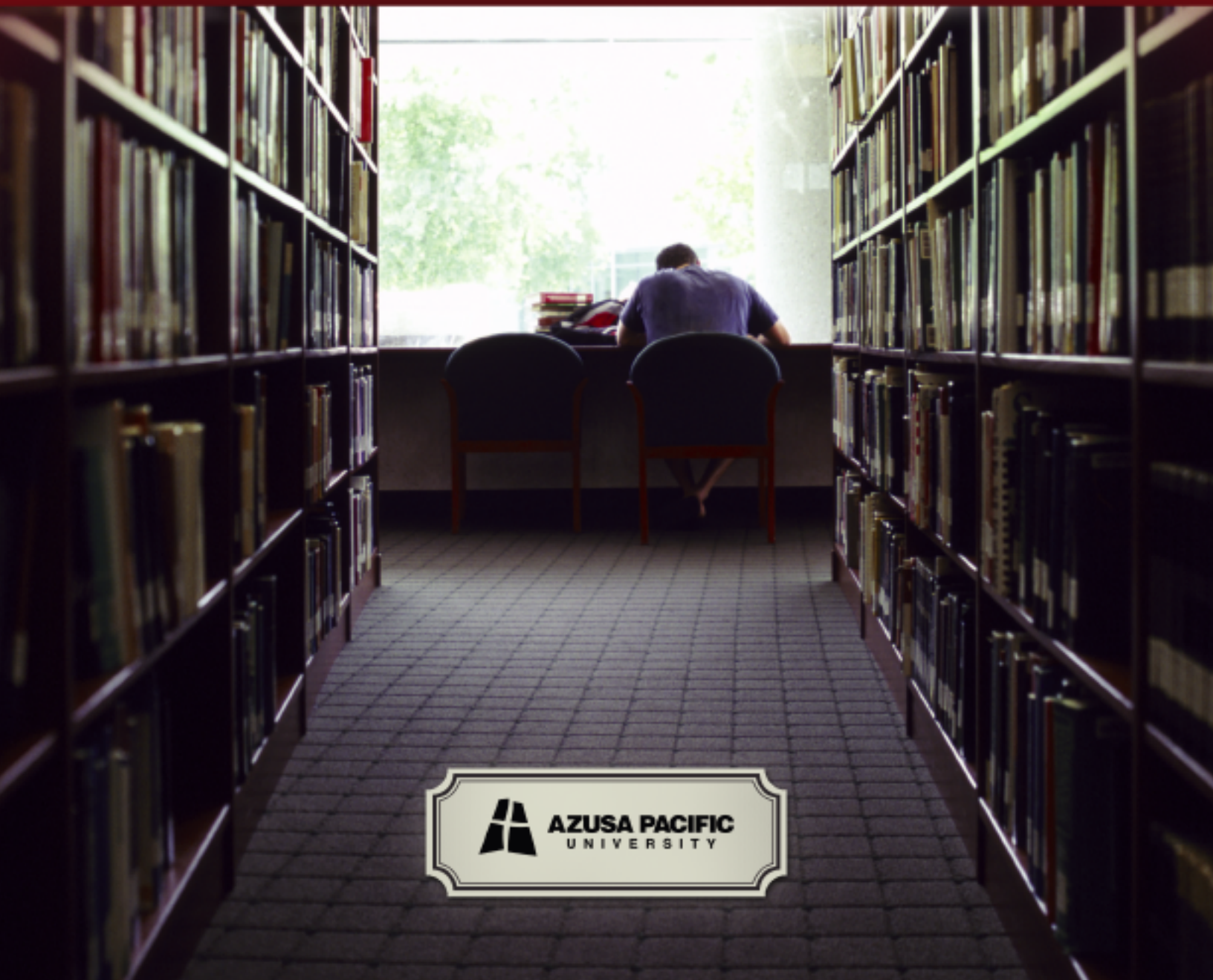


life is worship
**AZUSA PACIFIC
UNIVERSITY**
2006 ANNUAL REPORT





ROMANS 12:1

THEREFORE, I URGE YOU, BROTHERS, IN VIEW OF GOD'S MERCY,
TO OFFER YOUR BODIES AS LIVING SACRIFICES, HOLY AND
PLEASING TO GOD — THIS IS YOUR SPIRITUAL ACT OF WORSHIP.



WHAT IS WORSHIP?

Recently, Azusa Pacific University President Jon R. Wallace challenged the entire university to live out *Romans 12*. The verses in this chapter paint a compelling picture of a life-giving community that seeks to worship God through every thought and action. As Christ followers, our entire lives become living sacrifices.

How does this translate into everyday life for the APU community?

