

## DUNCAN SCHOOL OF LAW ORIENTATION SCHEDULE FALL 2009

### Saturday, August 15, 2009

- 8:30 a.m. Check-In
- 8:50 a.m. Congregate in Room 201.
- 9:00 a.m. Invocation (Dr. Chris Stephens, Senior Pastor, Faith Promise Church)
- 9:05 a.m. Welcome to Class of 2013  
 Dr. Sherilyn Emberton, Provost & Vice-President for Academic Affairs  
 Autry O.V. "Pete" DeBusk, Chairmen of the Board of Trustees of  
 Lincoln Memorial University  
 Robert H. Watson, Jr., Chairmen of the Board of Advisors of the  
 Duncan School of Law  
 Sydney A. Beckman, Dean of the Duncan School of Law  
 Gordon R. Russell, Associate Dean of the Duncan School of Law
- 10:05 a.m. Swearing In—Class of 2013 (Room 201).  
 The Honorable Gary R. Wade, Associate Justice of the Tennessee  
 Supreme Court
- 10:45 a.m. Break
- 10:55 a.m. This is Your Class (Paul Carney, Director of Admissions, Duncan School of Law)
- 11:15 a.m. Top Ten Tips for Success in Law School (Prof. Beverly)
- 11:55 a.m. Lunch (Hot Dogs and Hamburgers provided)
- 12:55 p.m. Congregate in Room 201.
- 1:00 p.m. Distribution of Computers and Brief Introduction (Room 201).
- 3:00 p.m. Break
- 3:10 p.m. Introduction to WebAdvisor (Room 201).
- 3:25 p.m. Registration for the Fall 2009 Semester (Atrium).  
 ID Cards and Parking Stickers (Atrium).  
 Students **MUST** bring the make, model, and tag number of their vehicle  
 with them. Additionally, students **MUST** possess at least one of the  
 following: 1) a state driver's license; 2) a state-issued identification card;  
 3) a military ID; 4) a passport.
- 5:00 p.m. Introduction to Law School Technology and Electronic Attendance Rolls (Room  
 201).
- 7:00 p.m. Adjourn

# Michelle Baird

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## Summary of Qualifications

Demonstrated consistent Financial Aid and Customer Service skills, both oral and written, in diversified work environments. Capable of learning and becoming proficient at multiple job tasks within a short period of time. Detail and task oriented. Competent in Microsoft Word, Outlook and Excel. Currently utilizing Quickbooks software for own personal business. Previous experience in accounting and collections at fortune 500 companies such as Marriott, Honeywell and Clayton homes. Currently enrolled in Certified Financial Planner course as well as completed and passed Certified Public Bookkeeper exam.

## Employment

**2009-Present                      LMU Duncan School of Law                      Knoxville, TN**

### **Financial Aid Coordinator**

Counsel and assistant graduate Law students with financial aid. Present Financial Literacy courses to assist students in understanding financial planning and debt management. Work with Lincoln Memorial University main campus Financial Aid office to improve and facilitate good financial aid practices. Coordinate and assist with public Financial aid nights in Knoxville area.

**HOLSTON TAX SERVICE (FORMERLY THE TAX LADY)—KNOXVILLE, TN**  
**Tax Preparer-Preparer Federal Tax Returns for general public.**

**2004 - 2009                      Maryville College                      Maryville, TN**

### **Assistant Director of Financial Aid**

Counseled new and returning students on Financial Aid. Worked along side admissions office to packaged new, returning and transfer students per Maryville College guidelines. Coordinated the Federal and Private Student loan programs, directly responsible for becoming one of the Pilot schools for ELM Loan processing in Eastern Tennessee. Worked with Student Loan Guarantor ECSI to develop a lender list that combined both entrance and electronic lender signature processes that allowed for various lenders and guarantors. Developed the "Recommended Lender List" guidelines for Maryville College and headed task force for lender selection. Oversaw Federal and Institutional Work-study programs, introduced tracking system to allow supervisors to gauge hours worked and funds earned for their student workers. Presented "College Financial Aid Nights" to general public as well as worked with TASFAA on presenting training at New Aid officer workshop for Fall.

**2008-present** (Tax Season position) **The Tax Lady** ..Prepared tax returns for individuals from. Tax returns varied from simplified 1040ez for students to 1040 for sole proprietors.

**2002 - 2004                      Maryville College                      Maryville, TN**

### **Student Account and Perkins Loan Coordinator**

Responsible for maintaining and collecting the Federal Perkins Loan

Accounts, Maryville College Institutional Loans and managing Student Accounts. In charge of insuring accuracy and compliance to Federal Collection laws and State Statutes. Accountable for accepting and processing Student Deferrals, Forbearances and Cancellations of Perkins Loans per Federal Guidelines. Negotiated and contracted new Loan servicing agent, ECSI, resulting in decreased costs to Maryville College and enhanced Customer Service to borrowers. Assumed responsibility for Business Office exit interviews for withdrawing and graduating students. Handled reconciliation and audit of Federal Perkins loan accounts, and FISAP reporting. Worked with current students and parents to resolve issues on Student Tuition statements.

**2001 - 2002                      Marriott Business Services                      Knoxville, TN**

**Billing Team Lead**

Involved directly in establishing and enhancing new business process for Marriott Corporation. Supervised 5-6 Billing Specialists in Customer Service and Collection of Marriott Hotels Corporate Accounts. Responsible for insuring accuracy of invoices as well as negotiating customer price rebates for 187 Marriott properties across the United States.

**1997-2001                      Clayton Mobile Homes                      Knoxville, TN**

• **Vanderbilt Mortgage**

Collected on over 1300 mortgage accounts. Creatively worked out repayment plans with defaulted mortgage customers to prevent repossessions. Consistently met established monthly and quarterly goals. Awarded "Collector of the Year" in 2001.

• **CMH Insurance**

Responsible for maintaining good customer relations with CMH Insurance Clients as well as non-Clayton dealerships. Worked with other insurance agencies to insure adequate coverage for Vanderbilt Mortgage Customers. Helped establish new Insurance customers as well as renew existing accounts. Assisted Claims Department with customers during heavy Claims periods. Became Familiar with State and Federal Property and Casualty Insurance Principles.

**1995-1996                      Child Care Directions                      Lumberton, NC**

Established and developed a non-profit child cares resource and referral office serving over 100,000 Robeson County residents. Located and negotiated office space, office equipment and furnishings. Coordinated and facilitated training for daycare service providers and assisted them in obtaining State certification. Once established, the office was turned over to the local N.C. Smart Start agency to incorporate into their program.

**1995                      H&R Block , Lumberton NC**

Prepared Taxes for individuals and small business

**1991-1994                      Honeywell, Inc                      Raleigh, NC**

Solely responsible for accounting for and purchasing equipment for Eastern North Carolina HVAC and Security Installations. Maintained preferred vendor list as well as contracted with local companies to hold commonly used materials in compliance with JIT policies. Lowered on-hand inventory by over 50% resulting in increased branch office profitability. Assisted With administration and accounting functions of local office.

**Education:**

**BA.- Sociology w/business concentration.  
Cornell College, Mt Vernon, IA**

▪

**Basic -- Intermediate Accounting.  
Maryville College, Maryville, TN**

▪

**Currently enrolled in Certified Financial Planner Course-  
University of Georgia, Athens, GA**

**Military Service – United States Marine Corps – 1981-1985**

**Sergeant- Electronic Calibration and repair**

**John T. Jennings**  
P.O. Box 2061  
New Tazewell TN 37824

Phone: 423-489-8548

tyler\_jennings87@hotmail.com

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## **Education**

### ***Degrees:***

**Bachelors of Applied Science, Network Security and Forensics, GPA 3.74 4/24/2009**

- Fountainhead College of Technology, Knoxville, Tennessee

**Associate of Occupational Science in Information Technology, GPA 3.9 12/22/2008**

- Fountainhead College of Technology, Knoxville, Tennessee

### ***Certifications:***

CompTIA A+ 03/07

Risk Analyst -CNSSI-4016

System Certifier -NSTISSI-4015

Information Systems Security Officer (ISSO) -CNSSI-4014A

System Administrator (SA) -CNSSI-4013

Senior System Manager (SSM) -CNSSI-4012

Information Systems Security (INFOSEC) Professional -NSTISSI-4011

## **Summary of Qualifications**

- Windows Active Directory Administration/Windows 2000 & 2003 Administration
- Security Awareness Training, including experience in security assessments with physical site and software level
- Skilled in all Microsoft Office applications
- TCP/IP, DNS, and DHCP Knowledge
- Experience in vulnerability scanning and firewall installation/support
- Incident response/disaster recovery planning
- Five years customer service experience, in a fast paced team oriented environment
- Quick learner, with the ability to solve complex problems by trouble-shooting hardware and software issues
- Self-motivated individual, that works well under pressure

## **Work Experience:**

**Lincoln Memorial University-Duncan School of Law**  
Knoxville, TN 37902

***Computer Support Technician, August 2009-Present***

- Troubleshoot student and faculty problems in a ticketed helpdesk environment
- Manage Lecture Capture hardware and software
- Resolved network Issues
- Video Conferencing-Tandberg/POLYCOM
- Video Editing-Lectures/Presentations

**Ingles Market**

New Tazewell, TN 37824

*Stock Clerk, May 2004-August 2009*

- **Take pride in cut-to-order meats for customers**
- **Organize end caps for high sale seasonal items**
- **Operate cash registers**
- **Load and unload trucks**

## **Lawyering Skills/Writing Lab**

**Fall 2009**

**6:15-7:45 p.m.**

### **Lab 1, September 8**

Introductory remarks

Define Major Errors

Comma splices & other comma errors, semicolons: Rules and corrections using examples from the Diagnostic exam completed before 9/8

Assignment: Writing Sample due at end of class

### **Lab 2, September 15**

Language Tidbit of the Day: Who v. Whom

English in Action: real world grammar errors

Commas with "and": rules and examples

Pronoun Agreement: rules and examples

Discuss objectives of Diagnostic Exam vs. Week 1 Writing Sample

Discuss Assessment of Week 1 Writing Sample

Assignment: Corrections of Week 1 Writing Sample due at end of class

### **Lab 3, September 22**

Language Tidbit of the Day: punctuation inside/outside quotation marks

English in Action: real world punctuation errors

Essential & Non-Essential Commas: rules and examples

Sentence Variety: tips, examples

15 ways to revise one sentence

Assignment: Group Work on sentence variety due at end of class

### **Lab 4, September 29**

Language Tidbit: uses and misuses of quotation marks

English in Action: National Punctuation Day, Apostrophes

Pronoun Reference: rules and examples

Follow-up: Unnecessary Commas, rules and examples

Agreement and Reference Errors

Sentence Variety: the results. Review and discuss last week's group paragraph revisions, hand back copy of exercise to each group member

Assignment: Punctuation Review Quiz due at end of class

### **Lab 5, October 6**

Language Tidbit: punctuation consistency

Commas with dates and quotes, Introductory Commas: rules and examples

Punctuation review: discuss results, review problem questions

Discuss schedule upcoming Lab nights

Assignment: Individualized assignments due at end of class

**No lab meeting on October 13 during midterm week**

**Lab 6, October 20**

Language Tidbit: follow-up on student punctuation questions

Instructions for next week

Preparing for Exit Exams: suggestions, strategies

Assignment: Peer Response Groups. Complete peer response of classmates' writing sample & submit cover sheet by end of class

**Lab 7, October 27**

Preparing for 11/3: more suggestions, strategies

Review Written Exit Exam Evaluation Criteria

Language Tidbit: Affect v. Effect

Active & Passive Voice: rules and examples

Conciseness: suggestions and examples

Proofreading Tips

Return Peer Response cover sheet

**Lab 8, November 3**

2-part exam: Written Exit Exam, Diagnostic Exit Exam



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**LINCOLN MEMORIAL UNIVERSITY**  
**DUNCAN SCHOOL OF LAW**

**FACULTY ADVISOR HANDBOOK**  
**2009-2010**

VER 11.3.09

**LINCOLN MEMORIAL UNIVERSITY**  
**DUNCAN SCHOOL OF LAW**

Faculty Advisors are assigned by the Administration to each student at the Duncan School of Law. While no exact formula exists for your advising duties, the following constitutes a “good practices” approach to assisting students in this capacity.

A Faculty Advisor should:

1. Make himself/herself available to advisees during ordinary office hours and by appointment.
2. A Faculty Advisor should contact each of his/her advisees at the beginning of each term to offer his/her services.
3. A Faculty Advisor should contact each of his/her advisees during the class registration period to offer his/her services.
4. During each meeting with an advisee, a Faculty Advisor should attempt to create a personal relationship with the advisee, discerning the advisee’s personal career goals and assisting the advisees in scheduling coursework and making career choices to meet the advisee’s goals.
5. A Faculty Advisor should, at a minimum, be prepared to discuss any or all of the following with an advisee:
  - a. Career options;
  - b. Class Scheduling;
  - c. Extra-curricular activities (e.g. Moot Court, Law Review, etc.); and/or
  - d. Progress towards graduation.

It is not expected that Faculty Advisors will discuss student loan counseling or personal counseling with advisees. To the extent a student requests those services, please direct the advisee to the appropriate student services representative.

**Faculty Advisors should remember that all information received from an advisee is considered confidential and subject to FERPA. For more information regarding the release of student information to ANYONE, please see the Student Catalog.**

**LINCOLN MEMORIAL UNIVERSITY**  
**DUNCAN SCHOOL OF LAW**

## **FINDING YOUR LIST OF ADVISEES**

1. To find your advisee list, first go to the LMU Website at [www.lmunet.edu](http://www.lmunet.edu). Once there, click on “Current Students and Faculty.”
2. Once on the “Current Students and Faculty” screen, click on “WebAdvisor.”
3. You will now need to login to WebAdvisor. Click on the “Login” tab in the top right-hand-side of the screen.
4. Login to WebAdvisor using your personalized username and password.
5. Once into WebAdvisor, click on the “Faculty and Staff” tab in the middle right-hand-side of the screen.
6. You are now looking at your personalized account information.
7. Click on “My Advisees” under the heading entitled “Faculty Information.”
8. Select an Academic Term from the pulldown menu.
9. You should now be looking at your advisee list.

**LINCOLN MEMORIAL UNIVERSITY  
DUNCAN SCHOOL OF LAW**

## ACADEMIC PROGRESS FOR FULL-TIME STUDENTS

### First-Year Curriculum

During a student's first year, the student will be registered for his/her classes by the Law School. First-year students are scheduled for the following classes:

<b><u>Fall</u></b>		<b><u>Spring</u></b>	
Contracts I	(3 hrs)	Contracts II	(3 hrs)
Property I	(3 hrs)	Property II	(3 hrs)
Civil Procedure I	(3 hrs)	Civil Procedure II	(3 hrs)
Torts I	(3 hrs)	Torts II	(3 hrs)
Legal Skills I	(3 hrs)	Legal Skills II	(3 hrs)

### Second-Year Curriculum

During a student's second year, the student shall be blocked into the majority of his/her classes. However, some opportunity for electives exists. A typical second-year curriculum is as follows:

<b><u>Fall</u></b>		<b><u>Spring</u></b>	
Criminal Law*	(3 hrs)	Criminal Procedure*	(3 hrs)
Evidence*	(3 hrs)	Wills, Trusts & Estates*	(3 hrs)
Legal Skills III*	(3 hrs)	Legal Skills IV*	(3 hrs)
Elective	(3 hrs)	Seminar**	(3 hrs)
Elective	(3 hrs)	Elective	(3 hrs)

\*indicates the class is blocked

\*\*indicates upper-level writing requirement

Note: Be aware of the additional required courses listed at the bottom when discussing electives.

### **Third-Year Curriculum**

During a student's third year, the student shall not be blocked into classes. Rather, a student's third year is reserved for both finishing remaining required courses and taking electives. A typical third-year schedule is as follows:

<b><u>Fall</u></b>		<b><u>Spring</u></b>	
Elective	(3 hrs)	Elective	(3 hrs)
Elective	(3 hrs)	Elective	(3 hrs)
Elective	(3 hrs)	Elective	(3 hrs)
Elective	(3 hrs)	Elective	(3 hrs)
Elective	(3 hrs)	Elective	(2 hrs)

\*indicates the class is blocked

\*\*indicates upper-level writing requirement

Note: Be aware of the additional required courses listed at the bottom when discussing electives.

### **Additional Required Courses:**

In addition to the above, each full-time student must take the following courses prior to graduation:

Business Organizations	(3 hrs)	Remedies	(3 hrs)
Commercial Transactions	(3 hrs)	Conflicts of Law	(3 hrs)
Professional Responsibility	(3 hrs)	Secured Transactions	(3 hrs)
Domestic Relations	(3 hrs)	Constitutional Law	(3 hrs)

**LINCOLN MEMORIAL UNIVERSITY  
DUNCAN SCHOOL OF LAW**

## ACADEMIC PROGRESS FOR PART-TIME STUDENTS

### First-Year Curriculum

During a student's first year, the student shall be registered for his/her classes by the Law School. First-year students are scheduled for the following classes:

<u>Fall</u>		<u>Spring</u>	
Civil Procedure I	(3 hrs)	Civil Procedure II	(3 hrs)
Torts I	(3 hrs)	Torts II	(3 hrs)
Legal Skills I	(3 hrs)	Legal Skills II	(3 hrs)

### Second-Year Curriculum

During a student's second year, the student shall be blocked into the majority of his/her classes. However, some opportunity for electives exists. A typical second-year curriculum is as follows:

<b>Fall</b>		<b>Spring</b>	
Contracts I*	(3 hrs)	Contracts II*	(3 hrs)
Property I*	(3 hrs)	Property II*	(3 hrs)
Legal Skills III*	(3 hrs)	Legal Skills IV*	(3 hrs)
Criminal Law*	(3 hrs)	Criminal Procedure*	(3 hrs)

\*indicates the class is blocked

\*\*indicates upper-level writing requirement

### Third-Year Curriculum

During a student's third year, the student shall be blocked into some of his/her classes. However, some opportunity for electives exists. A typical third-year curriculum is as follows:

<b>Fall</b>		<b>Spring</b>	
Evidence*	(3 hrs)	Wills, Trusts & Estates*	(3 hrs)
Elective	(3 hrs)	Seminar**	(3 hrs)
Elective	(3 hrs)	Elective	(3 hrs)
Elective	(3 hrs)	Elective	(3 hrs)

\*indicates the class is blocked

\*\*indicates upper-level writing requirement

Note: Be aware of the additional required courses listed at the bottom when discussing electives.

### Fourth-Year Curriculum

During a student's fourth year, the student shall not be blocked into his/her classes. Rather, a student's fourth year is reserved for both finishing remaining required courses and taking electives. A typical fourth-year schedule is as follows:

<b>Fall</b>		<b>Spring</b>	
Elective	(2 hrs)	Elective	(2 hrs)
Elective	(3 hrs)	Elective	(3 hrs)
Elective	(3 hrs)	Elective	(3 hrs)
Elective	(3 hrs)	Elective	(3 hrs)

\*indicates the class is blocked

\*\*indicates upper-level writing requirement

Note: Be aware of the additional required courses listed at the bottom when discussing electives.

### Additional Required Courses:

In addition to the above, each full-time student must take the following courses prior to graduation:

Business Organizations	(3 hrs)	Remedies	(3 hrs)
Commercial Transactions	(3 hrs)	Conflicts of Law	(3 hrs)
Professional Responsibility	(3 hrs)	Secured Transactions	(3 hrs)
Domestic Relations	(3 hrs)	Constitutional Law	(3 hrs)



**LINCOLN MEMORIAL UNIVERSITY  
DUNCAN SCHOOL OF LAW**

**GRADUATION CHECKLIST**

\_\_\_\_\_ I have completed at least 88 credit hours (actual checklist on next page).

\*at least 30 of the above credit hours must have been completed at the Duncan School of Law

\_\_\_\_\_ I have completed all required courses as defined by the Student Catalog.

\_\_\_\_\_ My cumulative GPA meets or exceeds at 2.0.

\_\_\_\_\_ I have successfully completed the upper-level writing requirement.

\_\_\_\_\_ I do not have an outstanding balance on any account with the Duncan School of Law.

\_\_\_\_\_ I have ordered my Graduation Attire (assuming the student intends to attend commencement).

\_\_\_\_\_ I began my legal studies more than twenty-four (24) months ago.

\_\_\_\_\_ I will complete my studies at the Duncan School of Law in less than eighty-four (84) months.

\_\_\_\_\_  
Printed Name of Student

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Student

**LINCOLN MEMORIAL UNIVERSITY**  
**DUNCAN SCHOOL OF LAW**

## CREDIT HOURS CHECKLIST

**I have taken all of the below:**

- |   |  |
|---|--|
| <input type="checkbox"/> Contracts I (3)        | <input type="checkbox"/> Evidence (3)                    |
| <input type="checkbox"/> Contracts II (3)       | <input type="checkbox"/> Wills, Trusts & Estates (3)     |
| <input type="checkbox"/> Property I (3)         | <input type="checkbox"/> Conflicts of Law (3)            |
| <input type="checkbox"/> Property II (3)        | <input type="checkbox"/> Commercial Transactions (3)     |
| <input type="checkbox"/> Torts I (3)            | <input type="checkbox"/> Secured Transactions (3)        |
| <input type="checkbox"/> Torts II (3)           | <input type="checkbox"/> Constitutional Law (3)          |
| <input type="checkbox"/> Legal Skills I (3)     | <input type="checkbox"/> Domestic Relations (3)          |
| <input type="checkbox"/> Legal Skills II (3)    | <input type="checkbox"/> Professional Responsibility (3) |
| <input type="checkbox"/> Civil Procedure I (3)  | <input type="checkbox"/> Business Organizations (3)      |
| <input type="checkbox"/> Civil Procedure II (3) | <input type="checkbox"/> Remedies (3)                    |
| <input type="checkbox"/> Legal Skills III (3)   | <input type="checkbox"/> Criminal Law (3)                |
| <input type="checkbox"/> Legal Skills IV (3)    | <input type="checkbox"/> Criminal Procedure (3)          |

**Total Hours: 72**

**CHECKLIST CONTINUED ON NEXT PAGE**

**I have taken at least sixteen (16) hours of the below:**

- \_\_\_ Administrative Law (3)
- \_\_\_ Advanced Criminal Procedure (3)
- \_\_\_ Advanced Estate Planning (3)
- \_\_\_ Advanced Evidence (3)
- \_\_\_ Advanced Federal Income Taxation (3)
- \_\_\_ Alternative Dispute Resolution (3)
- \_\_\_ Appellate Advocacy (3)
- \_\_\_ Bankruptcy (3)
- \_\_\_ Comparative Constitutional Law (3)
- \_\_\_ Directed Study (1, 2, or 3)
- \_\_\_ Drafting Transactional Documents (2)
- \_\_\_ Education Law (2)
- \_\_\_ Employment Law (3)
- \_\_\_ Entertainment Law (3)
- \_\_\_ Environmental Law (3)
- \_\_\_ Estate Planning (3)
- \_\_\_ Estate & Gift Taxation (3)
- \_\_\_ European Union Law (3)
- \_\_\_ Externship I (1 or 2)
- \_\_\_ Externship II (1 or 2)
- \_\_\_ Federal Courts (3)
- \_\_\_ Federal Income Taxation (3)
- \_\_\_ First Amendment Seminar (3)
- \_\_\_ Healthcare Law (3)
- \_\_\_ \_\_\_\_\_ (\_\_\_)
- \_\_\_ \_\_\_\_\_ (\_\_\_)

- \_\_\_ Immigration Law (3)
- \_\_\_ Independent Study (1 or 2)
- \_\_\_ Insurance Law (3)
- \_\_\_ Intellectual Property (3)
- \_\_\_ Intern. Bus. Trans. (3)
- \_\_\_ Inter., Neg. & Counsel. (3)
- \_\_\_ Jurisprudence (3)
- \_\_\_ Juvenile Law (3)
- \_\_\_ Land Use Planning (3)
- \_\_\_ Law Review I (1)
- \_\_\_ Law Review II (1)
- \_\_\_ Law Review III (1)
- \_\_\_ Law Review IV (1)
- \_\_\_ Mock Trial Team (1 or 2)
- \_\_\_ Moot Court Board (1 or 2)
- \_\_\_ Patent Law (3)
- \_\_\_ Pleadings & Practice (3)
- \_\_\_ Products Liability (3)
- \_\_\_ Real Estate Transactions (3)
- \_\_\_ Securities Regulations (3)
- \_\_\_ Special Topic (1 or 2)
- \_\_\_ Sports Law (2)
- \_\_\_ Technology & the Law (2)
- \_\_\_ Trial Advocacy (3)
- \_\_\_ \_\_\_\_\_ (\_\_\_)
- \_\_\_ \_\_\_\_\_ (\_\_\_)

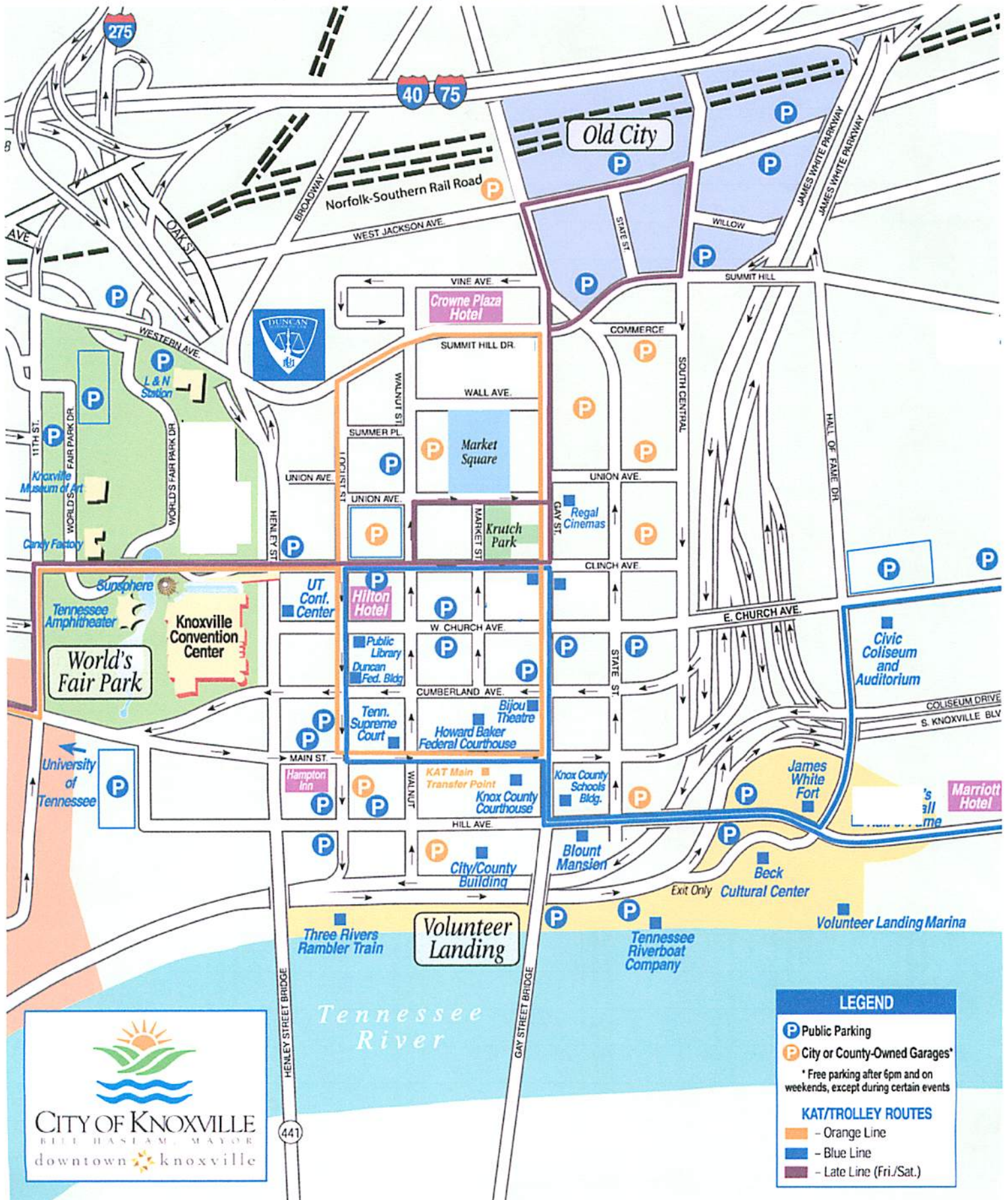
**Total Hours:** \_\_\_\_\_

\_\_\_\_\_  
Printed Name of Student

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Student

Parking is free in City and County owned garages (see orange P below) after 6pm on weekdays and all day on weekends, except during special events



DOWNTOWN KNOXVILLE, TN

PUBLIC PARKING

# Donna Treece

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6965 Cumberland Gap Parkway, Harrogate, TN 37752 (423)869-6251 donna.treece-paul@lmunet.edu

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## Experience

Licensed Professional Clinical Counselor  
National Certified Counselor

Director of Counseling and ADA Coordinator

January 1<sup>st</sup>, 2009 – Present, Lincoln Memorial University, Harrogate, TN

- Individual counseling and outside referrals.
- Group and Family Counseling.
- Educational programming on a variety of topics.
- Residential programming.
- Member of the Enrollment Management and Student Services Leadership Team.

Outpatient Mental Health Therapist

November 2005 – December 2008 Cumberland River Comprehensive Care Center, Middlesboro, KY

- Provided individual, family, and group therapy, advocacy, referrals to community and agency resources.
- Licensed to perform 202A involuntary hospitalization assessments.

## Education

Lindsey Wilson College School of Professional Counseling, Columbia, KY

2002 - 2005

- B.A. Human Services and Counseling
- M.Ed. Counseling and Human Development, Specializing in Mental Health Counseling.
- Accredited by the Council for Accreditation of Counseling and Related Educational Programs (CACREP) standards.
- The program requires a minimum of sixty semester hours. Thirty-nine hours from nine core areas (Human Growth and Development, Social and Cultural foundations, Helping Relationships, Group Work, Career and Lifestyle Development, Appraisal, Research and Program Evaluation, Professional Orientation and Abnormal) provide foundation course work and clinical experience, in addition to twenty-one of specialty requirements in Mental Health Counseling provide specific training in specific training in specific areas of counseling techniques and practice. (Copied from Lindsey Wilson College of Professional Counseling handbook.)
- Chi Sigma Iota, Alpha Chi, Phi Theta Kappa

## References

References are available on request.

