

2011–2012 ANNUAL REPORT



LETTER FROM THE PRESIDENT

The 2011–12 school year was an unusual one for Western. The good news was a record enrollment in both head count and credit hours and a charitable remainder unitrust (CRUT) maturing that brought approximately \$1.6M into our unrestricted budget.



Dr. Randal Roberts
President

Yet, not counting that CRUT, we ran a deficit in our operating fund (with it, we of course had a large revenue surplus, even after covering this “loss”).

What does all this mean?

First, it shows the value of deferred giving as the CRUT gives us some substantial capital to work with as we try to strengthen Western’s financial base.

Second, it shows that our current budget is still too lean for a school the size of Western. When I compared our annual budget to seminaries with a similar number of students, I was again struck to find their budgets to be typically between 50–200% higher than ours. They are by no means extravagant in their expenditures, which shows just how resourceful Western is. For I often hear others express surprise that we are able to train so many students so well given the size of our budget.* A gifted and committed team of colleagues is one explanation, but those people are long overdue for adjustments to already low salaries. In addition, some of our buildings need additional maintenance. So our budget needs to grow prudently in the coming days.

Third, we need your help for that to happen. You’ll see in this report that Western students are already covering nearly 90% of the costs of their education. Gifts from people like you cover the rest. When I was a student, the ratio was closer to

50/50. Given the growing indebtedness students incur while earning the needed undergraduate degrees (currently the average student owes around \$27K before even setting foot on a graduate school campus), and then seeing them move on to comparatively low-paying ministry positions after graduation, should be a cause of concern for all who are concerned about the well-being of the church.

I know you agree that we need more leaders who are committed to the unique power of the gospel to change lives, and who bring that conviction to various ministry venues. Short-cuts in training leave us all vulnerable to the dangers of ministry malpractice: people are hurt and the reputation of both the church and our Lord is tarnished as a result. To help correct that, we need more people who not only understand the importance of well-trained leaders for the church, but who also will help ease the financial burdens involved in offering and receiving that training.

Western remains committed to providing trustworthy training that is theologically faithful, educationally sound, and resourceful in stewardship. As you will read in Greg Moon’s column, investing in Western gives you an opportunity to be a resourceful steward as well, since this ministry multiplies your dollars through the spiritual transformation that occurs in and through our students and alumni. Thank you for prayerfully considering how the Lord might use you to make a difference. Every gift helps!

Your co-laborer in Christ,

Randal Roberts

**We recently completed a comprehensive self-study as part of our regional accreditation process. If you’d like to see these preliminary findings, a summary can be found at www.westernseminary.edu/Admissions/accreditation.htm.*