It means that faculty, staff, students, and friends of the university choose to *worship God moment by moment* — during a sunrise hike, on the basketball court, by financially supporting students, in the midst of a Wednesday night chapel service, and during the early morning in a piano practice room. Every experience becomes an act of worship.

We invite you to read these stories and catch a glimpse of the APU

community embracing *life is worship*.



6:12 a.m.
Colby Trail, Glendora, California



ROMANS 12:12

BE JOYFUL IN HOPE, PATIENT
IN AFFLICTION, FAITHFUL IN PRAYER.



Joy. Patience. Hope. My friends, this is what my early mornings are about.

For some years, a group of friends and whatever students happen to be awake (and willing) meet at the bottom of the San Gabriel Mountains, just north of the university for an invigorating hike.

Typically, we start in the dark, knowing that by the time we reach the top – our halfway point and the best place for observation – the sun will be breaking the eastern sky. But we start in the comforting cloak of darkness; it is both quiet and familiar. And our thoughts are our own, not yet to be shared with each other.

The 30-40 minute ascent to the summit warms us. And when we stop to pray before heading back, we experience a sense of celebration and accomplishment because God has been gracious with another day.

After prayer, we look down into the valley, seeing in the distance the distinct APU footprints of the East and West campuses along with freeways colored red with brake lights and thick with commuters headed to work. And we rejoice in the promise of the day that lies ahead, the opportunity to contribute to a place committed to His purposes.

On the return trip to our cars, the internal and reflective transforms into external and expressive. We laugh and joke as the distance falls easily under our feet in our descent. We ask each other about family and challenges at work and in school.

We pepper students new to the hike with questions about their own journey. We inquire. We encourage. We support. We challenge. We inspire. We lean into God's call on our lives. We exist in community. And all too soon, we arrive back at the start.

Faculty hurry to shower and dash to 8 a.m. classes. Students contemplate going back to bed I'm sure. And others of us just consider ourselves deeply fortunate to be part of this unique, relational, Christ-centered early-morning community. ❖

Sincerely,

Jon R. Wallace, DBA
President



10:24 a.m.
NAIA Tournament, Kansas City, Missouri

For the second straight year, Azusa Pacific University's athletics program distinguished itself as the premier sports program in the NAIA by capturing the U. S. Sports Academy Directors' Cup with 836 points, outpacing runner-up Lindenwood University by 82 points. In addition to the repeat cup win, the Cougars garnered other top finishes including women's tennis (3rd), men's outdoor track and field (3rd), women's soccer (5th), men's cross country (5th), men's Division I basketball (5th), women's Division I, basketball (5th), women's volleyball (9th), and football (9th). Men's soccer and tennis, and women's outdoor track and field

placed second. Azusa Pacific scored in six women's and six men's sports and averaged 70 points per sport. So, what do all these numbers add up to? Though impressive in and of themselves, these stats taken as a whole tell a story about the people and mission of Azusa Pacific. What began as a small Bible college in 1899, committed to sending men and women into the world as missionaries, has emerged as a force in national collegiate athletics, while still remaining true to its founding motto *God First*. While *God First* appears consistently on university materials and across campus, it is more

than a sentiment for APU coaches, training staff, and scholar-athletes. Putting *God First* means that every discus thrown, tennis match won, and basketball shot stand as worship unto God. In light of Romans 12:10, what does "devotion" and "honor" look like on the track or football field? These attributes emerge as an attitude championed by every coach and athlete, where personal goals and aspirations yield to the needs of the team. And when you have an entire athletics program working this way, the dynamics of teamwork are drastically changed. "Winning is a by-product of doing things right, of aligning our motives and purposes with the standards that

Jesus calls us to live out," said Bill Odell, APU director of Athletics and head men's basketball coach. "Yes, we won two very beautiful Waterford Crystal cups, but not because of a few individuals or because of one or two sports, but because every coach, athlete, and support person works together, cares for each other, and sacrifices together for the good of all." ♦♦
**BE DEVOTED TO ONE ANOTHER
IN BROTHERLY LOVE. HONOR ONE
ANOTHER ABOVE YOURSELVES.**
—ROMANS 12:10



3:26 p.m.

Mestad Home, Glendora, California

ROMANS 12:8

IF A MAN'S GIFT IS . . . CONTRIBUTING TO
THE NEEDS OF OTHERS, LET HIM GIVE GENEROUSLY . . .

Orv and Shirley Mestad's Glendora, California, home brims with pictures of people and meaningful mementos. The walls in the lodge-like den showcase pictures of Orv's expeditions to places like Patagonia and the rugged Alaskan wilderness, with photos of their children and grandchildren interspersed throughout. In photos, Orv and Shirley also appear with various local and state leaders, dating back to the 1960s. These images speak to the character of the Mestads and their lifelong investment in others.

