



2012–2013 ANNUAL REPORT





== A YEAR OF CELEBRATION ==

The 2012-13 school year was a source of great encouragement. For not only did our pattern of enrollment growth continue (Western is now the 17th largest seminary in terms of head count among the 273 ATS-accredited schools in North America), but gift revenue also increased by 28 percent. That combination of revenue growth, along with careful stewardship, enabled us to end the year with a modest operational surplus. That surplus is especially significant, for we had increased our budget from the 2011-12 year by over \$800K to help address the infrastructure development needs discussed in previous reports.

Seeking to grow a school's budget in the current economic environment, and with enrollments stagnant or declining in many other seminaries, is a formidable challenge requiring an especially careful navigation of the faith vs. presumption tension. So we are extremely grateful for the Lord's blessing as we seek to be faithful to Him both individually and institutionally.

While significant progress has been made, significant challenges remain. I am concerned in particular about both the credibility and affordability crises affecting higher education.

The credibility crisis is caused by attitudes that devalue the need for formally trained ministry leaders. While it is true that seminary programs can drift towards irrelevance if not carefully monitored, Western's programs have been widely praised for their strategic blend of classic and contemporary components. While our theological commitments firmly remain conservative, we are delighted to explore new and better ways to train students with the tools enabled by modern technology. For we are resolved to offer training that is trustworthy in the fullest sense of that word since leaders who take short-cuts leave us all vulnerable to the dangers of ministry malpractice.

But the best training in the world can still be problematic if a decreasing number of students can afford it. We all see headlines about steadily increasing student indebtedness. As a graduate school, this means students often bring with them a significant amount of debt created while earning undergraduate degrees. Then they take programs here that are 60-90 credits long and priced at around \$500 a credit (the average tuition rate for seminaries today). Upon graduation, they occupy pastoral, missionary, counseling and teaching roles with salaries that are comparatively modest, making loan repayment difficult.

Unless we want seminary to only be accessible to the wealthy—and we don't—something has to happen to change these numbers. We continue to operate with a budget much smaller than other seminaries our size, so significantly reducing our operational costs isn't viable (though we are establishing partnerships with other schools to model effective stewardship and similar kingdom values). Increasing financial aid while holding tuition rates reasonably steady, and diversifying revenue streams by offering new forms of theological education to new audiences, seems to be a prudent approach. While we are already doing the latter through programs like the Center for Leadership Development, gifts from people like you help us with the former.

Thank you for prayerfully considering how the Lord might use you to make a difference.

Your co-laborer in Christ,

Randal Roberts

Dr. Randal Roberts
President

MOVEMENT

Kingdom work is happening around the world. Innovation and tradition are colliding; ministry leaders are seeing gospel-centered transformation take place in new ways. Online MABTS student Dre Burgs is just one example of what happens when ministry leaders are resourced to serve.



Relationships are at the core of Western Seminary's culture. Deep and lasting relationships between students, churches, donors and faculty are what we strive to achieve. The student story below illustrates how the relationship, or "partnership" as Dre aptly puts it, between donors and students is essential to the success of each individual student. Please know how important your partnership is to students like Dre, who are deeply grateful for your investment in them.

Things don't sit still with Dre Burgs. A pastor from Houston, Texas, he is full of ambition, ideas, and passion for sharing the Gospel. Because of the donor support he has received, he is seeing these aspirations come to fruition.

Dre grew up in the church with his dad as pastor. He accepted Christ at a young age, though he would describe his faith as simple and not yet a transforming power in his life. A creative and entrepreneurial spirit by nature, Dre studied communications in college; following his graduation, he set out in pursuit of wealth and success. He started a TV network with his sister and eventually ended up in the real estate industry.

A natural marketer, Dre achieved the success he sought, but not the sense of personal fulfillment that he expected would accompany it. When the economic downturn hit, he found himself broken and crying out to God in a whole new way for personal transformation. God answered that cry, and Dre felt called to full-time ministry as a pastor as the first expression of the resulting heart change. He went to Bible college and began preaching under his father's oversight, and was subsequently ordained. Soon thereafter, his father encouraged him to go and "do what God would have you do." At this point, Dre and his wife began attending classes on missional church building and planting. In 2008 they started Movement Church in Houston, focused on building gospel-centered disciples. Soon they

will add missional communities that gather and break bread in the marketplace, creating space for encouragement, community, and accountability during the week.