# Frank Smith

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6965 Cumberland Gap Parkway, Harrogate, TN 37752 (423)869-7088 frank.smith@lmunet.edu

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## Experience

### Dean of Students

January 2006- Present, Lincoln Memorial University, Harrogate, TN

- Responsible for coordinating areas of student discipline and security operations.
- Conduct judicial hearings.
- Maintain data for TIBRS system and TBI.
- Provide student support services on-campus and at extended teaching sites.
- Member of the Enrollment Management and Student Services Leadership Team.

1983-June 2009- Tennessee Army National Guard – 278<sup>th</sup>  
Regiment, Chemical Company

### Facility Director

2002-2006- Boys and Girls Club Parkside Unit  
Tennessee Valley  
Blount Co. TN

### Executive Director

2000-2002- Boys and Girls Club of America  
Blount Co. TN

### Director of Operations

1998-2000- Boys and Girls Club of America  
Blount Co. TN

### Program Director

1998- Boys and Girls Clubs of Greater Knoxville  
Knoxville, TN

1993-1998- Martin Luther King Community Center  
M-A-B Parks and Recreation Commission  
Alcoa, TN

1982-1992- Camelot Care Center

2004-2005- Iraq Operation Iraqi Freedom

## Education

2006 – Present

Graduate Study- Lincoln Memorial University  
Harrogate, TN

2002- Graduate of Executive Leadership Program

# Frank Smith

6965 Cumberland Gap Parkway, Harrogate, TN 37752 (423)869-7088 frank.smith@lmunet.edu

Boys and Girls Club  
Clemson University  
Clemson, SC

1992- Tennessee Military Academy PLDC  
Nashville, TN

1982- B.S. in Behavioral Science  
Lincoln Memorial University  
Harrogate, TN

1981- A.S. in Criminal Justice  
Lincoln Memorial University  
Harrogate, TN

## Civic Activities

1976 – Present	Member, Omega Psi Phi Fraternity
1992 – Present	Member, Laymen Association, Knoxville District Baptist Association
1994 – Present	Assistant Coach, Alcoa Tornadoes Youth Football
1997 - Present	Committee Member, Blount Memorial Health Initiative
1998 – Present	Board Member, Blount County Community Action Agency
2003 – Present	Volunteer, Read for Success Program
2002 – 2003	Alcoa Community Police Academy
2001	Chairman, MLK Blount County Celebration Committee
2001	Committee Member, Boys and Girls Clubs of TN All Staff Retreat
2001	Member, Society of African American Professionals
2000	Leadership Blount
1994 – 1997	Volunteer, Tennessee Special Olympics – Area 15
1994 – Present	Member, National Parks and Recreation Association Leadership Claiborne
1994 – 1997	Member, Tennessee Parks and Recreation Association

## Honors and Awards

1996 - Present	Elected delegate, Democratic National Convention, 2 <sup>nd</sup> Congressional District
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## References

1993 - Present	Deacons, First Calvary Baptist Church, Knoxville, TN
1981	Selected Member, Outstanding Young Men of

## Frank Smith

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6965 Cumberland Gap Parkway, Harrogate, TN 37752 (423)869-7088 frank.smith@lmunet.edu

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	America
1981	Algernon Sydney Sullivan Award (Best All-Around Student) LMU
2004 - 2006	Iraqi Freedom Outstanding Merit Award.
2009	Letter of Appreciation United States Army Washington. DC

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References available on request.

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## Schedules of Visits to the Duncan School of Law by Lincoln Memorial Student Services Personnel

### Spring 2010

January 11 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students and Director of Counseling
January 14 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
January 18 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
January 21 <sup>st</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
January 25 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
January 28 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
February 1 <sup>st</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students and Director of Counseling
February 4 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
February 8 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
February 11 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
February 15 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
February 18 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
February 22 <sup>nd</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
February 25 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
March 1 <sup>st</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students and Director of Counseling
March 4 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
March 8 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
March 11 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
March 15 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
March 18 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
March 22 <sup>nd</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
March 25 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students and Director of Counseling
March 29 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
April 1 <sup>st</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
April 5 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
April 8 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
April 12 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
April 15 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
April 19 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
April 22 <sup>nd</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students and Director of Counseling
April 26 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students
April 29 <sup>th</sup> -	4:30 p.m. to 8:00 p.m. -	Dean of Students

**LINCOLN MEMORIAL UNIVERSITY**  
**DUNCAN SCHOOL OF LAW**

**NEW CLUBS AND ORGANIZATIONS**  
**REGISTRATION PACKET**  
**2009-2010**

**LINCOLN MEMORIAL UNIVERSITY**  
**DUNCAN SCHOOL OF LAW**

## **PROCESS FOR STARTING A CLUB OR ORGANIZATION AT THE DUNCAN SCHOOL OF LAW**

### **1. Requirements**

At a minimum, three requirements must be met to start an organization. First, at least one (1) student must be willing to complete the necessary forms for the proposed organization. This student must also accept responsibility for beginning the management of the organization until such time as elections for officers can occur. Second the organization must have Faculty Advisor willing to sponsor the organization and assist in advising the students with regard to the organization's formation. Finally, there must be an organizational constitution.

### **2. Timeline for Starting a Club**

- A. The process begins once a student completes and submits the Registration Form and Faculty Advisor Form.
- B. The student(s) will meet to discuss the process and the remaining requirements ("the First Meeting"). Most importantly, the student(s) will be informed about the requirements for an organizational constitution.
- C. After the First Meeting, the student will have fourteen days to generate and submit the following documents:
  1. An Organizational Constitution
  2. An Election of Officers Form
  3. Information regarding parent organization (if applicable).
- D. The student will receive a reply setting a date for a meeting to discuss any remaining matters and to discuss the process of applying for SBA funding ("the Second Meeting"). Students should be aware that approval for an organization does not necessarily carry institutional or SBA funding.
- E. Once the student has resolved any and all issues discussed in the Second Meeting, the student will be permitted to advertise the organization, seek funding through the SBA, and begin holding events. Students should be advised that organizations must submit a Campus Event Form before holding any student event on campus.

### **3. General Rules for All Clubs**

- A. All organizations must comply with: the laws of the United States, the laws of the State of Tennessee, Lincoln Memorial University policies, and Duncan School of Law policies.

- B. Organizations may not choose members, reject members, promote members, or, in whole or in part, use race, nationality, sex, age, religion, disability, marital status, or sexual orientation as basis for any decision. Nevertheless, nothing within this provision shall prohibit the creation of organizations intended to serve specific demographic groups.
- C. No organization shall use, copy, produce, or attach a Duncan School of Law logo, insignia, or shield to any advertisement, memo, note, letter, or other document without permission from the Associate Dean for Academics.
- D. No organization shall use the Duncan School of Law academic seal for any reason without express permission, in advance, in writing from the Dean.

4. **Funding**

All organizations are responsible for generating their own funding and maintaining their own accounts. However, to the extent the organization uses any funds collected from the Duncan School of Law or any of its students, all such funds must be maintained within an account provided by the University. Furthermore, no student shall collect, use, or maintain funds generated from any student without direct supervision of the Faculty Advisor.

5. **Alcoholic Beverages**

An organization and its members shall not serve, possess, or consume alcoholic beverages at any organizational meeting, function, or event without express permission from the Dean. To be valid, such permission must comply with the Alcohol Policy contained within the Student Catalog.

6. **Advertising on Campus**

Organizations shall not post or attach any advertisements of any kind on any surface on campus. Nevertheless, advertisements may be transmitted by placing them in student mailboxes, by posting them on TWEN, or by posting them on the electronic screens located on the first floor. To post advertisements using the electronic screens, please contact the Executive Assistant to the Dean.

7. **Activities**

Organizations shall not hold any events, programs, or fundraisers on campus without completing an Organizational Activity Form. All such forms must be submitted at least one week before the anticipated event. However, students are advised to submit the form as quickly as possible, as physical resources for such events can become limited. Nothing within this rule shall prohibit organizations from holding regularly scheduled meetings on campus.

8. **Representation of University or Law School**

Under no circumstances shall any student in any way represent that he/she is authorized to bind Lincoln Memorial University or the Duncan School of Law to any contract of any kind.

**LINCOLN MEMORIAL UNIVERSITY  
DUNCAN SCHOOL OF LAW**

**REGISTRATION FORM**

**Proposed Name of Club or Organization:** \_\_\_\_\_

**Primary Focus of Club or Organization: PLEASE CHECK AT LEAST ONE**

Academic       Athletic       Social       Service  
 National Charter       Religious

**Brief Explanation of Purpose, Proposed Activities, Services, Programs, etc.**

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**Brief Description of any Requirements for Membership:**

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**Affiliation, if any, with Off-Campus Organizations:**

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Name of Organization	Name of Contact	Phone Number for Contact
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**Names and Contact Information for Applicant(s):**

A. \_\_\_\_\_  
Name of Applicant      Email Address      Phone Number

B. \_\_\_\_\_  
Name of Applicant      Email Address      Phone Number

**BY SUBMITTING THIS APPLICATION, IT IS AGREED AND UNDERSTOOD THAT ANY ORGANIZATION, IF APPROVED, MUST ABIDE BY ALL RULES, POLICIES, LAW, BYLAWS, AND GUIDELINES OF THE UNITED STATES GOVERNMENT, THE STATE OF TENNESSEE, LINCOLN MEMORIAL UNIVERSITY, AND THE DUNCAN SCHOOL OF LAW.**

\_\_\_\_\_ Date: \_\_\_\_\_  
Printed Name of Applicant

\_\_\_\_\_  
Signature of Applicant

**ADVISOR INFORMATION:**

Name of Advisor (please print): \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_

**STUDENTS MUST SUBMIT A FACULTY ADVISOR FORM IN CONJUNCTION WITH THIS FORM.**

**FOR INTERNAL USE ONLY**

Organization is ( ) Approved ( ) Not Approved

\_\_\_\_\_ Date: \_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

**LINCOLN MEMORIAL UNIVERSITY**  
**DUNCAN SCHOOL OF LAW**

**FACULTY ADVISOR FORM**

Every organization must have a Faculty Advisor. Unless otherwise approved in writing by the Dean, only full-time faculty members may serve as a Faculty Advisor.

In general, a Faculty Advisor is intended to be a liaison between the Duncan School of Law and the organization. At a minimum, a Faculty Advisor should:

1. Attend organizational meetings as often as possible.
2. Attend organizational events as often as possible.
3. Be available to the organization's officers for guidance in developing and implementing organizational programs, policies, etc.
4. Monitor organizational financial transactions.
5. Monitor all organizational elections.

I agree to serve as the Faculty Advisor for the proposed \_\_\_\_\_.

\_\_\_\_\_  
Printed Name of Faculty Advisor

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Faculty Advisor

**LINCOLN MEMORIAL UNIVERSITY  
DUNCAN SCHOOL OF LAW**

**ORGANIZATIONAL ACTIVITY FORM**

**Name of Organization:** \_\_\_\_\_

**Dates for Proposed Event:** \_\_\_\_\_ (must include full range of dates as applicable).

**Times for Proposed Event:** \_\_\_\_\_ (must include full range of times as applicable).

**Purpose of the Event:**

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**Proposed Location(s) for Event:**

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**Resources Needed for Event:** (Be specific. For instance, we need four chairs, two tables, etc.)

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**Number of Students you Anticipate Attending the Event:** \_\_\_\_\_

**Number of Community Members you Anticipate Attending the Event:** \_\_\_\_\_

**Are you Serving Food or Drinks During the Event:** \_\_\_\_\_

**Are you Serving Alcohol During the Event:** \_\_\_\_\_

\_\_\_\_\_  
Printed Name of Authorized Officer

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorized Officer

**FOR INTERNAL USE ONLY**

**APPROVED BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_



**LINCOLN MEMORIAL UNIVERSITY  
DUNCAN SCHOOL OF LAW**

**ELECTION OF OFFICERS FORM**

**Name of Organization:** \_\_\_\_\_

**Names of Principal Officers:**

**President:** \_\_\_\_\_

**Vice-President:** \_\_\_\_\_

**Secretary:** \_\_\_\_\_

**Treasurer:** \_\_\_\_\_

**Name of Principal Contact for the Organization:** \_\_\_\_\_

**Names of Individuals Authorized to Bind the Organization:**

_____	_____
Full Name (Printed)	Title
_____	_____
Full Name (Printed)	Title
_____	_____
Full Name (Printed)	Title
_____	_____
Full Name (Printed)	Title

**Signature of President:** \_\_\_\_\_

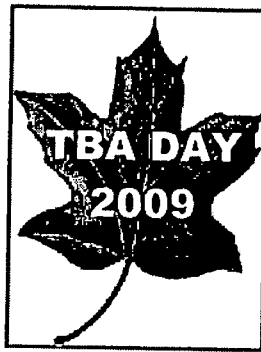
**Signature of Faculty Advisor:** \_\_\_\_\_

**Date of Submission:** \_\_\_\_\_

## **ORGANIZATIONAL CONSTITUTIONS**

All organizations must have a constitution. Constitutions comprise the fundamental goals, purposes, principles, and rules which govern the activities of the organization. All constitutions must at least include the following:

1. The name of the organization
2. A statement of purpose which must describe the goals of the organization. The statement of purpose must also expressly state that the organization is not-for-profit.
3. Requirements for membership, including any fees.
4. Qualifications of holding office, method for selection of officers, terms of service, procedures for filling vacant offices, and duties and obligations of officers. The constitution must specifically state which officers are authorized to bind the organization.
5. Rules regarding quorums and what percentage of a vote carries.
6. Processes for removal of members.
7. Rules regarding the creation and maintenance of financial records.
8. Provisions for amendments.



The Tennessee Bar Association  
Young Lawyers Division  
welcomes you to the study of law &  
invites you to two events

Join us for pizza and  
learn how you can  
benefit from a TBA  
student membership.

TBA Day on Campus  
Monday, November 2  
5:00 – 7:00 p.m.  
Pizza at 5:30 p.m.  
First Floor Student Lounge



Join us for appetizers  
& an opportunity to  
interact with local  
attorneys!

Networking Reception  
Tuesday, November 3  
5:30 – 7:00 p.m.  
Oodles Uncorked  
18 Market Square

If you have questions, please contact  
Stacey Shrader at [sshrader@tnbar.org](mailto:sshrader@tnbar.org) or (615) 383-7421

## **Assistant Dean of Student Affairs**

**Reports to: Assistant Dean of Student Affairs**

**Department: Law School**

**Classification: Regular Full-Time  
Non-Faculty**

**Division: Academic Affairs**

**Date: January 4, 2010**

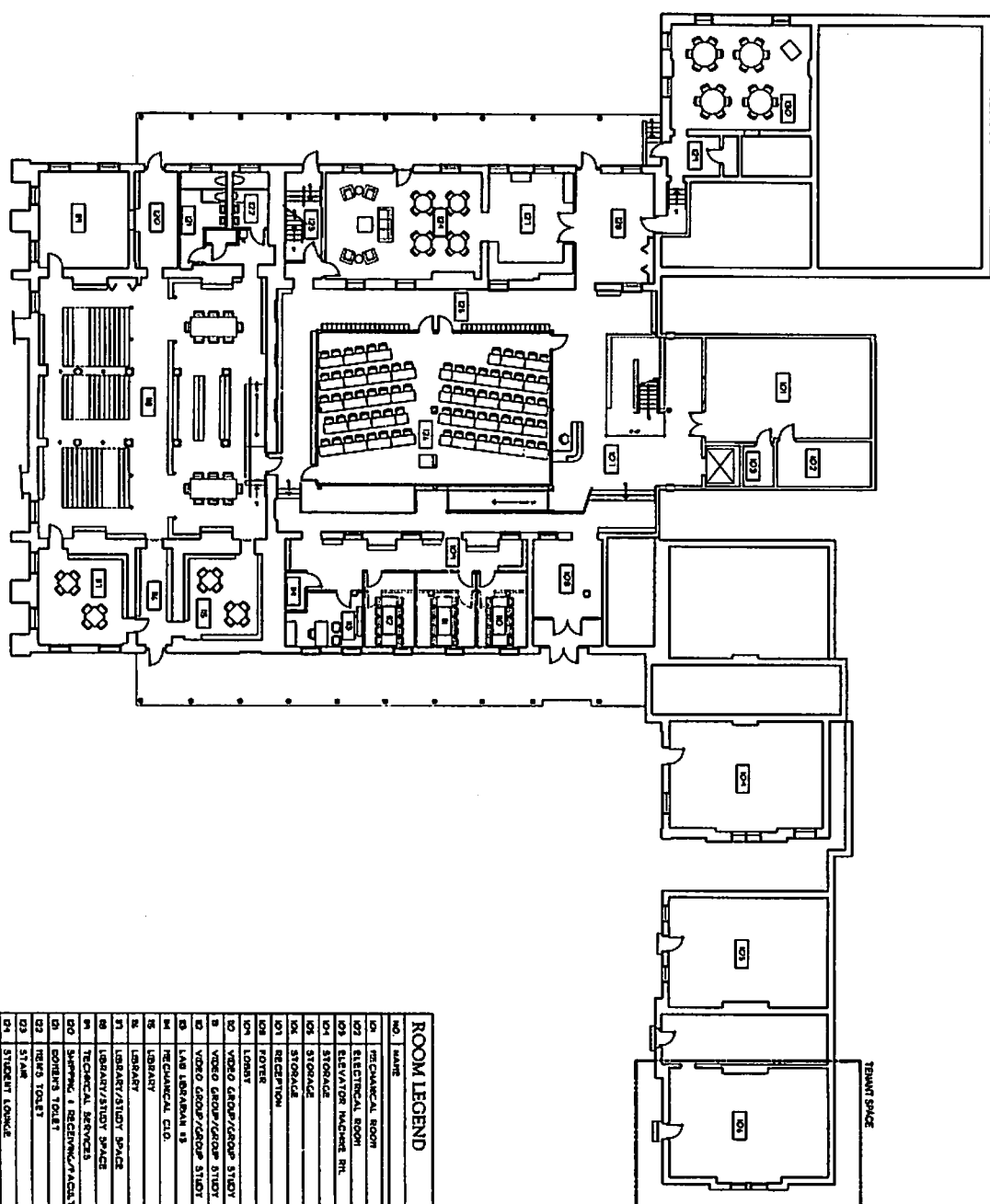
**Job Summary:** In coordination with the Dean, the Associate Deans, and the Law Faculty, the Assistant Dean for Student Affairs is generally responsible for all aspects of non-academic student services within the Law School (other than Career Services). This individual shall work closely with Law Faculty, staff and students. The Assistant Dean of Student Affairs shall serve as advisor to the Student Bar Association and all other student organizations with respect to student activities, and shall attend Student Bar Association meetings. He or she shall plan and coordinate major academic social functions, and shall assist in the coordination of functions such as Orientation and Graduation and shall work with student organizations in planning and coordinating their major events such as the Barristers' Ball.

**Duties and Responsibilities:** \*promote the mission of Lincoln Memorial University and the School of Law to all faculty, staff, students and to the community at large; \*promote effective working relationships among faculty, staff, and students; \*participate on Law School select law school committees as may be appropriate for this position; \*assist with establishing effective office organizational and management procedures in accordance with University and Law School policies; \*maintain records, reports, and other documents that support the criteria for accreditation for the Southern Association of Colleges and Schools (SACS), the Tennessee Board of Law Examiners, and the American Bar Association and standards and guidelines for individual program approval/accreditation; \*organize and assist in data collection/storage for the school; \*regularly deal with confidential student information and provide support, encouragement, and advice to students while maintaining the Law School's high academic standards; \*exercise excellent judgment, strong interpersonal skills, discretion, good humor, strong verbal and writing skills, the ability to make decisions quickly and fairly, and the ability to work with a widely diverse group of students; \*possess an attitude that fosters a respectful, non-threatening workplace environment; \*maintain strict confidentiality regarding Law School and University matters; and \*perform other duties as assigned.

**Knowledge, Skills, and Abilities:** \*Ability to communicate and work well with faculty, staff, students, and the community at large; \*good overall verbal, non-verbal, and written communication skills; \*excellent organizational skills; \*effective office management skills; \*effective communication skills; \*high-level of computer skills including but not limited to proficiency in WordPerfect®, Microsoft Office® including Word, Excel Outlook and PowerPoint; \*demonstrated ability to complete multiple assignments, meet deadlines; \*effective interpersonal skills; \* the ability to administer, organize and maintain a positive working environment; \*must have a willingness to work with others; \*ability to self-motivate and \*work independently when required; and \*ability to maintain confidentiality.

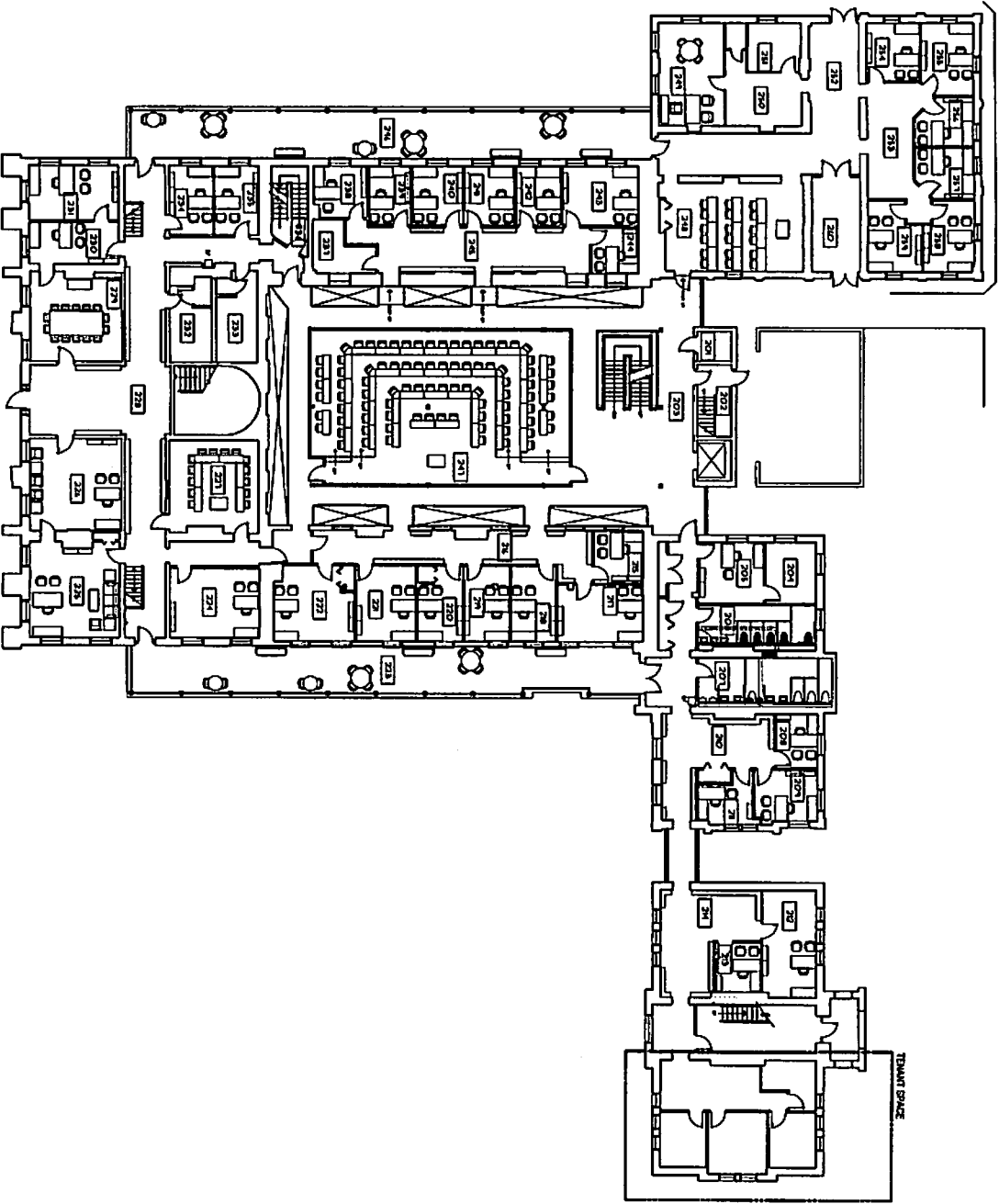
***Qualifications: Required:*** J.D. Degree; administrative experience; excellent judgment; strong written and verbal communication skills; strong interpersonal, organizational and planning skills; attention to detail; strong computer skills; and demonstrated ability to work well with people in a fast-paced and sometimes stressful environment.

1 FIRST FLOOR PLAN  
 1/4" = 1'-0"



ROOM LEGEND

NO.	NAME	SQ. AREA	EST. HEATING
01	MEDICAL ROOM	73	
02	ELECTRICAL ROOM	171	
03	ELEVATOR MACHINE RM	12	
04	STORAGE	14	
05	STORAGE	14	
06	STORAGE	75	
07	RECEPTION	40	
08	FOYER	271	
09	VIDEO LAB/STUDY	310	10
10	VIDEO LAB/STUDY	310	10
11	VIDEO LAB/STUDY	310	10
12	VIDEO LAB/STUDY	310	10
13	LAB SERVING IS.	51	
14	RECREATIONAL CLO.	51	
15	LIBRARY	78	9
16	LIBRARY	43	
17	LIBRARY/STUDY SPACE	315	8
18	LIBRARY/STUDY SPACE	240	4
19	TECHNICAL SERVICES	14	
20	SHOPPING & RECEIVING/ACTIVITY HALLWAYS	100	
21	BOBBER'S ISLAND	105	
22	HEARD ISLAND	44	
23	STAGE	571	
24	STUDENT COUNSEL	671	
25	CONFERENC	571	
26	CLASSROOM	485	75
27	KITCHEN	340	
28	FOYER	315	
29	VESTIBULE	81	
30	CLASSROOM	105	24
TOTALS		5415	14

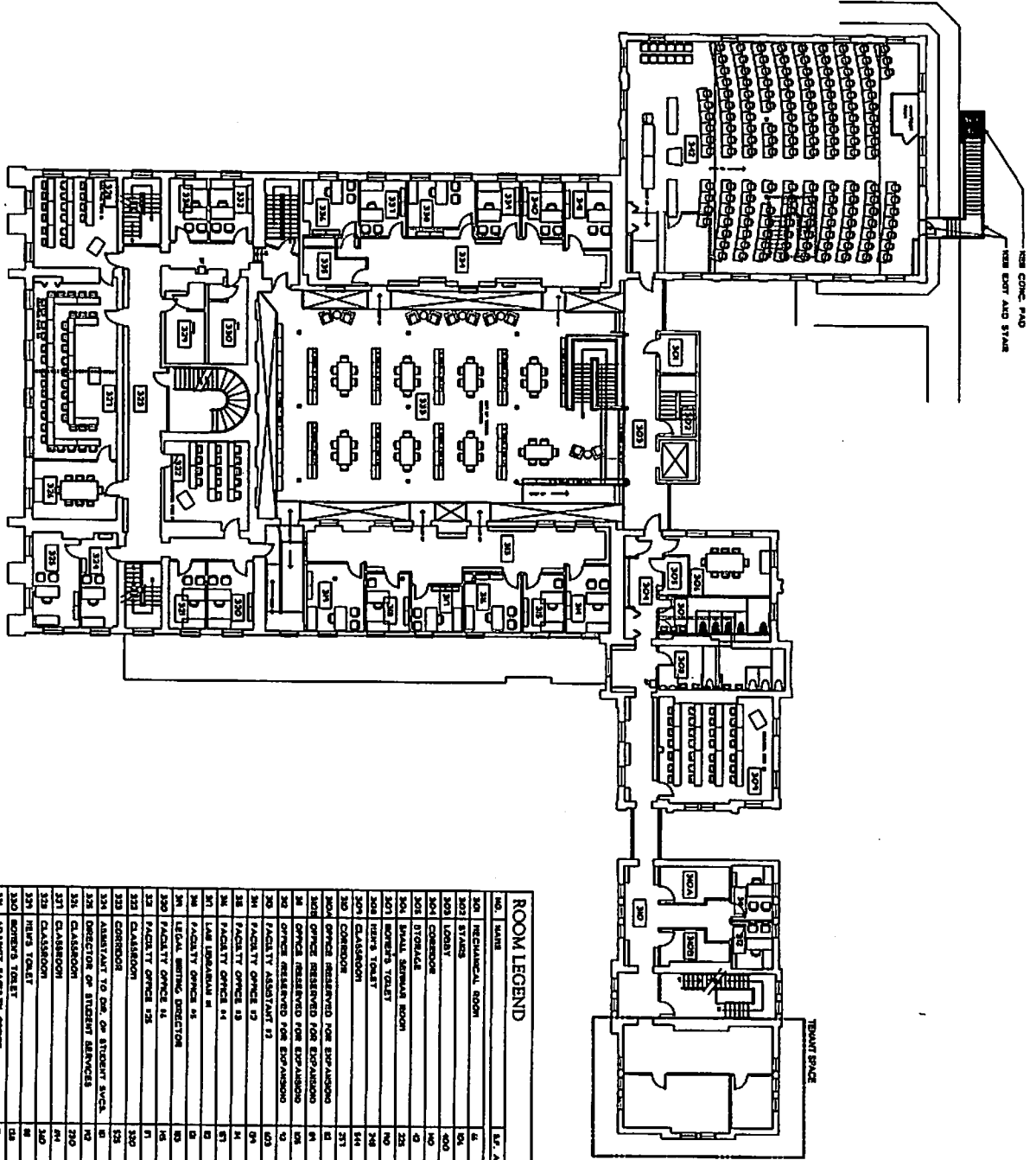


⊕  
 1 SECOND FLOOR PLAN  
 A23  
 W.P. - 7-69

TENANT SPACE

ROOM LEGEND		Sq. AREA	EST. SEATING
200	MECHANICAL ROOM	61	
202	STAIRS	W/A	
203	LOBBY	418	
204	REGISTRATION TECH STORAGE	51	
205	REGISTRATION TECH OFFICE	14	
206	DEANS TOILET	40	
207	DEANS TOILET	24	
208	DEANS TOILET	4	
209	OFFICE	10	
210	LOBBY/RECELVRS	17	
211	OFFICE	41	
212	OFFICE	25	
213	OFFICE	9	
214	LIBRARY EXPANSION	279	
215	LIBRARY EXPANSION	4	
216	LIBRARY EXPANSION	42	
217	LOBBY/RECELVRS	204	
218	LIBRARY EXPANSION	42	
219	LIBRARY EXPANSION	41	
220	LIBRARY EXPANSION	40	
221	LIBRARY EXPANSION	41	
222	ASSOC DEAN I DIR OF LAB LIBRARY	35	
223	POUCH	400	
224	ASSISTANT LIBRY DIRECTOR	21	
225	DEANS OFFICE	21	
226	ASSISTANT TO THE DEAN	26	
227	CLASSROOM	312	4
228	CORRIDOR/PARTING	81	
229	CONFERENCE ROOM	24	
230	ASSISTANT TO ASSOC DEAN FOR A.A.	51	
231	ASSOC DEAN FOR ACADEMIC AFFAIRS	202	
232	DEANS TOILET	9	
233	DEANS TOILET	18	
234	FACTORY OFFICE 232	51	
235	FACTORY OFFICE 232	51	
236	STAFF	W/A	
237	CONFERENCE ROOM	407	
238	FACTORY OFFICE 23	51	
239	LAB LEADERSHIP 23	51	
240	FACTORY OFFICE 23	51	
241	FACTORY OFFICE 23	51	
242	FACTORY OFFICE 23	51	
243	FACTORY OFFICE 23	51	
244	FACTORY ASSISTANT 23	4	
245	LOBBY/LIBRARY RECELVRS	31	
246	PORCH	51	
247	CLASSROOM	108	40
248	RECEPTION ROOM	102	
249	BUSINESS OFFICER/ASSISTANT TO REGISTRAR	25	
250	ASSISTANT TO BUSINESS OFFICER	17	
251	FINANCIAL AID OFFICER	41	
252	ENTRANCE FORTER	203	
253	LOBBY	170	
254	ASSISTANT TO DIRECTOR OF ADMISSION	21	
255	DIRECTOR OF ADMISSIONS	25	
256	OFFICE	8	
257	OFFICE	5	
258	DIRECTOR OF R&D PROGRAM	41	
259	OFFICE	44	
260	OFFICE	14	
261	OFFICE	10	
TOTALS	6330	94	