The Mestad's distinguished track record of community involvement and philanthropic work began in 1955 when they moved from Arcadia to Glendora. Orv, a successful dentist, easily settled into roles of leadership, including serving as chair of the board of directors for Foothill Independent Bank, and a member of the board of directors for Foothill Presbyterian Hospital and the Foothill Foundation. Shirley sunk her energies into homemaking and raising their two children, while simultaneously involving herself in the Glendora Christian Woman's Club and Bible Study Fellowship. Both also served as

founding members of Glenkirk Presbyterian Church in Glendora.

Their community activism and kingdom-minded service eventually led to an introduction to Azusa Pacific University. "Seeing the APU mission statement manifest in staff, faculty, and students made us want to be a part of bringing additional gifted students into this environment – students who can be immediately engaged in campus leadership and can move on as purpose-driven persons of God into a society that so badly needs them," said Orv.

As a result, the Mestads established a fund that provides full-tuition scholarships for incoming APU freshmen. The Mestad Scholarship awards monies to outstanding high school graduates who have distinguished themselves as the highest academic achievers in their school. With their visionary gift, Orv and Shirley help expand APU's ability to attract top students.

"We give to advance God's purposes," said Orv. "Supporting APU is an easy decision. Why? Because APU graduates are informed, articulate students who become God-inspired leaders, impacting the world in Christ's name." ❖



9:18 p.m.
Upper Turner Campus Center, Azusa, California

As the worship band begins the first of a six-song set at 9 p.m., the crowd of 800 settles in for a worship experience filled with rich teaching, intimate fellowship, and unhurried singing amidst dimmed lighting.

This is Kalao, an innovative Wednesday night chapel that allows people to experience a renewing of the mind, as Romans 12:2 alludes to, within a relaxed, art-infused format. Chapel Programs staff named the service for the Greek word Kalao, which means to be invited and called out by God's initiative.

"At Kalao, students can come earlier or stay later to pray, reflect, or simply talk to others

about spiritual matters or anything else on their hearts," said Elyse Wood-Hughes '07. "Kalao definitely encourages students to slow down, take a deep breath, and remember that God is always working in our lives, even when we're moving too fast to notice."

Kalao's casual structure and lack of rigid time constraints promote a reflective atmosphere that kindles meaningful worship and significant conversations. On any given Wednesday, you might see an artist painting while the campus pastors preach, or students praying for one another in groups.

"I think Kalao allows for a fullness of

experience that students don't necessarily get from morning chapel," said Gina Donnelly '95, MBA '00, director of the Office of Chapel Programs. "Through the message and format, people are challenged to seek God. Both campus pastors press students to not just passively attend chapel, but to actively draw near to God and absorb what's being preached through the message and music."

Kalao attendees feel a little less constrained by the hands of the clock, allowing for more time to linger and discuss the evening's message. "I love Kalao because we're really pushed to think about the message and how it applies to our lives

— how are we going to live out what we've heard," said Elyse. "That's the challenge." ❖

**DO NOT CONFORM ANY LONGER
 TO THE PATTERN OF THIS WORLD,
 BUT BE TRANSFORMED BY THE
 RENEWING OF YOUR MIND.**

—ROMANS 12:2



1:06 a.m.
Munson Chapel, Azusa, California



ROMANS 12:6

WE HAVE DIFFERENT GIFTS,
ACCORDING TO THE GRACE GIVEN US.



As Katherine Harris '08 walked onto the stage at Carnegie Hall and sat down at the Steinway Grand, the magnitude of the opportunity settled squarely on her shoulders. At a mere 17 years old, her performance of Rachmaninoff's *Musical Moment* on that same stage graced previously by Dvořák, Gershwin, Ellington, and Strauss during the hall's 100-year history, elevated her to a prestigious group.

But confidence replaced nerves as Katherine drew upon her years of training and practice, and the knowledge that her family and mentor, APU piano professor Roza Yoder, sat in the audience. "I knew my family and Professor Yoder were praying for me," said Katherine. "My preparation and their presence made me feel like I was playing at any other performance and enabled me to play without being nervous."

In spite of such great success at a young age, Katherine takes her achievement in stride, viewing her ability as a gift from God, meant to benefit others. "Seeing music as a way to worship God may not change the way you play, but it does put the rest of your life into perspective

in terms of treating people with more love, patience, and honor," said Katherine.

Katherine's deep faith and unpretentious disposition stem from two significant influences in her life – her parents. Career missionaries in Russia, they took a leave of absence from their ministry, moving to Southern California to be near Katherine and her brother, who is also an APU student. "My parents have given much personally to support my brother and me," said Katherine. "Their support gave me the ability to play and live with confidence. Their sacrifice set the standard for me, and I hope to live up to it by using my playing as a gift to bless others."

