



JULY 2012 - JUNE 2013

ANNUAL REPORT

DENVER SEMINARY PREPARES MEN AND WOMEN TO ENGAGE THE NEEDS OF THE WORLD WITH THE REDEMPTIVE POWER OF THE GOSPEL AND THE LIFE-CHANGING TRUTH OF SCRIPTURE.

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A MESSAGE FROM THE



PRESIDENT

“The mission of Denver Seminary is to prepare men and women to engage the needs of the world with the redemptive power of the gospel and the life-changing truth of Scripture.”

This bold statement of the Seminary’s mission places us squarely in God’s redemptive purpose in the world. Our prayer is that every graduate of Denver Seminary, regardless of the kind of ministry they will pursue after graduation, finds their sense of purpose in God’s mission—that is, God’s passion and desire that every person, in every place, worship Him alone.

In the 2012-2013 school year Denver Seminary sent the largest number of graduates in our history into ministry. With over 1,000 students, we remain in the top five percent of accredited seminaries in the United States. Nationally, total enrollment in accredited seminaries has declined every year in the past six years and yet Denver Seminary continued to buck that trend. Recognizing the challenges to enrollment

in seminaries, we are proactively expanding the accessibility of our programs.

You will see in this annual report that the Seminary continues to enjoy a wonderful season of blessing. Financially, we finished the 2012-2013 fiscal year with increased net assets and an operating surplus. Spiritually, we sense the Lord’s presence and favor in fresh ways each and every day.

Thank you for being a part of the Denver Seminary community. We need your ongoing support to help us prepare men and women to make a difference for Christ in the world. We appreciate you.

Grateful,

President
Denver Seminary



BOARD OF TRUSTEES

Dr. Bruce Boria
Brentwood, NH

Mr. Jed Burnham
Chairman of the Board
Evergreen, CO

Mr. Lorin Claney
Folsom, CA

Mr. Kirk Douglas
Littleton, CO

Rev. Paul Edwards
Rancho Cordova, CA

Mr. Dutch Franz
Centennial, CO

Mr. Larry Graber
Highlands Ranch, CO

Mr. Rocky Gray
Frisco, TX

Rev. Warren Johnson
Milford, NJ

Mr. Rob Lauer
Colorado Springs, CO

Mr. Andy Limes
Greenwood Village, CO

Mr. Brad Meuli
Denver, CO

Mrs. Elisa Morgan
Centennial, CO

Mrs. Jane Norton
Englewood, CO

Mr. George Richardson
Buena Vista, CO

Rev. Dennis Rivera
Denver, CO

Fmr. Amb. Robert Seiple
Marshall, VA

Rev. Ted Travis
Chicago, IL

Dr. Gary VanderArk
Englewood, CO

Mrs. Jolene Ver Steeg
Denver, CO

Mr. William Ward
Castle Rock, CO

Mrs. Patricia Wolf
Dillon, CO

NEW FACULTY

AND ADMINISTRATION



MR. RON GASCHO

Mr. Ron Gascho joined Denver Seminary as vice president of advancement with a background in public and private accounting, and a long banking career focused on relationship management with clients.



DR. TIM DOLAN

Dr. Tim Dolan was named director of the Doctor of Ministry Program and associate professor of pastoral leadership and ministry at Denver Seminary. He comes from Whitworth University where he directed both the MA in Theology Program as well as the Institute for Clergy and Lay Leadership Development.



DR. CHRIS HULL

Dr. Chris Hull has joined the faculty as an associate professor of counseling. He comes to Denver Seminary after practicing counseling in diverse settings, and teaching at both Grace College and Argosy University.



REV. FELIX GILBERT

Rev. Felix Gilbert has been installed as the director of the African American Initiative and assistant professor of pastoral ministries. He is also working on his doctor of ministry degree at the Seminary and currently serves as pastor of Restoration Christian Fellowship.



MS. JANELLE HALLMAN

Ms. Janelle Hallman has joined the Counseling Department as an assistant professor. She has been in private practice for twenty years and is currently a doctoral candidate at Regent University.



OUR MISSION

WHY WE EXIST

Denver Seminary prepares men and women to engage the needs of the world with the redemptive power of the gospel and the life-changing truth of Scripture.

Through our educational programs and mentoring process the Seminary challenges students to grow spiritually, intellectually, and professionally in order to lead God's people in the accomplishment of His mission in the world.



OUR VISION

THE SEMINARY WE SEE IN THE FUTURE

We commit ourselves and our resources to being a seminary that . . .

