



Council of Trustees
West Chester University
West Chester, Pennsylvania 19383-1000

Council of Trustees
Resolution
2004-05

www.wcupa.edu

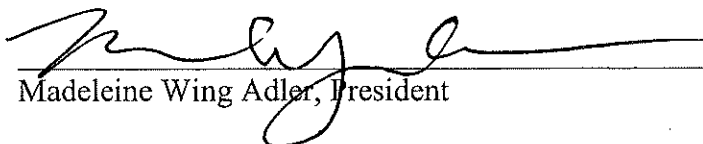
PROPOSED

RESOLUTION
COUNCIL OF TRUSTEES
WEST CHESTER UNIVERSITY OF PENNSYLVANIA
JANUARY 27, 2004

**Certification of Compliance of the West Chester University Foundation with Board
of Governor's Policy on External Financial Support
(Policy 1985-04)**

NOW, IN KEEPING WITH THE BOARD OF GOVERNORS' POLICY 1985-04
AND AFTER A REVIEW OF THE PERTINENT MATERIALS, THE COUNCIL OF
TRUSTEES OF WEST CHESTER UNIVERSITY OF PENNSYLVANIA FIND THAT
FOR THE FISCAL YEAR OF 2002-2003, THE WEST CHESTER UNIVERSITY
FOUNDATION IS MEETING ITS DESIRED PURPOSES AND REQUIREMENTS
AND IS IN COMPLIANCE WITH THE CONDITIONS ESTABLISHED BY THE
BOARD OF GOVERNORS FOR AFFILIATED ORGANIZATIONS.

APPROVED PENDING ACTION BY THE COUNCIL OF TRUSTEES



Madeleine Wing Adler, President

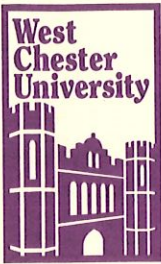
1/15/04
Date

APPROVED BY VOTE OF THE COUNCIL OF TRUSTEES



Carol Aichele, Chairperson
Council of Trustees

Date



Office of the Vice President for Advancement
Filano Hall 101
West Chester University
West Chester, Pennsylvania 19383-7000

610-436-3303
fax: 610-436-2606
www.wcupa.edu

MEMORANDUM OF CERTIFICATION

TO: The Council of Trustees

FROM: Mark G. Pavlovich, Vice President for Advancement *mp*

RE: Certification of the West Chester University Foundation

DATE: January 13, 2004

I am pleased to certify that the West Chester University Foundation is in compliance with the Board of Governor's Policy on External Financial Support (Policy 1985-04). The Foundation meets all of the following criteria:

- 1) An annual statement summarizing University support for and contributions from the Foundation has been prepared for the year ending June 30, 2003 (copy attached).
- 2) A Memorandum of Understanding signed by the Foundation, University, and legal counsel is in place (copy attached).
- 3) An annual audit has been performed and the results are being shared with the Council of Trustees (copy attached).
- 4) Articles of Incorporation and Bylaws are presented to the Council of Trustees (copy attached).
- 5) A current list of Foundation Board members and Officers is available to the Council of Trustees (copy attached).
- 6) Proof of Insurance is presented to the Council of Trustees (copy attached).

mgp



Office of the Vice President
for Administrative and Fiscal Affairs
Philips Building - Room 202
West Chester University
West Chester, Pennsylvania 19383-3000

610-436-2731
fax: 610-738-0314
www.wcupa.edu

**Annual Summary Report of Direct University Support To
and Contributions Made By the West Chester University Foundation
For the Year Ending June 30, 2003**

**Direct University support to the West Chester University
Foundation** **\$ 675.96**

Luncheon meeting and reception expenses
May, August, September and December 2003

**Contributions made to or benefiting
West Chester University of Pennsylvania** **\$19,000.00**

Scholarships to individuals \$12,000

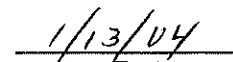
To West Chester University for Sturzebecker
Foundation Scholarship, School of
Health Sciences 6,000

To West Chester University Agency Fund
#5016 Frederick Douglass Society 1,000
\$19,000

Prepared by the Vice President for Administrative and Fiscal Affairs
West Chester University of Pennsylvania



Mark P. Mixner



Date

WEST CHESTER UNIVERSITY FOUNDATION
WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MEMORANDUM OF UNDERSTANDING

By this Memorandum of Understanding, West Chester University of Pennsylvania of the State System of Higher Education (hereinafter "University") will provide support to the West Chester University Foundation, Inc. (hereinafter "Foundation"), a 501(c)(3) non-profit organization, which exists for the benefit of the University.

