



LIVING UNIVERSITY

2301 Crown Centre Drive, Suite A, Charlotte, NC 28227-7705

OFFICE OF THE PRESIDENT

November 30, 2015

Dear Friends and Supporters of Living University,

Greetings again from Charlotte. Autumn is well underway with cold rain and falling leaves. At LU we are gearing up for the new semester which will begin on January 13.

Three members of the five member team of examiners from the University of North Carolina General Administration visited LU on Monday, November 16. Their purpose was to assess our readiness to offer a successful Associate of Arts (A.A.) degree and degree minors in business and communications. We believe that an A.A. degree program will particularly benefit the young adults in our church family. This proposed degree will still require many theology classes, but it will also be comprised of general education courses (including Speech, Western Civilization, English and others) that should be much more easily transferable to other institutions, should our students desire to further their university educations elsewhere after attending LU.

The state visit was warm and profitable. The three gentlemen who visited us were people we knew. One was in Rotary Club with me in Sylva, North Carolina, about ten years ago. The team leader was the former Vice Chancellor for Academic Affairs at Western Carolina University at Cullowhee. He and I were in a number of meetings together when I served on a couple of committees for WCU and when he came to our Haywood Community College campus for signing articulation agreements during my term at HCC as Vice President of Instructional Services. He was also Vice Chancellor when I taught at WCU.

This was a readiness visit in the sense that it was akin to an educational audit to determine our capacity or ability to offer a successful Associate of Arts degree program at this stage in LU's growth and development. They compared the operations at LU with the legal standards established by the state legislature for offering courses other than Bible courses. Bible courses are exempt by law. In any case, we had many mutual friends and I could not have asked for a better team to visit us.

We will be receiving a request for additional information and then a draft report will be given to us for comment and review. The team suggested we place our paper student records in fireproof file cabinets. They also suggested ways in which we could improve the library.

Once we receive the final report for comment I will advise you of its contents. The team did say that our infrastructure is very well developed in comparison with other religious institutions in North Carolina who are seeking licensure from the state – something we should be grateful to God for! They saw us as small but very professional.

The team informed us that the role they have is to serve as our advocates before the UNC Board of Governors. That board is a governmental legislative body overseeing colleges and universities in North Carolina akin to the Coordinating Board in Texas that had jurisdiction over Ambassador College in its pre-accreditation years in Texas. The team will inform us whether or not they

believe we have matured sufficiently as an institution of higher learning that we will be successful before the Board of Governors. Hence we now know we need to acquire a couple of fireproof filing cabinets and to get some backlogged library books processed.

Just before the visit we received the final auditors' reports and letters for the fiscal year ending June 30, 2015 and we filed an IRS 990 form just before its November 15 due date. You may view the audited financial statements and a copy of the filed IRS 990 form on the Living University website at <http://www.livinguniv.com/public-disclosure>. If you prefer a hard copy please let me know and I will send one to you.

The University improved its assets by \$108,787 in 2014/2015. This is due to increased support from donors and being frugal. We are working to save a cash reserve of about \$200,000 primarily to weather the storm of summertime income fluctuation.

Going forward, additional funds will also be used to offset the rental of another townhome in the same neighborhood as our current women's residence. The women's residence is a multi-level unit with four bedrooms and three and a half bathrooms. It has a large, bright living area that includes a full kitchen, large dining room, living room and walk out deck. The neighborhood is safe and only about 7-8 minutes from campus. It is also within walking distance of an upscale grocery store and community park. Although the amount that we charge students for "rent" basically covers the rental price of the unit, it does not cover the added expenses related to running a dormitory-type setup (including utilities, internet, furnishings and repairs). Your contributions also offset these costs enabling our on-campus students to afford a safe place to live that is near the campus.

Another area where your financial contributions are of great importance is in helping support the tuition of international students. We currently provide full tuition scholarships to a couple of international students thanks to your help. Additionally, we now offer a significant tuition discount to students from developing nations. Although we discount their tuition, the "real cost" of their tuition is the same. Thus, your donations help cover this shortfall in tuition and make LU classes possible for a number of students from developing nations.

Thank you again for your prayerful and continued financial support of Living University. You are truly helping to make a tremendous difference! We are encouraged and excited to see more of God's people enrolling in His University for a more in-depth exposure to His Word and awesome Way of Life. We are encouraged by the initial favor that we have found in the sight of the University of North Carolina Board of Governors. And as always, we thank you for your prayers and ongoing support.

Warmest personal regards,



Michael P. Germano, Ed.D, J.D.
President and Chief Executive Officer

P.S. As a reminder, any contributions dated in December that are postmarked on or before 12/31/2015 will be counted as year 2015 donations and may be tax-deductible in 2015. If you prefer to use our online donation system, the cutoff for 2015 donations will be 11:59 p.m., December 31. You can donate online at www.livinguniv.com. Just click "Giving to LU."