THIRD FLOOR PLAN

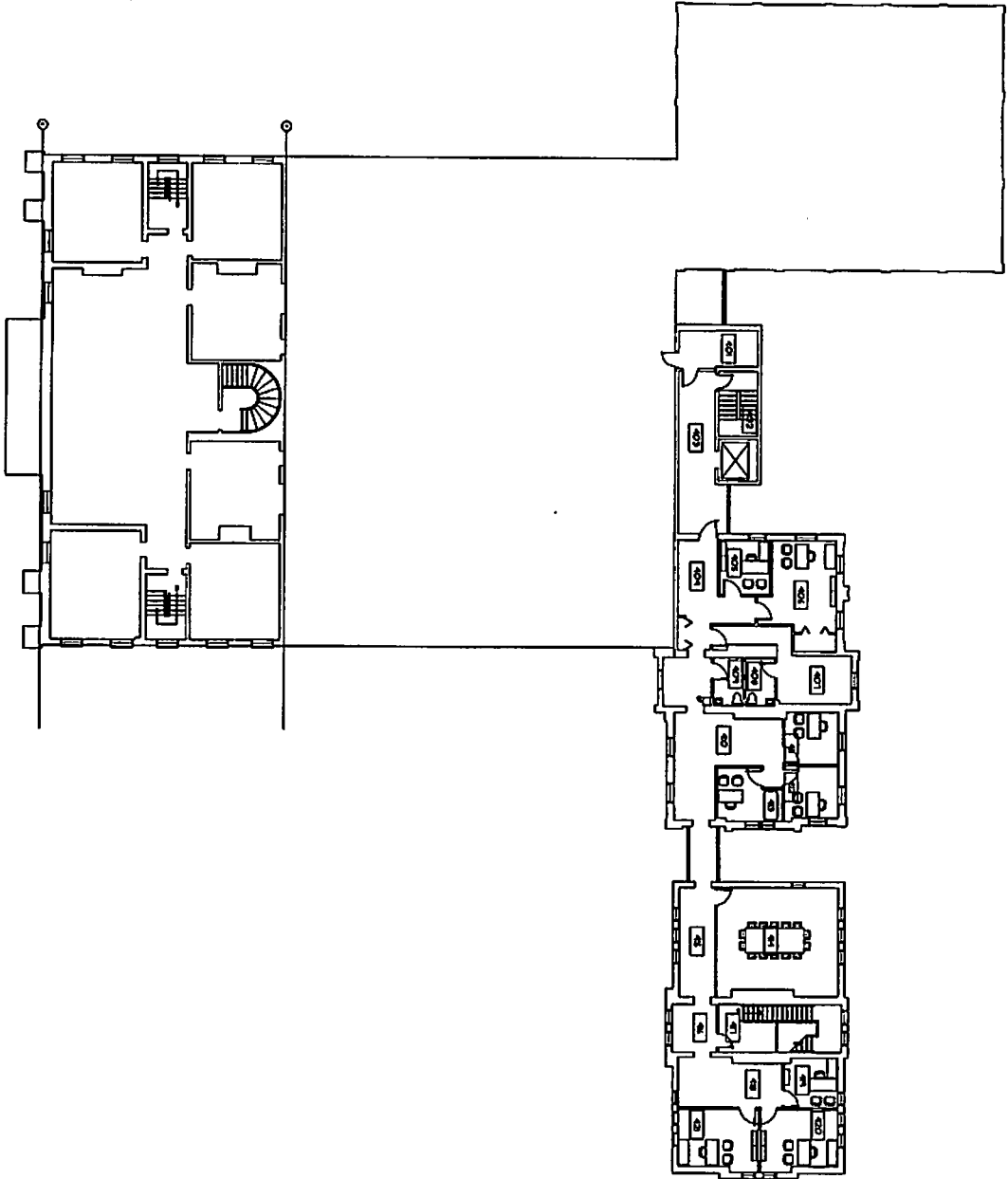


ROOM LEGEND

NO.	NAME	SQ. AREA	NO. STUDENTS
301	RECREATIONAL ROOM	6	
302	STAIRS	6	
303	LOBBY	400	
304	CORRIDOR	NO	
305	STORAGE	4	
306	SMALL SEMINAR ROOM	25	12
307	WOMEN'S TOILET	NO	
308	MEN'S TOILET	NO	
309	CLASSROOM	144	74
310	CORRIDOR	57	
311	OFFICE RESERVED FOR REPAIRS	6	
312	OFFICE RESERVED FOR EXPANSION	6	
313	OFFICE RESERVED FOR EXPANSION	6	
314	OFFICE RESERVED FOR EXPANSION	6	
315	OFFICE RESERVED FOR EXPANSION	6	
316	OFFICE RESERVED FOR EXPANSION	6	
317	OFFICE RESERVED FOR EXPANSION	6	
318	OFFICE RESERVED FOR EXPANSION	6	
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354	OFFICE RESERVED FOR EXPANSION	6	
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400	OFFICE RESERVED FOR EXPANSION	6	






**FOURTH FLOOR PLAN**  
 1/8" = 1'-0"



ROOM LEGEND			
NO.	NAME	SQ. AREA	EST. SEATING
400	MICROSCOPICAL ROOM	80	
402	STAFF	1/4	
403	ELEVATOR LOBBY	7 1/2	
404	CORRIDOR	30 1/2	
405	OFFICE	14	
406	OFFICE	30 1/2	
407	STORAGE	8	
408	SERVERS TOILET	4	
409	SERVERS TOILET	4	
410	CORRIDOR	1 1/2	
411	SERVERS ROOM	11	
412	SERVERS ROOM	8	
413	SERVERS ROOM	8 1/2	
414	OFFICE (STUDENT ORG.)	150	
415	CORRIDOR	10	
416	CORRIDOR	8 1/2	
417	STAFF	1/4	
418	CORRIDOR	2 1/4	
419	STUDENT BAR LAB/DOC. OFFICE	10 1/2	
420	LAB SERVER STAFF	10	
421	LAB SERVER EDITOR-S-CHEF	10	
<b>TOTALS</b>		<b>128</b>	

**LINCOLN MEMORIAL UNIVERSITY**  
**REPORT ON AUDIT OF INSTITUTION**  
**OF HIGHER EDUCATION**  
**IN ACCORDANCE WITH OMB CIRCULAR A-133**  
**June 30, 2006**

LINCOLN MEMORIAL UNIVERSITY

REPORT ON AUDIT OF INSTITUTION OF HIGHER EDUCATION  
IN ACCORDANCE WITH OMB CIRCULAR A-133

June 30, 2006

CONTENTS

REPORT OF INDEPENDENT AUDITORS.....	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES .....	4
STATEMENTS OF CASH FLOWS .....	6
NOTES TO FINANCIAL STATEMENTS .....	7
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	16
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	17
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	18
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 .....	20
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	22
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS .....	23



Crowe Chizek and Company LLC  
Member Horwath International

## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

We have audited the accompanying statements of financial position of Lincoln Memorial University (the "University") as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Memorial University as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2006 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Lincoln Memorial University taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Crowe Chizek and Company LLC

Louisville, Kentucky  
September 8, 2006

LINCOLN MEMORIAL UNIVERSITY  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 713,202	\$ 4,047,747
Accounts receivable - students, net of allowance for doubtful accounts: \$192,590 in 2006, \$199,543 in 2005	6,808,940	6,489,164
Accounts receivable - federal government	208,697	195,616
Accounts receivable - other	139,708	139,265
Pledges receivable, net	58,125	97,201
Investments	45,356,890	42,125,172
Notes receivable, net of allowance for doubtful accounts of \$525,000 in 2006 and 2005	780,569	947,988
Property, plant and equipment, net	26,462,647	19,845,109
Other assets	<u>176,171</u>	<u>136,242</u>
<b>Total assets</b>	<b><u>\$ 80,704,949</u></b>	<b><u>\$ 74,023,504</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,178,726	\$ 393,973
Accrued expenses and withholdings	982,317	870,407
Deferred tuition	8,195,828	7,318,492
Student deposits	182,825	158,785
Deposits held in custody	158,491	117,449
Refundable loan programs	855,921	872,640
Annuities payable	523,724	556,193
Debt	<u>6,930,427</u>	<u>5,185,212</u>
Total liabilities	<u>19,008,259</u>	<u>15,473,151</u>
<b>Net assets</b>		
Unrestricted	45,636,979	43,595,224
Temporarily restricted	2,572,501	2,265,602
Permanently restricted	<u>13,487,210</u>	<u>12,689,527</u>
Total net assets	<u>61,696,690</u>	<u>58,550,353</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 80,704,949</u></b>	<b><u>\$ 74,023,504</u></b>

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUES AND SUPPORT</b>				
Tuition and fees	\$ 26,943,324	\$ -	\$ -	\$ 26,943,324
Less: student aid	<u>(6,162,689)</u>	<u>-</u>	<u>-</u>	<u>(6,162,689)</u>
Net tuition and fees	20,780,635	-	-	20,780,635
Government grants and contracts	1,032,769	-	-	1,032,769
Private gifts and grants	111,015	550,269	-	661,284
Other sources	429,465	-	-	429,465
Investment income	1,042,816	515,394	76,807	1,635,017
Auxiliary enterprises	<u>2,815,670</u>	<u>-</u>	<u>-</u>	<u>2,815,670</u>
	26,212,370	1,065,663	76,807	27,354,840
 Net assets released from restrictions	 <u>758,764</u>	 <u>(758,764)</u>	 <u>-</u>	 <u>-</u>
Total operating revenues and support	<u>26,971,134</u>	<u>306,899</u>	<u>76,807</u>	<u>27,354,840</u>
 <b>OPERATING EXPENSES</b>				
Educational and general				
Instruction	11,127,278	-	-	11,127,278
Public service	821,996	-	-	821,996
Academic support	2,514,858	-	-	2,514,858
Support services	3,441,588	-	-	3,441,588
Institutional support	<u>5,166,288</u>	<u>-</u>	<u>-</u>	<u>5,166,288</u>
Total educational and general	23,072,008	-	-	23,072,008
Auxiliary enterprises	<u>2,043,325</u>	<u>-</u>	<u>-</u>	<u>2,043,325</u>
Total operating expenses	<u>25,115,333</u>	<u>-</u>	<u>-</u>	<u>25,115,333</u>
 Increase in net assets from operating activities	 <u>1,855,801</u>	 <u>306,899</u>	 <u>76,807</u>	 <u>2,239,507</u>
 <b>NON-OPERATING ACTIVITIES</b>				
Contributions	46,625	-	657,073	703,698
Realized and unrealized gains on investments	139,329	-	96,063	235,392
Actuarial adjustment of annuities payable	<u>-</u>	<u>-</u>	<u>(32,260)</u>	<u>(32,260)</u>
 Increase in net assets from non-operating activities	 <u>185,954</u>	 <u>-</u>	 <u>720,876</u>	 <u>906,830</u>
 Change in net assets	 2,041,755	 306,899	 797,683	 3,146,337
 Net assets, beginning of year	 <u>43,595,224</u>	 <u>2,265,602</u>	 <u>12,689,527</u>	 <u>58,550,353</u>
 Net assets, end of year	 <u>\$ 45,636,979</u>	 <u>\$ 2,572,501</u>	 <u>\$13,487,210</u>	 <u>\$ 61,696,690</u>

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUES AND SUPPORT</b>				
Tuition and fees	\$ 25,782,641	\$ -	\$ -	\$ 25,782,641
Less: student aid	<u>(6,009,921)</u>	<u>-</u>	<u>-</u>	<u>(6,009,921)</u>
Net tuition and fees	19,772,720	-	-	19,772,720
Government grants and contracts	899,534	-	-	899,534
Private gifts and grants	1,617,312	655,816	-	2,273,128
Other sources	497,439	-	-	497,439
Investment income	805,634	473,781	17,635	1,297,050
Auxiliary enterprises	<u>2,635,909</u>	<u>-</u>	<u>-</u>	<u>2,635,909</u>
	26,228,548	1,129,597	17,635	27,375,780
Net assets released from restrictions	<u>545,287</u>	<u>(545,287)</u>	<u>-</u>	<u>-</u>
Total operating revenues and support	<u>26,773,835</u>	<u>584,310</u>	<u>17,635</u>	<u>27,375,780</u>
 <b>OPERATING EXPENSES</b>				
Educational and general				
Instruction	8,692,129	-	-	8,692,129
Public service	612,517	-	-	612,517
Academic support	2,342,629	-	-	2,342,629
Support services	2,869,182	-	-	2,869,182
Institutional support	<u>5,311,408</u>	<u>-</u>	<u>-</u>	<u>5,311,408</u>
Total educational and general	19,827,865	-	-	19,827,865
Auxiliary enterprises	<u>2,135,860</u>	<u>-</u>	<u>-</u>	<u>2,135,860</u>
Total operating expenses	<u>21,963,725</u>	<u>-</u>	<u>-</u>	<u>21,963,725</u>
Increase in net assets from operating activities	<u>4,810,110</u>	<u>584,310</u>	<u>17,635</u>	<u>5,412,055</u>
 <b>NON-OPERATING ACTIVITIES</b>				
Contributions	-	-	646,211	646,211
Realized and unrealized gains on investments	1,183,214	-	88,402	1,271,616
Actuarial adjustment of annuities payable	-	-	(27,958)	(27,958)
Change in value of land held for investment	<u>(2,240,502)</u>	<u>-</u>	<u>-</u>	<u>(2,240,502)</u>
Increase (decrease) in net assets from non-operating activities	<u>(1,057,288)</u>	<u>-</u>	<u>706,655</u>	<u>(350,633)</u>
Change in net assets	3,752,822	584,310	724,290	5,061,422
Net assets, beginning of year	<u>39,842,402</u>	<u>1,681,292</u>	<u>11,965,237</u>	<u>53,488,931</u>
Net assets, end of year	<u>\$ 43,595,224</u>	<u>\$ 2,265,602</u>	<u>\$12,689,527</u>	<u>\$ 58,550,353</u>

See accompanying notes.



LINCOLN MEMORIAL UNIVERSITY  
STATEMENTS OF CASH FLOWS  
Years ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,146,337	\$ 5,061,422
Adjustments to reconcile change in net asset to net cash from operating activities:		
Depreciation	1,391,600	1,135,906
Contributions used for long-term investment	(657,073)	(646,211)
Realized and unrealized gains on investments	(235,392)	(1,271,616)
Change in value of land held for investment	-	2,240,502
Net adjustment of annuity payment liability	32,260	27,958
Change in assets and liabilities		
Accounts receivable	(333,300)	(5,964,553)
Pledges receivable	39,076	6,359
Other assets	(39,929)	(130,407)
Notes receivable	167,419	(14,184)
Accounts payable	784,753	(130,862)
Accrued expenses and withholdings	111,910	(118,540)
Deferred tuition	877,336	5,238,707
Deposits	65,082	21,626
Refundable loans	(16,719)	376,533
Net cash from operating activities	<u>5,333,360</u>	<u>5,832,640</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(18,432,043)	(12,279,458)
Proceeds from sales of investments	15,435,717	7,683,321
Purchase of property and equipment	(8,049,742)	(2,612,604)
Proceeds from sale of property and equipment	<u>40,604</u>	<u>-</u>
Net cash from investing activities	<u>(11,005,464)</u>	<u>(7,208,741)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of debt	2,122,322	-
Principal paid on debt	(377,107)	(377,106)
Payments to annuitants	(64,729)	(57,218)
Annuity payable	-	142,767
Contributions used for long-term investment	<u>657,073</u>	<u>646,211</u>
Net cash from financing activities	<u>2,337,559</u>	<u>354,654</u>
Change in cash and cash equivalents	(3,334,545)	(1,021,447)
Cash and cash equivalents, beginning of year	<u>4,047,747</u>	<u>5,069,194</u>
Cash and cash equivalents, end of year	<u>\$ 713,202</u>	<u>\$ 4,047,747</u>
Supplemental disclosure of cash information:		
Cash paid during the year for interest	\$ 268,257	\$ 174,496

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization:** Lincoln Memorial University, located in Harrogate, Tennessee is a fully accredited institution of higher education providing both graduate and undergraduate degrees. The University also operates a private high school (The J. Frank White Academy) and the operations are included in these financial statements.

**Basis of Accounting:** The financial statements of the University have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

**Financial Statement Presentation:** These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been done by classification of fund transactions and balances into three categories of net assets: unrestricted, temporarily restricted, and permanently restricted.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Permanently restricted net assets** - Net assets subject to donor imposed stipulations that they be maintained permanently by the University. Generally, the donors of these assets permit the University to use the income earned on related investments for general or specific purposes.

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met by actions of the University and/or the passage of time.

**Unrestricted net assets** - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents:** The University considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents with the exception of investments purchased with gifts that have donor-imposed restrictions that limit their use to long-term investment. At various times throughout the year, the University had in excess of \$100,000 on deposit in a financial institution whose deposits are insured up to \$100,000.

**Contributions:** Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fund-raising activity.

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at the time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The University follows the policy of reporting donor-imposed restricted contributions and endowment income whose restrictions are met in the same year as revenues of the unrestricted net asset class.

**Accounts Receivable:** The University records student receivables representing amounts for tuition, room, board and fees at the beginning of the semester. Payment is due immediately unless the student has been set up on a specific payment plan. Interest is assessed when payments are 30 days past due and is assessed monthly. A reserve is established when collection is considered questionable, and accounts are written off when the University deems that further collection efforts will not produce additional recoveries.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The University records other receivables for grants and other programs. Management considers these to be collectible, so no allowance is recorded for these receivables.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Fair values are determined by quoted market prices at year-end. Unrealized gains and losses are included in the changes in net assets in the accompanying statements of activities. Investments in real estate are recorded at fair value based on an appraisal of the real estate.

Net appreciation on endowment funds, whose income is unrestricted as to use, is reported as unrestricted net assets unless such net appreciation has been restricted by the donor or by law. Accordingly, market appreciation on unrestricted endowment funds is classified in the accompanying financial statements as part of unrestricted net assets.

Property, Plant and Equipment: Plant assets, consisting of land, other land improvements, buildings and improvements, furniture and equipment, library holdings, and construction in progress are stated in the accompanying statements of financial position at cost, or if contributed, at fair value at date of gift. Generally, expenditures of greater than \$1,000 which increase values or extend useful lives of the respective assets are capitalized. Depreciation is provided over the estimated useful lives on a straight-line basis ranging from 5 to 50 years.

Collections: Located on the campus of the University is the Abraham Lincoln Museum. This center for history, research and public interest contains a large collection of Lincoln and Civil War artifacts and volumes. These collections are not recorded on the statements of financial position and the fair value of these collections is indeterminable. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

Income Taxes: The University is a tax-exempt institution under Internal Revenue Code, Section 501(c) (3); accordingly, no provision for income taxes has been made in the financial statements.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2006 and 2005

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**NOTE 2- PLEDGES RECEIVABLE**

At June 30, 2006 and 2005, the University had pledges receivable of \$58,125 and \$97,201, respectively.

Pledges receivable have been designated to be paid by donors as follows:

	<u>2006</u>	<u>2005</u>
Within one year	\$ 14,100	\$ 59,550
One to five years	<u>44,860</u>	<u>80,400</u>
	58,960	139,950
Less: discounts and allowances	<u>835</u>	<u>42,749</u>
Net pledges receivable	<u>\$ 58,125</u>	<u>\$ 97,201</u>

**NOTE 3 - INVESTMENTS**

Investments, at fair value, are summarized as follows at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 3,809,859	\$ 3,264,575
Corporate stocks	4,747,156	1,225,235
Corporate bonds	9,554,087	9,522,319
U.S. Government obligations	1,899,428	1,056,199
Mutual funds	13,896,843	15,703,390
Investments in land and buildings	6,419,499	6,419,499
Investments in land held for sale	1,437,500	1,437,500
Investments in land and mineral rights	<u>372,158</u>	<u>372,158</u>
	42,136,530	39,000,875
Funds held in trust by others where Lincoln Memorial University receives all or a stipulated percentage of income	<u>3,220,360</u>	<u>3,124,297</u>
	<u>\$ 45,356,890</u>	<u>\$ 42,125,172</u>

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2006 and 2005

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**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following at June 30:

	<u>2006</u>	<u>2005</u>
Land	\$ 872,438	\$ 372,438
Buildings and improvements	28,767,970	26,622,761
Other land improvements	2,618,593	2,482,773
Furniture and equipment	8,833,678	7,823,900
Library holdings	1,423,992	1,370,482
Construction in progress	<u>4,118,018</u>	<u>187,096</u>
	46,634,689	38,859,450
Less: accumulated depreciation	<u>20,172,042</u>	<u>19,014,341</u>
Net property, plant and equipment	<u>\$ 26,462,647</u>	<u>\$ 19,845,109</u>

The University has approximately \$6,000,000 in commitments for various capital projects at June 30, 2006. The projects are scheduled to be completed by July 2007.

**NOTE 5 - DEBT**

The University has a line of credit agreement with a bank with interest due monthly at the 30-day LIBOR rate plus 1% (6.3451% at June 30, 2006). The agreement expires May 15, 2007 and is unsecured. The outstanding borrowings on the line of credit are \$0 at June 30, 2006 and 2005.

The University also has the following outstanding notes payable at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Commercial bank note, interest only accrued at the 30-day LIBOR rate plus 1% (6.3451% at June 30, 2006). Balance due October 2, 2006, collateralized by a certain building.	\$ 2,122,322	\$ -

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2006 and 2005

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**NOTE 5 - DEBT (Continued)**

	<u>2006</u>	<u>2005</u>
<p>Bank note, issued pursuant to a conventional term loan to refinance the Series 1994 Educational Facilities Revenue Refunding Bonds issued by the Health, Educational and Housing Facility Board of the Town of New Tazewell, Tennessee. Monthly principal payments of \$31,426 plus interest at the 30-day LIBOR plus 1% (6.3451% at June 30, 2006), with a final payment due March 30, 2014, collateralized by various property, plant and equipment and contains financial covenants that require the University to meet certain thresholds regarding net assets and increases in net assets at the end of the fiscal year.</p>	<p><u>\$ 4,808,105</u></p>	<p><u>\$ 5,185,212</u></p>
	<p><u>\$ 6,930,427</u></p>	<p><u>\$ 5,185,212</u></p>

The University believes the carrying amount of its long-term debt approximates fair value.

Future maturities of debt are as follows:

Year ending June 30	
2007	\$ 2,499,429
2008	377,107
2009	377,107
2010	377,107
2011	377,107
Thereafter	<u>2,922,570</u>
	<u>\$ 6,930,427</u>

**NOTE 6 - RETIREMENT AND BENEFIT PLANS**

The University participates in the programs of the Teachers Insurance and Annuity Association ("TIAA") and College Retirement Equities Fund ("CREF"). The pension plan is a defined contribution annuity plan. Employees are eligible for the retirement plan after two years of employment. Pension expense amounted to \$380,806 and \$319,916 for the years ended June 30, 2006 and 2005, respectively.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2006 and 2005

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**NOTE 7 - OPERATING LEASES**

The University leases certain equipment under long-term leases with various agents that are accounted for as operating leases. Lease expense for the years ended June 30, 2006 and 2005, was \$72,888 and \$83,002, respectively.

Future maturities of lease obligations are as follows:

Year ending June 30	
2007	\$ 119,700
2008	119,700
2009	119,700
2010	119,700
2011	<u>79,800</u>
	<u>\$ 558,600</u>

**NOTE 8 - NET ASSETS**

Temporarily restricted net assets are available at June 30, 2006 and 2005 for the following purposes:

	<u>2006</u>	<u>2005</u>
Funds restricted for specific purposes	\$ 890,485	\$ 583,586
Unexpended plant funds	365,056	365,056
Endowment funds	<u>1,316,960</u>	<u>1,316,960</u>
	<u>\$ 2,572,501</u>	<u>\$ 2,265,602</u>

Net assets released from restrictions during the year ended June 30, 2006 and 2005 consisted of funds used for student aid and support.

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(Continued)



LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

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**NOTE 8 - NET ASSETS (Continued)**

Permanently restricted net assets are available at June 30, 2006 and 2005 for the following purposes:

	<u>2006</u>	<u>2005</u>
Endowment funds	\$ 9,814,641	\$ 9,120,777
Annuity and life income funds	452,209	444,453
Funds held in trust by others	<u>3,220,360</u>	<u>3,124,297</u>
	<u>\$ 13,487,210</u>	<u>\$ 12,689,527</u>

**NOTE 9 - CONTINGENCIES AND COMMITMENTS**

The University is a defendant in various lawsuits. However, University management is of the opinion, based on advice of legal counsel, that the ultimate resolution of these litigation matters will not have a material effect on the future operations or financial position of the University.

The University receives grants and contracts from certain federal, state and local agencies. The costs, both direct and indirect, that have been charged to the grant or contract are subject to examination and approval by the granting agency. It is the opinion of the University administration that any disallowance or adjustment of such costs would not have a material effect on the accompanying financial statements.

**NOTE 10 - FINANCIAL INSTRUMENTS AND FAIR VALUE**

During 2006, the University entered into an interest rate swap to receive market rate interest and pay fixed rate interest to a major financial institution that locked in the University's interest rate paid on a portion of its note payable. The interest-rate swap agreement is for the purpose of reducing certain exposures to interest-rate fluctuations. At June 30, 2006, this interest rate swap had a total notional amount of \$4,849,848. Under this agreement, the University will pay the bank interest monthly at 6.57%. This agreement is for eight years.

The carrying amount of the financial instruments reported in the statements of financial position, which include accounts receivable, notes receivable, accounts payable and debt, approximate fair value at June 30, 2006 and 2005.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

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**NOTE 11 - SUBSEQUENT EVENTS**

In July 2006, the Industrial Development Board of the County of Claiborne, Tennessee, on behalf of Lincoln Memorial University, issued Revenue Bonds, Series 2006 variable rate bonds in the amount of \$18 million. The proceeds of the bond issue will be used in construction of the DeBusk College of Medicine building to house the new College of Osteopathic Medicine.

**NOTE 12 - RELATED PARTY TRANSACTIONS**

As of June 30, 2006, the University had outstanding debt with a bank whose Chief Operating Officer and President is also a member of the University's Board of Trustees.

**NOTE 13 - RESTRICTED INVESTMENTS**

At June 30, 2006, investments included \$23,971,313 representing amounts required by the Commission of Osteopathic College Accreditation to be held in escrow until the first graduating class from the College of Medicine.

LINCOLN MEMORIAL UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2006

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<u>Federal Grant/Program Title</u>	<u>Federal CFDA</u>	<u>Federal Expenditures</u>
<b>U. S. DEPARTMENT OF EDUCATION:</b>		
<b>Student Financial Aid Cluster</b>		
Federal Pell Grant Program	84.063	\$ 1,941,604
Federal Perkins Loan Program	84.038	1,296,027
Federal Work Study Program	84.033	136,566
Federal Supplemental Educational Opportunity Grant Program	84.007	136,650
Federal Family Education Loan Program	84.032	<u>15,129,250</u>
Total Student Financial Aid Cluster		18,640,097
 <b>TRIO Cluster</b>		
Upward Bound Program	84.047	453,868
Student Support Services Program	84.042	<u>272,793</u>
Total TRIO Cluster		<u>726,661</u>
Total U. S. Department of Education		<u>19,366,758</u>
 <b>Total federal awards</b>		 <u>\$ 19,366,758</u>

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LINCOLN MEMORIAL UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2006

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**NOTE 1 - BASIS OF ACCOUNTING**

This schedule includes the federal awards activity of Lincoln Memorial University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Catalog of Federal Domestic Assistance ("CFDA") numbers are presented for those programs for which such numbers were available. All programs are presented by federal department.

**NOTE 2 - LOANS**

Loans made by the University to eligible students under the Federal Perkins Loan Program and federal student loans issued by the Federal Family Educational Loan Program during the year ended June 30, 2006 are summarized as follows:

Federal Perkins Loan Program	
Loans Disbursed	\$ 58,262
Federal Family Education Loan Program	
Federal Subsidized Stafford Loans	\$ 5,241,769
Federal Unsubsidized Stafford Loans	9,421,302
Federal PLUS Loans	<u>466,179</u>
	<u>\$ 15,129,250</u>

At June 30, 2006, the University had loans outstanding in the amount of \$1,296,027 with an allowance for doubtful accounts of \$525,000 under the Perkins Loan program. The outstanding loan balance is included in the accompanying Schedule of Expenditures of Federal Awards.