Provision for this Memorandum of Understanding is provided within policy 1985-04, D. 1 and 2, of the Board of Governors Policy of the State System of Higher Education, Commonwealth of Pennsylvania, granted through section 2003-A (b) of Act 188 of 1987.


The mission of the Foundation is to provide financial support to the University. The Foundation is an independent, affiliated organization.

1. The Foundation will carry director's liability insurance in the amount of \$1,000,000. A Certificate of Insurance will be provided when issued and renewed.
2. The Foundation will, on an annual basis, have an external audit performed and the audit report submitted to the University.
3. The Foundation will provide a current listing of the Board of Directors and Officers.
4. The Foundation will provide to the University financial support from the endowments and funds held by the Foundation following guidelines established by the donor.
5. The University will provide a space and meals for the Foundation meetings.
6. The University will provide to the Foundation guidance when requested from the Advancement and Administrative and Fiscal Affairs divisions.
7. The University's Council of Trustees and President will annually review the operations of The Foundation and, if appropriate, certify, in a written letter, that the Foundation is meeting its desired purposes and requirements. Included in this statement will be a summary of support given by the University to the Foundation.
8. Upon request of the Vice President for Administrative and Fiscal Affairs, the Foundation will provide an annual listing of gifts made to the University by the Foundation.
9. The University will be held harmless from any potential legal or financial obligations of the Foundation. The Foundation's obligation to hold the University harmless includes an obligation to indemnify the University from complaints and claims arising from or related to the actions, or lack thereof, of the Foundation and its officers, employees, and agents.
10. Current Articles of Incorporation and Bylaws of the Foundation will be submitted to the University.

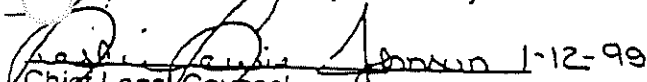
Signed this 6th day of January, 1999



President
West Chester University of Pennsylvania



Executive Director
West Chester University Foundation, Inc.



Chief Legal Counsel
State System of Higher Education



WEST CHESTER UNIVERSITY FOUNDATION

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2003

**CLARKE, NICOLINI & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS**

**GOSHEN PROFESSIONAL CENTER
1240 WEST CHESTER PIKE, SUITE 202
WEST CHESTER, PENNSYLVANIA 19382-5655**

CONTENTS

INDEPENDENT AUDITORS' REPORT	PAGE	1
AUDITED FINANCIAL STATEMENTS		
Statement of Financial Position		2
Statement of Activities		3
Statement of Cash Flows		4
Notes to Financial Statements		5 - 11

CLARKE, NICOLINI & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
GOSHEN PROFESSIONAL CENTER
1240 WEST CHESTER PIKE, SUITE 202
WEST CHESTER, PENNSYLVANIA 19382-5655

M. ROBERT CLARKE, CPA
ROBERT W. NICOLINI, CPA
JEFFREY A. FULLERTON, CPA

TELEPHONE: (610) 692-2313
FAX: (610) 692-3266
EMAIL: CLARKNIC@BELLATLANTIC.NET

INDEPENDENT AUDITORS' REPORT

Board of Directors
West Chester University Foundation
West Chester, Pennsylvania

We have audited the accompanying statement of financial position of West Chester University Foundation (a non-profit organization) as of June 30, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of The Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2002 financial statements and, in our report dated November 11, 2002, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides 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 West Chester University Foundation as of June 30, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Clarke, Nicolini & Associates, P.C.

CLARKE, NICOLINI & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

West Chester, Pennsylvania
October 15, 2003

WEST CHESTER UNIVERSITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2003

(WITH COMPARATIVE TOTALS FOR 2002)

ASSETS	<u>2003</u>	<u>2002</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,360	\$ 1,504
Investments	627,589	615,702
Unconditional promises to give	2,500	3,000
Endowment securities	<u>26,377</u>	<u>21,391</u>
TOTAL CURRENT ASSETS	<u>657,826</u>	<u>641,597</u>
OTHER ASSETS		
Long-term unconditional promises to give	<u>-</u>	<u>2,000</u>
TOTAL OTHER ASSETS	<u>-</u>	<u>2,000</u>
TOTAL ASSETS	<u><u>\$657,826</u></u>	<u><u>\$643,597</u></u>
NET ASSETS		
Unrestricted	\$113,941	\$118,605
Temporarily restricted	517,509	503,601
Permanently restricted	<u>26,376</u>	<u>21,391</u>
TOTAL NET ASSETS	<u><u>\$657,826</u></u>	<u><u>\$643,597</u></u>

The accompanying notes are an integral part of these financial statements.