ENROLLMENT

2011–2012 CREDIT STUDENT HEAD COUNT OVERVIEW

Campus Locations

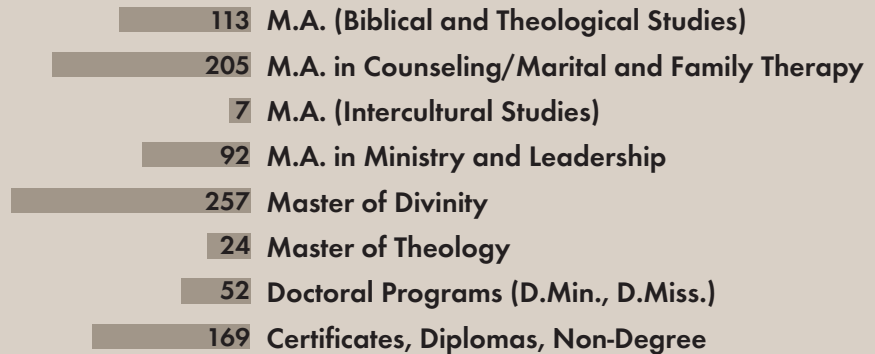
Portland **515**

San Jose **214**

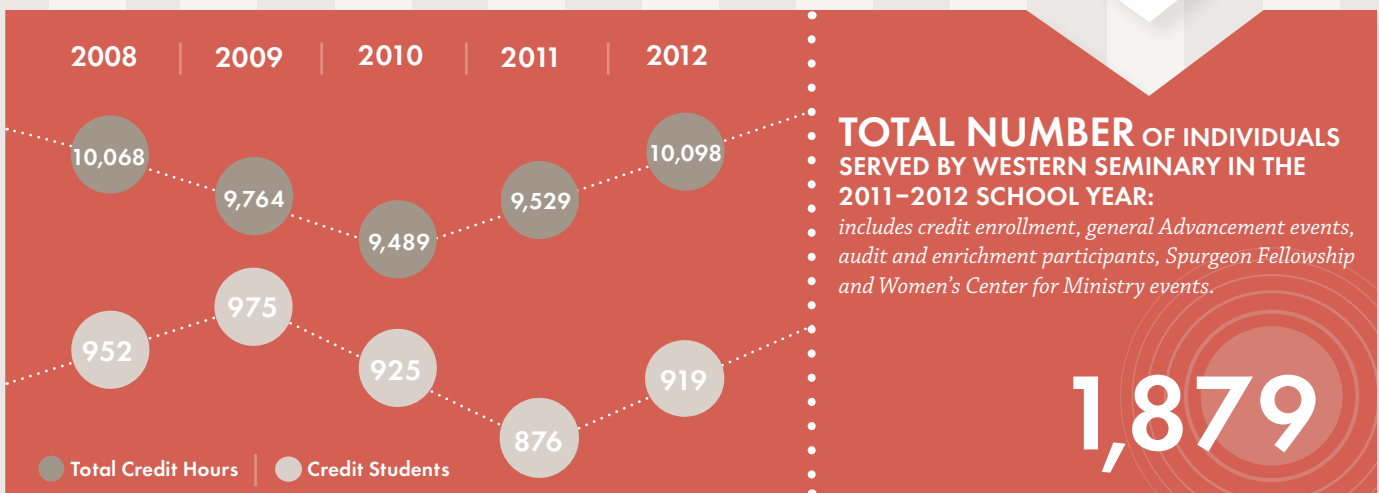
Sacramento **166**

An additional 24 students are distance education who have not yet been assigned to a campus; 467 students took at least one distance ed course this past year.

Degree Programs



2008–2012 CREDIT ENROLLMENT HEAD COUNT



NEW SCHOLARSHIP AIDS STUDENT

Between graduating in May from a Bible college in Massachusetts, becoming an Associate Pastor in Vancouver, WA over the summer, and marrying his wife on Sept 1st, Sam Cassese's life has recently been full of change. One thing, however, that has not changed is his long-standing desire to become a pastor. He's seen the transforming power of the gospel through various mentors and preachers, and has a passion to follow in their footsteps. Receiving the training needed to pursue that passion, however, would not have been possible without significant financial aid. As one of the initial recipients of our new President's Pathways scholarships, Sam shares this message to those whose generosity helps fund that scholarship: "I thank you genuinely from the bottom of my heart; you are growing the Kingdom." Sam, being both college class president and valedictorian, and whose ministry gifts were quickly recognized by the church which hired him, exemplifies the kind of high-quality student whose path to trustworthy training can be blocked simply by financial need.



Sam Cassese
Student

PORTLAND

The past year saw exciting changes in Portland, including the launch of A New Day Counseling Center, which is now providing an excellent training opportunity for our counseling students while also serving the surrounding local community.

Another important development was the hiring of a new counseling professor, Dr. Elizabeth Wosley-George (pictured front cover, center). With more than twenty years of teaching and clinical experience, most recently at Portland State University, Dr. Wosley-George is a tremendous asset to students and a great addition to the faculty.

This year was also marked by Western's expanding influence throughout the Northwest as The Spurgeon Fellowship continued to develop its Wenatchee branch and made plans to hold their first meeting in Spokane, WA, this November. Faculty members were also actively involved in various Kingdom building initiatives like the Justice Conference and the Portland Youth Workers Conference.