- Executes a spiritually transformative, intellectually challenging, and professionally focused learning experience that engages the realities of a world in need of redemption at every level.
- Involves our entire community in the ethnic, cultural, and denominational diversity of the global Church.
- Pursues measured and sustainable institutional growth through creative programming and delivery systems.
- Provides adequate financial resources for strategic growth while ensuring long-term financial health for the Seminary.
- Partners with alumni, churches, mission agencies, theological education programs, and other organizations for kingdom purposes worldwide.





OUR CORE COMMITMENTS



Our vision for the future of Denver Seminary must be forged from ore mined deep within the legacy and values of the Seminary. Questions such as, “What defines this institution?”, “What commitments center everything that we do?” and, “What provides a foundation for our vision?” must guide us in the process of crafting strategy and executing our mission. We believe that these five characteristics are woven throughout the tapestry of our school’s history.

BIBLICAL AUTHORITY

We are people of the Book, believing the Bible to be our final authority for faith and practice. Since our founding, the Seminary has been committed to the inspiration, inerrancy, and authority of the Bible. That commitment remains strong and unyielding; it defines us and shapes us. The Bible forms basis of our doctrinal statement and the centerpiece of our curriculum. We study the Bible and look to it as our authoritative reference, assessing theories and arguments for congruence with what it affirms. We marvel at its intricacies and revel in its simplicity. We meditate on it and contemplate how profoundly it describes the human condition and God's saving solution for us. We preach and teach the Bible. We sing it, recite it, and constantly find ourselves looking to it for truth that endures while the world around us changes.

VIGOROUS SCHOLARSHIP

We are people of the Truth, committed to seeking truth in all disciplines. We have the courage to ask tough questions and allow the text of Scripture to take us to answers that we may not want to face. Vigorous scholarship is robust and relentless, the kind of scholarship that does not blink when the skeptic questions our faith. Vigorous scholarship does not shrink back and retreat to the comfortable confines of tried and true axioms that the already convinced repeat to one another in order to avoid facing their own doubts. Neither does vigorous scholarship descend into the catacombs of academic irrelevance, "the knowing of more and more about less and less." At Denver Seminary, scholarship means knowing more and more about what matters—the real questions of real people in the real world. Vigorous scholarship is what Dr. Grounds described in 1965 when he wrote of the Seminary, "Here is no unanchored liberalism—freedom to think without commitment. Here is no encrusted dogmatism—commitment without the freedom to think. Here is vibrant evangelicalism—freedom to think within the bounds laid down in Scripture."

CHARITABLE ORTHODOXY

We are people of the Faith, committed to the great core confessions that have defined Christianity for centuries. We cling to these great core truths of the faith for they frame our understanding of God, the world in which we live, and His work in it. Furthermore, we confess these great truths as a way forward for those trapped in the mire of indifference and relativism. Around that common confession and our agreement with the doctrinal statement of the Seminary, we engage in gracious and serious conversations about many different areas of faith and life. At times we may disagree about the interpretation of particular passages, about theological issues of secondary importance, about the expression of Christian ethics in public life, and about the application of Scripture to ministry. At all times, however, we will be known as a community that relates to one another charitably, with a penchant to listen before speaking and a desire to learn that trumps the instinct to defend and to tell. The freedom and courage to think is only half the equation for a vibrant learning community; freedom and courage to listen completes it. Our conversation with those with whom we disagree, particularly outside the community of faith, must be marked by charity and respect. The apostle Paul described the manner we desire to relate to all people with these words, "speaking the truth in love" (Eph. 4:15).

4 REDEMPTIVE RELATIONSHIPS

We are people of the Gospel, a community of humbled and broken people who have found life anew in its redemptive power. We come together knowing that Christ has rescued us from the bondage and the penalty of our sin simply through the death of his Son on the cross because He loves us. And we live like those for whom redemption, grace, and reconciliation are more than theological concepts—they are the breath of life that sustains us each and every moment of each and every day. We believe that redemption comes only through honesty with ourselves and through the truth of the gospel. So we nurture interpersonal mentoring relationships throughout the Seminary experience that drag us out of our hiding places so that we can move into the light of Christ’s searing gaze of love. We are committed to an integrated learning process that redemptively addresses the needs of the whole person. We also believe that our redemptive relationships must go beyond the community of faith and reach into the lives of those who have yet to confess faith in Christ. We help one another develop and model a grieving compassion for the lost and, like our Savior, we seek their salvation (Luke 19:10).