WEST CHESTER UNIVERSITY FOUNDATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE TOTALS FOR 2002)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>
PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS		
Contributions	\$ 250	\$ -
Investment return	5,890	37,632
Net assets released from restrictions:		
Satisfaction of investment income restrictions	<u>20,000</u>	<u>(19,000)</u>
Total support, revenues and classifications	<u>26,140</u>	<u>18,632</u>
 EXPENSES AND PROGRAMS		
Programs		
Scholarships and contributions	22,000	-
Art show	500	-
West Chester Alumni Assoc.	<u>792</u>	<u>-</u>
Total programs	<u>23,292</u>	<u>-</u>
Expenses		
Investment fees	1,112	4,724
Administrative expenses	<u>6,400</u>	<u>-</u>
Total expenses	<u>7,512</u>	<u>4,724</u>
Total programs and expenses	<u>30,804</u>	<u>4,724</u>
Change in net assets	(4,664)	13,908
NET ASSETS BEGINNING OF YEAR	<u>118,605</u>	<u>503,601</u>
NET ASSETS END OF YEAR	<u><u>\$113,941</u></u>	<u><u>\$517,509</u></u>

The accompanying notes are an integral part of these financial statements.

<u>PERMANENTLY RESTRICTED</u>	<u>JUNE 30, 2003 TOTAL</u>	<u>JUNE 30, 2002 TOTAL</u>
\$ -	\$ 250	\$ 52,035
5,988	49,510	(23,982)
<u>(1,000)</u>	<u>-</u>	<u>-</u>
<u>4,988</u>	<u>49,760</u>	<u>28,053</u>
-	22,000	18,000
-	500	500
<u>-</u>	<u>792</u>	<u>1,199</u>
<u>-</u>	<u>23,292</u>	<u>19,699</u>
3	5,839	6,002
<u>-</u>	<u>6,400</u>	<u>3,061</u>
<u>3</u>	<u>12,239</u>	<u>9,063</u>
<u>3</u>	<u>35,531</u>	<u>28,762</u>
4,985	14,229	(709)
<u>21,391</u>	<u>643,597</u>	<u>644,306</u>
<u>\$26,376</u>	<u>\$657,826</u>	<u>\$643,597</u>

WEST CHESTER UNIVERSITY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE TOTALS FOR 2002)

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 14,229	\$ (709)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gains/losses on investments	(33,380)	41,684
Interest and dividends restricted for reinvestment	(18,076)	(18,783)
Realized capital gain/loss restricted for reinvestment	1,953	1,081
Disbursements from investment accounts:		
Scholarships	12,000	18,000
Investment fees	5,839	6,002
West Chester Alumni Fund	792	1,199
Administrative expenses	500	500
Decrease in unconditional promises to give	<u>2,500</u>	<u>1,000</u>
Net cash provided by/(used in) operating activities	<u>(13,643)</u>	<u>49,974</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment securities	46,548	43,520
Purchase of investment securities	(51,125)	(116,319)
Interest and dividends restricted for reinvestment	<u>18,076</u>	<u>18,783</u>
Net cash provided by/(used in) investing activities	<u>13,499</u>	<u>(54,016)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(144)	(4,042)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,504</u>	<u>5,546</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,360</u>	<u>\$ 1,504</u>

Supplemental schedule of non-cash activities:

NONE

The accompanying notes are an integral part of these financial statements.

WEST CHESTER UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITY

West Chester University Foundation is a non-profit organization incorporated September 17, 1970 to provide an alternative for those persons wishing to provide scholarship support for students of West Chester University without giving their donations directly to the university. The Foundation's support comes primarily from individual donors' contributions.

INCOME TAXES

The Foundation is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

REVENUE AND EXPENSE RECOGNITION

The West Chester University Foundation records its income and expenses on the accrual basis of accounting for both financial and income tax purposes. Under the accrual method, income is recognized when earned and expenses are charged when incurred.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

SECURITIES

Investments are held by the First National Bank of Chester County. The West Chester University Foundation adopted SFAS No. 124, accounting for certain investments held by Not-For-Profit Organizations. Under SFAS No. 124, investments in securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the financial statement of financial position. Unrealized gains and losses are included in the change in net assets.

