than invest in expensive but short-term upgrades. However, balancing resources requires Trinity to make a realistic assessment of the most likely timetable for construction. So, for example, Trinity's plan for the University Academic Center includes replacement of the existing library building, or extensive renovation of the interior. However, in 2004-2005, when faced with repeated breakdowns in the Library HVAC system, and knowing that the Academic Center project is still several years away, Trinity invested $500,000 in a creative Library HVAC solution that ensures the building's functionality for the interim period, and that also permits the possibility of re-use of the HVAC chillers in other buildings when the Library is replaced.

<u>B. Facilities Management</u>

For the most part, the discussion of facilities in this report has centered on facility conditions and needs. There is a day-to-day aspect of facilities management which ranges from grounds maintenance to cleaning services to general building maintenance and repair. Trinity has focused on the following questions to guide its assessment of the management of its facilities operation.

- How does Trinity's Facility Services program compare with other institutions?
- Is the facilities budget sufficient and how does Trinity compare to other institutions?
- How does the facilities operation respond to the needs of the institution?

<u>1. Benchmarking</u>

Trinity is able to benchmark its facilities management and Aramark has provided the template for the analysis. For example, in the chart below, Trinity can compare itself to other institutions on some typical operations measures. The information and statistics on other institutions is referenced from the American School and University Magazine.

Chart 8.13
Facilities Benchmarks

CHART 8.13: Selected Facilities Benchmarks

Medians by Institution

	* All Colleges	* Two Year	* Four Year	Trinity FY 05
Sq. ft of bldg per FTE student	183	118	399	471
Sq. ft maintained per custodial employee	30960	29206	34144	36500
Sq. ft maintained per maintenance employee	70062	70063	69898	83429
Acres maintained per grounds employee	25	33	20	12

* Information and statistics referenced from American School and University Magazine

** Information and statistics compiled from Trinity University 2005 O&M budgets

Trinity's square foot of building per FTE is 471, compared to 399 square feet at other four year institutions. This is the result of not only a low FTE, but also a function of the fact that much of the space cannot be used. For example, Main Hall makes up approximately 25% of all square footage on campus and has a great deal of unused space to do the size of its corridors.

2. Budget

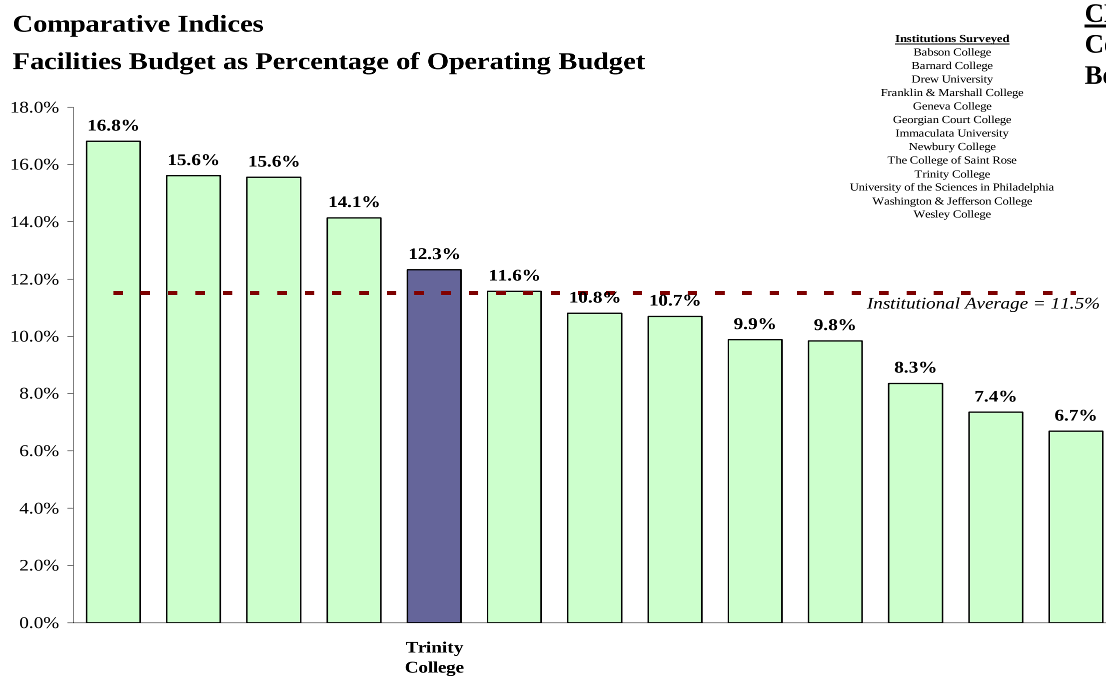
In this analysis, Trinity gets its data from American School and University's Annual Maintenance and Operations Survey with results typically published in its April edition. While the study allows for comparisons between similar institutions within fairly generic categories, it doesn't allow for specific comparisons of all peer group institutions. Nevertheless, the data shows that Trinity's facilities expenditures are close to the average.

CHART 8.14
Cohort Facilities Benchmarks

TRINITY COLLEGE

Comparative Indices

Facilities Budget as Percentage of Operating Budget



C. Future Facilities Development: The Master Plan

Trinity has undertaken the master planning process in order to comply with campus planning requirements of the District of Columbia, which includes 10-year renewal of campus plans. Trinity's current campus plan received Board of Zoning Adjustment approval in 1996. Trinity will submit its new master plan to the Zoning Commission in late 2006.