And, like her parents, Katherine possesses a missionary spirit. After graduation, she hopes to move to Russia or Germany, pursue an advanced degree, and use her piano playing as a ministry tool. "I would very much like to include my music as a part of communicating my faith," said Katherine. "Musicians are not generally willing to listen to most preachers, but they might listen if it came from somebody who spoke their language and understood more of where they were coming from." ❖



1943

Pacific Bible College, Huntington Park, California

Azusa Pacific University began in 1899 as the Training School for Christian Workers when a handful of spiritual leaders envisioned the first Bible college on the West Coast geared toward training students for ministry and service. After four moves and mergers, present-day APU continues the tradition from Azusa, California, its home since 1947. Adding a level to their predecessors' legacy, today's students maintain the 107-year-old mission to serve Christ, but redefine the ways and means of that service. Rapid growth in the past 20 years has established the university while maintaining the vision of

the past. APU achieved university status in the 1980s and subsequent developments included off-site regional centers, allowing students to receive a degree without actually attending classes in Azusa, and the addition of master's and doctoral degree programs.

Under the presidency of Richard E. Felix, Ph.D., the university Cornerstones were reframed as Christ, Scholarship, Community, and Service. Felix's developments included a doubling of student enrollment, the construction of seven new buildings, and the quadrupling of graduate programs.

Currently, under the leadership of President

Jon R. Wallace, DBA, APU maintains the mission of developing disciples and scholars, now with an emphasis on the campus, surrounding community, and world. Study abroad programs and Operation Impact provide students with the opportunity to attend schools in different countries. Multiple missionary sites throughout the world are also readily available for student involvement.

Spurred by a vision to be known first as a Christ-centered institution, Azusa Pacific seeks to offer transformational scholarship opportunities within the context of life-giving community, dedicated to the practice of selfless service.

This understanding of the four Cornerstones guides the university in all its programs and actions.

More than a century after its founding, Azusa Pacific University serves as a comprehensive Christian, evangelical university, dedicated to the motto *God First*, and to excellence in higher education. The institution offers more than 50 areas of undergraduate study, 22 master's degree programs, and 6 doctorates to a total enrollment of more than 8,100 students. APU continues to cross boundaries, offering innovative and relevant preparation for disciples and scholars advancing the work of God in the world. ♦♦



MISSION STATEMENT

Azusa Pacific University is an evangelical Christian community
of *disciples and scholars* who seek to advance the work of God in
the world through *academic excellence* in liberal arts and professional
programs of higher education that encourage students to develop a
Christian perspective of truth and life.

FOUR CORNERSTONES

CHRIST *Colossians 1:15-18*

Belief in Christ is central to all that we think and do, and who we are. It is this understanding of God's love that informs all our pursuits: academic, service, and community.

SCHOLARSHIP *Proverbs 4:5-9*

We are called to scholarship permeated by our Christian faith. We are committed to teaching excellence. The liberal arts is central in the curriculum, for we are dedicated to the education of the whole person. At the same time, we value the role of professional offerings that prepare students for specific careers.

COMMUNITY *Romans 15:5-7*

We believe in community. We are a richly diverse people who value the worth of each individual. Our mission is to encourage, equip, and enable each student to fulfill his or her great potential, and in turn, encourage, equip, and enable others.

SERVICE *Romans 12:9-13*

Service is at the heart of our local and international outreach, missions, and service-learning endeavors. Our students often find these experiences to be among the greatest of their lives.



BOARD OF TRUSTEES

As of November 2006

David Axene	Howard Kazanjian	Earl Schamehorn, D.D.	<i>Emeriti</i>
Faye Bert	Tom Kobayashi	Paul Szeto, D.Miss.	Bettye Bamesberger
Sally R. Colace	David Le Shana, Ph.D.	Nickolas W. Vande Steeg	Barbara Lee
Evan Collins	Michael Lizarraga	Jon R. Wallace, DBA	Curtis Morris
David J. Dias	Kenneth Ogden, Ed.D.	Dolly Warren	Ray Musser
Robyn Dillon	Jeannie Pascale	Raleigh Washington, D.D.	Elmer Root
Gregory Dixon, Ph.D.	Sheryl Patton		Charles Wyant
Ray W. Johnston	Raymond Rood		Robert Young, JD

ADMINISTRATION

As of November 2006

PRESIDENT'S CABINET

Jon R. Wallace, DBA, president
David E. Bixby, Ed.D., executive vice president
John C. Reynolds, NH Dip: Comp Sys, executive vice president
Michael M. Whyte, Ph.D., provost
Mark S. Dickerson, JD, vice president for legal affairs and community relations/
general counsel
Terry A. Franson, Ph.D., senior vice president for student life/dean of students
Paul W. Gray, Ed.D., vice provost for academic affairs/dean, university libraries
Diane J. Guido, Ph.D., vice provost for undergraduate programs
Rosemary M. Liegler, Ph.D., vice provost for graduate and adult programs
Deana L. Porterfield, M.A., vice president for enrollment management