WEST CHESTER UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PUBLIC SUPPORT AND REVENUE

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Any unconditional promises to give due in subsequent years would be reflected as long-term promises to give and are recorded at their present value.

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted or temporarily net assets and reported in the statement of net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

ESTIMATES

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

CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

FINANCIAL STATEMENT PRESENTATION

The Foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Foundation does not use fund accounting.

WEST CHESTER UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CONTRIBUTIONS

The Foundation has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

CONTRIBUTED SERVICES

During the years ended June 30, 2003 and 2002, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

NOTE B - INVESTMENTS

Long-term investments are stated at fair value. Fair values and unrealized appreciation (depreciation) at June 30, 2003 and 2002, are summarized as follows:

June 30, 2003:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
INVESTMENTS			
Exelon Corporation stock	\$ 158	\$ 177	\$ (19)
Sturzebecker Scholarship Program	129,570	139,536	(9,966)
Ethel M. Buzby Scholarship Fund	48,814	47,240	1,574
Dorothy Canniff Trust	23,529	22,861	668
Katherine A. Rowles Fund	136,042	131,368	4,674
V. Betty DeHaven Music Scholarship Fund	78,942	71,660	7,282
C.S. Haddad Scholarship Fund	131,217	122,113	9,104
C. DeBaptiste Scholarship Fund	19,812	26,644	(6,832)
General Fund	65,486	65,990	(504)
	<u>\$ 633,570</u>	<u>\$ 627,589</u>	<u>\$ 5,981</u>

WEST CHESTER UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE B - INVESTMENTS (continued)

June 30, 2003:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
PERMANENTLY RESTRICTED			
Brooke Library Fund	\$ 506	\$ 2,034	\$ (1,528)
Frederick Douglas Fund	25,593	24,343	1,250
	<u>\$ 26,099</u>	<u>\$ 26,377</u>	<u>\$ (278)</u>

June 30, 2002:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
INVESTMENTS			
Exelon Corporation stock	\$ 93	\$ 88	\$ (5)
Sturzebecker Scholarship Program	124,097	117,827	(6,270)
Ethel M. Buzby Scholarship Fund	49,083	46,982	(2,101)
Dorothy Canniff Trust	23,756	22,856	(900)
Katherine A. Rowles Fund	139,526	133,644	(5,882)
V. Betty DeHaven Music Scholarship Fund	81,484	73,193	(8,291)
C.S. Haddad Scholarship Fund	141,030	129,396	(11,634)
C. DeBaptiste Scholarship Fund	19,590	20,955	1,365
General Fund	71,084	70,761	(323)
	<u>\$ 649,743</u>	<u>\$ 615,702</u>	<u>\$ (34,041)</u>

PERMANENTLY RESTRICTED

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation Depreciation</u>
Brooke Library Fund	\$ 506	\$ 1,778	\$ 1,272
Frederick Douglas Fund	25,926	19,613	(6,313)
	<u>\$ 26,432</u>	<u>\$ 21,391</u>	<u>\$ (5,041)</u>

WEST CHESTER UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE B - INVESTMENTS (continued)

The following schedule summarized the investment return and its classification in the statement of for the years ended June 30, 2003 and 2002:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
June 30, 2003				
Interest and dividends	\$ 4,770	\$ 12,643	\$ 670	\$ 18,083
Net realized and unrealized gains	<u>1,120</u>	<u>24,989</u>	<u>5,318</u>	<u>31,427</u>
	<u>\$ 5,890</u>	<u>\$ 37,632</u>	<u>\$ 5,988</u>	<u>\$ 49,510</u>
June 30, 2002				
Interest and dividends	\$ 2,500	\$ 15,619	\$ 664	\$ 18,783
Net realized and unrealized gains	<u>(3,380)</u>	<u>(36,107)</u>	<u>(3,278)</u>	<u>(42,765)</u>
	<u>\$ (880)</u>	<u>\$ (20,488)</u>	<u>\$ (2,614)</u>	<u>\$ (23,982)</u>

NOTE C - PROMISES TO GIVE

Unconditional promises to give at June 30, 2003 and 2002, are as follows:

	<u>2003</u>	<u>2002</u>
Receivable in less than one year	\$ 2,500	\$ 3,000
Receivable in one to five years	<u>-</u>	<u>2,000</u>
Total unconditional promises to give	<u>\$ 2,500</u>	<u>\$ 5,000</u>

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of:

The Brooke Library Fund which is restricted for use by the West Chester University library.