Crowe Chizek and Company LLC  
Member Horwath International

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

We have audited the financial statements of Lincoln Memorial University (the "University") as of and for the year ended June 30, 2006, and have issued our report thereon dated September 8, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

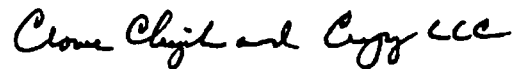
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving compliance and other matters that we have reported to management in a separate letter dated September 8, 2006.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Chizek and Company LLC

Louisville, Kentucky  
September 8, 2006



Crowe Chizek and Company LLC  
Member Horvath International

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

Compliance

We have audited the compliance of Lincoln Memorial University (the "University") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University's compliance with those requirements.

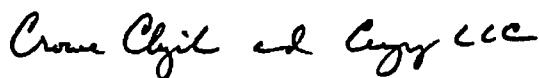
In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, except for the functions performed at the University's contract outside service center in connection with processing transactions from the Perkins program, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Chizek and Company LLC

Louisville, Kentucky  
September 8, 2006



LINCOLN MEMORIAL UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2006

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A. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Lincoln Memorial University.
2. No instances of noncompliance material to the financial statements of Lincoln Memorial University were disclosed during the audit.
3. No reportable conditions were reported relative to major federal award programs.
4. The auditors' report on compliance for the major federal award programs for Lincoln Memorial University expresses an unqualified opinion.
5. There were no audit findings relative to the major federal award programs for Lincoln Memorial University.
6. Major programs include:  
  
    Student Financial Aid Cluster:  
    Federal Pell Grant Program, CFDA No. 84.063  
    Federal Family Education Loan Program, CFDA No. 84.032  
    Federal Supplemental Educational Opportunity Grant Program, CFDA No. 84.007  
    Federal Work Study Program, CFDA No. 84.033  
    Federal Perkins Loan Program, CFDA No. 84.038
7. The threshold for distinguishing Types A and B programs was \$300,000.
8. Lincoln Memorial University was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD AUDIT

None

D. CORRECTIVE ACTION PLAN

None

E. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

See findings

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LINCOLN MEMORIAL UNIVERSITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2006

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**FINDING 05-01 - Federal Pell Grant Program (CFDA No. 84.063)**

Of the 33 students selected for disbursement testing of which 26 received Pell grants, we noted that the University did not report the Pell disbursements made during various terms to the COD within 30 days for 23 of these students.

**Status:** Corrective action has been taken.

**Finding 05-02 - Federal Family Education Loan Program (CFDA No. 84.032)**

During our testing of 20 borrowers who ceased attendance at the institution during 2004-2005, we noted that the required exit counseling information was not provided to eight of the students within the required timeframe under 34 CFR 682.604(g).

**Status:** Corrective action has been taken.

**FINDING 05-03 - Federal Pell Grant Program (CFDA No. 84.063), Federal Family Education Loan Program (CFDA No. 84.032), Federal Supplemental Educational Opportunity Grant Program (CFDA No. 84.007), Federal Work Study Program (CFDA No. 84.033) and Federal Perkins Loan Program (CFDA No. 84.038)**

During our inquiry with management, we noted that the information sent to the student, along with his or her award letter did not contain the required disbursement information on how and when the awarded funds would be disbursed.

**Status:** Corrective action has been taken.

**FINDING 05-04 - Federal Perkins Loan Program (CFDA No. 84.038)**

During our testing of eight accounts that entered repayment during 2004-2005, we noted that one student was not sent the first two notifications during his grace period while another was not sent any of the three required contacts. We also noted that for another two students, the repayment plan established by the University did not contain the correct separation date and therefore, the initial grace period ended in the wrong month and the required grace period contacts were not sent according to the regulations.

**Status:** Corrective action has been taken.

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LINCOLN MEMORIAL UNIVERSITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2006

---

**FINDING 05-05 - Federal Family Education Loan Program (CFDA No. 84.032)**

During our testing of 16 students who withdrew from the University, we noted that nine of these students who unofficially withdrew during the Spring semester were not reported until the first Fall roster file. Therefore, these students were not reported within the required 30 days.

**Status:** Corrective action has been taken.

**FINDING 04-01 - Federal Pell Grant Program (CFDA No. 84.063)**

Of the 33 students selected for disbursement testing, 23 received Pell grants. We noted that the University did not report the Pell disbursements made during various terms to the COD within 30 days for these 23 students.

**Status:** Corrective action has been taken.

## **2009-2010 POLICIES GOVERNING STUDENT FINANCIAL ASSISTANCE**

**Cost:** The cost of tuition and fees for a full-time commuting student (12-17 hrs.) will be **\$15,120** for the 2009-2010 academic year. The average cost for students residing in the residence halls will be **\$3,145** for the year, depending upon where the student resides. Boarding costs may vary slightly depending upon residence hall assignment and choice of meal plan. The average of meals for both terms is \$3,195. Tuition for part-time (1-11 hrs.) is **\$630** per credit hour. Graduate tuition ranges from **\$330** to **\$550** per credit hour for student receiving financial aid, based on program enrollment.

**Pell Grant:** The amount of Pell Grant award is based on the student's anticipated enrollment status for the academic year. This amount varies based on his/her enrollment status (full time,  $\frac{3}{4}$  time,  $\frac{1}{2}$  time, less than  $\frac{1}{2}$  time).

**Tennessee Student Assistance Awards:** If a Tennessee Student Assistance Award is listed on the student's award letter, it represents our estimate of the student's eligibility for this grant. Official notification of this is sent to the student by the Tennessee Student Assistance Corporation (TSAC). Tennessee residents who do not receive an award notification from TSAC by June 15<sup>th</sup> should contact the Financial Aid Office immediately.

**Lincoln Grant:** Eligibility for this award is based on need as well as full-time enrollment with LMU. Consortium agreements do not reinstate eligibility for this award.

**Institutional Aid:** Institutional aid, including all athletic, academic and need-based aid, may only be used to cover tuition, room, board and allowable bookstore charges. Items approved for purchase from the bookstore include all necessary text books and study guides, reasonable quantities of notebooks, binders and filler paper, and basic office supplies consistent with school coursework. All unacceptable charges are subject to rejection and student re-billing. All exceptions to the guidelines require prior approval of the LMU Financial Aid Office.

**Payment of Work-Study:** Students awarded work-study jobs will be paid monthly for the number of hours worked during the pay period. The pay rate is \$6.55 per hour. Students are encouraged to apply their work-study earnings to reduce the balance owed; however, students may retain these monies for personal use.

**Stafford Loans:** **TO BE ELIGIBLE FOR A STAFFORD LOAN A STUDENT MUST CARRY AT LEAST (6) CREDIT HOURS.** The Master Promissory Note (MPN) will only need to be filled out once over your entire enrollment with LMU (providing you use the same bank each year). The MPN does not ask for a dollar amount. You will request the amount you wish to borrow on the award letter. You will receive the award letter after your application for financial aid has been processed. You must complete an entrance interview before you can use the Stafford Loan program. It is the student's responsibility to complete the MPN either 1) by hardcopy mailed to them by the lender or 2) online at <http://www.lmunet.edu/admissions/loans.html>.

**Satisfactory Academic Progress:** Eligibility for all the Title IV aid programs is based on financial need, availability of funds, and maintenance of satisfactory academic progress. Refer to the LMU catalog for a detailed explanation of the institution's satisfactory academic progress policy.

**Summer Financial Aid** – Typically, most students exhaust financial aid eligibility during the Fall and Spring terms. Occasionally, students may have remaining financial aid eligibility for the summer term. To inquire about or apply for Summer aid, please contact the Financial Aid Office.

**Additional Awards:** Students receiving financial assistance which is not listed on their award letter **MUST** notify the Financial Aid Office of those funds as soon as possible.

**Withdrawal:** Students planning to withdraw from the University should notify the Financial Aid Office prior to withdrawal. The student's financial aid will be charged with the percentage applicable as of the date of official withdrawal. Students who have received funds from either Perkins Loan or Stafford Loan programs are required to have an exit interview prior to leaving the University. For partial withdrawals, financial aid will be adjusted based on enrollment status until the financial aid census date, which is the end of the credit/refund period, approximately 4 weeks into the semester. Please refer to the registration policies for specific dates each term.

**Review:** The Financial Aid Office reserves the right on behalf of the University to review and revise a student's aid award due to changes in the student's financial circumstance, academic status, or failure to comply with the rules and regulations of the University.

**Renewal:** No awards from Lincoln Memorial University are automatically renewed from year to year. A new application must be submitted each year.

**Disbursement:** Financial awards are usually made on an annual basis. The annual award is divided into equal installments which are posted to the student's account by the Bursar's Office during all terms. Aid will be disbursed to the student accounts after the drop/add period and bookstore charge periods, approximately 4 weeks into each semester. If after applying the financial aid awards to the student's account a credit balance is created, the student is eligible to receive a refund.

**LINCOLN MEMORIAL UNIVERSITY**  
**REPORT ON AUDIT OF INSTITUTION**  
**OF HIGHER EDUCATION**  
**IN ACCORDANCE WITH OMB CIRCULAR A-133**  
**June 30, 2007**

LINCOLN MEMORIAL UNIVERSITY

REPORT ON AUDIT OF INSTITUTION OF HIGHER EDUCATION  
IN ACCORDANCE WITH OMB CIRCULAR A-133  
June 30, 2007

CONTENTS

REPORT OF INDEPENDENT AUDITORS.....	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES .....	4
STATEMENTS OF CASH FLOWS.....	6
NOTES TO FINANCIAL STATEMENTS .....	7
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	17
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	18
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	19
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 .....	21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	23



Crowe Chizek and Company LLC  
Member Horwath International

## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

We have audited the accompanying statements of financial position of Lincoln Memorial University (the "University") as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Memorial University as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October, 2007 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Our audit was performed for the purpose of forming an opinion on the basic financial statements of Lincoln Memorial University taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC

Louisville, Kentucky  
October 18, 2007

LINCOLN MEMORIAL UNIVERSITY  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,162,807	\$ 713,202
Accounts receivable – students, net of allowance for doubtful accounts: \$234,986 in 2007, \$192,590 in 2006	8,940,586	6,808,940
Accounts receivable – federal government	250,797	208,697
Accounts receivable – other	95,357	139,708
Pledges receivable, net	30,330	58,125
Investments	49,995,629	42,136,530
Funds held in trust by others	4,075,624	3,220,360
Vested beneficial interest in charitable remainder annuity trusts	620,898	-
Notes receivable, net of allowance for doubtful accounts of \$525,000 in 2007 and 2006	744,456	780,569
Property, plant and equipment, net	57,827,546	26,462,647
Other assets	<u>361,476</u>	<u>176,171</u>
<b>Total assets</b>	<b><u>\$ 125,105,506</u></b>	<b><u>\$ 80,704,949</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 4,478,948	\$ 1,178,726
Accrued expenses and withholdings	1,206,730	982,317
Deferred tuition	10,702,353	8,195,828
Student deposits	584,289	182,825
Deposits held in custody	138,540	158,491
Refundable loan programs	899,975	855,921
Annuities payable	490,333	523,724
Debt	<u>38,790,067</u>	<u>6,930,427</u>
<b>Total liabilities</b>	<b><u>57,291,235</u></b>	<b><u>19,008,259</u></b>
<b>Net assets</b>		
Unrestricted	49,174,319	45,636,979
Temporarily restricted	4,043,945	2,572,501
Permanently restricted	<u>14,596,007</u>	<u>13,487,210</u>
<b>Total net assets</b>	<b><u>67,814,271</u></b>	<b><u>61,696,690</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 125,105,506</u></b>	<b><u>\$ 80,704,949</u></b>

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUES AND SUPPORT</b>				
Tuition and fees	\$ 30,773,462	\$ -	\$ -	\$ 30,773,462
Less: student aid	<u>(7,319,846)</u>	-	-	<u>(7,319,846)</u>
Net tuition and fees	23,453,616	-	-	23,453,616
Government grants and contracts	962,766	-	-	962,766
Private gifts and grants	162,256	1,560,944	-	1,723,200
Other sources	592,558	-	-	592,558
Investment income	1,018,033	590,666	94,908	1,703,607
Auxiliary enterprises	<u>2,995,841</u>	-	-	<u>2,995,841</u>
	29,185,070	2,151,610	94,908	31,431,588
Net assets released from restrictions	<u>680,166</u>	<u>(680,166)</u>	-	-
Total operating revenues and support	<u>29,865,236</u>	<u>1,471,444</u>	<u>94,908</u>	<u>31,431,588</u>
<b>OPERATING EXPENSES</b>				
Educational and general				
Instruction	14,279,513	-	-	14,279,513
Public service	694,563	-	-	694,563
Academic support	3,007,784	-	-	3,007,784
Support services	3,385,637	-	-	3,385,637
Institutional support	<u>6,129,587</u>	-	-	<u>6,129,587</u>
Total educational and general	27,497,084	-	-	27,497,084
Auxiliary enterprises	<u>1,989,204</u>	-	-	<u>1,989,204</u>
Total operating expenses	<u>29,486,288</u>	-	-	<u>29,486,288</u>
Increase in net assets from operating activities	<u>378,948</u>	<u>1,471,444</u>	<u>94,908</u>	<u>1,945,300</u>
<b>NON-OPERATING ACTIVITIES</b>				
Contributions	606,766	-	727,535	1,334,301
Realized and unrealized gains on investments	2,551,626	-	324,669	2,876,295
Actuarial adjustment of annuities payable	-	-	<u>(38,315)</u>	<u>(38,315)</u>
Increase in net assets from non-operating activities	<u>3,158,392</u>	-	<u>1,013,889</u>	<u>4,172,281</u>
Change in net assets	3,537,340	1,471,444	1,108,797	6,117,581
Net assets, beginning of year	<u>45,636,979</u>	<u>2,572,501</u>	<u>13,487,210</u>	<u>61,696,690</u>
Net assets, end of year	<u>\$ 49,174,319</u>	<u>\$ 4,043,945</u>	<u>\$ 14,596,007</u>	<u>\$ 67,814,271</u>

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUES AND SUPPORT</b>				
Tuition and fees	\$ 26,943,324	\$ -	\$ -	\$ 26,943,324
Less: student aid	<u>(6,162,689)</u>	-	-	<u>(6,162,689)</u>
Net tuition and fees	20,780,635	-	-	20,780,635
Government grants and contracts	1,032,769	-	-	1,032,769
Private gifts and grants	111,015	550,269	-	661,284
Other sources	429,465	-	-	429,465
Investment income	1,042,816	515,394	76,807	1,635,017
Auxiliary enterprises	<u>2,815,670</u>	-	-	<u>2,815,670</u>
	26,212,370	1,065,663	76,807	27,354,840
Net assets released from restrictions	<u>758,764</u>	<u>(758,764)</u>	-	<u>-</u>
Total operating revenues and support	<u>26,971,134</u>	<u>306,899</u>	<u>76,807</u>	<u>27,354,840</u>
<b>OPERATING EXPENSES</b>				
Educational and general				
Instruction	11,127,278	-	-	11,127,278
Public service	821,996	-	-	821,996
Academic support	2,514,858	-	-	2,514,858
Support services	3,441,588	-	-	3,441,588
Institutional support	<u>5,166,288</u>	-	-	<u>5,166,288</u>
Total educational and general	23,072,008	-	-	23,072,008
Auxiliary enterprises	<u>2,043,325</u>	-	-	<u>2,043,325</u>
Total operating expenses	<u>25,115,333</u>	-	-	<u>25,115,333</u>
Increase in net assets from operating activities	<u>1,855,801</u>	<u>306,899</u>	<u>76,807</u>	<u>2,239,507</u>
<b>NON-OPERATING ACTIVITIES</b>				
Contributions	46,625	-	657,073	703,698
Realized and unrealized gains on investments	139,329	-	96,063	235,392
Actuarial adjustment of annuities payable	<u>-</u>	<u>-</u>	<u>(32,260)</u>	<u>(32,260)</u>
Increase in net assets from non-operating activities	<u>185,954</u>	<u>-</u>	<u>720,876</u>	<u>906,830</u>
Change in net assets	2,041,755	306,899	797,683	3,146,337
Net assets, beginning of year	<u>43,595,224</u>	<u>2,265,602</u>	<u>12,689,527</u>	<u>58,550,353</u>
Net assets, end of year	<u>\$ 45,636,979</u>	<u>\$ 2,572,501</u>	<u>\$ 13,487,210</u>	<u>\$ 61,696,690</u>

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
STATEMENTS OF CASH FLOWS  
Years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 6,117,581	\$ 3,146,337
Adjustments to reconcile change in net asset to net cash from operating activities:		
Depreciation	1,648,944	1,391,600
Contributions used for long-term investment	(727,535)	(657,073)
Realized and unrealized gains on investments	(2,876,295)	(235,392)
Net adjustment of annuity payment liability	38,315	32,260
Change in assets and liabilities		
Accounts receivable	(2,129,395)	(333,300)
Pledges receivable	27,795	39,076
Other assets	(185,305)	(39,929)
Notes receivable	36,113	167,419
Funds held by others	(855,264)	(96,063)
Vested beneficial interest in charitable remainder annuity trust	(620,898)	-
Accounts payable	3,300,222	784,753
Accrued expenses and withholdings	224,413	111,910
Deferred tuition	2,506,525	877,336
Deposits	381,513	65,082
Refundable loans	44,054	(16,719)
Net cash from operating activities	<u>6,930,783</u>	<u>5,237,297</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(6,358,970)	(18,335,980)
Proceeds from sales of investments	1,376,166	15,435,717
Purchase of property and equipment	(32,703,931)	(8,049,742)
Proceeds from sale of property and equipment	-	40,604
Net cash from investing activities	<u>(37,686,735)</u>	<u>(10,909,401)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease	(88,534)	-
Proceeds from issuance of debt	32,015,369	2,122,322
Principal paid on debt	(377,107)	(377,107)
Payments to annuitants	(71,706)	(64,729)
Contributions used for long-term investment	727,535	657,073
Net cash from financing activities	<u>32,205,557</u>	<u>2,337,559</u>
Change in cash and cash equivalents	1,449,605	(3,334,545)
Cash and cash equivalents, beginning of year	<u>713,202</u>	<u>4,047,747</u>
Cash and cash equivalents, end of year	<u>\$ 2,162,807</u>	<u>\$ 713,202</u>
Supplemental disclosure of cash information:		
Cash paid during the year for interest	\$ 192,063	\$ 268,257
Supplemental disclosure of noncash financing activities		
Property and equipment obtained through capital leases	\$ 309,912	\$ -

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007 and 2006

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization:** Lincoln Memorial University, located in Harrogate, Tennessee is fully accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACS-COC) as a Level V institution. Consequently, the institution awards undergraduate, graduate and doctoral degrees. The University also operates a private high school (The J. Frank White Academy), whose operations are also integrated into the accounting system of the University and are reflected within these financial statements.

**Basis of Accounting:** The financial statements of the University have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

**Financial Statement Presentation:** These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been done by classification of fund transactions and balances into three categories of net assets: unrestricted, temporarily restricted, and permanently restricted.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Permanently restricted net assets** – Net assets subject to donor imposed stipulations that they be maintained permanently by the University. Generally, the donors of these assets permit the University to use the income earned on related investments for general or specific purposes.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met by actions of the University and/or the passage of time.

**Unrestricted net assets** – Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007 and 2006

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents:** The University considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents with the exception of investments purchased with gifts that have donor-imposed restrictions that limit their use to long-term investment. At various times throughout the year, the University had in excess of \$100,000 on deposit in a financial institution whose deposits are insured up to \$100,000.

**Contributions:** Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fund-raising activity.

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at the time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The University follows the policy of reporting donor-imposed restricted contributions and endowment income whose restrictions are met in the same year as revenues of the unrestricted net asset class.

**Accounts and Notes Receivable:** The University records student receivables representing amounts for tuition, room, board and fees at the beginning of the semester. Payment is due immediately unless the student has been set up on a specific payment plan. Interest is assessed when payments are 30 days past due and is assessed monthly. A reserve is established when collection is considered questionable, and accounts are written off when the University deems that further collection efforts will not produce additional recoveries.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007 and 2006

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The notes receivable consist of student financial aid granted through the Perkins loan program. The loans are guaranteed by the federal government and bear a current interest rate of 5% and payable over 10 years upon graduation. Management has recorded an allowance for these receivables based on collection history.

**Investments:** Investments in equity securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Fair values are determined by quoted market prices at year-end. Unrealized gains and losses are included in the changes in net assets in the accompanying statements of activities. Investments in real estate are recorded at fair value based on an appraisal of the real estate.

Net appreciation on endowment funds, whose income is unrestricted as to use, is reported as unrestricted net assets unless such net appreciation has been restricted by the donor or by law. Accordingly, market appreciation on unrestricted endowment funds is classified in the accompanying financial statements as part of unrestricted net assets.

Alternative investments, for which there is no ready market, are valued at fair value as estimated by management. To estimate fair value, management may rely on valuations reported by the general partners of such investments and/or the College's independent investment advisor. Because of the inherent uncertainty of valuation in the absence of readily ascertainable market values, the estimated values of those investments may differ from the values that would have been used had a ready market existed for such investments or if the investments were realized, and the differences could be material. Such investments are, by their nature, generally considered to be long-term investments and are not intended to be liquidated on a short-term basis.

**Vested Beneficial Interest in Charitable Remainder Annuity Trust:** Vested beneficial interest in charitable remainder annuity trust is recorded at the present value of the estimated future benefits to be received. The University is not the trustee.

**Property, Plant and Equipment:** Plant assets, consisting of land, other land improvements, buildings and improvements, furniture and equipment, library holdings, and construction in progress are stated in the accompanying statements of financial position at cost, or if contributed, at fair value at date of gift. Generally, expenditures of greater than \$1,000 which increase values or extend useful lives of the respective assets are capitalized. Depreciation is provided over the estimated useful lives on a straight-line basis ranging from 5 to 50 years.

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(Continued)



LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007 and 2006

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Collections:** Located on the campus of the University is the Abraham Lincoln Museum. This center for history, research and public interest contains a large collection of Lincoln and Civil War artifacts and volumes. These collections are not recorded on the statements of financial position and the fair value of these collections is indeterminable. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

**Deferred Revenue:** Deferred revenue includes amounts received from tuition and fees prior to the end of the fiscal year but related to the subsequent reporting period.

**Tuition and Fees:** Tuition and fees are presented net of scholarships and other financial aid applied to student accounts.

**Advertising Expense:** The University expenses advertising costs as incurred. Advertising costs for the year ended June 30, 2007 and 2006 were \$450,320 and \$303,481, respectively.

**Income Taxes:** The University is a tax-exempt institution under Internal Revenue Code, Section 501(c) (3); accordingly, no provision for income taxes has been made in the financial statements.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Reclassification:** Certain prior year amounts have been reclassified to conform to the current year presentation. There is no effect on net assets as a result of these reclassifications.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2007 and 2006

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**NOTE 2- PLEDGES RECEIVABLE**

At June 30, 2007 and 2006, the University had pledges receivable of \$30,330 and \$58,125, respectively.

Pledges receivable have been designated to be paid by donors as follows:

	<u>2007</u>	<u>2006</u>
Within one year	\$ 13,000	\$ 14,100
One to five years	<u>20,184</u>	<u>44,860</u>
	33,184	58,960
Less: discounts and allowances	<u>2,854</u>	<u>835</u>
Net pledges receivable	<u>\$ 30,330</u>	<u>\$ 58,125</u>

**NOTE 3 - INVESTMENTS**

Investments, at fair value, are summarized as follows at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Short-term investments	\$ 4,611,475	\$ 3,809,859
Corporate stocks	951,870	4,747,156
Corporate bonds	11,102,678	9,554,087
U.S. Government obligations	2,066,804	1,899,428
Mutual funds	21,589,001	13,896,843
Alternative investments	2,125,807	-
Construction retainage	574,069	-
Investments in land and buildings	6,601,767	6,419,499
Investments in land held for sale	-	1,437,500
Investments in land and mineral rights	<u>372,158</u>	<u>372,158</u>
	<u>\$ 49,995,629</u>	<u>\$ 42,136,530</u>

At June 30, 2007, investments included \$23,971,313 representing amounts required by the Commission of Osteopathic College Accreditation to be held in escrow until the first graduating class from the College of Medicine.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2007 and 2006

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**NOTE 4 – ASSETS HELD IN TRUST BY OTHERS**

The College has been designated as a beneficiary for certain assets held in trust by others. The fair market value of these assets and the net realized and unrealized gains or losses are recorded in the permanently restricted net asset class. Income received from these trusts, recorded as other sources in 2007 and 2006, was approximately \$97,000 and \$73,000, respectively.

**NOTE 5 – PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following at June 30:

	<u>2007</u>	<u>2006</u>
Land	\$ 872,438	\$ 872,438
Buildings and improvements	29,180,211	28,767,970
Other land improvements	2,675,287	2,618,593
Furniture and equipment	10,398,231	8,833,678
Library holdings	1,479,851	1,423,992
Construction in progress	<u>35,042,514</u>	<u>4,118,018</u>
	79,648,532	46,634,689
Less: accumulated depreciation	<u>21,820,986</u>	<u>20,172,042</u>
Net property, plant and equipment	<u>\$ 57,827,546</u>	<u>\$ 26,462,647</u>

The estimated cost to complete current construction projects is \$4,000,000.

**NOTE 6 – DEBT**

The University has the following outstanding debt at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Commercial bank note, interest only accrued at the 30-day LIBOR rate plus 1% (6.32% at June 30, 2007). Balance due October 2, 2007, collateralized by a certain building.	\$ 6,355,393	\$ 2,122,322

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2007 and 2006

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NOTE 6 – DEBT (Continued)

	<u>2007</u>	<u>2006</u>
Line of credit agreement, due monthly at the 30-day LIBOR rate plus 1% (6.32% at June 30, 2007). The agreement expires March 2008 and is unsecured, but the agreement contains provisions that could require collateral to be provided under certain circumstances.	\$ 9,782,298	\$ -
\$18,000,000 of Industrial Development Board of the County of Claiborne, TN Revenue Bonds, Series 2006, first payment on July 1, 2011 for \$120,000 and quarterly thereafter at \$180,000 with final installment due July 1, 2036. The interest rate is adjusted weekly to the Securities Industry and Financial Markets Association (SIFMA) municipal swap rate plus 4 basis points. The interest rate at June 30, 2007 was 3.77%.	18,000,000	-
Bank note, issued pursuant to a conventional term loan to refinance the Series 1994 Educational Facilities Revenue Refunding Bonds issued by the Health, Educational and Housing Facility Board of the Town of New Tazewell, Tennessee. Monthly principal payments of \$31,426 plus interest at the 30-day LIBOR plus 1% (6.32% at June 30, 2007), with a final payment due March 30, 2014, collateralized by various property, plant and equipment and contains financial covenants that require the University to meet certain thresholds regarding net assets and increases in net assets at the end of the fiscal year.	4,430,998	4,808,105
Capital lease obligation for equipment valued at \$309,912 and related accumulated depreciation of \$61,982.	<u>221,378</u>	<u>-</u>
	<u>\$ 38,790,067</u>	<u>\$ 6,930,427</u>

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2007 and 2006

**NOTE 6 – DEBT (Continued)**

Future maturities of debt are as follows:

Year ending June 30	<u>Bank Debt</u>	<u>Capital Lease Obligation</u>	<u>Total</u>
2008	\$ 16,514,798	\$ 113,724	\$ 16,628,522
2009	377,107	113,724	490,831
2010	377,107	9,477	386,584
2011	377,107	-	377,107
2012	1,037,107	-	1,037,107
Thereafter	<u>19,885,463</u>	<u>-</u>	<u>19,885,463</u>
	\$ 38,568,689	\$ 236,925	\$ 38,805,614
Less amount representing interest	<u>-</u>	<u>15,547</u>	<u>15,547</u>
	<u>\$ 38,568,689</u>	<u>\$ 221,378</u>	<u>\$ 38,790,067</u>

As of June 30, 2007, the University had outstanding debt with a bank whose Chief Operating Officer and President is also a member of the University's Board of Trustees.

**NOTE 7 – RETIREMENT AND BENEFIT PLANS**

The University participates in the programs of the Teachers Insurance and Annuity Association ("TIAA") and College Retirement Equities Fund ("CREF"). The pension plan is a defined contribution annuity plan. Employees are eligible for the retirement plan after two years of employment. Pension expense amounted to \$463,295 and \$380,806 for the years ended June 30, 2007 and 2006, respectively.

**NOTE 8 – OPERATING LEASES**

The University leases certain equipment under long-term leases with various agents that are accounted for as operating leases. Lease expense for the years ended June 30, 2007 and 2006, was \$119,700 and \$72,888, respectively.

(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2007 and 2006

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**NOTE 8 – OPERATING LEASES (Continued)**

Future maturities of lease obligations are as follows:

Year ending June 30	
2008	\$ 119,700
2009	119,700
2010	119,700
2011	<u>79,800</u>
	<u>\$ 438,900</u>

**NOTE 9 – NET ASSETS**

Temporarily restricted net assets are available at June 30, 2007 and 2006 for the following purposes:

	<u>2007</u>	<u>2006</u>
Funds restricted for specific purposes	\$ 2,302,055	\$ 890,485
Unexpended plant funds	365,056	365,056
Endowment funds	<u>1,376,834</u>	<u>1,316,960</u>
	<u>\$ 4,043,945</u>	<u>\$ 2,572,501</u>

Net assets released from restrictions during the year ended June 30, 2007 and 2006 consisted of funds used for student aid and support.

Permanently restricted net assets are available at June 30, 2007 and 2006 for the following purposes:

	<u>2007</u>	<u>2006</u>
Endowment funds	\$ 10,011,581	\$ 9,814,641
Annuity and life income funds	508,802	452,209
Funds held in trust by others	<u>4,075,624</u>	<u>3,220,360</u>
	<u>\$ 14,596,007</u>	<u>\$ 13,487,210</u>

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007 and 2006

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**NOTE 10 – CONTINGENCIES AND COMMITMENTS**

The University is a defendant in various lawsuits. However, University management is of the opinion, based on advice of legal counsel, that the ultimate resolution of these litigation matters will not have a material effect on the future operations or financial position of the University.

The University receives grants and contracts from certain federal, state and local agencies. The costs, both direct and indirect, that have been charged to the grant or contract are subject to examination and approval by the granting agency. It is the opinion of the University administration that any disallowance or adjustment of such costs would not have a material effect on the accompanying financial statements.