5 GLOBAL CONCERN

We are people of the Kingdom, committed from our founding in 1950 to global mission because of God’s concern for the redemption of all peoples. Our commitment to mission provides rationale and urgency to our task. We will make the uncomfortable realities of a blinded and broken world an abiding issue in our educational process and we will challenge ourselves to courageously face the indifference and self-indulgent tendencies that keep us from whole-hearted commitment to the mission of God in the world. Furthermore, we value and embrace the marvelous diversity of God’s people and we will nurture meaningful partnerships with other like-minded schools and agencies in the work of the Kingdom around the globe.



For information on our strategic plan, visit
www.denverseminary.edu/strategic-initiatives



NEW PROGRAM

LAUNCHED

Denver Seminary launched a new program in fall 2013: a 72 credit hour Master of Arts in Chaplaincy. The program was created to give graduates the educational competence and qualifications necessary to seek employment as a chaplain, presuming the student's faith group and the prospective employer will accept a 72 hour seminary degree. Graduates will be able to minister to the whole-person; meeting spiritual, psychological, and emotional needs in a variety of venues including hospitals, the military, sports arenas, eldercare and hospice settings, disaster sites, businesses, with first-responders, and to prisoners in the justice system.

ACCREDITATION

2013

Association of Theological Schools
www.ats.edu

North Central Association of Colleges and Schools
www.ncacihe.org

Council for Accreditation of Counseling and Related Education Programs
www.cacrep.org

All photos are of Denver Seminary students, faculty, and staff.



FINANCIAL
➤ **REPORTS**

2012-2013

OUR FINANCIAL RESULTS

Denver Seminary's Net Assets increased by \$1.3 million in total again this year. The largest portion of this increase was seen in Temporarily Restricted Net Assets due to a 15.44% annualized return on endowment investments. Earnings on endowments are temporarily restricted to provide funding for the stated purpose of the endowments. Endowment assets themselves increased by \$305,019 during the year.

The temporary financing obtained to fund the campus expansion project was paid in full as of November 2012 through generous gifts to the Growth Initiative. Bond Debt was decreased by \$455,000. These debt reductions increased the Seminary's Viability Ratio from 36.2% to 60% in 2013.

| <i>Condensed Balance Sheet</i> | Fiscal Year Ended June 30 | | | |
|---|---------------------------|---------------|----------------------|---------------|
| | 2013 | % | 2012 | % |
| Assets | | | | |
| Cash and Cash Equivalents | \$ 1,023,728 | 3.0% | \$ 1,256,903 | 3.7% |
| Accounts Receivable, Inventory, Other | 30,815 | 0.1% | 73,310 | 0.2% |
| Investments | 10,457,272 | 31.1% | 9,382,985 | 27.8% |
| Property, Plant & Equipment, net | 21,852,000 | 65.0% | 22,745,851 | 67.5% |
| Other Assets | 261,033 | 0.8% | 244,725 | 0.7% |
| Total Assets | \$ 33,624,848 | 100.0% | \$ 33,703,774 | 100.0% |
| Liabilities and Net Assets | | | | |
| Accounts Payable | \$ 198,425 | 0.6% | \$ 229,417 | 0.7% |
| Deferred Revenue | 555,100 | 1.7% | 530,944 | 1.6% |
| Gift Annuities and Life Income Payable | 989,624 | 2.9% | 1,002,479 | 3.0% |
| Construction Loan Payable | - | 0.0% | 864,548 | 2.6% |
| Bonds and Loans Payable | 6,442,405 | 19.2% | 6,889,681 | 20.4% |
| Other liabilities | - | 0.0% | 30,549 | 0.1% |
| Total Liabilities | \$ 8,185,554 | 24.3% | \$ 9,547,618 | 28.3% |
| Net Assets | | | | |
| Unrestricted | \$ 18,038,708 | 53.6% | \$ 17,742,357 | 52.6% |
| Temporarily Restricted | 2,140,641 | 6.4% | 1,458,873 | 4.3% |
| Permanently Restricted | 5,259,945 | 15.6% | 4,954,926 | 14.7% |
| Total Net Assets | \$ 25,439,294 | 75.7% | \$ 24,156,156 | 71.7% |
| Total Liabilities and Net Assets | \$ 33,624,848 | 100.0% | \$ 33,703,774 | 100.0% |