The Dorothy Canniff Trust Fund which is restricted to fund expenses and scholarships for West Chester University students.

WEST CHESTER UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE D - TEMPORARILY RESTRICTED NET ASSETS (continued)

The Katherine A. Rowles Trust which is restricted to fund expenses and scholarships each year to West Chester University students whose majors are art with concentration in painting or drawing.

The V. Betty DeHaven Music Scholarship Fund which is restricted to fund expenses and music scholarships for West Chester University students, preferably from Lancaster, Pennsylvania.

The Sturzebecker Scholarship Foundation Fund which is restricted to fund expenses and scholarships for health and science majors.

The C.S. Haddad Scholarship Fund which is restricted to fund expenses and scholarships for West Chester University students.

The C. DeBaptiste Scholarship Fund which is restricted to fund expenses and scholarships for West Chester University students.

Temporarily restricted net assets are available for the following purposes:

	<u>2003</u>	<u>2002</u>
Brooke Library Fund	\$ 649	\$ 642
Exelon Corporation stock	177	88
Dorothy Canniff Trust	22,861	22,856
Katherine A. Rowles Fund	131,368	133,644
V. Betty DeHaven Music Scholarship Fund	71,660	73,193
Sturzebecker Scholarship Fund	139,536	122,827
C.S. Haddad Scholarship Fund	122,113	129,396
C. DeBaptiste Scholarship Fund	29,145	20,955
	<u> </u>	<u> </u>
Total temporarily restricted net assets	<u>\$ 517,509</u>	<u>\$ 503,601</u>

WEST CHESTER UNIVERSITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE D - TEMPORARILY RESTRICTED NET ASSETS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	<u>2003</u>	<u>2002</u>
Frederick Douglas Fund	\$ 1,000	\$ 6,000
Dorothy Canniff Trust	500	500
Katherine A. Rowles Fund	5,000	6,500
V. Betty DeHaven Music Scholarship	3,000	2,500
C. DeBaptiste Scholarship Fund	500	1,000
C.S. Haddad Schorarship Fund	10,000	-
	<u>\$ 20,000</u>	<u>\$ 16,500</u>

NOTE E - PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for the following purposes at June 30, 1999. The Frederick Douglas Fund composed of 1,250 shares of First West Chester Corp. is to be kept intact with the income each year given to the Frederick Douglas Society.

The Brooke Library Fund composed of 34 shares of Exelon Corporation stock is to be kept intact with the income each year reinvested to purchase additional shares. This income is to be used only for the West Chester Library. PECO Energy Corp. is now Exelon Corporation. The fair market values at June 30, 2003 and 2002 were \$ 2034 and \$1,778, respectively.

IN RE: : DEPARTMENT OF STATE
 ARTICLES OF INCORPORATION
 OF THE WEST CHESTER COLLEGE : CORPORATION BUREAU
 FOUNDATION, A NON-PROFIT
 CORPORATION

ARTICLES OF INCORPORATION

BE IT KNOWN, that the undersigned, at least three of whom are residents of the Commonwealth of Pennsylvania and citizens of the United States, and all of whom are of full age, having associated themselves together for the purpose of organizing the West Chester College Foundation, and being desirous of becoming incorporated in accordance with the provisions and requirements of the Act of the General Assembly of the Commonwealth of Pennsylvania known as the "Nonprofit Corporation Law", approved May 5, 1933, as amended, do hereby declare, set forth and certify as follows:

1. That the name of the corporation is THE WEST CHESTER COLLEGE FOUNDATION.
2. That the location and post office address of its initial registered office in this Commonwealth is: Alumni Office Philips Memorial Building, High and College Avenues, West Chester, Chester County, Pennsylvania.
3. The purpose or purposes of the corporation are:
 - a. To receive and administer funds and things of value from alumni and friends of West Chester State College, or from any other sources; to hold, manage and invest such funds and things of value and to use the income derived therefrom and so much of the principal thereof as the Trustees in their sole and unfettered discretion shall designate, subject, however, to the limitations of any expressed specific intent of a donor, for

enhancing, fostering and developing the program and purposes of West Chester State College.

b. To do any and all things necessary, incidental and desirable for the accomplishment of the purposes hereinabove specified, which are lawful and not injurious to the community.