**NOTE 11 – FINANCIAL INSTRUMENTS AND FAIR VALUE**

During 2006, the University entered into an interest rate swap to receive market rate interest and pay fixed rate interest to a major financial institution that locked in the University's interest rate paid on a portion of its note payable. The interest-rate swap agreement is for the purpose of reducing certain exposures to interest-rate fluctuations. At June 30, 2007 and 2006, this interest rate swap had a total notional amount of \$4,431,315 and \$4,849,848, respectively. Under this agreement, the University will pay the bank interest monthly at 6.57%. This agreement expires March 30, 2014.

The carrying amount of the financial instruments reported in the statements of financial position, which include accounts receivable, notes receivable, accounts payable and debt, approximate fair value at June 30, 2007 and 2006.

LINCOLN MEMORIAL UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2007

<u>Federal Grant/Program Title</u>	<u>Federal CFDA</u>	<u>Federal Expenditures</u>
<b>U. S. DEPARTMENT OF EDUCATION:</b>		
<b>Student Financial Aid Cluster</b>		
Federal Pell Grant Program	84.063	\$ 2,070,069
Academic Competitiveness Grant	84.375	68,325
National Science and Mathematics Access to Retain	84.376	38,000
Federal Perkins Loan Program	84.038	1,269,456
Federal Work Study Program	84.033	178,473
Federal Supplemental Educational Opportunity Grant Program	84.007	146,520
Federal Family Education Loan Program	84.032	<u>17,664,677</u>
<b>Total Student Financial Aid Cluster</b>		<b>21,435,520</b>
<b>TRIO Cluster</b>		
Upward Bound Program	84.047	235,932
Student Support Services Program	84.042	<u>336,876</u>
<b>Total TRIO Cluster</b>		<b>572,808</b>
<b>Total U. S. Department of Education</b>		<u>22,008,328</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Distance Learning and Telemedicine Loans and grants	10.855	<u>77,759</u>
<b>Total federal awards</b>		<b><u>\$ 22,086,087</u></b>



LINCOLN MEMORIAL UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2007

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**NOTE 1 - BASIS OF ACCOUNTING**

This schedule includes the federal awards activity of Lincoln Memorial University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Catalog of Federal Domestic Assistance ("CFDA") numbers are presented for those programs for which such numbers were available. All programs are presented by federal department.

**NOTE 2 - LOANS**

Loans made by the University to eligible students under the Federal Perkins Loan Program and federal student loans issued by the Federal Family Educational Loan Program during the year ended June 30, 2007 are summarized as follows:

Federal Perkins Loan Program	
Loans Disbursed	<u>\$ 240,061</u>
Federal Family Education Loan Program	
Federal Subsidized Stafford Loans	\$ 6,835,073
Federal Unsubsidized Stafford Loans	10,270,057
Federal PLUS Loans	<u>559,547</u>
	<u>\$ 17,664,677</u>

At June 30, 2007, the University had loans outstanding in the amount of \$1,269,456 with an allowance for doubtful accounts of \$525,000 under the Perkins Loan program. The outstanding loan balance is included in the accompanying Schedule of Expenditures of Federal Awards.



Crowe Chizek and Company LLC  
Member Horwath International

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

We have audited the financial statements of Lincoln Memorial University (the "University") as of and for the year ended June 30, 2007, and have issued our report thereon dated the same date as this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability

to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the University's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control.

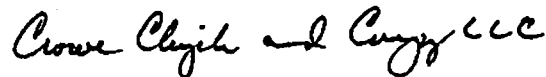
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University's internal control. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management in a separate letter dated October 18, 2007.

This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Chizek and Company LLC

Louisville, Kentucky  
October 18, 2007



Crowe Chizek and Company LLC  
Member Horwath International

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

### Compliance

We have audited the compliance of Lincoln Memorial University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

## Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

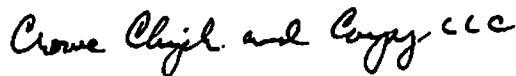
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

However, we noted certain other matters that we have reported to management in a separate letter dated October 18, 2007.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Chizek and Company LLC

Louisville, Kentucky  
October 18, 2007

LINCOLN MEMORIAL UNIVERSITY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2007

**PART I: SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued	<u>Unqualified</u>			
Internal control over financial reporting:				
Material weakness(es) identified?	_____ Yes	_____ X	_____ No	
Significant deficiency identified not considered to be material weaknesses?	_____ Yes	_____ X	_____ None Reported	
Noncompliance material to financial statements noted?	_____ Yes	_____ X	_____ No	
<b>Federal Awards</b>				
Internal control over major programs:				
Material weakness(es) identified?	_____ Yes	_____ X	_____ No	
Significant deficiency identified not considered to be material weakness(es)?	_____ Yes	_____ X	_____ None Reported	
Type of auditors' report issued on compliance for major programs	<u>Unqualified</u>			
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section .510(a))?	_____ Yes	_____ X	_____ No	

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster Number</u>
84.063	Total Federal Student Aid (consisting of):
84.033	Federal Pell Grant Program
84.007	Federal Work Student Program
84.375	Federal Supplemental Educational Opportunity Grant Program
84.376	Academic Competitiveness Grant
	National Science and Mathematics Access to Retain Talent Grant
84.038	Federal Perkins Loan Program
84.032	Federal Family Education Loan Program

Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000			
Auditee qualified as low-risk auditee?	_____ X	_____ Yes	_____ No	

LINCOLN MEMORIAL UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

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**PART II: FINANCIAL STATEMENT FINDINGS**

None

**PART III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**PART IV: SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

None

**LINCOLN MEMORIAL UNIVERSITY**  
**REPORT ON AUDIT OF INSTITUTION**  
**OF HIGHER EDUCATION**  
**IN ACCORDANCE WITH OMB CIRCULAR A-133**  
**June 30, 2008**



LINCOLN MEMORIAL UNIVERSITY

REPORT ON AUDIT OF INSTITUTION OF HIGHER EDUCATION  
IN ACCORDANCE WITH OMB CIRCULAR A-133

June 30, 2008

CONTENTS

REPORT OF INDEPENDENT AUDITORS.....	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION .....	3
STATEMENTS OF ACTIVITIES.....	4
STATEMENTS OF CASH FLOWS.....	6
NOTES TO FINANCIAL STATEMENTS.....	7
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	18
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	19
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	20
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....	22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	25



**Crowe Chizek and Company LLC**  
Member Horwath International

## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

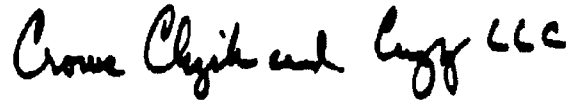
We have audited the accompanying statements of financial position of Lincoln Memorial University (the "University") as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Memorial University as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2008 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Lincoln Memorial University taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Crowe Chizek and Company LLC

Louisville, Kentucky  
August 29, 2008

LINCOLN MEMORIAL UNIVERSITY  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 878,090	\$ 2,162,807
Accounts receivable – students, net of allowance for doubtful accounts: \$347,944 in 2008, \$234,986 in 2007	10,166,708	8,940,586
Accounts receivable – federal government	311,957	250,797
Accounts receivable – other	102,428	95,357
Pledges receivable, net	19,626	30,330
Investments	44,317,683	49,995,629
Funds held in trust by others	3,884,072	4,075,624
Vested beneficial interest in charitable remainder annuity trusts	586,879	620,898
Notes receivable, net of allowance for doubtful accounts of \$346,354 in 2008 and \$525,000 in 2007	935,656	744,456
Property, plant and equipment, net	69,312,801	57,827,546
Other assets	<u>416,217</u>	<u>361,476</u>
<b>Total assets</b>	<b><u>\$ 130,932,117</u></b>	<b><u>\$ 125,105,506</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,326,776	\$ 4,478,948
Accrued expenses and withholdings	2,558,079	1,206,730
Deferred tuition	11,745,633	10,702,353
Student deposits	723,558	584,289
Deposits held in custody	196,287	138,540
Refundable loan programs	1,098,463	899,975
Annuities payable	244,155	490,333
Debt	<u>47,879,880</u>	<u>38,790,067</u>
<b>Total liabilities</b>	<b><u>65,772,831</u></b>	<b><u>57,291,235</u></b>
<b>Net assets</b>		
Unrestricted	46,361,338	49,174,319
Temporarily restricted	4,054,499	4,043,945
Permanently restricted	<u>14,743,449</u>	<u>14,596,007</u>
<b>Total net assets</b>	<b><u>65,159,286</u></b>	<b><u>67,814,271</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 130,932,117</u></b>	<b><u>\$ 125,105,506</u></b>

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUES AND SUPPORT</b>				
Tuition and fees	\$ 37,789,884	\$ -	\$ -	\$ 37,789,884
Less: student aid	<u>(8,121,758)</u>	<u>-</u>	<u>-</u>	<u>(8,121,758)</u>
Net tuition and fees	29,668,126	-	-	29,668,126
Government grants and contracts	1,274,938	-	-	1,274,938
Private gifts and grants	309,409	897,805	-	1,207,214
Other sources	515,026	-	-	515,026
Investment income	903,013	274,791	1,568	1,179,372
Auxiliary enterprises	<u>4,025,554</u>	<u>-</u>	<u>-</u>	<u>4,025,554</u>
	36,696,066	1,172,596	1,568	37,870,230
Net assets released from restrictions	<u>1,162,042</u>	<u>(1,162,042)</u>	<u>-</u>	<u>-</u>
Total operating revenues and support	<u>37,858,108</u>	<u>10,554</u>	<u>1,568</u>	<u>37,870,230</u>
<b>OPERATING EXPENSES</b>				
Educational and general				
Instruction	19,188,007	-	-	19,188,008
Public service	752,072	-	-	752,072
Academic support	4,020,955	-	-	4,020,955
Support services	3,667,486	-	-	3,667,486
Institutional support	<u>7,038,634</u>	<u>-</u>	<u>-</u>	<u>7,038,634</u>
Total educational and general	34,667,154	-	-	34,667,154
Auxiliary enterprises	<u>2,472,815</u>	<u>-</u>	<u>-</u>	<u>2,472,815</u>
Total operating expenses	<u>37,139,969</u>	<u>-</u>	<u>-</u>	<u>37,139,969</u>
Increase in net assets from operating activities	<u>718,139</u>	<u>10,554</u>	<u>1,568</u>	<u>730,261</u>
<b>NON-OPERATING ACTIVITIES</b>				
Contributions	64,696	-	199,748	264,444
Realized and unrealized losses on investments	(2,861,246)	-	(191,552)	(3,052,798)
Actuarial adjustment of annuities payable	-	-	137,678	137,678
Change in interest rate swap agreements	<u>(734,570)</u>	<u>-</u>	<u>-</u>	<u>(734,570)</u>
Increase (decrease) in net assets from non-operating activities	<u>(3,531,120)</u>	<u>-</u>	<u>145,874</u>	<u>(3,385,246)</u>
Change in net assets	(2,812,981)	10,554	147,442	(2,654,985)
Net assets, beginning of year	<u>49,174,319</u>	<u>4,043,945</u>	<u>14,596,007</u>	<u>67,814,271</u>
Net assets, end of year	<u>\$ 46,361,338</u>	<u>\$ 4,054,499</u>	<u>\$ 14,743,449</u>	<u>\$ 65,159,286</u>

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUES AND SUPPORT</b>				
Tuition and fees	\$ 30,773,462	\$ -	\$ -	\$ 30,773,462
Less: student aid	<u>(7,319,846)</u>	<u>-</u>	<u>-</u>	<u>(7,319,846)</u>
Net tuition and fees	23,453,616	-	-	23,453,616
Government grants and contracts	962,766	-	-	962,766
Private gifts and grants	162,256	1,560,944	-	1,723,200
Other sources	592,558	-	-	592,558
Investment income	1,018,033	590,666	94,908	1,703,607
Auxiliary enterprises	<u>2,995,841</u>	<u>-</u>	<u>-</u>	<u>2,995,841</u>
	29,185,070	2,151,610	94,908	31,431,588
Net assets released from restrictions	<u>680,166</u>	<u>(680,166)</u>	<u>-</u>	<u>-</u>
Total operating revenues and support	<u>29,865,236</u>	<u>1,471,444</u>	<u>94,908</u>	<u>31,431,588</u>
<b>OPERATING EXPENSES</b>				
Educational and general				
Instruction	14,279,513	-	-	14,279,513
Public service	694,563	-	-	694,563
Academic support	3,007,784	-	-	3,007,784
Support services	3,385,637	-	-	3,385,637
Institutional support	<u>6,129,587</u>	<u>-</u>	<u>-</u>	<u>6,129,587</u>
Total educational and general	27,497,084	-	-	27,497,084
Auxiliary enterprises	<u>1,989,204</u>	<u>-</u>	<u>-</u>	<u>1,989,204</u>
Total operating expenses	<u>29,486,288</u>	<u>-</u>	<u>-</u>	<u>29,486,288</u>
Increase in net assets from operating activities	<u>378,948</u>	<u>1,471,444</u>	<u>94,908</u>	<u>1,945,300</u>
<b>NON-OPERATING ACTIVITIES</b>				
Contributions	606,766	-	727,535	1,334,301
Realized and unrealized gains on investments	2,551,626	-	324,669	2,876,295
Actuarial adjustment of annuities payable	<u>-</u>	<u>-</u>	<u>(38,315)</u>	<u>(38,315)</u>
Increase in net assets from non-operating activities	<u>3,158,392</u>	<u>-</u>	<u>1,013,889</u>	<u>4,172,281</u>
Change in net assets	3,537,340	1,471,444	1,108,797	6,117,581
Net assets, beginning of year	<u>45,636,979</u>	<u>2,572,501</u>	<u>13,487,210</u>	<u>61,696,690</u>
Net assets, end of year	<u>\$ 49,174,319</u>	<u>\$ 4,043,945</u>	<u>\$ 14,596,007</u>	<u>\$ 67,814,271</u>

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
STATEMENTS OF CASH FLOWS  
Years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (2,654,985)	\$ 6,117,581
Adjustments to reconcile change in net asset to net cash from operating activities:		
Depreciation	2,733,941	1,648,944
Contributions used for long-term investment	(199,748)	(727,535)
Realized and unrealized (gains) losses on investments	3,052,798	(2,876,295)
Net adjustment of annuity payment liability	(137,678)	38,315
Change in interest rate swap agreements	734,570	
Change in assets and liabilities		
Accounts receivable	(1,294,353)	(2,129,395)
Pledges receivable	10,704	27,795
Other assets	(54,741)	(185,305)
Notes receivable	(191,200)	36,113
Funds held by others	191,552	(855,264)
Vested beneficial interest in charitable remainder annuity trust	-	(620,898)
Accounts payable	(3,152,172)	3,300,222
Accrued expenses and withholdings	616,779	224,413
Deferred tuition	1,043,280	2,506,525
Deposits	197,016	381,513
Refundable loans	<u>198,488</u>	<u>44,054</u>
Net cash from operating activities	<u>1,094,251</u>	<u>6,930,783</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(6,409,049)	(6,358,970)
Proceeds from sales of investments	9,034,197	1,376,166
Purchase of property and equipment	<u>(10,425,937)</u>	<u>(32,703,931)</u>
Net cash from investing activities	<u>(7,800,789)</u>	<u>(37,686,735)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease	(611,720)	(88,534)
Proceeds from issuance of debt	10,873,036	32,015,369
Principal paid on debt	(4,964,762)	(377,107)
Payments to annuitants	(74,481)	(71,706)
Contributions used for long-term investment	<u>199,748</u>	<u>727,535</u>
Net cash from financing activities	<u>5,421,821</u>	<u>32,205,557</u>
Change in cash and cash equivalents	(1,284,717)	1,449,605
Cash and cash equivalents, beginning of year	<u>2,162,807</u>	<u>713,202</u>
Cash and cash equivalents, end of year	<u>\$ 878,090</u>	<u>\$ 2,162,807</u>
Supplemental disclosures:		
Cash paid during the year for interest	\$ 909,994	\$ 192,063
Noncash investing and financing activities		
Property and equipment obtained through capital leases	3,793,259	309,912

See accompanying notes.

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization:** Lincoln Memorial University, located in Harrogate, Tennessee is fully accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACS-COC) as a Level V institution. Consequently, the institution awards undergraduate, graduate and doctoral degrees. The University also operates a private high school (The J. Frank White Academy), whose operations are also integrated into the accounting system of the University and is reflected within these financial statements.

**Basis of Accounting:** The financial statements of the University have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

**Financial Statement Presentation:** These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been done by classification of fund transactions and balances into three categories of net assets: unrestricted, temporarily restricted, and permanently restricted.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Permanently restricted net assets** - Net assets subject to donor imposed stipulations that they be maintained permanently by the University. Generally, the donors of these assets permit the University to use the income earned on related investments for general or specific purposes.

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met by actions of the University and/or the passage of time.

**Unrestricted net assets** - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

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(Continued)



LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents:** The University considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents with the exception of investments purchased with gifts that have donor-imposed restrictions that limit their use to long-term investment. At various times throughout the year, the University had in excess of \$100,000 on deposit in a financial institution whose deposits are insured up to \$100,000.

**Contributions:** Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fund-raising activity.

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at the time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The University follows the policy of reporting donor-imposed restricted contributions and endowment income whose restrictions are met in the same year as revenues of the unrestricted net asset class.

**Accounts and Notes Receivable:** The University records student receivables representing amounts for tuition, room, board and fees at the beginning of the semester. Payment is due immediately unless the student has been set up on a specific payment plan. Interest is assessed when payments are 30 days past due and is assessed monthly. A reserve is established when collection is considered questionable, and accounts are written off when the University deems that further collection efforts will not produce additional recoveries.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The notes receivable consist of student financial aid granted through the Perkins loan program. The loans are guaranteed by the federal government and bear a current interest rate of 5% and payable over 10 years upon graduation. Management has recorded an allowance for these receivables based on collection history.

**Investments:** Investments in equity securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Fair values are determined by quoted market prices at year-end. Unrealized gains and losses are included in the changes in net assets in the accompanying statements of activities. Investments in real estate are recorded at fair value based on an appraisal of the real estate.

Net appreciation on endowment funds, whose income is unrestricted as to use, is reported as unrestricted net assets unless such net appreciation has been restricted by the donor or by law. Accordingly, market appreciation on unrestricted endowment funds is classified in the accompanying financial statements as part of unrestricted net assets.

Alternative investments, for which there is no ready market, are valued at fair value as estimated by management. To estimate fair value, management may rely on valuations reported by the general partners of such investments and/or the University's independent investment advisor. Because of the inherent uncertainty of valuation in the absence of readily ascertainable market values, the estimated values of those investments may differ from the values that would have been used had a ready market existed for such investments or if the investments were realized, and the differences could be material. Such investments are, by their nature, generally considered to be long-term investments and are not intended to be liquidated on a short-term basis.

**Vested Beneficial Interest in Charitable Remainder Annuity Trust:** Vested beneficial interest in charitable remainder annuity trust is recorded at the present value of the estimated future benefits to be received. The University is not the trustee.

**Property, Plant and Equipment:** Plant assets, consisting of land, other land improvements, buildings and improvements, furniture and equipment, library holdings, and construction in progress are stated in the accompanying statements of financial position at cost, or if contributed, at fair value at date of gift. Generally, expenditures of greater than \$1,000 which increase values or extend useful lives of the respective assets are capitalized. Depreciation is provided over the estimated useful lives on a straight-line basis ranging from 5 to 50 years.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Collections: Located on the campus of the University is the Abraham Lincoln Museum. This center for history, research and public interest contains a large collection of Lincoln and Civil War artifacts and volumes. These collections are not recorded on the statements of financial position and the fair value of these collections is indeterminable. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

Deferred Revenue: Deferred revenue includes amounts received from tuition and fees prior to the end of the fiscal year but related to the subsequent reporting period.

Hedging Activities: The University has entered into certain interest rate swaps to receive market rate interest and pay fixed rate interest to various major financial institutions that lock in the University's interest rate paid on certain variable rate notes payable. The variable interest on the bonds and note payable are hedged by forward starting interest rate swaps. Net interest payments will be effectively fixed at the rates indicated, during the period. The University intends to hold these forward starting interest rate swaps until maturity. These interest rate swaps are considered derivatives and are recognized on the statement of net asset at their fair value. Changes in the fair value of these derivatives are reported as non-operating revenue or expense on the statement of changes in net assets.

Tuition and Fees: Tuition and fees are presented net of scholarships and other financial aid applied to student accounts.

Advertising Expense: The University expenses advertising costs as incurred. Advertising costs for the year ended June 30, 2008 and 2007 were \$551,353 and \$450,320, respectively.

Income Taxes: The University is a tax-exempt institution under Internal Revenue Code, Section 501(c) (3); accordingly, no provision for income taxes has been made in the financial statements.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

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**NOTE 2- PLEDGES RECEIVABLE**

At June 30, 2008 and 2007, the University had pledges receivable of \$19,626 and \$30,330, respectively.

Pledges receivable have been designated to be paid by donors as follows:

	<u>2008</u>	<u>2007</u>
Within one year	\$ 11,000	\$ 13,000
One to five years	<u>10,649</u>	<u>20,184</u>
	21,649	33,184
Less: discounts and allowances	<u>2,023</u>	<u>2,854</u>
Net pledges receivable	<u>\$ 19,626</u>	<u>\$ 30,330</u>

**NOTE 3 - INVESTMENTS**

Investments, at fair value, are summarized as follows at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Short-term investments	\$ 4,548,500	\$ 4,611,475
Corporate stocks	3,360,433	951,870
Corporate bonds	9,195,794	11,102,678
U.S. Government obligations	2,917,811	2,066,804
Mutual funds	15,296,151	21,589,001
Alternative investments	1,632,169	2,125,807
Construction retainage	-	574,069
Investments in land and buildings	6,994,667	6,601,767
Investments in land and mineral rights	<u>372,158</u>	<u>372,158</u>
	<u>\$ 44,317,683</u>	<u>\$ 49,995,629</u>

At June 30, 2008, investments included \$23,971,313 representing amounts required by the Commission of Osteopathic College Accreditation to be held in escrow until the first graduating class from the College of Medicine. The first graduating class is expected to be May, 2011.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

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**NOTE 4 - ASSETS HELD IN TRUST BY OTHERS**

The College has been designated as a beneficiary for certain assets held in trust by others. The fair market value of these assets and the net realized and unrealized gains or losses are recorded in the permanently restricted net asset class. Income received from these trusts, recorded as other sources in 2008 and 2007, was approximately \$121,500 and \$97,000, respectively. Realized and unrealized gains and losses from these trusts have been recorded in permanently restricted on the Statement of Activities for (\$191,552) and 324,669 for the years ended June 30, 2008 and 2007, respectively.

**NOTE 5 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following at June 30:

	<u>2008</u>	<u>2007</u>
Land	\$ 872,438	\$ 872,438
Buildings and improvements	39,563,535	29,180,211
Other land improvements	2,675,287	2,675,287
Furniture and equipment	15,908,721	10,398,231
Library holdings	1,547,085	1,479,851
Construction in progress	<u>33,300,662</u>	<u>35,042,514</u>
	93,867,728	79,648,532
Less: accumulated depreciation	<u>24,554,927</u>	<u>21,820,986</u>
Net property, plant and equipment	<u>\$ 69,312,801</u>	<u>\$ 57,827,546</u>

The estimated cost to complete current construction projects is \$3,500,000 and the anticipated completion is June 2009.

The University follows the practice of capitalizing interest during construction on the capital projects paid with the proceeds of bond issues. Interest in the amount of \$1,211,252 and \$1,088,997 was capitalized during the years ended June 30, 2008 and 2007, respectively.

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2008 and 2007

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**NOTE 6 - DEBT**

The University has the following outstanding debt at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Commercial bank note, interest accrued at the 30-day LIBOR rate plus 1% (3.47% and 6.32% at June 30, 2008 and 2007, respectively). Payments begin August 1, 2008 with the balance due July 1, 2018 - collateralized by a certain building.	\$ 8,211,669	\$ 6,355,393
Line of credit agreement, due monthly at the 30-day LIBOR rate plus 1% (3.48% and 6.32% at June 30, 2008 and 2007, respectively). The agreement is continuous and is unsecured. The agreement contains provisions that could require collateral to be provided under certain circumstances. This agreement also contains financial covenants that require the University to meet certain thresholds regarding net assets and increases in net assets at the end of the fiscal year. At June 30, 2008, the University was not in compliance with two of these covenants. A waiver for these covenants has been obtained.	11,644,044	9,782,298
\$18,000,000 of Industrial Development Board of the County of Claiborne, TN Revenue Bonds, Series 2006, first payment on July 1, 2011 for \$120,000 and quarterly thereafter at \$180,000 with final installment due July 1, 2036. The interest rate is adjusted weekly to the Securities Industry and Financial Markets Association (SIFMA) municipal swap rate plus 4 basis points. The interest rate at June 30, 2008 and 2007 was 1.55% and 3.77%, respectively. This agreement contains financial covenants that require the University to meet certain thresholds regarding net assets and increases in net assets at the end of the fiscal year. At June 30, 2008, the University was not in compliance with two of these covenants. A waiver for these covenants has been obtained.	18,000,000	18,000,000

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2008 and 2007

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NOTE 6 - DEBT (Continued)

	<u>2008</u>	<u>2007</u>
Tax-exempt facilities financing, first payment on December 29, 2007 and monthly thereafter at \$16,197 with final installment due October 29, 2017. The interest rate is fixed at 4.78% and amortized over 240 months.	\$ 2,455,807	\$ -
Bank note, issued pursuant to a conventional term loan to refinance the Series 1994 Educational Facilities Revenue Refunding Bonds issued by the Health, Educational and Housing Facility Board of the Town of New Tazewell, Tennessee. Monthly principal payments of \$31,426 plus interest at the 30-day LIBOR plus 1% (3.48% and 6.32% at June 30, 2008 and 2007, respectively), with a final payment due March 30, 2014, collateralized by various property, plant and equipment and contains financial covenants that require the University to meet certain thresholds regarding net assets and increases in net assets at the end of the fiscal year. At June 30, 2008, the University was in compliance with these requirements.	4,022,465	4,430,998
Capital lease obligations for equipment payable in monthly installments ranging from \$800 to \$43,000 with interest rate of 6.3%. The final payments are due at various times through October 2012.	3,402,917	221,378
Bank note, interest accrued at a fixed rate of 7.25% for 60 months for three buses. Balance of note due August 21, 2012.	<u>142,978</u>	<u>-</u>
	<u>\$ 47,879,880</u>	<u>\$ 38,790,067</u>

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2008 and 2007

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**NOTE 6 - DEBT (Continued)**

Future maturities of debt are as follows:

Year ending June 30	Bank <u>Debt</u>	Capital Lease <u>Obligation</u>	<u>Total</u>
2009	\$ 4,031,358	\$ 891,831	\$ 4,923,189
2010	4,057,337	842,841	4,900,178
2011	5,722,298	744,788	6,467,086
2012	1,426,173	706,577	2,132,750
2013	1,476,113	216,880	1,692,993
Thereafter	<u>27,763,684</u>	<u>-</u>	<u>27,763,684</u>
	<u>\$ 44,476,963</u>	<u>\$ 3,402,917</u>	<u>\$ 47,879,880</u>

As of June 30, 2008 and 2007, the University had outstanding debt of \$8,211,669 and \$6,355,393, respectively, with a bank whose Chief Operating Officer and President is also a member of the University's Board of Trustees.

The statement of financial position includes approximately \$4,103,000 and \$310,000 of land, buildings, and equipment related to the above capital lease obligations as of June 30, 2008 and June 30, 2007. Accumulated amortization was approximately \$700,600 and \$62,000 at June 30, 2008 and June 30, 2007, respectively. Amortization of assets under the capital lease is included in depreciation expense.

**NOTE 7 - RETIREMENT AND BENEFIT PLANS**

The University participates in the programs of the Teachers Insurance and Annuity Association ("TIAA") and College Retirement Equities Fund ("CREF"). The pension plan is a defined contribution annuity plan. Employees are eligible for the retirement plan after two years of employment. Pension expense amounted to \$573,331 and \$463,295 for the years ended June 30, 2008 and 2007, respectively.

**NOTE 8 - OPERATING LEASES**

The University leases certain equipment under long-term leases with various agents that are accounted for as operating leases. Lease expense for the years ended June 30, 2008 and 2007, was \$132,150 and \$119,700, respectively.

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(Continued)



LINCOLN MEMORIAL UNIVERSITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2008 and 2007

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**NOTE 8 - OPERATING LEASES (Continued)**

Future maturities of lease obligations are as follows:

Year ending June 30	
2009	\$ 134,640
2010	134,640
2011	<u>89,760</u>
	<u>\$ 359,040</u>

**NOTE 9 - NET ASSETS**

Temporarily restricted net assets are available at June 30, 2008 and 2007 for the following purposes:

	<u>2008</u>	<u>2007</u>
Funds restricted for specific purposes	\$ 2,151,609	\$ 2,302,055
Unexpended plant funds	526,056	365,056
Endowment funds	<u>1,376,834</u>	<u>1,376,834</u>
	<u>\$ 4,054,499</u>	<u>\$ 4,043,945</u>

Net assets released from restrictions during the year ended June 30, 2008 and 2007 consisted of funds used for student aid and support.

Permanently restricted net assets are available at June 30, 2008 and 2007 for the following purposes:

	<u>2008</u>	<u>2007</u>
Endowment funds	\$ 10,211,328	\$ 10,011,581
Annuity and life income funds	648,049	508,802
Funds held in trust by others	<u>3,884,072</u>	<u>4,075,624</u>
	<u>\$ 14,743,449</u>	<u>\$ 14,596,007</u>

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(Continued)

LINCOLN MEMORIAL UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008 and 2007

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**NOTE 10 - CONTINGENCIES AND COMMITMENTS**

The University is a defendant in various lawsuits. However, University management is of the opinion, based on advice of legal counsel, that the ultimate resolution of these litigation matters will not have a material effect on the future operations or financial position of the University.

The University receives grants and contracts from certain federal, state and local agencies. The costs, both direct and indirect, that have been charged to the grant or contract are subject to examination and approval by the granting agency. It is the opinion of the University administration that any disallowance or adjustment of such costs would not have a material effect on the accompanying financial statements.

**NOTE 11 - FINANCIAL INSTRUMENTS AND FAIR VALUE**

During 2006, the University entered into an interest rate swap to receive market rate interest and pay fixed rate interest to a major financial institution that locked in the University's interest rate paid on a portion of its note payable. The interest-rate swap agreement is for the purpose of reducing certain exposures to interest-rate fluctuations. At June 30, 2008 and 2007, this interest rate swap had a total notional amount of \$4,871,273 and \$4,431,315, respectively. Under this agreement, the University will pay the bank interest monthly at 6.57%. This agreement expires March 30, 2014.