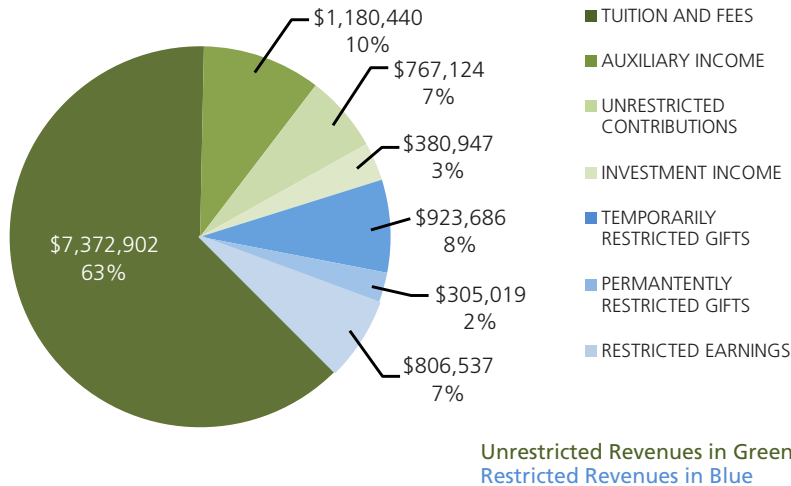
| <i>Condensed Statement of Activities</i> | Fiscal Year Ended June 30 | | | |
|---|---------------------------|---------------|----------------------|---------------|
| | 2013 | % | 2012 | % |
| Operating Revenue | | | | |
| Tuition and Fees | \$ 8,309,767 | 78.8% | \$ 8,522,374 | 72.5% |
| Scholarships and Grants | (936,865) | -8.9% | (849,139) | -7.2% |
| Contributions | 1,995,829 | 18.9% | 2,894,503 | 24.6% |
| Auxiliary Enterprises | 1,027,160 | 9.7% | 1,001,416 | 8.5% |
| Other Income | 153,280 | 1.5% | 179,288 | 1.5% |
| Total Operating Income | \$ 10,549,171 | 100.0% | \$ 11,748,442 | 100.0% |
| Operating Expenses | | | | |
| Instruction | \$ 4,632,749 | 44.3% | \$ 4,502,829 | 42.5% |
| Academic Support | 1,811,761 | 17.3% | 1,840,997 | 17.4% |
| Student Services | 1,549,825 | 14.8% | 1,517,838 | 14.3% |
| Auxiliary Enterprises | 750,053 | 7.2% | 774,645 | 7.3% |
| Total Program Expenses | \$ 8,744,388 | 83.7% | \$ 8,636,309 | 81.6% |
| Support Activities | | | | |
| General and Administrative | \$ 986,561 | 9.4% | \$ 1,068,272 | 10.1% |
| Fund Raising | 722,568 | 6.9% | 878,199 | 8.3% |
| Total Support Expenses | \$ 1,709,129 | 16.3% | \$ 1,946,471 | 18.4% |
| Total Operating Expenses | \$ 10,453,517 | 100.0% | \$ 10,582,780 | 100.0% |
| Change in Net Assets from Operations | \$ 95,654 | | \$ 1,165,662 | |
| Change in Net Assets from Market Adjustments and Other Non-Operating Items | \$ 1,187,484 | | \$ 192,795 | |
| Total Change in Net Assets | \$ 1,283,138 | | \$ 1,358,457 | |

Other Key Ratios for 2013 were:
 Primary Reserve: 37%
 Return on Net Assets: 5.3%
 Net Income: 2.8%

REVENUE AND EXPENSES

DENVER SEMINARY TOTAL INCOME 2012-13

(\$11,736,655)

