

## ABSTRACT

From large-cap profit-oriented companies to not-for-profit foundations, financial analysis is critical to success. This thesis will analyze the finances of the Jakarta Theological Seminary (JTS) using higher education financial metrics and the composite financial index (CFI). The analysis will answer questions relating to resource sufficiency & flexibility, debt management, asset performance, and operating results. Data will be obtained from the seminary's financial statements and by way of interview. Based on the analysis we can discern a declining trend of the seminary's financial performance, indicating a weakening institution. These results are further corroborated by the dangerously low CFI score of the seminary, signifying the need for programmatic adjustments. In order to ameliorate the seminary's worsening condition, the seminary should diversify revenue streams and strongly consider building an endowment fund. In order to realize long-term sustainability and financial flexibility, investments in the financial markets will have to be made, along with more prudent financial management.

**Key words:** Financial analysis, Ratio analysis, Composite financial index, Higher-education, Endowment