During 2008, the University entered into another interest rate swap to receive market rate interest and pay fixed rate interest to a major financial institution that locked in the University's interest rate paid on a portion of its note payable. At June 30, 2008, this interest rate swap had a total notional amount of \$18,000,000. Under this agreement, the University will pay the bank interest monthly at 3.95%. This agreement expires on July 01, 2036.

At June 30, 2008 the fair value of these swap agreements reflected an obligation of the University of \$734,570. This obligation is included in accrued expenses. This change in value during the year ended June 30, 2008 is recognized as a non operating decrease in net assets.

The carrying amount of the financial instruments reported in the statements of financial position, which include accounts receivable, notes receivable, accounts payable and debt, approximate fair value at June 30, 2008 and 2007.

LINCOLN MEMORIAL UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2008

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<u>Federal Grant/Program Title</u>	<u>Federal CFDA</u>	<u>Federal Expenditures</u>
<b>U. S. DEPARTMENT OF EDUCATION:</b>		
<b>Student Financial Aid Cluster</b>		
Federal Pell Grant Program	84.063	\$ 2,242,130
Academic Competitiveness Grant	84.375	68,125
National Science and Mathematics Access to Retain	84.376	60,000
Federal Perkins Loan Program	84.038	1,250,122
Federal Work Study Program	84.033	174,381
Federal Supplemental Educational Opportunity Grant Program	84.007	172,192
Federal Family Education Loan Program	84.032	<u>26,039,744</u>
<b>Total Student Financial Aid Cluster</b>		<b>30,006,694</b>
<b>TRIO Cluster</b>		
Upward Bound Program	84.047	335,381
Student Support Services Program	84.042	<u>253,173</u>
<b>Total TRIO Cluster</b>		<b>588,554</b>
<b>Total U. S. Department of Education</b>		<b><u>30,595,248</u></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Health Resources and Services	93.247	<u>231,388</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Distance Learning and Telemedicine Loans and grants	10.855	<u>72,007</u>
<b>Total federal awards</b>		<b><u>\$ 30,898,643</u></b>

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LINCOLN MEMORIAL UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2008

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**NOTE 1 - BASIS OF ACCOUNTING**

This schedule includes the federal awards activity of Lincoln Memorial University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Catalog of Federal Domestic Assistance ("CFDA") numbers are presented for those programs for which such numbers were available. All programs are presented by the federal department.

**NOTE 2 - LOANS**

Loans made by the University to eligible students under the Federal Perkins Loan Program and federal student loans issued by the Federal Family Educational Loan Program during the year ended June 30, 2008 are summarized as follows:

Federal Perkins Loan Program	
Loans Disbursed	<u>\$ 207,855</u>
Federal Family Education Loan Program	
Federal Subsidized Stafford Loans	\$ 9,066,430
Federal Unsubsidized Stafford Loans	15,641,794
Federal PLUS Loans	<u>1,331,520</u>
	<u>\$ 26,039,744</u>

At June 30, 2008, the University had loans outstanding in the amount of \$1,250,122 with an allowance for doubtful accounts of \$346,354 under the Perkins Loan program. The outstanding loan balance is included in the accompanying Schedule of Expenditures of Federal Awards.



**Crowe Chizek and Company LLC**  
Member Horwath International

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

We have audited the financial statements of Lincoln Memorial University (the "University") as of and for the year ended June 30, 2008, and have issued our report thereon dated the same date as this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a

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misstatement of the University's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 08-01 to be a significant deficiency in internal control over reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

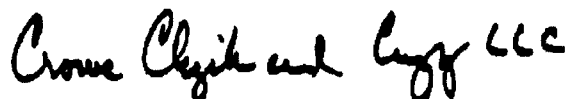
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management in a separate letter dated August 29, 2008.

The University's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Chizek and Company LLC

Louisville, Kentucky  
August 29, 2008



**Crowe Chizek and Company LLC**  
Member Horwath International

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

**Compliance**

We have audited the compliance of Lincoln Memorial University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-02 through 08-04.

### **Internal Control Over Compliance**

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-02 through 08-04 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The University's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University's response and, accordingly, we express no opinion on it.

We have noted certain other matters that we have reported to management in a separate letter dated August 29, 2008.



This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC

Louisville, Kentucky  
August 29, 2008

LINCOLN MEMORIAL UNIVERSITY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2008

**PART I: SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	<u>Unqualified</u>		_____	
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiency identified not considered to be material weaknesses?	<u>  X  </u>	Yes	_____	None Reported
Noncompliance material to financial statements noted?	_____	Yes	<u>  X  </u>	No
<b>Federal Awards</b>				
Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiency identified not considered to be material weakness(es)?	<u>  X  </u>	Yes	_____	None Reported
Type of auditors' report issued on compliance for major programs	<u>Unqualified</u>		_____	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section .510(a))?	<u>  X  </u>	Yes	_____	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster Number</u>
	Total Federal Student Aid (consisting of):
84.063	Federal Pell Grant Program
84.033	Federal Work Student Program
84.007	Federal Supplemental Educational Opportunity Grant Program
84.375	Academic Competitiveness Grant
84.376	National Science and Mathematics Access to Retain Talent Grant
84.038	Federal Perkins Loan Program
84.032	Federal Family Education Loan Program
	Total TRIO Cluster (consisting of):
84.042	Student Support Services
84.047	Upward Bound

Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000			
Auditee qualified as low-risk auditee?	<u>  X  </u>	Yes	_____	No

LINCOLN MEMORIAL UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2008

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**PART II: FINANCIAL STATEMENT FINDINGS**

**Finding 08-01 - Segregation of Duties of Information Technology**

**Criteria:** Segregation of duties within the information technology area are extremely important to ensure potential changes to financial information are appropriately tracked and managed and therefore, system generated information is accurate and reliable.

**Condition:** The University retains source code for the Datatel applications. Programmers are employed to make changes to Datatel subroutines as needed and requested. Although change management procedures exist, programmers have access to production directories that would allow them to bypass the required approvals. Further, management is not monitoring changes to the production directories to make sure that only appropriately authorized changes are made.

**Effect:** This lack in segregation of duties could allow for unauthorized programming changes to be made within the Datatel system with no clear audit trail.

**Cause:** The cause of this finding appears to be lack of management oversight.

**Recommendation:** We recommend that the programmers' access to production be removed to allow for appropriate segregation of duties. If duties can not be segregated, management should implement appropriate monitoring controls over production directories where programs and data are stored.

**Management's Response:** The University has funds budgeted during the 2008-09 fiscal year to contract with a third party for a comprehensive review of processes and procedures in place within the Information Services Department. Management intends to implement, to the extent that it is cost beneficial, the recommendations of this third party review.

Additionally, the University continues to commit funds for additional personnel in the IS Department to effect the greatest possible segregation of duties, with particular attention given to the situation presented in this finding. Management believes that there will be significant improvement in this area prior to the completion of the 2008-09 fiscal year.

LINCOLN MEMORIAL UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2008

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**PART III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 08-02** - Pell Grant Program (CFDA No. 84.063), Supplemental Educational Opportunity Grant Program (CFDA No. 84.007), Federal Perkins Loan Program (CFDA No. 84.038), Federal Family Education Loan Program (CFDA No. 84.032), Academic Competitiveness Grant (CFDA No. 84.375) and National Science and Mathematics Access to Retain Talent Grant (CFDA No. 84.376)

**Criteria:** Under 34 CFR 668.22(a)(3) & (4), a school is permitted to credit a student's account with the post-withdrawal disbursement of Title IV grant funds without the student's permission for current charges for tuition, fees, and room and board (if the student contracts with the school) up to the amount of outstanding charges. An institution must obtain a student's authorization to credit a student's account with Title IV grant funds for charges other than current charges. However, a school must notify a student, or parent for a parent PLUS loan, in writing prior to making any post-withdrawal disbursement of loan funds, whether those loan funds are to be credited to the student's account or disbursed directly to the student (or parent).

The notice to the student must include the source, type, and amount of the funds. In addition, the notice must inform the student that he or she may reject the funds or accept all or just a portion of the amount offered. The school may not disburse the funds directly to the student without the student first confirming that he or she wants the funds. The school must document the result of the notification process and the final determination made concerning the disbursement, and maintain that documentation in the student's file.

**Condition:** We noted that the University was not providing written notification to students concerning post-withdrawal disbursements or maintaining documentation of the final determination made concerning the disbursement.

**Effect:** The University is not in compliance with post-withdrawal regulations which could adversely effect future funding.

**Cause:** The cause of this finding appears to be lack of management oversight.

**Recommendation:** We recommend that the University review its current policies and procedures and make the necessary changes to ensure the institution is in compliance with all post-withdrawal federal regulations.

**Management's Response:** Management has reviewed this process and is currently obtaining student's written authorization to disburse post-withdrawal funds and is maintaining this documentation in the student's file.

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LINCOLN MEMORIAL UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2008

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**FINDING 08-03 - Federal Perkins Loan Program (CFDA No. 84.038) and Federal Family Education Loan Program (CFDA No. 84.032)**

**Criteria:** According to 34 CFR 674.42(b) (Perkins Loan Program) and 34 CFR 682.604(f) and (g) (Federal Family Education Loan Program), students must receive exit counseling prior to leaving the University, if known, and/or the required materials mailed to the last known address within 30 days the University becomes aware that a student is no longer attending the institution.

**Condition:** During our review of exit counseling, we noted the following: 1) Perkins exit counseling for 4 of the 6 students selected, could not be produced by the University and therefore, we were unable to complete testing and 2) under the Federal Family Education Loan Program, we noted that exit counseling for eight of 33 students tested was not provided in accordance with the federal regulations.

**Effect:** The University is not in compliance with the federal regulations concerning exit counseling.

**Cause:** The cause of this finding appears to be the lack of management oversight.

**Recommendation:** We recommend that the University review its current procedures pertaining to exit counseling and make the necessary changes to ensure the appropriate materials are provided or sent to the borrowers in accordance with the federal regulations.

**Management's Response:** Management has reviewed the process for obtaining and documenting exit counseling and have made the appropriate changes to comply with this regulation.

**FINDING 08-04 - Federal Perkins Loan Program (CFDA No. 84.038)**

**Criteria:** According to 34 CFR 668.16(m)(1), a school is considered to have administrative capability when the cohort default rate for the Perkins loans made to students for attendance at the institution does not exceed 15%. Further, according to (m)(2)(i), the Department may allow the institution to continue to participate in Title IV programs but may provisionally certify the institution in accordance with 34 CFR 668.13.

**Condition:** Upon review of the Fiscal Operations Report and Application to Participate for the 2007-2008 year, we noted that the Perkins cohort default rate was 22.45%.

LINCOLN MEMORIAL UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2008

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**Effect:** In addition to affecting a school's administrative capability and limiting the institution's participation in the Federal Student Aid programs, a high default rate may lead to a determination of ineligibility to participate in the Federal Pell Grant or Perkins program or cause the Department to limit, suspend, or terminate an institution's participation in the Federal Student Aid programs.

**Cause:** The cause of this finding appears to be lack of adequate underwriting and collection procedures.

**Recommendation:** The University should review current policies and procedures over the Perkins Loan Program and make the necessary changes and work toward reducing the cohort default rate.

**Management's Response:** The University has taken steps to correct this issue by assigning new personnel, and implementing new policies and procedures to allow the default rate to come back into compliance.

**PART IV: SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

None



Crowe Chizek and Company LLC  
Member Horwath International

## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Lincoln Memorial University  
Harrogate, Tennessee

We have audited the accompanying statements of financial position of Lincoln Memorial University (the "University") as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Memorial University as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2008 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Lincoln Memorial University taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC

Louisville, Kentucky  
August 29, 2008



**LINCOLN MEMORIAL UNIVERSITY**  
**RESTATEMENT OF NET ASSETS WITHOUT PLANT AND PLANT-RELATED DEBT**  
**CORE REQUIREMENT 2.11.1**

	-----FYE 6/30-----					
	2003	2004	2005	2006	2007	2008
Unrestricted Net Assets (URNA)	33,063,438	39,842,402	43,595,224	45,636,979	49,174,319	46,361,338
Less: Plant & Plant-limited Assets	(17,322,127)	(18,368,411)	(19,845,109)	(26,462,647)	(57,827,546)	(69,312,801)
Plus: Plant-Related Debt	5,381,329	5,562,318	5,185,212	6,930,427	29,007,769	36,235,836
<b>URNA Not Including Plant &amp; Debt</b>	<b>21,122,640</b>	<b>27,036,309</b>	<b>28,935,327</b>	<b>26,104,759</b>	<b>20,354,542</b>	<b>13,284,373</b>
Net Tuition	14,428,429	16,556,063	19,772,720	20,780,635	23,453,616	29,668,126
Grants & Contracts	914,688	766,824	899,534	1,032,769	962,766	1,274,938
Gifts	286,186	2,299,614	1,617,312	111,015	162,256	309,409
Other Sources	493,898	432,423	497,439	429,465	592,558	515,026
Investment Income	490,038	385,347	805,634	1,042,816	1,018,033	903,013
Auxiliary Enterprises	1,821,325	2,362,905	2,635,909	2,815,670	2,995,841	4,025,554
Investment Gains (Losses)	(12,162)	2,206,551	(1,057,288)	185,954	3,158,392	(3,531,120)
Assets Released from Restrictions	197,953	1,228,030	545,287	758,764	680,166	1,162,042
<b>Total Revenues</b>	<b>18,620,355</b>	<b>26,237,757</b>	<b>25,716,547</b>	<b>27,157,088</b>	<b>33,023,628</b>	<b>34,326,988</b>
Instructional	7,548,329	8,181,123	8,692,129	11,127,278	14,279,513	19,188,007
Public Service	639,319	584,840	612,517	821,996	694,563	752,072
Academic Support	1,977,561	1,971,670	2,342,629	2,514,858	3,007,784	4,020,955
Support Services	2,644,541	2,682,039	2,869,182	3,441,588	3,385,637	3,667,486
Institutional Support	3,586,229	4,225,785	5,311,408	5,166,288	6,129,587	7,038,634
Auxiliary Enterprises	1,588,850	1,813,336	2,135,860	2,043,325	1,989,204	2,472,815
Plus: Added to property net of debt	430,730	1,665,727	2,612,603	5,652,917	10,559,394	2,026,367
Plus: Reduced from CIP & property debt	0	94,277	377,107	377,107	377,107	464,762
Less: Depreciation	(935,644)	(894,709)	(1,135,906)	(1,157,701)	(1,648,944)	(2,733,941)
<b>Total Expenses</b>	<b>17,479,915</b>	<b>20,324,088</b>	<b>23,817,529</b>	<b>29,987,656</b>	<b>38,773,845</b>	<b>36,897,157</b>
<b>Changes in URNA excluding plant</b>	<b>1,140,440</b>	<b>5,913,669</b>	<b>1,899,018</b>	<b>(2,830,568)</b>	<b>(5,750,217)</b>	<b>(2,570,169)</b>

**Excerpt Minutes  
Lincoln Memorial University  
Board of Trustees Meeting  
1:30 p.m., May 1, 2009  
Executive Board Room  
Business/Education Building**

**Finance Report**

Mr. Eldridge also submitted the following proposed budget for 2009-2010 for approval:

**LINCOLN MEMORIAL UNIVERSITY**

**Budget 2009 and 2010**

<b>Revenues by Source:</b>	<b>FY 2009 BUDGET</b>	<b>FY 2010 BUDGET</b>	<b>Changes</b>
Undergraduate Tuition	\$20,302,410	\$20,295,350	\$ (7,060)
Graduate Tuition	\$14,415,613	\$14,642,132	\$ 226,519
DCOM Tuition	\$ 9,922,500	\$15,644,475	\$ 5,721,975
NA Tuition	\$ 414,410	\$ 932,699	\$ 518,289
PA Tuition	-	\$ 1,325,756	\$ 1,325,756
Ed.D Tuition	-	\$ 1,320,549	\$ 1,320,549
Law School		\$ 1,146,000	
JFWA Tuition	\$ 405,875	\$ 468,350	\$ 62,475
International Studies	\$ 245,000	\$ 175,000	\$ (70,000)
Miscellaneous Fees & Charges	\$ 666,440	\$ 796,510	\$ 130,070
Federal Programs Revenues	\$ 682,800	\$ 639,626	\$ (43,174)
Unrestricted Gift Revenue	\$ 916,100	\$ 1,510,914	\$ 594,814
Lease Revenue	\$ 146,667	\$ 147,485	\$ 818
Campus Programs (camps, etc.)	\$ 644,359	\$ 729,640	\$ 85,281
Room & Board Revenue	\$ 4,664,740	\$ 4,550,210	\$ (114,530)
All Other Miscellaneous Revenue	\$ 321,341	\$ 333,659	\$ 12,318
Gain / (Loss) on Investment	-		-

**A motion was made by Dr. Sam Mars, Jr. and seconded by Dr. Richard Gillespie to approve the proposed budget for 2009-2010. The motion passed by a unanimous vote.**

**LINCOLN MEMORIAL UNIVERSITY  
BUDGET SUMMARY  
2007-2008**

REVENUES	FY 2007-08 Summary
Tuition:	
JFWA	\$382,500
International Studies (Kanto)	\$231,000
LMU Undergraduate Programs	\$17,830,080
MLP Program	\$312,500
LMU Graduate Programs	\$12,699,523
DeBusk College of Medicine	\$4,500,000
Room Revenue	\$1,945,912
Board Revenue	\$1,436,916
Miscellaneous Fees & Charges	\$337,925
Federal Programs	\$732,136
Unrestricted Endowment Income	\$655,990
Lease Revenue	\$143,037
Campus Programs	\$292,671
Other Sources	\$932,721
Other Sources - DeBusk College of Medicine	
<b>TOTAL REVENUES</b>	<b>\$42,432,911</b>

EXPENSES	FY 2007-2008 Current Version
Academic Affairs	\$14,199,020
Finance	\$4,474,408
Enrollment Management	\$2,549,179
Enrollment Management - Scholarships	\$6,967,659
University Advancement	\$1,338,864
President/Athletics	\$2,081,768
Administration	\$7,610,246
DeBusk College of Medicine	\$6,725,295
<b>TOTAL EXPENSES</b>	<b>\$45,946,439</b>
Contingencies/Strategic Initiative	-\$3,513,528
	<b>\$42,432,911</b>

**LINCOLN MEMORIAL UNIVERSITY  
BUDGET SUMMARY  
2008 - 2009**

REVENUES	FY 2008-09 Summary
Tuition:	
JFWA	\$405,875
Kanto Program	\$245,000
LMU Undergraduate Programs	\$20,302,410
LMU Graduate Programs	\$14,830,023
DeBusk College of Medicine	\$9,922,500
Room Revenue	\$2,904,894
Board Revenue	\$1,611,897
Miscellaneous Fees & Charges	\$670,340
Federal Programs	\$626,275
Unrestricted Endowment Income	\$801,750
Lease Revenue	\$146,667
Campus Programs	\$282,308
Other Sources	\$941,791
<b>TOTAL REVENUES</b>	<b>\$53,691,730</b>

EXPENSES	FY 2008-09 Summary
Academic Affairs	\$16,041,506
Finance and Operations	\$11,692,628
Enrollment Management	\$2,456,889
Enrollment Management - Scholarships	\$7,087,046
University Advancement	\$1,371,438
President/Athletics	\$2,116,637
DeBusk College of Medicine	\$8,157,432
Debt	\$3,558,859

**TOTAL EXPENSES**

**\$52,482,435**

Contingencies/Strategic Initiative

\$1,209,295

\$53,691,730

**LINCOLN MEMORIAL UNIVERISTY**  
**BUDGET SUMMARY**  
**FY 2009-10**

REVENUES	FY 2009-10 Summary
<b>TUITION:</b>	
JFWA	468,350
KANTO PROGRAM	175,000
LMU UNDERGRADUATE PROGRAMS	20,295,350
LMU GRADUATE PROGRAMS	15,574,831
DeBUSK COLLEGE OF MEDICINE	15,644,475
DUNCAN SCHOOL OF LAW	1,093,500
Ed.D	1,236,900
PHYSICIANS ASSISTANT PROGRAM	1,255,058
ROOM REVENUE	2,663,500
BOARD REVENUE	1,886,700
MISCELLANEOUS FEES AND CHARGES	1,003,357
FEDERAL PROGRAMS	639,626
UNRESTRICTED ENDOWMENT INCOME	1,510,914
LEASE REVENUE	147,485
CAMPUS PROGRAMS	729,640
OTHER SOURCES	333,669
<b>TOTAL REVENUES</b>	<b>64,658,355</b>
EXPENDITURES	FY 2009-10 Summary
ACADEMIC AFFAIRS	16,653,195
FINANCE AND OPERATIONS	14,553,984
ENROLLMENT MANAGEMENT	2,726,033
ENROLLMENT MANAGEMENT - SCHOLARSHIPS	7,090,326
UNIVERSITY ADVANCEMENT	1,300,840
PRESIDENT / ATHLETICS	2,162,831
DeBUSK COLLEGE OF MEDICINE	10,407,586
DUNCAN SCHOOL OF LAW	2,333,076
DEBT	8,371,348
<b>TOTAL EXPENDITURES</b>	<b>65,599,218</b>
CONTINGENCIES/STRATEGIC INITIATIVE	(940,863)
	=====
	64,658,355
	=====

**LINCOLN MEMORIAL UNIVERSITY  
PRO FORMA REVENUE PROJECTION**

REVENUES	FY 2008-09	FY 2009-10		FY 2010-11		FY 2011-12
Tuition:						
JFWA	\$405,875	\$468,350	15%	\$489,600	5%	\$521,360
Kanto Program	\$245,000	\$175,000	-29%	\$175,000	0%	\$175,000
LMU Undergraduate Programs	\$20,302,410	\$20,295,350	0%	\$22,596,170	11%	\$24,742,156
LMU Graduate Programs	\$14,415,613	\$14,672,632	2%	\$15,892,607	8%	\$17,251,664
NA Program	\$414,410	\$902,199	118%	\$1,178,701	31%	\$1,338,782
DeBusk College of Medicine	\$9,922,500	\$15,644,475	58%	\$21,080,351	35%	\$22,134,369
Room Revenue	\$2,904,894	\$2,760,108	-5%	\$2,966,340	7%	\$3,077,331
Board Revenue	\$1,611,897	\$1,631,115	1%	\$1,725,992	5%	\$1,790,442
Miscellaneous Fees & Charges	\$373,965	\$388,227	4%	\$399,921	3%	\$411,961
Federal Programs	\$682,800	\$639,626	-6%	\$639,726	0%	\$639,826
Unrestricted Endowment Income	\$801,750	\$893,564	11%	\$968,505	8%	\$1,050,840
Lease Revenue	\$146,667	\$147,485	1%	\$150,381	2%	\$153,374
Campus Programs	\$282,308	\$292,127	3%	\$303,411	4%	\$315,159
Other Sources	\$941,791	\$1,043,413	11%	\$1,081,693	4%	\$1,121,284
DeBusk College of Medicine Annual Fund	\$0	\$500,000	#DIV/0!	\$500,000	0%	\$500,000
Fees - NA Program	\$34,500	\$50,500	46%	\$62,350	23%	\$66,475
Fees - DeBusk College of Medicine	\$261,875	\$361,875	38%	\$456,938	21%	\$520,264
<b>TOTAL REVENUES</b>	<b>\$53,748,255</b>	<b>\$60,866,046</b>	<b>13%</b>	<b>\$70,667,687</b>	<b>14%</b>	<b>\$75,810,289</b>
REVENUES NEW PROGRAMS	FY 2008-09	FY 2009-10		FY 2010-11		FY 2011-12
Tuition:						
PA Program	\$0	\$1,255,058	N/A	\$3,139,612	150%	\$4,434,012
Law School	\$0	\$1,093,500	N/A	\$5,247,480	380%	\$9,079,260
Ed.D Program	\$0	\$1,236,900	N/A	\$2,019,360	63%	\$2,115,120
Other Sources:						
PA Program	\$0	\$70,698	N/A	\$142,270	101%	\$209,673
Law School	\$0	\$52,500	N/A	\$133,000	153%	\$204,000
Ed.D Program	\$0	\$83,649	N/A	\$87,931	5%	\$93,140
<b>TOTAL REVENUES NEW PROGRAMS</b>	<b>\$0</b>	<b>\$3,792,305</b>	<b>N/A</b>	<b>\$10,769,653</b>	<b>65%</b>	<b>\$16,135,205</b>

<b>TOTAL REVENUES</b>	<b>\$53,748,255</b>	<b>\$64,658,351</b>	<b>20%</b>	<b>\$81,437,340</b>	<b>21%</b>	<b>\$91,945,494</b>
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## LINCOLN MEMORIAL UNIVERSITY PRO FORMA EXPENSE PROJECTION

EXPENSES	2008-2009 BUDGET	FY 2009-10	CHANGE	FY 2010-11	CHANGE	FY 2011-12
Academic Affairs	\$14,940,716	\$16,414,258	10%	\$18,363,228	12%	\$19,736,950
Finance and Operations	\$11,579,026	\$14,429,599	25%	\$17,082,634	18%	\$13,732,317
Enrollment Management	\$2,617,290	\$2,850,419	9%	\$3,477,757	22%	\$4,219,960
Enrollment Management - Scholarships	\$7,087,046	\$7,090,326	0%	\$7,918,621	12%	\$8,691,176
University Advancement	\$1,371,165	\$1,300,840	-5%	\$650,403	-50%	\$680,846
President/Athletics	\$2,090,513	\$2,162,830	3%	\$2,524,945	17%	\$3,296,513
DeBusk College of Medicine	\$7,647,924	\$9,356,926	22%	\$10,509,703	12%	\$11,429,940
Debt	\$3,558,859	\$8,371,348	135%	\$16,835,636	101%	\$14,774,385
=====						
<b>TOTAL EXPENSES</b>	<b>\$50,892,539</b>	<b>\$61,976,545</b>	<b>22%</b>	<b>\$77,362,927</b>	<b>25%</b>	<b>\$76,562,087</b>

### EXPENSES - NEW PROGRAMS

PA	\$745,059	\$1,050,660	41%	\$1,540,482	47%	\$2,022,242
Law	\$1,264,111	\$1,993,320	58%	\$2,802,040	41%	\$3,399,767
Ed.D	\$0	\$578,689	#DIV/0!	\$751,148	30%	\$723,189
=====						
<b>TOTAL EXPENSES - NEW PROGRAMS</b>	<b>\$2,009,170</b>	<b>\$3,622,669</b>	<b>80%</b>	<b>\$5,093,670</b>	<b>41%</b>	<b>\$6,145,198</b>
Capital Projects Fund	\$0	\$0	0%	\$0	0%	\$3,500,000
Contingencies/Strategic Initiative	\$846,546	-\$940,863	-211%	-\$1,019,256	8%	\$5,738,209
=====						
	\$53,748,255	\$64,658,351	20%	\$81,437,340	26%	\$91,945,494
=====						

<b>FY 2012-13</b>		<b>FY 2013-14</b>		
-----		-----		
6%	\$543,900	4%	\$572,000	5%
0%	\$185,000	6%	\$185,000	0%
9%	\$27,046,225	9%	\$29,518,826	9%
9%	\$18,770,529	9%	\$20,407,314	9%
14%	\$1,500,427	12%	\$1,552,938	3%
5%	\$23,241,087	5%	\$24,403,142	5%
4%	\$3,085,080	0%	\$3,220,160	4%
4%	\$1,864,730	4%	\$1,828,700	-2%
3%	\$424,364	3%	\$437,141	3%
0%	\$639,926	0%	\$656,764	3%
8%	\$1,141,306	8%	\$1,240,713	8%
2%	\$156,426	2%	\$159,540	2%
4%	\$327,392	4%	\$340,131	4%
4%	\$1,162,372	4%	\$1,205,148	4%
0%	\$500,000	0%	\$500,000	0%
7%	\$74,900	13%	\$74,900	0%
12%	\$531,116	2%	\$531,993	0%
7%	\$81,194,781	7%	\$86,834,411	6%
<b>FY 2012-13</b>		<b>FY 2013-14</b>		
-----		-----		
41%	\$5,202,253	17%	\$5,462,366	5%
73%	\$12,091,996	33%	\$12,098,460	0%
5%	\$2,212,140	5%	\$2,322,544	5%
47%	\$247,537	18%	\$247,537	0%
53%	\$243,500	19%	\$228,000	-6%
6%	\$97,911	5%	\$102,904	5%
33%	\$20,095,337	20%	\$20,461,811	2%



11%	\$101,290,118	9%	\$107,296,222	6%
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**CHANGE FY 2012-13 CHANGE FY 2013-14 CHANGE**

7%	\$21,114,137	7%	\$22,641,951	7%
-20%	\$14,845,207	8%	\$15,980,706	8%
21%	\$4,893,421	16%	\$5,674,906	16%
10%	\$9,520,641	10%	\$10,410,777	9%
5%	\$712,812	5%	\$716,891	1%
31%	\$3,816,598	16%	\$3,128,602	-18%
9%	\$12,400,715	8%	\$13,082,613	5%
-12%	\$5,552,624	-62%	\$3,500,000	-37%

-1%	\$72,856,155	-5%	\$75,136,447	3%
-----	--------------	-----	--------------	----

31%	\$1,949,940	-4%	\$1,939,005	-1%
21%	\$3,915,464	15%	\$4,750,633	21%
-4%	\$749,882	4%	\$825,802	10%

21%	\$6,615,286	8%	\$7,515,441	14%
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0%	\$9,500,000	171%	\$10,000,000	5%
-663%	\$12,318,677	115%	\$14,644,335	19%

13%	\$101,290,118	10%	\$107,296,222	6%
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LINCOLN MEMORIAL UNIVERSITY  
 PROPOSED COLLEGE OF LAW  
 PRO FORMA PROJECTION  
 8/26/2008