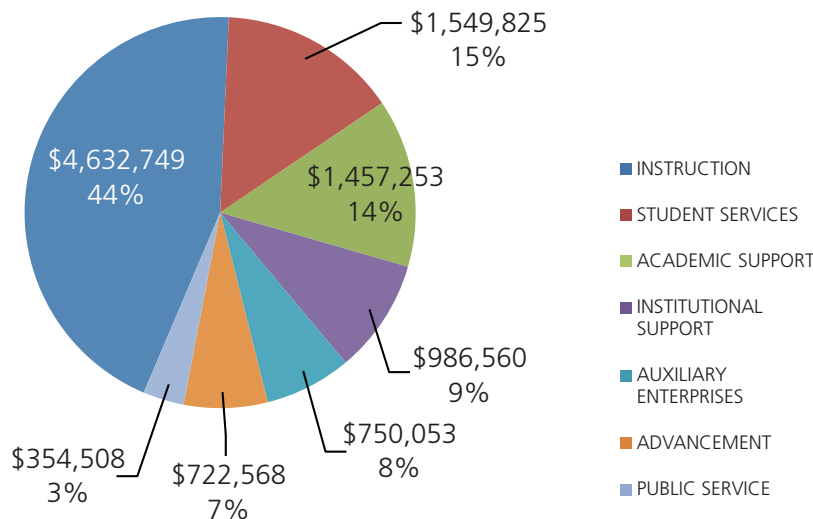


Net Tuition and Fees, Denver Seminary's primary revenue source, decreased by \$300,000 in 2013. Although total contributions decreased by \$899,000 due to the completion of the Growth Initiative Campaign, unrestricted gifts increased by over \$250,000. Strong investment earnings and substantial cost containment in the operating budget allowed Denver Seminary to end the year with an almost \$1.3 million increase in overall net assets, which was approximately the same as the previous year.

Denver Seminary continues to prioritize spending on instruction and program expenses over support activities. In 2013 instruction and program expenses increased by more than \$100,000, while support expenses decreased by \$237,000.

DENVER SEMINARY FUNCTIONAL EXPENSES 2012-13

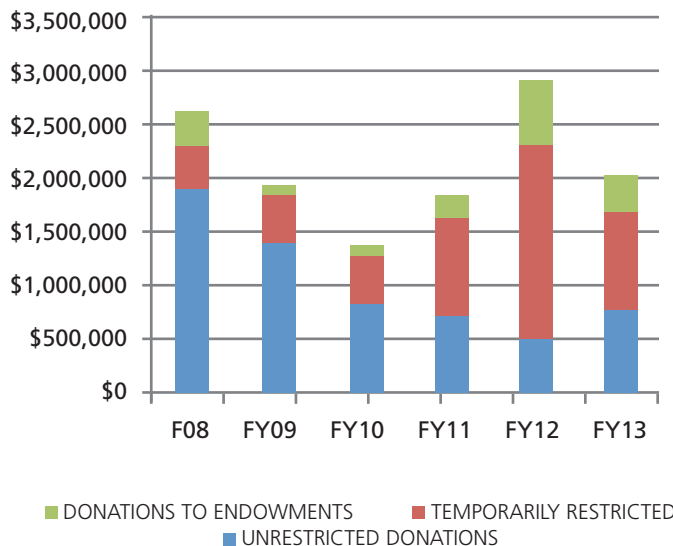
(\$10,453,517)



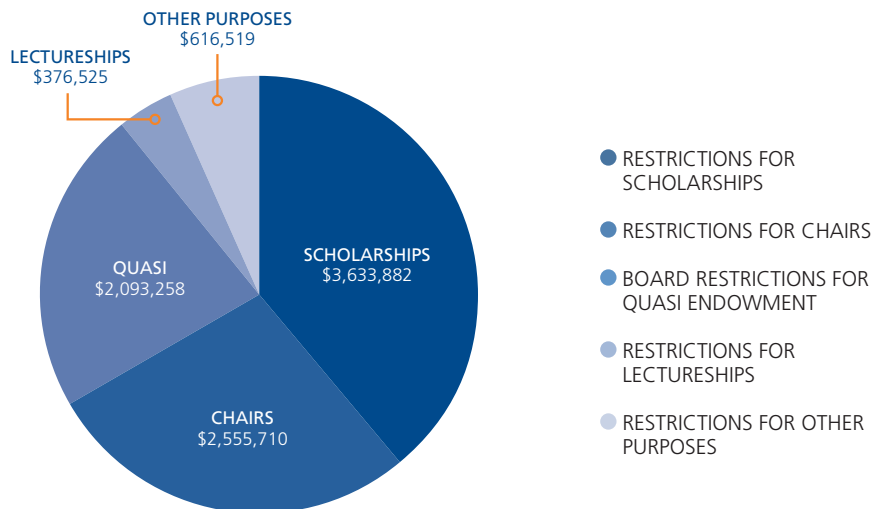
DONOR GENEROSITY

During 2013 donor generosity has continued. As in the past three years, donations to restricted and endowed funds were greater than unrestricted donations. The restricted and endowed gifts provide increased financial aid support for our students, direct funding for specific academic programs and the ability to commit to and complete special projects.