4. That the corporation does not contemplate pecuniary gain or profit, incidental or otherwise, to its members.

5. The term of its existence is perpetual.

6. The names and addresses of the incorporators are:

- Donald J. Diffenbaugh Kriabel Mill Road, Collegeville, Pa. 19426
- Tom. W. Snyder Black Hawk Apts., Downingtown, Pa. 19335
- William R. Benner 732 Price Street, West Chester, Pa. 19380
- Donald S. Pitt 710 Southern Drive, West Chester, Pa. 19380
- Paul W. Rossey Tanglewood, E. Rosedale Ave., West Chester, Pa. 19380
- Joseph Saltzman 36 Cedar Street, Marcus Hook, Pa. 19061
- Everett E. Shaefer 233 First Avenue, Malvern, Pa. 19355
- Charles E. Swope Rosedale Ave. and Church St., West Chester Pa. 19380
- Elinor Z. Taylor 404 Price Street, West Chester, Pa. 19380

7. That the following are the names, addresses and titles of the persons who are to act as directors until the election of their successors:

- | | | |
|-----------------------|---|---------|
| Donald J. Diffenbaugh | Kriabel Mill Road
Collegeville, Pa. | Trustee |
| Tom W. Snyder | Black Hawk Apts.
Downingtown, Pa. | Trustee |
| William R. Benner | 732 Price Street
West Chester, Pa. | Trustee |
| Donald S. Pitt | 710 Southern Drive
West Chester, Pa. | Trustee |
| Paul W. Rossey | "Tanglewood"
E. Rosedale Ave.
West Chester, Pa. | Trustee |

Joseph Saltzman	16 Cedar Street Marcus Hook, Pa.	Trustee
Everett E. Shaefer	211 First Avenue Malvern, Pa.	Trustee
Charles E. Swope	Rosedale Ave. & Church St. West Chester, Pa.	Trustee
Elinor Z. Taylor	404 Price Street West Chester, Pa.	Trustee

8. That this corporation is organized upon a non-stock basis.

Donald D. Dissenbaugh (SEAL) Paul W. Rossey (SEAL)
 Donald D. Dissenbaugh, Incorporator Paul W. Rossey, Incorporator

Tom W. Snyder (SEAL) Joseph Saltzman (SEAL)
 Tom W. Snyder, Incorporator Joseph Saltzman, Incorporator

William R. Benner (SEAL) Everett E. Shaefer (SEAL)
 William R. Benner, Incorporator Everett E. Shaefer, Incorporator

Donald S. Pitt (SEAL) Charles E. Swope (SEAL)
 Donald S. Pitt, Incorporator Charles E. Swope, Incorporator

Elinor Z. Taylor (SEAL)
 Elinor Z. Taylor, Incorporator

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF CHESTER ss.

BEFORE ME, a Notary Public in and for the County aforesaid, personally came Donald Dissenbaugh, Tom W. Snyder, William R. Benner, Donald S. Pitt, Paul W. Rossey, Joseph Saltzman, Everett E. Shaefer, Charles E. Swope and Elinor Z. Taylor, the above-named incorporators who, in due form of law, acknowledged the foregoing instrument to be their act and deed for the purposes therein specified.

WITNESS, my hand and seal of office the _____ day of _____, 1970.

3-1-70.37 ~~137~~

Approved and filed in the Department of State on
this 14th day of September, A. D. 1970.

Lawrence J. Kelly

Secretary of the Commonwealth

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WEST CHESTER UNIVERSITY FOUNDATION

BY-LAWS

ARTICLE I - OFFICES

- 1) The registered office of the Corporation shall be at Alumni Office, Philips Memorial Building, High and College Avenues, West Chester, Chester County, Pa.
- 2) The Corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the activities of the Corporation may require.

ARTICLE II - SEAL

- 1) The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Pennsylvania."

ARTICLE III - MEMBERS

- 1) Meetings of the members shall be held at Philips Memorial Building, High and College Avenues, West Chester, Chester County, Penna., or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be selected.
- 2) The Annual Meeting of the members shall be held in January of each year when they shall elect directors and transact such other business as may

properly be brought before the meeting. Unless the Chairman selects another date for the annual meeting and causes at least ten days' notice therefore to be given to each member, the meeting shall be held at 10:00 A.M. on the third Wednesday of January in each year if not a legal holiday, and if a legal holiday, then on the next full business day following at 10:00 A.M.