Dre began looking for opportunities for more advanced education to enhance his readiness for this expanded responsibility. He found that Western's commitment to gospel-centered transformation deeply resonated with the direction of Movement Church, so he decided to apply. He is now in his first semester of the online MABTS program and also intends to pursue a degree in intercultural studies. A recipient of the President's Pathway Scholarship, Dre is thankful for the help he has already received in his ministry preparation.

"It's been a tremendous blessing to me and my family," he said. "Western isn't an institution that is only interested in getting money and students...I feel like it's a partnership. I am excited to see what God does through my time here at Western."

It's not just an institution interested in getting money and students...I feel like it's a partnership.

≡ HIGH POINTS ≡

2012–2013 marked several system wide accomplishments. The year saw a record enrollment for Western, with more than 900 students enrolling in one of our credit programs. Additionally, Western completed a Comprehensive Self-Study and accreditation reauthorization with NWCCU, receiving high commendations for evidence-based achievement of quality and mission fulfillment. Finally, there were three significant administrative shifts as Dr. Rob Wiggins moved into the role of Academic Dean, Dr. Reid Kisling joined the staff as Dean of Student Development and Registrar, and Steve Mansdoerfer joined Western as our Vice President of Administration and Chief Financial Officer.

Online

Jim Stewart, Executive Dean

The past year marked the birth of Western Seminary's Online campus. For more than 30 years, Western has delivered premier-quality courses, certificates and diploma opportunities by distance education for men and women in service to Christ around the world. With approval to offer our first online degree program, the Master of Arts (Biblical and Theological Studies), the Center for Lifelong Learning officially became the Online campus.

The first class of online degree students convened for six days in early October for a program orientation and week of threshold classes designed to create and cement relationships that will be part of their student experience for the remainder of their time as online students. A second start date is already planned for February, 2014, to respond to growing prospective student interest.

Portland

Rob Wiggins, Academic Dean

The Portland campus completed in June 2013 a four year grant from the M. J. Murdock Charitable Trust that funded an experiment of expanding the mentoring and coaching support made available to ministry students during their programs and for their post-graduation transitional year. Multiple insights were gleaned that will help shape our programs in the future. Portland campus facilities were also improved by the installation of flat screen monitors in classrooms to enhance instruction, and the remodeling of many offices (including the Women's Center for Ministry).

San Jose

Dan Ruiz, Executive Dean

In tandem with admitting over 200 new students in our present location, we are also seeing continued success as students continue to return from semester to semester, reflected by our retention rate of 88% in the most current term. We believe this retention rate is, in some measure, a reflection of our current location which because of its rich, cultural diversity presents a challenging landscape to reach people for Christ. Current enrollment figures reflect an increase of over 6% growth from a year ago (2012), which provides a measure of optimism as this site continues to welcome students from the Bay Area and beyond who are looking for advanced ministry training.

Sacramento

Wes Ehrhart, Executive Dean

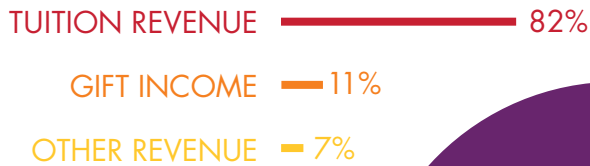
The Sacramento campus adjusted well to a new team of leaders after a few staff members with nearly forty years' experience at Western transitioned out of their administrative roles. On campus, small but significant facility upgrades have enhanced the student experience, vital investments considering the record-breaking credit figures. The fall saw the highest number of credits taken in one semester in Sacramento's history, and each term had the highest credit per student count in history.

More churches are engaging with and utilizing the Center for Leadership Development, making the Sacramento campus a networking tool and resource for local church leaders and members looking for more advanced theological education.

FINANCIALS

Instruction and student support continue to be our expenditure priorities. Below you will see graphics depicting breakouts of expenditures and revenue sources for the past year.