DENVER SEMINARY TRENDS IN TYPES OF DONATIONS



COMPOSITION OF ENDOWED AND RESTRICTED FUNDS (INCLUDING BOARD QUASI ENDOWMENT)



DENVER SEMINARY SCHOLARSHIPS

There are numerous ways to support Denver Seminary's overarching goal of creating world changers who are on mission to accomplish the Lord's will. Particularly, gifts to a Denver Seminary scholarship fund are a way to support and inspire a deserving student. *Merit* or *financial aid* funds encourage and enable students to pursue their goals, while acknowledging their responsibilities for and their stewardship of God's resources provided through generous donors. *General* or *designated* scholarships are offered for a variety of purposes, not the least of which are:

- TO ENCOURAGE ACADEMIC EXCELLENCE
- TO DEVELOP CHURCH LEADERS
- TO GROW SPECIFIC ACADEMIC PROGRAMS
- TO LESSEN THE FINANCIAL BURDEN OF OUR STUDENTS
- TO PROMOTE AND SUPPORT MINISTRY CALLING
- TO INCREASE STUDENT DIVERSITY

Gifts of all amounts are welcome and needed. Please consider contributing to an existing scholarship fund that appeals to your specific interests or perhaps you might even consider giving a major gift; one which sponsors a new scholarship crafted to meet a particular calling.

For example, we have established a General Counseling Scholarship that is offered to full-time counseling students as well as a Chaplaincy Scholarship designated for students in pursuit of a career in full-time chaplaincy ministry. The Kingdom Scholars Endowed Scholarship Fund offers aid to students in the MDiv program who are pursuing a career in full-time ministry upon graduation and the Alumni Scholarship Fund is setup for any full-time student pursuing a master's degree.

For more information about contributing to a seminary scholarship fund, establishing a new scholarship fund, or learning more about a specific scholarship, please contact Ron Gascho, vice president of advancement at ron.gascho@denverseminary.edu or 303.762.6941.

OPERATING BUDGET

Despite increasing market pressure for seminaries across the nation, Denver Seminary remains financially optimistic for 2014. The budget forecasts total revenue that is slightly less than the 2013 total revenue budget, but that is still 3.6% above actual revenues for 2013.

Additionally, the Advancement Department has increased fund raising goals in the areas of restricted gifts and endowment growth.

Denver Seminary is committed to building the long-term permanent endowment of the Seminary by \$5 million in the next four years to provide sustainable funding for scholarships, chairs, and other special uses.

Additionally, the Seminary has a goal to increase the Seminary quasi endowment by \$1 million in order to provide a robust reserve for strategic needs, while maintaining a ready reserve of at least three months operating expenses.

| | 2012/2013 Budget | 2012/2013 Actual | 2013/2014 Budget |
|--|---------------------|---------------------|---------------------|
| Revenue | | | |
| Tuition and Fees | \$8,642,300 | \$8,309,767 | \$8,761,650 |
| Less: Financial Aid | (916,628) | (936,865) | (1,098,007) |
| Net Tuition and Fees | \$7,725,672 | \$7,372,902 | \$7,663,643 |
| Unrestricted Contributions | \$450,000 | \$763,772 | \$550,000 |
| Contributions to General Scholarships | 400,000 | 122,790 | 400,000 |
| Total Budgeted Contributions | \$850,000 | \$886,562 | \$950,000 |
| Investment Income, net of fees | \$221,750 | \$146,208 | \$123,900 |
| Auxiliary Income | 1,046,980 | 1,027,957 | 1,048,800 |
| Other Income | 133,350 | 158,361 | 150,550 |
| Total Auxiliary, Investment and Other Income | \$1,402,080 | \$1,332,526 | \$1,323,250 |
| Total Revenue | \$9,977,752 | \$9,591,990 | \$9,936,893 |
| Expenses | | | |
| Total Salaries and Benefits | 7,437,998 | 7,294,789 | 7,783,607 |
| Total of all other expenses | 2,760,163 | 2,413,341 | 2,763,546 |
| Total Expenses | \$10,198,161 | \$9,708,130 | \$10,547,153 |
| Net Operating Income/(Loss) | (\$220,409) | (\$116,140) | (\$610,260) |
| Funding from Releases from Restrictions | 640,525 | 467,769 | 823,000 |
| Net Income/(Loss) after Transfers | \$420,116 | \$351,629 | \$212,740 |



I will give you
shepherds after
my own heart,
who will lead
you with
knowledge.
unc...



6399 South Santa Fe Drive
Littleton, Colorado 80120