Marc Cortez
Academic Dean

SAN JOSE

Now into its second full year of operation at our new site, the San Jose campus has a more established presence in the community. It has been gratifying to welcome and introduce so many prospective students to the new campus. Beyond classroom instruction, the campus has hosted diverse groups at our new location including a Bible software company, a counseling practitioners' network group, and pastoral/lay ministry leaders from various churches in the Bay Area.

Since introducing the Monday track of classes, the growth pattern of enrollment in classes during the week has continued. We are grateful that more people are committing to training as they desire to serve the body in a variety of strategic ministry roles, and we look forward to continuing our ministry to the Bay Area as a catalyst and resource for gospel-centered transformation.



Dan Ruiz
Executive Dean

SACRAMENTO

While tuition revenue has been growing for several years, at the Sacramento campus it was primarily due to higher credit hour loads that students were taking. Fall 2011 marked a breakthrough in Sacramento's three year plateau at 120 students, as 150 students enrolled. We are grateful for the privilege to serve an increased number of students seeking advanced theological education.

Also, a full summer schedule was offered this past year rather than the lighter schedule which had been offered previously. Students are now able to take full course loads all three semesters, allowing them to complete their degrees in a more timely manner.



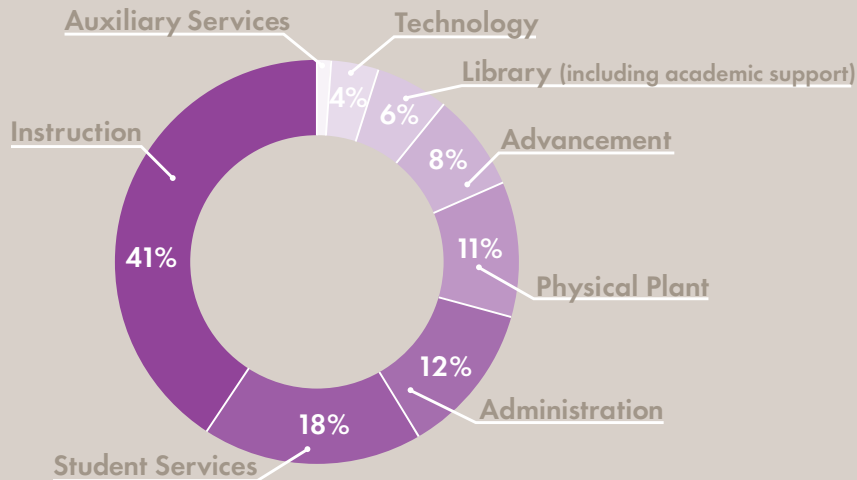
Wes Ehrhart
Executive Dean

FINANCIALS

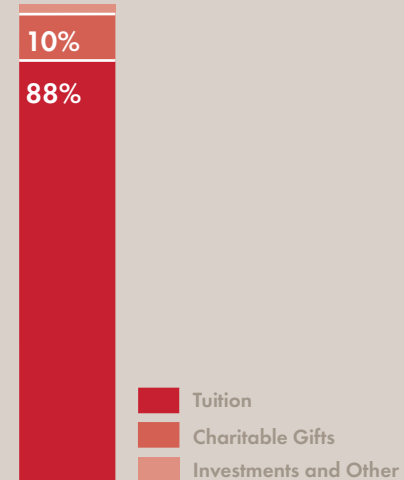
Below you will see graphics depicting breakouts of expenditures and revenue sources for the past year. Instruction and student support continue to be our expenditure priorities, but please note the increasing percentage of the budget covered by tuition.

Faithful giving will lead to Western's sustained growth and decreased student debt.