Emeriti

Richard E. Felix, Ph.D., president emeritus
Hank C. Bode, JD, vice president emeritus
Donald P. Grant, Ed.D., vice president emeritus
Cliff A. Hamlow, Ph.D., vice president emeritus

ACADEMIC CABINET

Michael M. Whyte, Ph.D., provost
Deana L. Porterfield, M.A., vice president for enrollment management
Kathaleen Reid-Martinez, Ph.D., vice president for non-traditional and experiential learning
Paul W. Gray, Ed.D., vice provost for academic affairs/dean, university libraries
Rosemary M. Liegler, Ph.D., vice provost for graduate and adult programs
Diane J. Guido, Ph.D., vice provost for undergraduate programs
Gary D. Lemaster, Ph.D., associate provost
Pamela M. Christian, Ph.D., assistant provost
Duane A. Funderburk, DMA, dean, School of Music
Fred G. Garlett, Ed.D., dean, Center for Adult and Professional Studies
Aja Tulleners Lesh, Ph.D., dean, School of Nursing
Ilene L. Smith-Bezjian, DBA, dean, School of Business and Management
Mark E. Stanton, Ph.D., dean, School of Behavioral and Applied Sciences
David L. Weeks, Ph.D., dean, College of Liberal Arts and Sciences
Helen Easterling Williams, Ed.D., dean, School of Education
David W. Wright, Ph.D., dean, School of Theology



ROMANS 12:11

NEVER BE LACKING IN ZEAL, BUT KEEP
YOUR SPIRITUAL FERVOR, SERVING THE LORD.



TOTAL STUDENT ENROLLMENT

TOTAL MEN	3,065
TOTAL WOMEN	5,281
UNDERGRADUATE	4,602
GRADUATE	3,725
AMERICAN LANGUAGE AND CULTURE INSTITUTE	19
CENTER FOR ADULT AND PROFESSIONAL STUDIES	526
NUMBER OF STATES REPRESENTED	46
NUMBER OF COUNTRIES REPRESENTED	71
TOTAL	8,346
ETHNIC MINORITY CITIZENS	21.7% (UNDERGRADUATE)

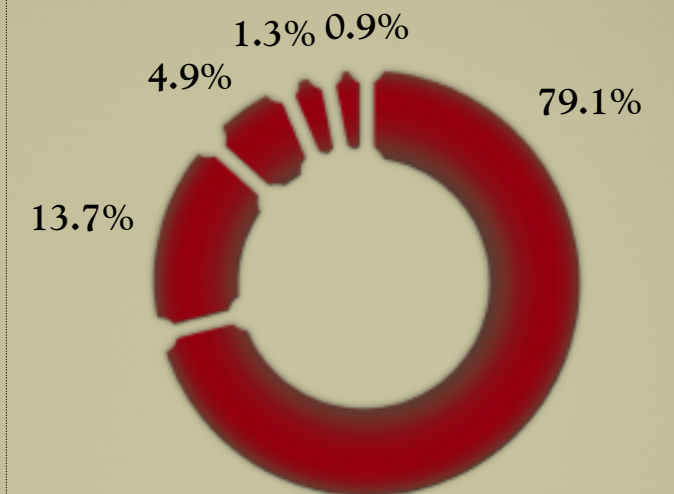
TOTAL STAFF AND FACULTY

PART-TIME STAFF	33		
FULL-TIME STAFF	584		
TOTAL STAFF	617		
PART-TIME FACULTY	28		
FULL-TIME FACULTY	349		
ADJUNCT	549		
TOTAL FACULTY	926		
STUDENT-TO-FACULTY RATIO	15:1	PERCENTAGE WITH DOCTORATE, FIRST PROFESSIONAL, OR OTHER TERMINAL DEGREE	72%