- 3) Special meetings of the members may be called at any time by the Chairman, or the Board of Directors, or by any three members of the Corporation. At any time, upon written request of any person entitled to call a special meeting, it shall be the duty of the Secretary to call a special meeting of the members to be held at such time as the Secretary may fix, not less than ten nor more than sixty days after the receipt of the request. If the Secretary shall neglect or refuse to issue such call, the person or persons making the request may do so. Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto.
- 4) Written notice of every meeting of the members, stating the time, place and object thereof, shall be given by or at the direction of the person authorized to call the meeting, to each member of record entitled to vote at the meeting, at least ten (10) days prior to the day named for the meeting, unless a greater period of notice is required by statute in a particular case. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

- 5) A members' meeting duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person of five of the members entitled to vote shall constitute a quorum at all meetings of the members for the transaction of business except as may be otherwise provided by law or by the Articles of Incorporation. The members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided by statute, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing directors.
- 6) Except as otherwise provided in the Articles of the Corporation, any action which may be taken at a meeting of members may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by all of the members who would be entitled to vote at a meeting for such purpose, and shall be filed with the Secretary of the Corporation.
- 7) Every member of the Corporation shall be entitled to one vote. In all elections for Directors, each member having a right to vote shall have the right to multiply the number of votes to which he may be entitled by the total number of directors to be elected, and he may cast the whole number of his

votes for one candidate or distribute them upon two or more candidates, as he may prefer. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. No member shall sell his vote for money or anything of value. Upon request of a member, the books or records of membership shall be produced at any general or special meeting of the corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be members may vote. The right of a member to vote and his right, title and interest in or to the corporation or its property, shall cease on the termination of his membership.

- 8) No member may transfer his membership or any right arising therefrom.

ARTICLE IV - DIRECTORS

- 1) The business of this Corporation shall be managed by its Board of Directors, not more than fourteen in number, who shall be natural persons of full age and who need not be residents of this Commonwealth but who shall be members of this Corporation. Each year five directors and on the third year, four directors, each of whom shall be elected for a three-year term, shall be elected by the members at the annual meeting of the members of the corporation. Each director shall serve until his or her successor has been

elected and duly qualified in accordance with these By-laws. Vacancies shall be filled as set forth in ARTICLE VI

- 2) In addition to the powers and authorities by these By-laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles or these By-laws directed or required to be exercised or done by the members.
- 3) The meetings of the Board of Directors may be held at such times and at such place or places within this Commonwealth, or elsewhere, as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.
- 4) Written notice of every meeting of the Board of Directors shall be given to each director at least ten days prior to the day named for the meeting.
- 5) A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present, shall be the acts of the Board of Directors . If all the directors shall severally or collectively consent in writing to any action to be taken by the Corporation, such action shall be as valid corporate action as though it has been authorized at a meeting of the Board of Directors.

ARTICLE V - OFFICERS

- 1) The executive officers of the corporation shall be chosen by the Board of Directors and shall be a Chairman, Vice-Chairman, Secretary and Treasurer and such other officers and assistant officers as the needs of the corporation may require. The Chairman and Secretary shall be natural persons of full age; the Treasurer, however, may be a corporation, but if a natural person, shall be of full age. They shall hold their offices for such duties as shall from time to time be prescribed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of Chairman and Secretary. It shall not be necessary for the officers to be directors. The Board of Directors may secure the fidelity of any or all such officers by bond or otherwise.
- 2) The Chairman shall be the chief executive officer of the corporation; he shall preside at all meetings of the members and directors; he shall have general active management of the affairs of the corporation; shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the Chairman, to any other officer or officers of the corporation. He shall execute bonds, mortgages and other documents requiring a seal, under the seal of the corporation. He shall be Ex-Officio a member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of Chairman.

- 3) The Vice-Chairman shall act in all cases for and as the Chairman in the latter's absence or incapacity, and shall perform such other duties as he may be required to do from time to time.
- 4) The Secretary shall attend all sessions of the Board and all meetings of the members and act as clerk thereof, and record all the votes of the corporation and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or Chairman, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the corporation and, when authorized by the Board, affix the same to any instrument requiring it.
- 5) The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall keep the moneys of the corporation in a separate account to the credit of the corporation. He shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Chairman and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions or Treasurer and of the financial condition of the corporation.

ARTICLES VI - VACANCIES

- 1) If the office of any officer or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.
- 2) Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, shall be filled by a majority of the remaining members of the Board, though less than a quorum, and each person so elected shall be a director until his successor is elected by the members, who may make such election at the next annual meeting of the members, or at any special meeting duly called for that purpose and held prior thereto.