The 1996 Master Plan, and all documents in preparation for the 2006 Master Plan, are available in the Document Room.

Trinity has retained and updated as many elements of the current master plan as possible, while addressing new needs consistent with the Strategic Plan. The significant major project in the 1996 plan, the Trinity Center for Woman and Girls in Sports, was completed in 2003. A housing project anticipated in the 1996 plan has not started, but Trinity wishes to continue to retain the housing concept from the 1996 plan. No other new buildings were anticipated in 1996.

In the 2006 plan, the most significant new concept will be the addition of the University Academic Center (UAC) on space currently occupied by Trinity's Library and Science Building. Trinity's 2006 Master Plan updates the assumptions, findings, and concepts of the 1996 Master Plan in line with Trinity's Strategic vision for the university's future development.

Central to Trinity's strategic vision is growth. Growth, through improved enrollment, however, is heavily dependent upon facilities and technology. Like many under-capitalized institutions, Trinity faces the chicken-egg dilemma of how to build capacity in order to attract more volume while at the same time, it needs the volume in order to build. The master planning process is a key component of Trinity's strategic analysis of its current capacity and the most likely timetable for growth aligned with facilities improvement. The strategic vision emerging in Trinity's current assessment and planning process includes these key goals:

- Total enrollment to 3000 by 2010.
- Online and web-enhanced instruction pervasive
- New programs in nursing and allied health professions.
- Greater presence of men on campus in various programs.
- Greater accommodation of adult and commuter students n 24/7/365 formats.
- Expanded partnerships with area businesses.

Trinity's Master Plan addresses these goals with proposed additional new facilities. In particular, the major faculty projects include:

- University Academic Center (UAC)
- New Housing
- Alumnae Hall/Campus Center Renovations

1. The University Academic Center (UAC)

The UAC in its component parts has been the part of the two strategic plans that have guided Trinity's development of the last twelve years. Both called for development of sciences and classroom and library facilities. The current concept reflects an evolution of Trinity's thinking about its needs, contemporary academics facility designs and uses, and the urgency of the timetable tempered by fiscal realities. This concept includes:

- A library facility reflecting the most contemporary thought about the nature of libraries far into the 21st century, including the idea of the learning commons, the student-centered spaces, the instructional areas and technological capacity that are normative in today's library facilities;

- A facility for teaching the sciences that also reflects contemporary thinking on the pedagogy of science instruction, with sensitivity to Trinity's development of programs for health professions;

- A state-of-the-art technology center with classrooms designed and equipped to ensure university-level instruction, research and communication;

- Classrooms, open spaces, social commons and other spaces that tie the academic center together into a thriving learning commons for all students and faculty;

- Sensitivity to the relationship of the academic center to Main Hall and its classrooms and faculty offices, anticipated the ultimate renovation of the academic spaces in Main as well;

- Consideration of the role and place of Fine Arts at Trinity, perhaps included within the spaces in the academic center, as well as on the agenda for renovated and improved space in the O'Connor wing of Main.

2. New Housing

Trinity's current residential housing is antiquated by any modern measures. Because maintaining a residential student body as some portion of overall enrollment is an important factor in Trinity's overall approach to its mission and education philosophy, Trinity believes it is important to address the student housing issues. The 1996 Master Plan included a placeholder for housing and Trinity works to continue with that placeholder while also testing its assumptions in relation to enrollment and examining other financing options for locating housing on the campus.

3. Campus Center/Alumnae Hall Renovations

The 2006 master planning process will re-examine opportunities inherent in the relationship of Alumnae Hall and the Trinity Center with an edge toward expansion of sports/fitness/recreation space into Alumnae Hall, as well as development of the Campus Center concept in other parts of Alumnae Hall.

The Master Plan process also considers the best management of the food service and dining hall functions and space, the concept of the Campus Center, and the use of the upper floor of Alumnae Hall for conferencing.

CONCLUSIONS AND RECOMMENDATIONS

Trinity's financial challenge is not a matter of controlling expenses. Indeed, Trinity may well operate as one of the most efficient institutions in higher education. With an operating budget of just about $20 million net of unfunded institutional aid to students, Trinity conducts a remarkably broad range of programs and services for thousands of degree students, non-degree students, conference participants, visitors, Trinity Center patrons and neighbors in the Washington area.

Trinity must continue to focus even more keenly on the development of revenues. Trinity's Strategic Financial Model (available in the Document Room and discussed in Chapter 10) illustrates the potential for Trinity to reach a healthy surplus position if Trinity is able to meet the enrollment goals. With an annual surplus, Trinity will have the margins necessary to address the facilities and technology needs of the institution, to improve salaries and the size of faculty and staff, and to build reserves to improve overall institutional strength.

The last two strategic plans have recognized fund raising as leverage to accomplish the facilities projects necessary to build enrollments. The Trinity Center was only the first of a sizeable list of facilities projects that must be addressed. Hence, going forward, Trinity must continue to focus on these key financial objectives:

- Improving fund raising capacity to launch a $50 million campaign to support the facilities agenda;

- Continuing to focus on achievement of financial benchmarks to improve borrowing capacity for major facilities projects;

- Annual facilities planning to address critical deferred maintenance in order to improve environments and conditions essential for student enrollments to grow, e.g., improvements in residence halls, classrooms, common areas in Main Hall.