REVENUE BREAKDOWN

\$163,846,424

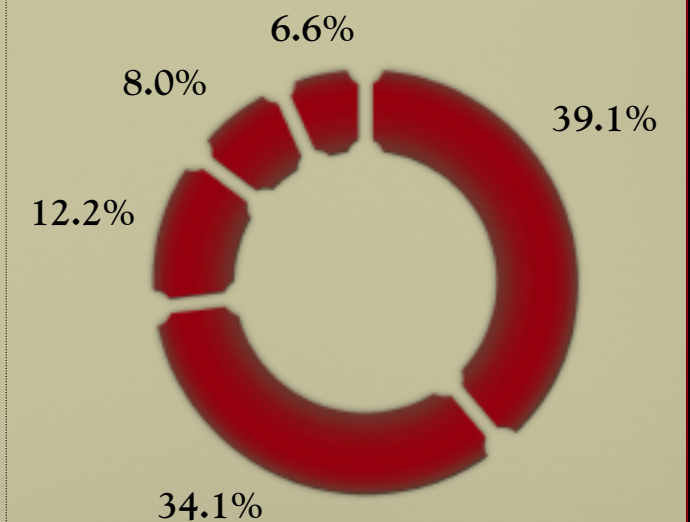
TUITION AND FEES	79.1%	• \$129,830,961
PRIVATE GIFTS AND GRANTS	1.3%	• \$2,109,842
INVESTMENT INCOME AND GAINS	0.9%	• \$1,440,737
OTHER	4.9%	• \$8,033,884
AUXILIARY SERVICES	13.7%	• \$22,431,000



EXPENDITURE BREAKDOWN

\$160,772,443

AUXILIARY SERVICES	8.0%	• \$12,887,741
SCHOLARSHIPS/FINANCIAL AID	12.2%	• \$19,634,556
STUDENT SERVICES	6.6%	• \$10,563,486
INSTITUTIONAL SUPPORT	34.1%	• \$54,779,375
INSTRUCTION AND ACADEMIC SUPPORT	39.1%	• \$62,907,285



TOTAL ASSETS	\$222,953,889
INSTITUTIONAL BUDGET	\$154,451,716
DEBT-TO-ASSET RATIO (12.3%)	\$27,533,807
	<u>\$222,953,889</u>

COMPARISON OF APU 2004-05 AND 2005-06

This information is taken from the 2004-05 Key Performance Indicators, CCCU survey results, and IPEDS.

	2004-05	2005-06
TOTAL ENROLLMENT	8,180	8,346
ENDOWMENT	\$26,792,720	\$30,600,696
TOTAL GIVING	\$9,497,190	\$9,982,336
TOTAL ASSETS	\$201,978,210	\$222,953,889
INCOMING FRESHMEN AVERAGE SAT	1,110	1,108
INCOMING FRESHMEN AVERAGE GPA	3.7	3.6
TUITION	\$20,666	\$21,550
FACULTY WITH TERMINAL DEGREES	73%	72%
FRESHMAN RETENTION PERCENTAGE	82%	79%
INSTITUTIONAL BUDGET	\$149,615,864	\$154,451,716

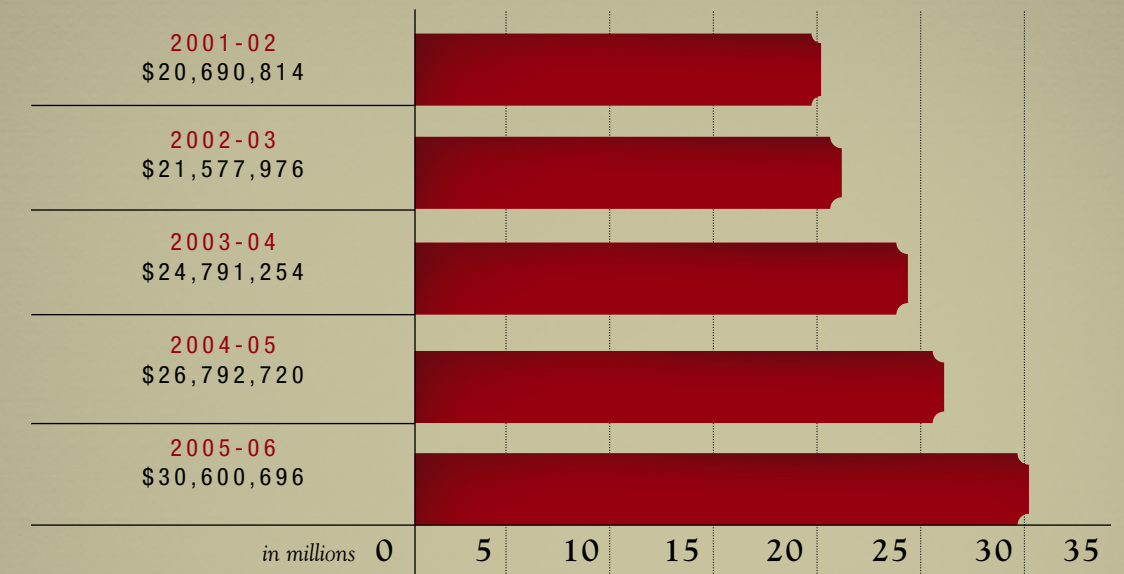
COMPARISON OF FINANCIAL AID 2004-05 AND 2005-06