ARTICLE VII - BOOKS AND RECORDS

- 1) The corporation shall keep at its registered office, records of the proceedings of the members and of the directors, a membership register giving the names of the members in alphabetical order and appropriate and complete records of its finances.
- 2) Every member shall have the right to examine in person, or by agent or attorney, at any reasonable time or times, for any reasonable purpose, the books of account, the membership register and the records of the proceedings of the members and directors.

MEMBERSHIP CERTIFICATES

- 1) Membership in the Corporation may be evidenced by Certificates of Membership, in which case they shall be in such form and style as the Board of Directors may determine. Upon the face of each such certificate there shall be printed in clear type a statement that the corporation is a nonprofit corporation. They shall be signed by the Chairman and Secretary and shall bear the corporate seal.

ARTICLE IX - TRANSACTION OF BUSINESS

- 1) The corporation shall not borrow money, or purchase, sell, lease, or otherwise dispose of any real estate, unless and until a resolution authorizing same shall have been approved by a majority of the members of the corporation at a regular or special meeting, duly convened upon proper notice of this purpose. A resolution of the members authorizing the borrowing of money need not specify the particular sums, rates of interest or times of maturity of the loans, but such items may be agreed upon as authorized by the directors of the corporation. All proceeds derived from any loan, sale, lease, ground rent or mortgage, shall be faithfully and specifically used for or applied to the lawful activities of the corporation, and in case such proceeds are derived from any real estate subject to a trust, the trust shall be impinged upon such proceeds.

- 2) The corporation shall have the right and power to receive and collect moneys to the extent necessary for the accomplishment of the purpose of purposes for which it is organized, and in so doing, may make an incidental profit. All moneys so received or collected shall be applied to the maintenance and operation or the furtherance of the lawful activities of the corporation, and in no case shall such moneys be divided or distributed in any manner whatsoever among the members of the corporation.
- 3) All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

ARTICLE X- ANNUAL STATEMENT

- 1) The Chairman and Board of Directors shall present at each annual meeting a full and complete statement of the activities and affairs of the corporation for the preceding year. The Board of Directors shall keep accurate accounts of all trust funds, separate and apart from the other funds of the corporation, and shall, unless the terms of the particular trust instrument provide otherwise, make an annual report, signed by the Treasurer, to the members of the Corporation concerning the trust funds held and the use made of such funds and of the income thereof.

ARTICLE XI - NOTICES

- 1) Whenever written notice is required to be given to any person, it may be given to such person either by sending a copy thereof through the mail or by telegram, charges prepaid to his address appearing on the books of the corporation or supplied to him to the corporation for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission to such person. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the general nature of the business to be transacted.
- 2) Whenever any written notice is required by statute or by the Articles or By-laws of this Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting, neither the business to be transacted at, nor the purpose of the meeting, need be specified in the waiver of notice of such meeting. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where he attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XII - AMENDMENTS

- 1) These By-laws may be altered, amended or repealed by a majority vote of the members of the corporation who are present and entitled to vote at any regular or special meeting.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA FOUNDATION
BOARD OF DIRECTORS – 2003-04**

President - Vacant

**Mr. W. E. Mullestein
Vice President**

6 Coniston Drive
West Chester, PA 19382
Home: 610-793-3700
Office: 610-692-6111

**Mr. David L. Peirce
Executive Director/Treasurer**

571 Franklin Way
West Chester, PA 19380
Home: 610-692-6905

**Mrs. Carol Fry
Secretary**

275 Upland Road
West Grove, PA 19390
Home: 610-869-3232

Dr. William H. Boucher

Box 188
Mendenhall, PA 19357
Home: 610-388-6971

Mr. John J. Ciccarone

Parkway Inc.
908 Sheridan Drive
West Chester, PA 19382-5411
Office: 610-692-4007

Dr. Albert E. Filano

819 Roslyn Avenue
West Chester, PA 19382
Home: 610-696-0798

Mrs. John B. Hannum

1825 Newark Road
P. O. Box 398
Unionville, PA 19375
Home: 610-347-2186

Mrs. Emily Jane Lemole

404 Tomlinson Road
Huntingdon Valley, PA 19006
Home: 215-947-8185

Mrs. Eleanor Latta

101 West Virginia Avenue
West Chester, PA 19380
Home: 610-696-2897

Mr. Leslie B. Schramm

925 Sconnettown Road
West Chester, PA 19382
Home: 610-696-3178

The Honorable Elinor Z. Taylor

859 Spruce Avenue
West Chester, PA 19382
Home: 610-696-8229
OR
13 West Miner Street
West Chester, PA 19382
Office: 610-426-4433