REVENUES	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Tuition	0	1,215,000	5,247,480	9,079,260	12,091,996	12,098,460
Technology Fees	0	37,500	113,000	179,000	218,500	203,000
Appolcation Fees	0	15,000	20,000	25,000	25,000	25,000
<b>TOTAL REVENUES</b>	<b>0</b>	<b>1,267,500</b>	<b>5,380,480</b>	<b>9,283,260</b>	<b>12,335,496</b>	<b>12,326,460</b>
<b>EXPENSES</b>						
Personnel	588,938	2,195,930	3,424,294	4,444,588	5,400,942	6,273,692
Postage	500	2,700	6,860	9,053	9,116	9,683
Telephone	500	2,000	2,000	2,000	2,000	2,000
Memberships	0	1,000	2,050	2,153	2,282	2,419
Advertising	25,000	25,000	20,000	20,000	20,000	20,000
Books	0	0	500	525	557	590
Library Resources	500,000	500,000	750,000	800,000	1,000,000	1,000,000
Printing	2,000	21,000	54,400	103,830	109,900	116,214
Travel	15,000	24,500	31,475	86,299	90,577	95,111
Recruiting	105,000	92,500	96,200	100,048	104,050	108,212
Faculty Searches	24,850	25,814	26,817	27,109	28,194	29,321
Faculty Relocation	32,000	32,000	48,000	40,000	40,000	40,000
Entertainment	0	15,000	30,350	41,668	44,168	53,818
Faculty Development	7,500	7,800	8,190	8,600	9,115	9,662
Computer Software	0	0	10,000	10,500	11,130	11,798
Accreditation	5,000	5,000	35,000	35,000	25,000	25,000
Contract Services	96,000	98,880	101,846	104,902	108,049	111,290
Facility Insurance	10,000	10,300	10,609	10,927	11,255	11,593
Electricity	60,000	61,800	63,654	65,564	67,531	69,556
Water	36,000	37,080	38,192	39,338	40,518	41,734
Service Costs	15,000	15,450	15,914	16,391	16,883	17,389
Property Taxes	5,000	5,150	5,305	5,464	5,628	5,796
Supplies	4,000	12,500	22,825	37,066	49,850	62,681
HVAC Maint/Repair	10,000	10,300	10,609	10,927	11,255	11,593
Elevator Svc/Inspection	10,000	10,300	10,609	10,927	11,255	11,593
Honors & Awards	0	0	200	410	435	961
Student Activities	0	7,250	7,613	7,993	8,473	8,981
Dean's Service Fund	15,000	15,000	15,000	15,000	15,000	15,000
Other	15,000	15,500	15,675	17,359	17,500	18,150
Debt Service	259,096	621,830	621,830	621,830	621,830	621,830
<b>TOTAL EXPENSES</b>	<b>1,841,383</b>	<b>3,871,584</b>	<b>5,486,016</b>	<b>6,695,470</b>	<b>7,882,491</b>	<b>8,805,667</b>
<b>NET REVENUE/(EXPENSE)</b>	<b>(1,841,383)</b>	<b>(2,604,084)</b>	<b>(105,536)</b>	<b>2,587,790</b>	<b>4,453,005</b>	<b>3,520,793</b>
<b>CUMULATIVE REV/(EXP)</b>	<b>(1,841,383)</b>	<b>(4,445,468)</b>	<b>(4,551,004)</b>	<b>(1,963,213)</b>	<b>2,489,792</b>	<b>6,010,585</b>

**Lincoln Memorial University School of Law  
Proforma - Conservative Model**

**Summary**

C	Income	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Totals
1.0	<b>Total Income Projections</b>	\$0	\$1,267,500	\$5,380,480	\$9,283,260	\$12,335,496	\$12,326,460	\$40,593,196
	<b>Expenses</b>							
2.0	Salaries & Benefits	(\$588,938)	(\$2,126,756)	(\$3,256,084)	(\$4,187,548)	(\$5,059,797)	(\$5,857,892)	(\$21,077,015)
2.1	Faculty Summer Salaries & Benefits	0	(55,350)	(133,650)	(205,200)	(272,025)	(329,400)	(995,625)
2.2	Research Asst. Salaries & Benefits	0	(13,824)	(34,560)	(51,840)	(69,120)	(86,400)	(255,744)
3.0	Facilities	(242,000)	(249,260)	(256,738)	(264,440)	(272,373)	(280,544)	(1,565,355)
4.0	Library	(500,000)	(500,000)	(750,000)	(800,000)	(1,000,000)	(1,000,000)	(4,550,000)
5.0	Operating Costs	(77,000)	(85,500)	(100,000)	(135,000)	(149,000)	(163,000)	(709,500)
6.0	Student Programs & Journals	0	(24,000)	(41,800)	(131,550)	(139,443)	(156,310)	(493,103)
7.0	Faculty Development	(7,500)	(7,800)	(8,190)	(8,600)	(9,115)	(9,662)	(50,867)
8.0	Faculty Recruitment	(56,850)	(57,814)	(74,817)	(67,109)	(68,194)	(69,321)	(394,105)
9.0	Student Recruitment	(105,000)	(92,500)	(96,200)	(100,048)	(104,050)	(108,212)	(606,010)
10.0	Career Services	0	0	(38,000)	(39,900)	(42,294)	(44,832)	(165,026)
11.0	Student Services	0	(31,950)	(39,148)	(47,405)	(50,249)	(53,264)	(222,016)
12.0	Accreditation Costs	(5,000)	(5,000)	(35,000)	(35,000)	(25,000)	(25,000)	(130,000)
13.0	Debt Service	(259,096)	(621,830)	(621,830)	(621,830)	(621,830)	(621,830)	(3,368,246)
14.0	Miscellaneous Other							
	<b>Total Expense Projections</b>	<b>(1,841,383)</b>	<b>(3,871,584)</b>	<b>(5,486,016)</b>	<b>(6,695,470)</b>	<b>(7,882,491)</b>	<b>(8,805,667)</b>	<b>(34,582,611)</b>
	<b>Annual Operating Cash Flow</b>	<b>(\$1,841,383)</b>	<b>(\$2,604,084)</b>	<b>(\$105,536)</b>	<b>\$2,587,790</b>	<b>\$4,453,005</b>	<b>\$3,520,793</b>	<b>\$6,010,585</b>
	<b>Cummulative Operating Cash Flow</b>	<b>(1,841,383)</b>	<b>(4,445,468)</b>	<b>(4,551,004)</b>	<b>(1,963,213)</b>	<b>2,489,792</b>	<b>6,010,585</b>	

## Assumptions and Projections

### Assumptions

C	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Tuition - F/T Students (per year)	0%	\$0	\$27,300	\$28,665	\$30,098	\$31,603
Tuition - P/T Students (per hour)	0%	\$900	\$945	\$992	\$1,042	\$1,094
Attrition	0%	12.00%	12.00%	12.00%	12.00%	12.00%
Program Hours	0%	88	88	88	88	88
Annual Tuition Increase	0%	5%	5%	5%	5%	5%
Applicants per year	0%	300	400	500	500	500
Application Fee	0%	\$50	\$50	\$50	\$50	\$50
Technology Fee (Annual)	0%	\$500	\$500	\$500	\$500	\$500
Average Annual Salary Increase	0%	5%	5%	5%	5%	5%
Increase in expenses	4%	4%	5%	5%	6%	6%
Benefits Costs	35%	35%	35%	35%	35%	35%
Benefit Costs for Student Workers	10%	10%	10%	10%	10%	10%

### Enrollment Projections

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1 L F/T Students (Entering Students)	0	0	100	100	125	125
2 L F/T Students	0	0	0	88	88	110
3 L F/T Students	0	0	0	0	77	77
F/T Graduating Students			0	0	0	(77)
F/T Student Enrollment	0	0	100	188	290	312
1 L P/T Students (Entering Students)	0	75	60	60	50	50
2 L P/T Students	0	0	66	52	52	44
3 L P/T Students			0	58	45	45
4 L P/T Students						(45)
P/T Student Enrollment	0	75	126	170	147	94
Total Student Body Population	0	75	226	358	437	406
FTE Calculation per ABA Standards						

### Attrition Calculations

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Full-Time Student Attrition	0	0	0	12	23	35
Part-Time Student Attrition	0	0	9	15	20	18

### Credit Hours

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
P/T Student Enrolled Credit Hours		1350	2664	3720	3228	2046

### Full-Time Students

Fall 1	15
Spring 1	15
Fall 2	15
Spring 2	15
Fall 3	14
Spring 3	14

**Total Program Hours** 88

**Part-Time Students**

**Fall 1** 9

**Spring 1** 9

**Fall 2** 12

**Spring 2** 12

**Fall 3** 12

**Spring 3** 12

**Fall 4** 11

**Spring 4** 11

**Total Program Hours** 88

**REFERENCE 1.0****C****Income Projections**

	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>Tuition - F/T Students</b>	\$0	\$0	\$2,730,000	\$5,389,020	\$8,728,420	\$9,860,136
<b>Tuition - P/T Students</b>	0	1,215,000	2,517,480	3,690,240	3,363,576	2,238,324
<b>Fees</b>	0	37,500	113,000	179,000	218,500	203,000
<b>Other Revenue</b>	0	0	0	0	0	0
<b>Application Fees</b>	0	15,000	20,000	25,000	25,000	25,000
<b>Total Gross Income</b>	\$0	\$1,267,500	\$5,380,480	\$9,283,260	\$12,335,496	\$12,326,460

Salaries and Benefits

2008-09 2009-10 2010-11 2011-12 2012-13 2013-14

	Hire Date	# of Months Remaining
2.0.1 Full-Time Faculty / Administrators		
Dean	08/01/08	11
Assoc. Dean for Academic Affairs	01/01/09	6
Assoc. Dean and Dir. of the Law Library	03/01/09	4
2.0.2 Full-Time Faculty		
Faculty 1 - Legal Writing Director	07/01/09	12
Faculty 2	07/01/09	12
Faculty 3	07/01/09	12
Faculty 4	07/01/09	12
Faculty 5	07/01/10	12
Faculty 6	07/01/10	12
Faculty 7	07/01/10	12
Faculty 8	07/01/10	12
Faculty 9	07/01/10	12
Faculty 10	07/01/10	12
Faculty 11	07/01/11	12
Faculty 12	07/01/11	12
Faculty 13	07/01/11	12
Faculty 14	07/01/11	12
Faculty 15	07/01/11	12
Faculty 16	07/01/12	12
Faculty 17	07/01/12	12
Faculty 18	07/01/12	12
Faculty 19	07/01/12	12
Faculty 20	07/01/12	12
Faculty 21	07/01/13	12
Faculty 22	07/01/13	12
Faculty 23	07/01/13	12
Faculty 24	07/01/13	12
Faculty 25	07/01/13	12

Total Faculty Salary Costs  
Total Faculty Benefit Costs

2.0.3 Staff		
Assistant to the Dean	09/01/08	10
Asst. to the Assoc. Dean for Acad. Affairs	02/01/09	5
Assistant Library Director	06/01/09	1
Director of Admissions	09/01/08	10
Assistant to Director of Admission	07/01/09	12
Financial Aid Officer	01/01/09	6
Director of Student Services	07/01/09	12
Assistant to Director of Stu. Svcs.	08/01/09	11
Director of Career Services	07/01/10	12

REFERENCE 2.0 PAGE 2

Assistant to Director of Career Services	08/01/10	11
Law Librarian # 1	07/01/09	12
Law Librarian # 2	07/01/10	12
Law Librarian # 3	07/01/11	12
Technical Services Librarian	07/01/09	12
Information Technology	07/01/09	12
Business Officer / Assist. to Registrar	07/01/09	12
Faculty Assistant #1	07/01/09	12
Faculty Assistant #2	07/01/10	12
Faculty Assistant #3	07/01/11	12
Faculty Assistant #4	07/01/12	12

Total Staff Salary Costs  
Total Staff Benefit Costs

2.0.4 Adjuncts	Estimated Credit Hours	
# of Adjuncts at 2 Credit Hours (2 Sem)		4
# of Adjuncts at 3 Credit Hours (2 Sem)		6
# of Adjuncts at 4 Credit Hours (2 Sem)		8

Total Adjunct Salary Costs

2.0.5 Legal Writing Compensation Costs	
# Students Per Legal Writing Instructor	16
Number of Students assigned to Director	16
Number of Legal Writing Adjuncts	
Legal Writing Adjunct Compensation	
Number of Legal Writing Teaching Fellows	
Teaching Fellows	

Note: The Legal Writing Dir. may change this model. I believe it would be more productive to move to a model of FT legal writing Instructors and eliminate legal writing adjuncts.

Total Salaries and Benefits

-588938 -2126756 -3256084 -4187548 -5059797 -5857892

REFERENCE 3.0

C

Facilities

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Maintenance Service (Contract)	24000	24720	25461.6	26225.45	27012.21	27822.58
Janitorial Service (Contract)	24000	24720	25461.6	26225.45	27012.21	27822.58
Security Service (Contract)	24000	24720	25461.6	26225.45	27012.21	27822.58
Grounds & Landscaping (Contract)	24000	24720	25461.6	26225.45	27012.21	27822.58
Landscaping Materials	15000	15450	15913.5	16390.91	16882.63	17389.11
Property Insurance	10000	10300	10609	10927.27	11255.09	11592.74
Electricity	60000	61800	63654	65563.62	67530.53	69556.44
Water/Sewer	36000	37080	38192.4	39338.17	40518.32	41733.87
Property Taxes	5000	5150	5304.5	5463.635	5627.544	5796.37
HVAC	10000	10300	10609	10927.27	11255.09	11592.74
Elevator Services/Inspections/Licenses	10000	10300	10609	10927.27	11255.09	11592.74
<b>Total Facilities</b>	<b>-242000</b>	<b>-249260</b>	<b>-256738</b>	<b>-264440</b>	<b>-272373</b>	<b>-280544</b>



**REFERENCE C**

**Library**

**2008-09    2009-10    2010-11    2011-12    2012-13    2013-14**

**Acquisitions & Maintenance**

**-500000    -500000    -750000    -800000    -1000000    -1000000**

**REFERENCE 5.0****C****Operating Costs**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Travel	15000	15000	15000	15000	15000	15000
Postage	500	2500	6000	8000	8000	8000
Photocopying / Printing	2000	5000	15000	36000	38000	40000
Advertising	25000	25000	20000	20000	20000	20000
Office Supplies	4000	6000	12000	24000	36000	48000
Dean Discretionary Fund	15000	15000	15000	15000	15000	15000
Operating Reserve	15000	15000	15000	15000	15000	15000
Telephone	500	2000	2000	2000	2000	2000
<b>Total Operating Costs</b>	<b>-77000</b>	<b>-85500</b>	<b>-100000</b>	<b>-135000</b>	<b>-149000</b>	<b>-163000</b>

Student Programs and Journals

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Law Review						
# of Issues Produced	0	1	2	4	4	4
Banquet	0	3500	3675	3858.75	4090.275	4335.692
Conferences and Meetings	0	3500	3675	3858.75	4090.275	4335.692
Dues and Memberships	0	500	525	551.25	584.325	619.3845
Meals	0	1000	1050	1102.5	1168.65	1238.769
Miscellaneous	0	500	525	551.25	584.325	619.3845
Est. Printing Cost Per Issue (not included in total)	0	12000	12600	13230	14023.8	14865.23
Printing / Outside Services*	0	12000	25200	52920	56095.2	59460.91
Supplies	0	3000	3150	3307.5	3505.95	3716.307
<b>Total Law Review</b>	<b>0</b>	<b>24000</b>	<b>37800</b>	<b>66150</b>	<b>70119</b>	<b>74326.14</b>

\* Note: The intent is to produce an online journal which would eliminate most (but not all) of the printing costs.

Moot Court

Intra-School Competition

Food and Beverage	0	0	0	2000	2120	2247.2
Reception	0	0	0	1500	1590	1685.4
Awards / Plaques	0	0	0	200	212	224.72
Mailings	0	0	0	150	159	168.54
Miscellaneous	0	0	0	150	159	168.54
<b>Subtotal:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4000</b>	<b>4240</b>	<b>4494.4</b>

1 L Competition

Food and Beverage	0	0	2000	2100	2226	2359.56
Reception	0	0	1500	1575	1669.5	1769.67
Awards / Plaques	0	0	200	210	222.6	235.956
Mailings	0	0	150	157.5	166.95	176.967
Miscellaneous	0	0	150	157.5	166.95	176.967
<b>Subtotal:</b>	<b>0</b>	<b>0</b>	<b>4000</b>	<b>4200</b>	<b>4452</b>	<b>4719.12</b>

External Competitions

(Estimate based on 4-5 Competitions)

Fees	0	0	0	6000	6360	6741.6
Travel/Lodging	0	0	0	30000	31800	33708
Meals	0	0	0	2000	2120	2247.2
Supplies	0	0	0	200	212	224.72
Miscellaneous	0	0	0	500	530	561.8
<b>Subtotal:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38700</b>	<b>41022</b>	<b>43483.32</b>

National School Sponsored Competition

(Note: There will be income to offset much of this cost)

Food and Beverage	0	0	0	0	0	2000
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Reception	0	0	0	0	0	5000
Awards / Plaques	0	0	0	0	0	500
Mailings	0	0	0	0	0	500
Miscellaneous	0	0	0	0	0	500
Subtotal:	0	0	0	0	0	8500
Total Moot Court	0	0	4000	46900	49714	61196.84
Mock Trial (Estimate based on 2 teams)						
Fees	0	0	0	2500	2650	2809
Travel/Lodging	0	0	0	12000	12720	13483.2
Meals	0	0	0	1500	1590	1685.4
Supplies	0	0	0	1500	1590	1685.4
Miscellaneous	0	0	0	1000	1060	1123.6
Total Mock Trial	0	0	0	18500	19610	20786.6
Grand Total Student Programs & Journals	0	-24000	-41800	-131550	-139443	-156310

**REFERENCE 7.0****C****Faculty Development**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Lunches for FDC Programs	2000	2080	2184	2293.2	2430.792	2576.64
Guest Speakers	3000	3120	3276	3439.8	3646.188	3864.959
Travel for Guest Speakers	1500	1560	1638	1719.9	1823.094	1932.48
Lodging for Guest Speakers	600	624	655.2	687.96	729.2376	772.9919
Meals for Guest Speakers	400	416	436.8	458.64	486.1584	515.3279
<b>Total Faculty Development</b>	<b>-7500</b>	<b>-7800</b>	<b>-8190</b>	<b>-8599.5</b>	<b>-9115.47</b>	<b>-9662.4</b>

## REFERENCE 8.0

C

## Faculty Recruitment

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Fees</b>						
AALS Conference Fee	750	750	750	0	0	0
<b>Lodging</b>						
AALS Conference	5500	5720	5948.8	6186.752	6434.222	6691.591
Candidates in Knoxville	2500	2600	2704	2812.16	2924.646	3041.632
<b>Airfare</b>						
AALS Conference	2400	2496	2595.84	2699.674	2807.661	2919.967
Candidates to Knoxville	7500	7800	8112	8436.48	8773.939	9124.897
<b>Meals</b>						
AALS Conference	800	832	865.28	899.8912	935.8868	973.3223
Candidates in Knoxville	4000	4160	4326.4	4499.456	4679.434	4866.612
<b>Candidate Presentations</b>						
<b>Other Transportation</b>						
<b>Parking</b>						
Parking	150	156	162.24	168.7296	175.4788	182.4979
<b>Rental Cars</b>						
Rental Cars	400	416	432.64	449.9456	467.9434	486.6612
<b>Taxi Fare</b>						
Taxi Fare	400	416	432.64	449.9456	467.9434	486.6612
<b>Mileage</b>						
Mileage	0	0	0	0	0	0
<b>Shuttle Service</b>						
Shuttle Service	0	0	0	0	0	0
<b>Miscellaneous</b>						
<b>Supplies</b>						
Supplies	200	208	216.32	224.9728	233.9717	243.3306
<b>Shipping Costs</b>						
Shipping Costs	200	208	216.32	224.9728	233.9717	243.3306
<b>Miscellaneous</b>						
Miscellaneous	50	52	54.08	56.2432	58.49293	60.83265
<b>Relocation</b>						
<b>Relocation Expenses</b>						
Relocation Expenses	32000	32000	48000	40000	40000	40000
<b>Total Faculty Recruitment</b>	<b>-56850</b>	<b>-57814</b>	<b>-74816.6</b>	<b>-67109.2</b>	<b>-68193.6</b>	<b>-69321.3</b>

## REFERENCE 9.0

C

## Student Recruitment

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Travel	15000	25000	26000	27040	28121.6	29246.46
Local Mileage	2000	2500	2600	2704	2812.16	2924.646
Conferences and Seminars	1500	2500	2600	2704	2812.16	2924.646
Meals	500	1000	1040	1081.6	1124.864	1169.859
Lodging	3000	4500	4680	4867.2	5061.888	5264.364
Postage	8000	10000	10400	10816	11248.64	11698.59
Photocopying / Printing	20000	20000	20800	21632	22497.28	23397.17
Other	5000	7000	7280	7571.2	7874.048	8189.01
Marketing Services	50000	20000	20800	21632	22497.28	23397.17
Total Student Recruitment	-105000	-92500	-96200	-100048	-104050	-108212

REFERENCE 10.0

C

Career Services

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Book Purchases			500	525	556.5	589.89
Conferences and Meetings			5000	5250	5565	5898.9
Lectures and Related Events			3000	3150	3339	3539.34
Dues and Memberships			1000	1050	1113	1179.78
On-Campus Interview Expenses			1500	1575	1669.5	1769.67
Printing			10000	10500	11130	11797.8
Postage			500	525	556.5	589.89
Software Fees (Symplicity)			10000	10500	11130	11797.8
Office Supplies			4000	4200	4452	4719.12
Meals and Entertainment			2500	2625	2782.5	2949.45
Total Expenses	0	0	-38000	-39900	-42294	-44831.64



## REFERENCE 11.0

C

## Student Services

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Exam "Relief"	0	1750	1837.5	1929.375	2045.138	2167.846
Office Supplies	0	3500	3675	3858.75	4090.275	4335.692
Conferences and Meetings	0	5000	5250	5512.5	5843.25	6193.845
Dues and Memberships	0	500	525	551.25	584.325	619.3845
Postage	0	200	210	220.5	233.73	247.7538
Printing	0	4000	4200	4410	4674.6	4955.076
Safety	0	2000	2100	2205	2337.3	2477.538
Event Insurance	0	3500	3675	3858.75	4090.275	4335.692
Back to School Party	0	3000	6000	9000	9540	10112.4
Thanksgiving/State of the School	0	3500	3675	3858.75	4090.275	4335.692
Special Events	0	5000	8000	12000	12720	13483.2
Total Expenses	0	-31950	-39147.5	-47404.9	-50249.2	-53264.1

REFERENCE 12.0

C

Accreditation Costs

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Fees /Dues / Memberships						
Transportation						
Meals						
Lodging						
Supplies						
Miscellaneous						
Consultants / Experts						
Total Accreditation Costs	-5000	-5000	-35000	-35000	-25000	-25000

REFERENCE 13.0

C

Debt Service

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Monthly Payment	-51819.2	-51819.2	-51819.2	-51819.2	-51819.2	-51819.2
Number of Months	5	12	12	12	12	12
Annual Service	-259096	-621830	-621830	-621830	-621830	-621830

Lincoln Memorial University's main campus is situated on approximately 1,000 acres of land located at the confluence of Tennessee, Kentucky, and Virginia in Harrogate, Tennessee. The campus proper occupies approximately 300 acres and includes academic, administrative, and service buildings, as well as athletic/recreational facilities that are adequate to support the Mission of LMU and the scope of its programs and services. The remaining acreage is in farmland and woods. There are currently 38 buildings on the main campus in Harrogate.

Located in a rural setting just 55 miles north of Knoxville, Tennessee, the campus is a visual treat. Stately trees, shrubs and open spaces, along with farmland and rolling hills that become the Cumberland Mountains, create a natural recreational area for enjoying nature. Biking, cross-country trails, hiking, mountain climbing, and camping in the surrounding environs are activities available for all to enjoy. A portion of the Harrogate campus is part of the Daniel Boone Greenway Walking/Biking Trail. All major campus buildings are efficiently heated and cooled, well lighted, and equipped with modern safety systems, including fire alarms. Compliance with State and local building regulations is carefully monitored. All major campus buildings have internet capability and appropriate technology for their functions. Each of the major buildings and sports/recreational facilities is identified and briefly described in the following paragraphs.

**Duke Hall of Citizenship** (27,924 sq. ft.) is a three-story concrete and brick building constructed in 1925. It is in good condition and well suited for its present use. Duke Hall contains a spacious auditorium (523 cushioned, theatre style seats on the main level with additional reserved areas to accommodate wheelchairs, and 241 standard, wooden auditorium balcony level seats). Duke Hall also houses several administrative offices including: Academic Affairs (suite 201), Finance (suite 301), Finance and Operations (suite 302), Human Resources

(suite 202), Research, Grants and Sponsored Programs, Institutional Research and Accreditation (suite 304), and Information Services (Academic Computer Services and Administrative Computer Services) which occupies all the first floor offices and includes a new technology training and meeting area.

**Farr-Chinnock Hall** (21,040 sq. ft.) is a three-story concrete and brick veneer building originally constructed in 1951. Farr-Chinnock Hall houses the mathematics and natural sciences disciplines of the Paul V. Hamilton School of Arts and Sciences. The first floor contains faculty offices and two classrooms (one a multi-level lecture hall capable of accommodating up to 100 students). The second floor contains three large laboratories used primarily for biology related classes, two classrooms, a computer lab, and faculty offices. The third floor contains four large laboratories used primarily for chemistry classes, a large chemical storage room, a classroom/physics lab, and faculty offices.

**Kresge Hall** (5,120 sq. ft.) is a two-story concrete and brick building built in 1950. Kresge Hall houses the offices of the University Advancement Division, including: Development, Marketing and Public Relations, Foundation and External Relations, Prospect Research, Alumni Services, and Publications/Web master. Kresge Hall is in good condition and well suited for its present use.

**Avery Hall** (24,974 sq. ft.) is a three-story brick building constructed in 1904. It was the first building constructed by LMU. Avery Hall houses English, Social Sciences, Humanities and Fine Arts. The transformation of this historic building during a major renovation in 1984 retained the building's facade of bricks handmade by LMU students when it was first erected. In addition to the offices of the faculty of the Departments of English, Humanities and Fine Arts, and Social Sciences of the Paul V. Hamilton School of Arts and Sciences, it houses classrooms equipped to

meet the multiple purposes of LMU. Avery Hall also includes a computer lab and music practice room on the first floor. Two large lecture halls (one each on the first and second floors) accommodate large lecture classes. Most classrooms have recently been equipped with modern technology (smart classrooms) to facilitate instruction.

The **Business/Education** building (30,000 sq. ft.) is a steel frame, brick and concrete building that opened in May 2007 and is home to the School of Business and the Carter and Moyers School of Education. There are 14 offices on the first floor and 22 offices on the second floor. A technology-rich facility, the building supports full secure wireless, separating student, employee, and guest access. It contains eight classrooms (including one large classroom, a computer lab, and a Computer Information Systems lab), a Center for Professional Collaboration (resource room housing 20 laptops), a board room, a conference room, and building amenities rounded out with both faculty and student lounges. All classrooms support education with presentation equipment allowing instructional delivery of PowerPoint slides; annotation on any PC content; ability to show images, overheads, and 35 mm slides; play DVD/VCR material; and augmented sound throughout the room. Two technology enhanced classrooms are capable of joining multiple remote sites into one face-to-face virtual classroom setting where students can collaborate outside the physical walls of a classroom. This is commonly referred to as ITV or interactive television. ITV allows LMU to connect to any of the many other ITV systems. In addition to the endless possibilities this created for extended-site students to expand their class options, on-campus students can now be combined with other ITV classes at different sites to allow the interaction of a larger number of students and reduce the cost of instruction. This allows students access to a class that would otherwise not be offered in their area. The new

facility has received great reviews from both students and employees. It is heated and cooled geothermally.

The **Student Center** (61,234 sq. ft.) is the hub for activities as varied as eating meals, playing games, and watching movies. This complex, which houses the game room, a non-alcoholic sports bar (lounge, games, and food), and the dining room, is also home to the LMU Bookstore. The Student Center is home to the Tagge Center for Academic Excellence, the Student Support Services Program, Student Services, Financial Aid, and the office of the Registrar. The Office of Admissions and the Office of the President are located just inside the main entrance to the facility.

The state-of-the-art **DeBusk College of Osteopathic Medicine (DCOM)** building is a four-story, 103,609 square-foot facility that houses lecture halls, faculty and administrative offices, laboratories, research space, examination rooms, classroom space, and medical clinic. The facility houses both the DeBusk College of Osteopathic Medicine and the Caylor School of Nursing. The LMU-DCOM facility rivals medical education facilities found at much larger universities throughout the nation and was completed in 2007. It is heated and cooled geothermally.

The **Phillips Center for Veterinary Technology** (18,680 sq. ft) provides classrooms, offices, laboratories, and surgical units to support the veterinary technology program. Originally named the Seiberling Barn and constructed in 1915, the facility was extensively renovated in 1987 for its current use and renamed the Phillips Center for Veterinary Technology. The facility is in good condition and well suited for its current use.

The **Sigmon Communications Center** (3,440 sq. ft.), formerly the Science building and Stonehouse, was renovated in 1987 and is the home for WRWB 740 AM and WLMU 91.3 FM

radio and LMU-TV stations. The facility provides laboratory and classroom space to support the Communication Arts. It supports the community and campus with programs of public interest such as “Focus.”

The **Harold M. Finley Learning Resources Center** (22,288 sq. ft.) is located on the quadrangle facing Duke Hall. Funded by philanthropist Andrew Carnegie, the original two-story structure of pressed brick and Indiana limestone was completed in 1906. Additions have included the Bert Vincent Memorial wing and the Finley Learning Resources Center. On May 5, 1974, the Bert Vincent Memorial wing, a 6,500 square-foot addition, was officially dedicated. Honoring the well-known Knoxville newspaper columnist who had a lasting interest in LMU, the addition was built with gifts from thousands of persons throughout the United States. Another 9,850 square-foot addition and major renovation of the original Carnegie facility was completed in 1987—made possible through matching grants from the Mabel and Myrin Pew Trust and The Kresge Foundation. On December 11, 1988, the entire complex was named in honor of Dr. Harold Finley, Chairman of the Board of Trustees and longtime benefactor of LMU. The Carnegie-Vincent Library houses one computer lab equipped with high speed Internet, including wireless access. The Piper family gift (from the estate of Ms. Ethel Piper) allows the library’s holdings to be searched via the integrated library catalog system. The Lon and Elizabeth Parr Reed Medical and Allied Health Library opened on the second floor of the Carnegie-Vincent Library in the fall of 2006. Also, a music library, named in honor of Dr. Mabel D. Smith, former LMU music professor, is located on the first floor of the library; the music library was made possible by a generous donation from one of Professor Smith’s former students, Paul R. Keen. The University Archives are housed in the Finley Learning Center.