	2004-05	2005-06
FEDERAL SCHOLARSHIPS/GRANTS	\$3,046,535	\$4,761,936
STATE SCHOLARSHIPS/GRANTS	\$8,063,695	\$7,043,598
OTHER EXTERNAL SCHOLARSHIPS/ GRANTS ADMINISTERED BY APU	\$2,115,126	\$1,804,439
INSTITUTIONAL SCHOLARSHIPS/GRANTS	\$12,065,828	\$14,359,293
STUDENT LOANS	\$15,837,257	\$12,937,427
PARENT LOANS	\$14,325,091	\$11,587,199
TUITION WAVERS	\$1,536,510	\$2,023,417
ATHLETIC AWARDS	\$1,591,005	\$1,960,548
PERCENTAGE OF UG STUDENTS RECEIVING FINANCIAL AID*	81%	83%

*Refers to undergraduate students who receive any form of institutional, need-based, and financial aid.

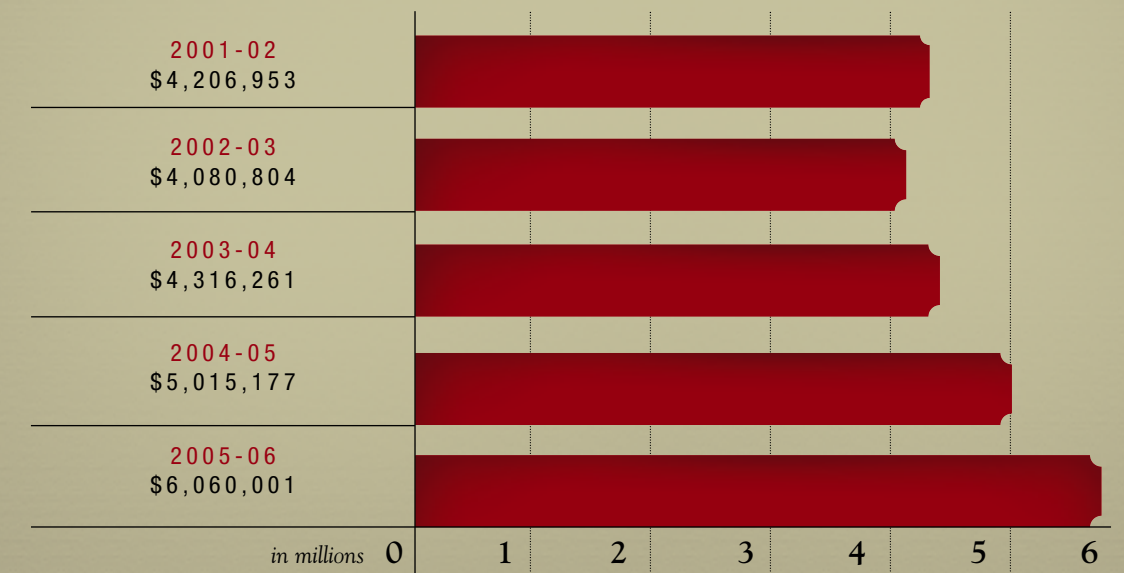
UNIVERSITY ENDOWMENT

Five-Year Growth: 49.2%

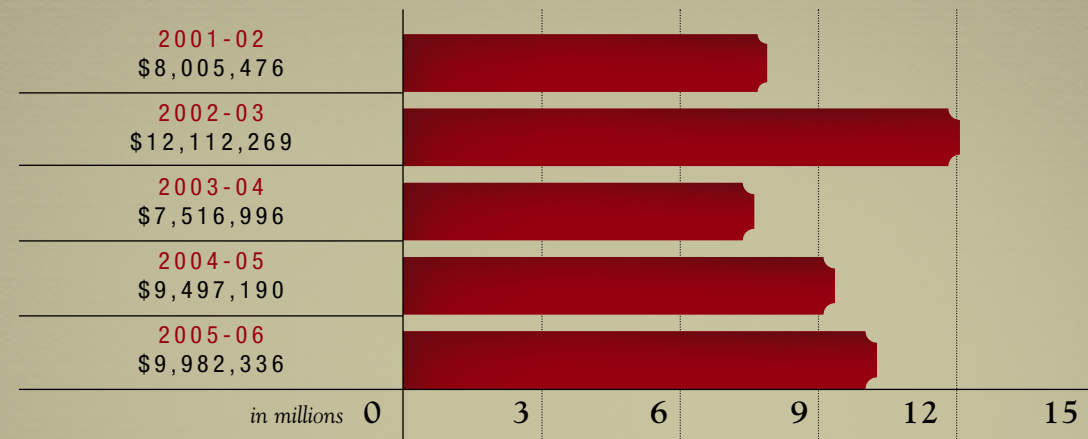


PLANNED GIVING

(Includes irrevocable planned gifts [FMV], cash and appreciated property, and matured planned gifts)