Operating Expenses



Operating Revenue



Statement of Financial Position (All Funds) June 30, 2012

Assets

Cash and Cash Equivalents	\$610,832
Accounts Receivable, Other	\$424,731
Investments	\$3,570,303
Property, Plant & Equipment, Net	\$833,759
Total Assets	\$5,439,625

Liabilities and Net Assets

Accounts Payable and Other	\$451,404
Deferred Revenue	\$110,703
Gift annuities & Life Income Payable	\$169,721
Total Liabilities	\$731,828

Net Assets

Unrestricted	\$2,973,431
Temporarily Restricted	\$611,403
Permanently Restricted	\$1,122,963
Total Net Assets	\$4,707,797

Total Liabilities and Net Assets **\$5,439,625**

Statement of Activities (Unrestricted Fund) For the Year Ended June 30, 2012

Support, Revenue and Other Gains

Tuition and Fees, Net of Scholarships	\$4,668,414
Contributions	\$526,126
Earnings on Investments	\$20,266
Other Revenue	\$100,811
Total Support, Revenue and Other Gains	\$5,315,617

Expenses

Personnel	\$4,066,218
Other	\$1,625,571
Plant Fund	(\$145,185)
Total Expenses	\$5,546,604

CRUT Transfer **\$1,649,824**

One Year Change in Unrestricted Net Assets **\$1,418,837**

YOUR GENEROSITY MULTIPLIED

Over the past year the Advancement staff has wrestled with the question of how do we make giving more transformational and not merely transactional. In other words, rather than just writing a check, how can investing in ministries like Western also further God's purposes of transforming people into greater Christ-likeness? While being generous stewards of what God has entrusted to us is at the core of who we are as Christians, fulfilling that responsibility can be even more difficult when we don't see the connections between our gifts and the good that they produce. So we want to try even harder to help you hear about the lives being blessed through your investment in Western.

To that end, you will find in this report mini-profiles from different types of Western students and alumni. These stories are just a small sample of how your gifts are transforming lives in and through the Western community. Because of the ministry they do, the impact of your generosity is multiplied in incredible ways.



Greg Moon
Vice President of Advancement



Michal Dudrey
Student

Michal is a student in Western's M.A. in Counseling program. With tears running down her face, she shared about her current ministry: "I had a woman sitting across from me who had been beaten so many times she was losing her hearing ... and I got to be the person who helped her talk. It's been really life-changing." Michal also expressed gratitude that, because of your gifts to Western, she can focus more on her studies and practical ministry experience without having to worry as much about loans and how to pay them back. "The help I have received while at Western has been a huge blessing to me; it's a comfort to be a part of a giving community." Your generosity is not only helping Michal finish school, but it's also enabling her to bring Christian love and hope to abused women and children right now as Michal uses her training to minister to them.



Ivan Kirk
Student

Not only is Ivan the senior pastor of a small church in Tracy, CA, he is also a father of nine children. Not all nine of these kids, however, are biologically his own. Some are adoptees who were homeless or who came from broken homes. Nevertheless, all are loved like his own. This is just one way in which the entire Kirk family is living out their belief that we are to be disciple-makers in a way that models loving and sacrificial servanthood. Ivan chose Western because of its gospel-centered approach and flexible scheduling options. He says to donors, "Thank you for investing in opportunities and lives. You may never directly see the dividends of your gift, but if we believe God's Word to be true, the rewards are out of this world!" Gifts for financial aid helps us keep tuition rates as low as possible and allows servants like Ivan the opportunity to train so he can become even more fruitful changing lives both in the church and at home.



Dr. Todd Miles
Faculty and Graduate

Dr. Todd Miles, a Western faculty member, is also a Western graduate. Todd says this about his seminary training: "I was trained well in the Bible and theology, but more than that, my convictions on what it means to be a teacher and minister of the Gospel were shaped by my time at Western." Todd has a sign on the back of his office door that he reads before each class: "You are training the shepherds of Christ's Church." He thus takes very seriously his role in the development of the students he teaches. As he says, "They are sold out for Jesus, so I have a huge responsibility to give them my very best." Gifts from donors like you enable great professors like Todd to shape the next generation of church leaders who will literally serve all over the world.