

SAINT PAUL SCHOOL OF THEOLOGY

May 2019 Financial Update

Communication - Key Performance Indicators (KPI) - Clear Strategic Plan
Integration - Data Driven Decision Making - Translation of Financial Results -

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All decisions made surrounding our school must be guided by our mission statement and strategic goals.

Mission Statement

Centered in Christ and rooted in the Wesleyan tradition, Saint Paul School of Theology is a seminary of intentional relationships committed to the formation of people for innovative, creative ministry through rigorous academic life; the exploration of Scripture, tradition, and ministry practices; and diverse, contextual experience.

SPST remains in a strong position financially. The financial foundation established over the last year has given confidence that we are positioned to maintain resources well into the future. The reporting structure and documentation provided by the CFO/COO to the committee on a monthly/quarterly basis enables confidence that we can adjust in short manner and we will be apprised if those adjustments are needed. Contingency planning and flexibility remain key in this uncertain time for our denomination and higher education.

1. May 31, 2019 Financial Statement Review

Our results are positive for the first eleven months of this fiscal year. Please view a few highlights below:

- Operations/Net Income - Net income has improved by nearly \$1,000,000 (\$750,000 when removing one-time expenses) when compared to this same time last year. **See page 2 of financial statements**
- Budget - Net income is \$350,000 better than budgeted. **See page 4 of financial statements**
- Cash Flow - Cash flow is ahead of schedule in spite of the capital campaign cash deficit of approximately \$300K. **See page 5 of financial statements**
- Enrollment – Target of 30 new enrollments for Fall of 2019. This would result in a 30% increase (7 students) in new enrollments. Total enrollment would increase to 104 from an existing enrollment of 93 (an 11.8% increase). **See Admissions KPIs for further details**
- Contingency – The contingency is fully funded and will not be used this year.
- Endowment Draw - For fiscal year 2018-2019 SPST will achieve its targeted 4% draw down

Last but not least:

- Balance Sheet - Saint Paul's balance sheet remains one of its major strength. A common ratio is a "coverage ratio" which is found by dividing long term assets by annual expenses. Saint Paul has a coverage ratio of nearly 10! This means SPST can cover its annual expenses for 10 years without generating one dollar of income (all things else remaining equal). This strength ranks us as one the strongest schools, not only in ATS, but with the majority of colleges and universities in the nation. Additionally, having zero debt remains a strength that gives confidence in our balance sheet. The Annual Strategic Planning and Budget cycle has and will continue to guide decisions. **See page 3 of financial statements.**