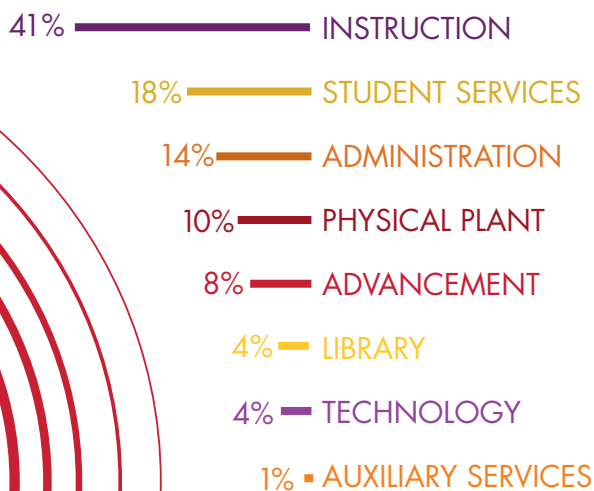
OPERATING REVENUE



Increase in gift income for 2012-2013.

28%

OPERATING EXPENSES



Statement of Financial Position (All Funds) June 30, 2013

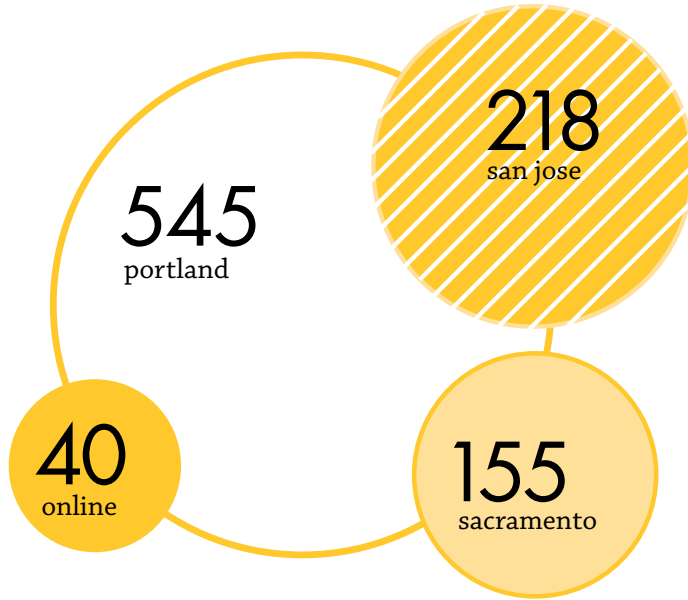
Assets	
Cash and Cash Equivalents	\$774,211
Accounts Receivable, Other	\$355,593
Investments	\$3,595,383
Property, Plant & Equipment, Net	\$782,131
<i>Total Assets</i>	<i>\$5,507,318</i>
Liabilities and Net Assets	
Accounts Payable and Other	\$489,917
Deferred Revenue	\$111,264
Gift Annuities & Life Income Payable	\$167,391
<i>Total Liabilities</i>	<i>\$768,572</i>
Net Assets	
Unrestricted	\$3,028,684
Temporarily Restricted	\$585,098
Permanently Restricted	\$1,124,964
<i>Total Net Assets</i>	<i>\$4,738,746</i>
Total Liabilities and Net Assets	\$5,507,318

Statement of Activities (Unrestricted Fund) For the Year Ended June 30, 2013

Support, Revenue and Other Gains	
Tuition and Fees, Net of Scholarships	\$5,256,575
Contributions	\$673,815
Earnings on Investments	\$155,698
Other Revenue	\$290,629
<i>Total Support, Revenue and Other Gains</i>	<i>\$6,376,717</i>
Expenses	
Personnel	\$4,513,379
Other	\$1,756,458
Plant Fund	\$51,628
<i>Total Expenses</i>	<i>\$6,321,465</i>
One Year Change in Unrestricted Net Assets	\$55,253

HEAD COUNT

CAMPUS LOCATIONS



2,489

TOTAL NUMBER OF INDIVIDUALS SERVED BY WESTERN SEMINARY IN THE 2012-2013 SCHOOL YEAR:

Includes credit enrollment, audit and enrichment participants (including Center for Leadership Development), and attendees of general Advancement, Spurgeon Fellowship, and Women's Center for Ministry events.

DEGREE PROGRAMS

Ministry/Theological Programs



Counseling Program



2010-2013 CREDIT ENROLLMENT

• PRIOR THREE YEAR TOTAL CREDIT HOURS

• PRIOR THREE YEAR CREDIT STUDENT HEAD COUNT