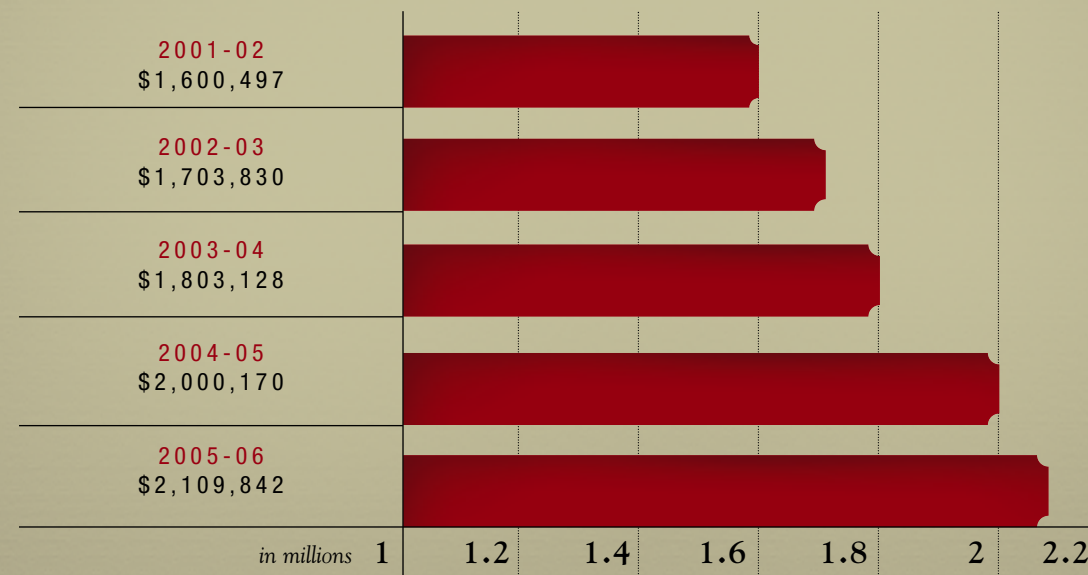


TOTAL GIVING



BOARD OF TRUSTEES	11.6%	CHURCH/NONPROFIT	1.0%
ALUMNI	6.3%	CORPORATE	2.6%
FACULTY/STAFF	2.1%	FOUNDATION	20.9%
PARENT	7.1%	MUSIC	0.8%
FRIEND	42.6%	TRUST/ANNUITY/BEQUEST	5.0%

UNIVERSITY SCHOLARSHIP FUND



FOUNDATION GRANTS

PROJECT/RESTRICTED	\$1,433,992
UNIVERSITY FUND SCHOLARSHIPS	\$313,534
CAPITAL	\$570,000
ENDOWMENT	\$27,455
TOTAL	\$2,344,981

UNIVERSITY GRANTS AND GIFTS

as of November 2006

ACADEMIC PROJECT/ RESTRICTED GRANTS

Council for Christian Colleges & Universities
The Christian Scholars Program
Good News Charitable Foundation
Kaiser Permanente Foundation
The Kern Family Foundation
Mustard Seed Foundation
SAJE Foundation
Stewardship Foundation
Time Warner Foundation
Windgate Charitable Foundation

SCHOLARSHIP GRANTS

The Ahmanson Foundation
The Ann Peppers Foundation
The Bargaehr Family Foundation
The Community Foundation Serving Riverside
and San Bernardino Counties: The Victress
Bower Fund and The James K. Wilden Fund
The EMELCO Foundation
Fuller Foundation
Lucile Horton Howe and
Mitchell B. Howe Foundation
LINC TELACU Education Foundation

George H. Mayr Foundation
Moody Family Foundation
Pikes Peak Community Foundation
Samuelson Founders
The Tsern Foundation

CAPITAL GRANTS

Henry L. Guenther Foundation
Carl E. Wynn Foundation

MULTIPLE GRANTS

The Hugh and Hazel Darling Foundation
(Scholarships and Capital)
Foundation for Christian Stewardship
(Scholarships and Capital)
The James L. Stamps Foundation, Inc.
(Scholarships, Capital, and Restricted)

CORPORATE MATCHING GIFTS

Forty-nine individuals multiplied their personal donations to APU by participating in their employer's matching gift program, resulting in \$69,386 in corporate matching funds from 45 different companies.



LIFE IS WORSHIP

Please visit www.apu.edu to find out more about the faces and places of Azusa Pacific University. Discover more stories exemplifying life is worship, learn about the unique programs APU offers, view an updated calendar of events, and even watch a live chapel service online! Also, look for the online version of the 2006 Annual Report to appear in January 2007 at www.apu.edu/annualreport/. For more information about how you can partner in developing disciples and scholars, contact the Office of University Advancement at (626) 815-5333.