The **Abraham Lincoln Library and Museum** (20,000 sq. ft.) supplements the other library resources with outstanding, nationally recognized Lincoln and Civil War collections. The Museum is a center for historical research and provides a number of educational programs available to students and the general public. The Museum holds and exhibits one of the nation's largest and most diverse collections of Lincoln and Civil War artifacts. Scholars from every region of the globe have visited the library and museum to study the life and thoughts of the nation's sixteenth president. LMU publishes a quarterly, scholarly-reviewed and internationally distributed journal entitled, *The Lincoln Herald*. The building is a two-story concrete and brick structure with a basement area for storage and mechanical equipment. The museum contains a 150-seat auditorium that is used for classes, visiting lecturers, and films.

The **Cumberland Mountain Research Center** (2,700 sq ft.) was created in 1990 for the purpose of providing research and training opportunities. The two-story building occupied by the Research Center was originally constructed in 1920. The building contains classrooms and small laboratory facilities. Current research is carried out at the Powell River Aquatic Research Station which opened in the spring of 2003. It is located on the Powell River at Hopewell Road and Brooks Bridge in Tazewell, Tennessee.

The **J. Frank White Academy** (14,430 sq. ft.) was founded in 1989 as a co-educational high school whose mission is to provide a college preparatory curriculum for students in grades 5-12. J. Frank White was a local attorney who died in 1927 and left a provision in his will for a private high school to be opened in the area. The trustees of the estate approached LMU in 1987 to explore the feasibility of designing a program that would utilize LMU's facilities and afford students enrolled in the Academy the opportunity to take college classes for dual credit. The J. Frank White Academy held its first commencement exercises in 1991; JFWA alumni now live

all over the Country and work in a wide variety of professional fields. The J. Frank White Academy is located in the former DAR-Whitford Hall, a three-story brick-face and wood-frame building that was constructed in 1920 as a men's residence hall. It was extensively renovated in 1989 for its current use. The facility is in good condition and well maintained.

The **Elizabeth D. Chinnock Chapel** (1,800 sq ft.) is a single-story brick building. The non-sectarian facility is used primarily for small services and personal meditation. It has a seating capacity of sixty-five.

The **Maintenance Building** is a 5,430 square foot, steel and sheet metal structure. It houses the maintenance and custodial offices, repair shop, and storage supplies and equipment. It is well suited for maintenance operations.

The **Woodworking Shop** (950 sq. ft.) was constructed in 1983 and was used by the maintenance department until 2007. It is now used by fine arts for a pottery and jewelry art laboratory.

The **President's Home** was constructed in 1913 and is 4,400 square feet. It has been remodeled several times and is now used as the residence of the President, to host receptions, and for LMU social events.

The **Schenck Center for Allied Health Sciences** was constructed in 1991. It is a 6,800 square foot, single-story building which houses eight offices and three classrooms (including one smart classroom) for some of the university's allied health programs including social work and medical technology, athletic training, and veterinary science. The building is in excellent condition and very well maintained.

**Bluebird Hall** is a single-story, 1,830 square foot, wood-frame building constructed in 1920 and moved to its present location in 1975. It is used as a classroom for studio art and

faculty office space for the School of Arts and Sciences. It also houses a photography lab which was constructed in 2005.

The **Tex Turner Arena** was completed in February 1990. The 88,000 square foot building contains athletic offices, weight training room, men's and women's varsity and visiting dressing rooms, classrooms, storage, auxiliary gym, Athletic Hall of Fame Room, trophy room, and the Tex Turner meeting room. The facility also houses the University Post Office, photo copy/print shop, athletic training program training room, and faculty offices. The Turner Arena seats 5,009 in the arena area for concerts and conferences as well as basketball games. The building is in excellent condition. The facility is used by both the academic and athletic programs.

The **Mary E. Mars Gymnasium** is a cement-brick, 25,056 square foot, brick-veneer building with a spring-arch roof built in 1948. It is used for physical education classes, some intercollegiate sports, the intramural athletic program, and open recreation. During the 2006-2007 fiscal year, the Mary Mars Gymnasium was extensively renovated. The locker rooms were completely renovated with new tile, lighting, showers, and lockers. The facility contains six offices and one classroom that have been completely remodeled and newly furnished. Six new backboards and rims were installed, and the gym floor was sanded and refinished. The gym features a state-of-the-art weight room used by the LMU volleyball and softball teams, the Academy athletic teams, as well as LMU students, faculty, and staff. The Mary E. Mars Gym serves as the primary athletic and physical activity facility for the JFWA. Probably the most significant improvement to Mars Gym is the installation of a central heat and air system.

The **Mary Staley Annan Natatorium** is a 6,944 square foot, brick and concrete building constructed in 1954. It contains a swimming pool with a spectator gallery and changing rooms.

The facility was remodeled during the 2003-04 fiscal year with the pool and deck being repainted, a new water heater installed, and new plumbing. A new pump was purchased, jets were installed, and an automatic filtering system was installed in 2006-2007. Bathrooms were renovated, and showers were also installed. The facility is used for physical education classes and recreation for JFWA and LMU students and is open to the public. There is also an extensive water aerobics program available to the public. The building is in excellent condition.

There are ten main residence halls on campus that provide excellent housing for main campus students (all residence halls have cable, Internet access, phone service, heating and cooling, and laundry facilities):

1. **Liles Hall** (23,926 sq. ft.) was built in 1966 and is a four-story, concrete and brick structure that houses up to 120 female students (mostly freshmen). The first floor contains the Head Resident's apartment, student lounge, laundry room, and storage space. Each floor has its own community bath. The building is in good condition. Private shower stalls were installed in summer 2008.
2. **West Hall** (23,926 sq. ft.) was built in 1967 and is a four-story, concrete and brick structure which houses up to 120 male students (mostly freshmen). Each floor has its own community bath. Private shower stalls were installed summer 2008. The building is in good condition.
3. **Grant-Lee Hall** (20,607 sq. ft.), the oldest building on campus, is a three-story, concrete, steel, and brick structure originally built in 1892. It has been renovated several times over the years. The most significant renovation occurred in 1978 when the wood frame interior was replaced with steel and masonry). Grant-Lee Hall is generally reserved for sophomores, juniors, seniors, and graduate students. Grant-Lee is a coed facility with private baths in each room. The capacity of Grant-Lee is 75 students. The building has an activities room, Head Resident's apartment, laundry facility, and lounge. Two large classrooms/conference style rooms and a lounge are located on the first floor.
4. **Dishner Hall** (16,548 sq. ft.) was built in 2004 and is a three-story, brick building that provides apartment style accommodations for 36 students in technology-smart suites. Each suite includes three bedrooms. Each has a private bath and walk-in closet, fully equipped kitchen, and commons area with washer and dryer.
5. **Mitchell Hall** (16,548 sq. ft.) was built in 2004 and is a three-story, brick building that provides apartment style accommodations for 36 students in technology-smart suites. Each suite includes three bedrooms. Each has a

private bath and walk-in closet, fully equipped kitchen, and commons area with washer and dryer.

6. **Pope Hall** (16,548 sq. ft.) was built in 2004 and is a three-story, brick building that provides apartment style accommodations for 36 students in technology-smart suites. Each suite includes three bedrooms. Each has a private bath and walk-in closet, fully equipped kitchen, and commons area with washer and dryer.
7. **Langley Hall** (16,548 sq. ft.) was built in 2008 and is a three-story, brick building that provides apartment style accommodations for 36 students in technology-smart suites. Each suite includes three bedrooms. Each has a private bath and walk-in closet, fully equipped kitchen, and commons area with washer and dryer.
8. **Shelton Hall** (16,548 sq. ft.) was built in 2009 and is a three-story, brick building that provides apartment style accommodations for 36 students in technology-smart suites. Each suite includes three bedrooms. Each has a private bath and walk-in closet, fully equipped kitchen, and commons area with washer and dryer.
9. **Building 1** (16,548 sq. ft.) was built in 2008 and is a three-story, brick building that provides apartment style accommodations for 36 students in technology-smart suites. Each suite includes three bedrooms. Each has a private bath and walk-in closet, fully equipped kitchen, and commons area with washer and dryer.
10. **Building 2** (16,548 sq. ft.) was built in 2008 and is a three-story, brick building that provides apartment style accommodations for 36 students in technology-smart suites. Each suite includes three bedrooms. Each has a private bath and walk-in closet, fully equipped kitchen, and commons area with washer and dryer.
11. **Lafrentz-Poole** (25,205 sq. ft.) was built in 1928 and completely renovated in 2007. It is a five-story, brick and concrete building. The building was totally renovated in 2006-2007 and includes a workout facility complete with treadmills and widescreen televisions. The rooms are designed for single students; all rooms have a small refrigerator and microwave and a private bath. This coeducational facility includes 84 student resident rooms. LMU is extremely proud to have maintained the architectural beauty of this historic building. During the recent renovation, an elevator and central heat and air were installed.
12. **Munson House** (3,900 sq. ft.) was built in 1941. This facility is currently slated for renovation. It is designed to house ten students and a resident assistant. Munson House has a private study area, visiting room, and family room. Kitchen and laundry facilities are available to residents of the building.
13. **Byram Hall** (7,344 sq. ft.) is a two-story, brick building constructed in 1948. It contains five apartments available for occupancy. The building is in fair condition. The building is not currently in use and is slated for renovation.
14. **McClelland Hall** (8,650 sq. ft.) is a brick building constructed in 1929. It contains six apartments for faculty/staff or student housing. The building is in fair condition.

There are three smaller residence facilities on campus that include the following:

1. **Bailey House** (984 sq. ft.) is a facility that is dedicated for the Mountain Heritage Literary Society. It is planned to serve as a museum to honor LMU writers Jesse Stuart, James Still, and others.
2. **Robertson House** (1,200 sq. ft.) is a residential facility that is available primarily for a family with children. It is a 3-bedroom house with laundry facilities. It was moved to its present location in 1995. It is in very good condition.
3. **Alumni House** (formerly the Sigmon House) is a 1,100 square foot facility that is used for guest housing. It is in excellent condition.

LMU's physical plant also includes outdoor recreational/athletic facilities:

1. The **J. Lamar Hennon Field** is LMU's baseball facility. The original field was constructed at the turn of the century. A substantial donation from Dr. Hennon (an alumnus and former Board of Trustee member) made it possible to renovate and expand the baseball facility to include dugouts, home and visitors' locker rooms, nine hundred and fifty six (956) seats, a press box, and storage facilities. Excellent lighting has been added during the past two years, and the facility is in excellent condition.
2. The **Dorothy Neely Softball Field** is located adjacent to Hennon Field. The field is used for intramural and intercollegiate games. The field has 2 dugouts, bleachers, an announcers building that provides sound and music for games, and storage. The field has lighting and is in excellent condition.
3. The **Annan Tennis Courts**, adjacent to the Tex Turner Arena, were constructed in 1999. There are six courts, and they are used for interscholastic and intercollegiate purposes. The community also uses the tennis courts for recreational purposes. They are in excellent condition.

A new **soccer facility** was built to replace Les Gibbs Field. The soccer complex has stadium seating, a regulation size field, lights, and a field house with locker room for the LMU men's and women's soccer teams, two visiting teams locker rooms, restrooms, offices, and storage room.

In January 2006, LMU purchased the Cumberland Gap Ramada Inn and began converting it into the **University Inn**. Renovations to parts of the property continue. The University Inn is a 126-unit apartment building located in historic Cumberland Gap,

approximately 1.5 miles from the LMU campus. It has 96 one-room studio apartments and 30 two-room apartments. The apartments are in excellent condition and are furnished. This housing is designed for adult single students or couples. It has a pool, sand volleyball court, basketball court, picnic tables, grills and a covered pavilion.

LMU owns several acres of property and various buildings along the Cumberland Gap Parkway for commercial lease purposes.

The LMU campus map, available on the website, provides an overview of the buildings and other facilities located on the main campus.

### **Extended Teaching Site Facilities**

All extended teaching sites are supported by student services staff, either located at the site and/or the main campus (see Core Requirement 2.10). LMU's excellent electronic learning resources (described in Core Requirement 2.9) are available to students at all teaching sites and through the internet. LMU is committed to providing quality instruction and student support services to all LMU students regardless of their location. All LMU extended teaching sites are in facilities that are ADA compliant and reasonable accommodations are made when necessary.

### **Blount County Teaching Site**

LMU offers the Associate of Science in Nursing (A.S.N.) degree program at its Blount County teaching site. The site is located in the Alcoa City Center, 235 East Watt Street, Alcoa, Tennessee. Blount Memorial Hospital leased the facility and renovated the section of the building occupied by the Blount Memorial Hospital technical nursing program and the LMU ASN program. All maintenance, custodial, security, and grounds services for the teaching site are provided by Blount Memorial Hospital. The facility was a public school before renovation and has ample space for future expansion.

As part of the agreement negotiated between LMU and Blount Memorial Hospital, the part of the facility used for delivery of the ASN program was extensively renovated. LMU faculty and administrators visited the site at different stages of the renovation process and presented recommendations to ensure that the completed facility was a modern, well-equipped teaching site. The primary considerations were: to ensure adequate physical resources to support the proposed curriculum in terms of appropriate space for instruction (including adequate classrooms, campus training lab and science laboratory), storage of new and/or existing educational equipment (computers, duplicating services, audiovisual instruments), and educational resources (learning resources and computer room). Adequate faculty office space is provided for student advisement and class preparation. There is easy access to all areas for faculty and students, including parking areas. The facility is ADA compliant, and all regulatory requirements of the city and state concerning safety and security have been met. Specifically, the Blount County teaching site consists of the following:

- Two modern classrooms 14' X 26'
- Learning resources/computer room 14' X 14.6'
- Modern laboratory (housing microbiology and anatomy/physiology equipment) 27' X 31'
- Nursing skills laboratory 23' X 47.6'
- Three offices to accommodate six faculty
- Women's bathroom 12' X 14'
- Men's bathroom 6' X 9'
- Vending machine area
- Parking access on two sides of the facility

The facilities and equipment to support the programs are adequate to fulfill the institutional purpose and contribute to effective teaching and learning at the site. The two classrooms dedicated for program use are fully furnished for instruction. These classrooms are also be used for the delivery of certain student services. While the classrooms are sufficient to



accommodate current student enrollment, additional classroom space could be negotiated should the need arise in the future.

Every faculty office is equipped with a personal computer and Internet access. The Learning Resource/Computer Room (available for accessing learning resources, student services, and general student use) is equipped with four new personal computers with Internet access and a networked printer. Blount Memorial Hospital has computers located throughout its facilities (including the medical library) that can be used by LMU students in addition to those specifically dedicated to the LMU program.

#### Cleveland Teaching Site (at Church of God Theological Seminary)

LMU offered courses for the Master of Education (M.Ed.) and Educational Specialist (Ed.S.) degree programs at Cleveland State Community College (CSCC) in Cleveland, Tennessee for several years. While CSCC provided a good location and good facilities for instruction, as evinced by student surveys and faculty surveys, the decision was made to relocate LMU classes to the Church of God Theological Seminary. The Seminary is a SACS-COC accredited Level V degree granting institution. The Seminary located at 900 Walker Street, Cleveland, Tennessee has agreed to provide LMU with sufficient classroom space within Building A and Building B on its campus. The Seminary provides a meeting room holding 100 students for orientation and special student services functions and classrooms holding up to 50 students during the regularly scheduled class meeting times. The Seminary provides for security and custodial services. The facilities (including classrooms) and instructional technology are in excellent condition and appropriate for graduate instruction. LMU makes learning resources available to all its students, including its excellent online library collection, and provides instruction in the use of learning resources at the site.

### Corbin Teaching Site (at Baptist Regional Medical Center)

LMU offers the Associate of Science in Nursing (A.S.N.) degree at Baptist Regional Medical Center (“BRMC”). BRMC is located at 1 Trillium Way, Corbin, Kentucky. The A.S.N. program is located in a 5000 square foot facility, The Learning Center. A reception area with secretarial office space is available. There is a tiered classroom, with seating capacity for up to 40 students. The main classroom contains a lectern, dry-erase board, two televisions with video recorder/players, LCDs, and an overhead projector and screen. The campus laboratory with a student capacity of 20, includes patient units, two sinks, cabinet space, television, a videocassette recorder, and storage cabinets. A smaller classroom with a student capacity of 20-24 serves as the Science Laboratory with microscopes, five sinks, Bunsen burners, refrigerator, and ample cabinet and storage space. The computer laboratory has 12 computers and one commercial laser printer/copier. There are four private offices for faculty with telephones and voicemail services, a commercial printer/copier/fax machine, desks, chairs, and bookcases. In addition, public restrooms, a vending area, and an outdoor eating area are available. Students and faculty have access to the medical library located on the third floor of the Medical Office Building as well as parking areas, cafeteria, copier and facsimile services, and educational programs provided by BRMC.

BRMC provides utilities, housekeeping, grounds, parking, maintenance, and security services to support the facilities dedicated for LMU use. A major refurbishing including new furniture, new computers, and painting was completed in 2007. BRMC maintains the facilities, and they are in good condition.

### Cumberland Teaching Site at Southeast Kentucky Community and Technical College (SKCTC)

LMU offers undergraduate business classes (leading to the Bachelor of Business Administration in General Business degree) on the campus of Southeast Kentucky Community and Technical College (SKCTC) in Cumberland, Kentucky. SKCTC is SACS-COC accredited. A lease agreement provides the necessary facilities to conduct these courses. According to the terms of the lease agreement, SKCTC agrees to permit LMU to use up to seven classrooms per semester. LMU faculty, staff, and students must comply with the rules, regulations, and directives of SKCTC in utilizing these classroom facilities. Maintenance and security for these facilities are covered through SKCTC rules, regulations, and directives and are the sole responsibility of SKCTC. Reciprocal Service Agreements exist between LMU and SKCTC for access to library and learning resources at the SKCTC site. SKCTC classrooms have sufficient technology for instruction, and all SKCTC facilities are well maintained. A well lighted, patrolled parking area is provided.

### Ducktown Teaching Site

LMU offers the Educational Specialist (Ed.S.) degree at Copper Basin High School. The school is located on Highway 68 in Copper Hill, Tennessee. Copper Basin High School provides classrooms as needed to support LMU's classes. The facility has good instructional technology resources supplemented by those of LMU when requested by instructors. The school provides custodial services and parking to meet the needs of the program. The new school is extremely well suited for graduate classes with plenty of room for future expansion. Copper Basin High School's administration has been very supportive of the LMU program and accommodates needs as they arise.

### Kingsport Teaching Site

LMU offers the Ed.S. degree and Post-Baccalaureate Teacher Licensure Program at the Kingsport Higher Education Center located at 222 West Main Street, Kingsport, Tennessee. The Kingsport Higher Education Center also houses programs from other SACS-COC accredited institutions. Facilities available for LMU use at the Kingsport Higher Education Center include:

- Room 130 – Computer/lecture classroom with smart board
- Room 113 – ITV/lecture classroom with smart board
- Room 134/135 – Computer laboratories
- Room 129 – Open laboratory which houses 10 computers linked to the main campus library
- Room 123/124- Lecture classrooms

All classrooms contain: (1) instructor station, (2) LCD projector capabilities, and (3) Microsoft Office Professional software.

The facilities are adequate to meet the instructional needs of the programs offered by LMU, and early indications are that students graduating from the Kingsport site (survey still in progress) are satisfied with the facilities at the site.

### Knoxville Teaching Site (at St. Mary's Medical Center)

LMU offers the Associate of Science in Nursing (ASN) and RN-BSN classes at St. Mary's Medical Center. St. Mary's Medical Center is located at 900 East Oak Hill Avenue, Knoxville, Tennessee. LMU has a contractual agreement for access to two large classrooms with 40-45 student desks, a conference room, public restrooms, a vending area, and a large campus laboratory equipped with patient units, a sink, tables, chairs, whiteboard, and storage space for equipment and supplies. LMU faculty/staff occupy four double offices and one private office conveniently located close to the classrooms. Each office contains desks, chairs, file cabinets, bookshelves, and at least one phone with voice mail. St. Mary's Multimedia Coordinator is available to provide assistance with microphones/speakers, overhead projectors, video cassette

recorders, and monitors as faculty have need for them in the classroom. The SMMC Wellness Center/Exercise Room is also available to students and faculty for personal use after registering with the Wellness Director; in addition, the employee cafeteria and parking areas may be accessed with appropriate identification. Copy services are provided for faculty/staff by St. Mary's. Custodial, security, and free student and faculty parking areas are provided by St. Mary's. The facility is in very good condition and is well maintained.

### Maryville High School

LMU offers graduate courses leading to the Master of Education and the Educational Specialist degrees at Maryville High School in Maryville, Tennessee. A Memorandum of Understanding between LMU and Maryville City Schools provides the necessary facilities to conduct these courses. The most recent agreement stipulates that classrooms will be made available as necessary in rooms mutually agreed on by the School and LMU, and LMU agrees to limit class enrollment to 25 students per class. The classrooms are in good condition and contain standard instructional equipment. Instructors have access to instructional equipment, as needed, through LMU to support any instructional needs not met by the equipment provided by the School.

Maryville City Schools provide space in the school library to house ten laptop computers provided by LMU for student use. Wireless access to LMU's network and to a laser printer are also provided by LMU. An LCD was mounted in the library conference room which is also available for LMU use and instructional purposes. A SMART board was installed in the room and other projectors provided by LMU are used in additional classrooms. The agreement calls for additional classrooms to be supplied with LCD projectors as needed. LMU provides library staffing to support the program, inter library loan is available, and regular delivery service is

provided by LMU. LMU employs a professional librarian at the site and provides essential learning resources to support students. The library and all school facilities are in very good condition. The agreement allows LMU's instructors to use existing classroom equipment including overhead projectors, televisions sets, and videocassette records, etc. as necessary for instruction. The high school agrees to furnish custodial support. Maryville High School provides a secure environment. LMU faculty, staff, and students are required to adhere to established policies and procedures of the facility. A well lighted parking area is available.

Morristown Teaching Site (at Walters State Community College)

LMU offers the Bachelor of Science (B.S.) in Management and Leadership Studies, the Master of Education, and Educational Specialist degree programs at Morristown, Tennessee (on the campus of Walters State Community College). Walters State Community College is SACS-COC accredited. The Morristown site has modern and well-equipped classrooms. Walters State Community College agreed to make classroom, study, and computer lab space available in its newest instructional building, the Mathematics and Behavioral/Social Science Building (MBSS), for LMU programs. The MBSS building features state-of-the art instructional technology on the first floor, where LMU currently offers classes. The second floor, which currently has adequate instructional technology, is available for program expansion in later years. Use of classroom and other instructional space is provided to LMU at no cost. LMU's full-time Site Coordinator works closely with Walters State officials to schedule classrooms allowing both institutions to maximize use of the instructional facility. All maintenance, custodial, security, and grounds services for the teaching site will be provided by WSCC.

LMU faculty and administrators visited the new site at different times to plan the most efficient and effective use of instructional space. Adequate faculty office space is available for

faculty/student conference and student advisement. The on-site LMU staff has fully-equipped office space. The instructional facility offers easy access to all areas for faculty and students, including parking areas. The MBSS building complies with ADA and all other regulatory requirements concerning safety and security of the facility and its intended users.

Table 1 contains a description of rooms on the first floor of the MBSS building, where LMU offers classes. All nine classrooms and the computer lab on the first floor are Smart Classrooms. A description of the instructional equipment for these Smart Classrooms follows Table 1. The type of drop-down screen available in each classroom is included in Table 1. The two small study rooms on the first floor are available for faculty/student advisement and/or study.

**Table 1: MBSS Classroom Specifications - First Floor**

Room Number	Square Footage	Number of Seats	Seat Layout	Drop-down Screen
MBSS 131	573	32	16 Tables with 2 chairs each	Manual
MBSS 130	559	32	16 Tables with 2 chairs each	Manual
MBSS 129	554	32	16 Tables with 2 chairs each	Manual
MBSS 102	555	34 (1 handicapped station)	X-large Attached Desk chairs	Manual
MBSS 125	655	39 (1 handicapped station)	X-large Attached Desk chairs	Manual
MBSS 108	723 Tiered Classroom	46 seats	Tables and Chairs	Motorized
MBSS 124	727 Tiered Classroom	46 seats	Tables and Chairs	Motorized

MBSS 122	851	30 Collapsible Activity Rooms With Padded Floor, Mirrors on one wall	Desk Chairs	Manual
MBSS 106 (Lab)	1135	30	Computer Stations	Manual
MBSS 126B	87	6	Table and 6 chairs	Study Room
MBSS 126C	89	6	Table and 6 chairs	Study Room

The Smart Classroom configuration for first floor classrooms in the MBSS building includes the following:

- AMX VPX-CP ViewPoint Xpress Color System
- SmartBoard 580
- Sanyo PLC-XP21N 2500 ANSI Lumens
- Canon RE-350 Video Visualizer
- Panasonic PV-D4741
- Harmon Receiver (Video and Audio Switch)
- Bracket Mounted Speaker System
- Kramer VP-VP200 1X2 VGA Distribution Amplifier

Table 2 contains a description of rooms on the Second floor of the MBSS building. Eight of the rooms are Smart Classrooms.

**Table 2: MBSS Classroom Specifications - Second Floor**

Room Number	Square Footage	Number of Seats	Seat Layout	Drop-down Screen
MBSS 222	869	34	7 Conference- type tables and 5 study carrels	Does not have Smart Classroom Equipment
MBSS 203	548	32	16 Tables with 2 chairs each	Manual
MBSS 225	821	48	24 Tables with 2 chairs each	Motorized
MBSS 226	553	32	16 Tables with 2 chairs each	Manual
MBSS 227	562	32	16 Tables with 2 chairs each	Manual
MBSS 228	568	32	16 Tables with 2 chairs each	Manual



MBSS 242	567	32	16 Tables with 2 chairs each	Manual
MBSS 243	563	32	16 Tables with 2 chairs each	Manual
MBSS 244	558	32	16 Tables with 2 chairs each	Manual

The facilities and equipment to support the LMU programs are adequate to fulfill instructional purposes and contribute to effective teaching and learning at the site.

**Sevierville Teaching Site (at Walters State Community College Sevierville)**

LMU offers the Bachelor of Science (B.S) in Management and Leadership Studies and the Master of Business Administration (M.B.A.) programs on the Walters State Community College, Sevier County Campus, located at 1720 Old Newport Highway in Sevierville, Tennessee. Walters State Community College is SACS-COC accredited. Currently, three buildings house a variety of general education and select technical courses. Two of the buildings, Cates-Cutshaw Hall and Conner-Short Center, are recent additions that opened to students in January 2008. In addition to classrooms and computer laboratories, Maples-Marshall Hall houses the Burchfiel electronic library with 30 computer work stations; 2 printers and a copier; student support offices; and faculty and administrative offices. Maples-Marshall Hall contains additional classroom space. Cates-Cutshaw Hall houses thirteen general education classrooms, two computer laboratories, a student study area, and faculty and administrative offices. Each building has the latest video streaming and instructional technology in classrooms and public spaces.

Office space for LMU is being provided in Cates Cutshaw-Hall (Room ACAD 133). The office is furnished to accommodate two LMU staff/faculty members with computers and a copier/fax/printer unit. The office will provide private meeting space for faculty and students. A computer laboratory with 30 computers is available and will be reserved on an as-needed basis

for classes/courses. Computer laboratories are also available for student use. The buildings are wireless which will allow students to use their personal computers. Technical support is located in the same suite as the LMU office and will be available to faculty, staff, and students. LMU students may also use WSCC career/counseling and tutoring services.

Classroom space is being provided in Cates-Cutshaw Hall for LMU's Management and Leadership Studies Program (MLP) and Master of Business Administration (MBA) courses being offered in fall 2008. All classrooms seat 30 people and are equipped with a Symposium and ceiling mounted LCD. Some MBA courses will be offered via Interactive Television (ITV), and therefore, one of the assigned rooms (ACAD 143) is ITV equipped. LMU has the following rooms reserved:

ACAD 136 (Tuesday/Thursday)  
ACAD 143 (Monday)  
ACAD 139 (Thursday)

#### West Knoxville Teaching Site

The West Knoxville Teaching Site is located at 140 Hayfield Road, in Knoxville, TN. LMU leases the facility. As part of the initial lease agreement LMU negotiated a complete renovation of the property. The primary considerations in renovating were: to ensure adequate physical resources to support the proposed curricula in terms of appropriate space for instruction, storage of new and/or existing educational equipment (computers, duplicating services, audiovisual instruments), and educational resources (learning resources center and library collection) and faculty office space. LMU required that the renovation provide easy access to all areas for faculty and students, including expansion and improvements of parking areas, ADA compliance, compliance with all regulatory requirements of the city and State concerning safety, and security of the facility for its users.

At the time of the lease, the structure was less than two (2) years old. Six modern classrooms were constructed, with two being divided by a soundproof movable partition to allow for larger group meetings including new student orientation. The facilities and equipment to support the programs are adequate to fulfill the institutional purpose and contribute to effective teaching and learning at the site.

Faculty members assisted in the planning of the classrooms' layout and design. A committee of faculty/staff inspected the facility during renovation and submitted suggestions for changes/improvements. All accommodations requested by visiting faculty/staff were made. Another faculty/staff committee was established to select classroom and other furnishings for the site. The chair of the committee had extensive experience in the planning of educational facilities. While the classrooms are sufficient to accommodate anticipated student enrollment, additional classroom space is available (for rent) at the Roane State Community College Health Education Center ("RSCC") adjacent to the facility. In addition to classrooms, the facility has a small learning resources center; a conference room for faculty/staff meetings; student advising and limited hard copy library resources to support the curricula; four offices for faculty use; the receptionist area and offices for support staff (two support staff work at the site); and supply and storage areas. There is an additional office area with modular furniture to accommodate four additional faculty/staff members. The facility has adequate restrooms, a reception area, and a small kitchenette.

LMU leased the parking areas immediately surrounding the facility (which should be sufficient), with additional parking available at the adjoining RSCC facility. LMU has contracted for security and janitorial services with private companies to ensure that the site and its facilities are clean and secure. The facility is in excellent condition and well maintained.

LMU assesses the adequacy of its facilities and services (on the main campus and at extended teaching sites) through faculty/staff and student surveys as well as through direct evaluation by faculty and staff at each teaching site. Faculty/Staff Facilities Surveys, Graduating Students Surveys (Undergraduate and Graduate Versions), and Student Opinion Surveys (Undergraduate and Graduate Versions) are administered periodically, and the results are disaggregated, by teaching site, and used for improvement of facilities.