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

Certification of Compliance of the West Chester University Alumni Association
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
ALUMNI ASSOCIATION 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

APPROVED BY VOTE OF THE COUNCIL OF TRUSTEES

Carol Aichele, Chairperson
Council of Trustees

1/9/2004

cot/Resolution.AlumAssoc.Cert.Comp.1.27.04

West Chester University of Pennsylvania is a member of the State System of Higher Education
MEMORANDUM OF CERTIFICATION

TO: The Council of Trustees

FROM: Mark G. Pavlovich, Vice President for Advancement

RE: Certification of the West Chester University Alumni Association

DATE: January 13, 2004

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

1) An annual statement summarizing University support for and contributions from the Alumni Association has been prepared for the year ending June 30, 2003 (copy attached).

2) A Memorandum of Understanding signed by the Alumni Association, 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 Alumni Association 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).
Annual Summary Report of Direct University Support To and Contributions Made By
West Chester University Alumni Association
For the Year Ending June 30, 2003

Direct University support to West Chester University Alumni Association $ 191,870
Personnel and operating expenses

Contributions made to or benefiting West Chester University of Pennsylvania $ 15,625
Scholarships

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

Mark P. Mixner
Date

West Chester University of Pennsylvania is a member of the State System of Higher Education
MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") is made by and between the West Chester University Alumni Association (hereinafter "WCUAA") and West Chester University (hereinafter "WCU") this _7_ day of _June_ , 1997.

Background

WHEREAS, the WCUAA and WCU have a long tradition of supporting each other for the common good of WCU and its Alumni; and

WHEREAS, historically the WCUAA had conducted fundraising activities and campaigns to solicit donations from Alumni; and

WHEREAS, WCU has likewise conducted fundraising activities to solicit funds from Alumni to support WCU; and

WHEREAS, the WCUAA and WCU desire to coordinate the various fundraising activities that both the WCUAA and WCU conduct; and

WHEREAS, the WCUAA desires to limit its fundraising activities and promote various WCU activities in exchange for an annual operating budget and receipt of specified services from WCU to the WCUAA; and

WHEREAS, the WCUAA owns the Veteran's Memorial Alumni House (hereinafter "VMAH"); and

WHEREAS, the WCUAA is responsible for the maintenance and repair of the VMAH; and

WHEREAS, the WCUAA maintains separate from WCU various financial accounts and investments for purposes of endowments, scholarship, the VMAH, and other financial reasons; and

WHEREAS, the WCUAA and WCU desire to memorialize the terms and conditions of their relationship in order to facilitate coordination and cooperation between them and to pursue their common goals, and
NOW THEREFORE, based upon the mutual promises, covenants and conditions set forth herein, and agreeing to be bound hereby, the WCUAA and WCU agree as follows:

Agreement

I. Incorporation. The background set forth hereinabove is specifically made part of this MOU.

II. Director of Alumni and Special Events (DASE)

A. Employment. WCU will employ an individual who will fill the position of Director of Alumni and Special Events (DASE). The DASE will report to and be supervised by the Vice President for Advancement (VPA). This individual will be a University employee and will be governed by all rules and regulations pertaining to University employees.

B. Relationship to WCUAA and WCU. On an annual basis, the WCUAA and WCU will mutually develop a Management Performance Planning, Appraisal and Development Document. This Document will set forth the major responsibilities and end results sought for the DASE. The WCUAA will be given an opportunity to submit input to WCU on an annual basis concerning the evaluation of the DASE’s performance. In the event that a vacancy for the position of the DASE occurs or will occur, any search committee established for the hiring of a new DASE will contain at least one-third of its members appointed by the WCUAA President.

C. Responsibilities. The DASE will serve as the Executive Director of the WCUAA. The DASE will be responsible for providing all of the usual and customary responsibilities and services of an Executive Director to the WCUAA and its Board of Directors, which responsibilities will include but not be limited to the following:

1. Assist the WCUAA in the development and implementation of various programs and events which promote the common goals of WCU and the WCUAA, to include but not be limited by the coordination of class reunions, Alumni Day, Homecoming, and Senior Day.

2. Direct the cultivation and development of the WCUAA Chapters.
3. Serve as the Editor for the *Ramparts* section of the *West Chester University Magazine*. In this capacity, assist in the gathering, verification, and drafting of news and information for the WCUAA.

4. Develop and maintain a positive reciprocal relationship with the WCUAA and its Board of Directors.

5. Provide all day to day services for the operation of the WCUAA.

6. Assist the WCUAA in developing organizational goals.

7. Attend the WCUAA Board of Directors, Executive Council, Finance Committee, and House and Grounds Committee meetings to the best extent possible, and in the DASE's absence, direct the attendance of an alternate from the Office of Alumni and Special Events.

8. Provide written monthly and annual budget updates identifying all revenues and expenditures to the Executive Council, Finance Committee, Board of Directors and the WCU Vice-President of Advancement.

9. Represent the interests of the WCUAA at appropriate WCU Committee Meetings.

10. Prepare and present an annual budget for the WCUAA and the Office of Alumni and Special Events and supervise the implementation of the budget.

11. Assist the WCUAA in the publishing of a handbook for each of the WCUAA Committees.

### III. WCUAA Finances and Budget.

A. **Unified Account.** The previous accounts of 7101 and 7103 will now be combined into one unified account which will be maintained for the financial operations of the Office of Alumni and Special Events and for the programming expenditures of the WCUAA. WCU will provide an approximate minimum annual funding of $58,000 to $60,000 for this account and its budget.

B. **WCUAA Veteran's Memorial Alumni House Fee.** WCU will pay the WCUAA by July 1 of each year the amount of $5,000 as a fee for the use of the VMAH by WCU affiliated organizations. The $5,000 payment will be deposited into a separate
non-WCU account as directed by the WCUAA. The WCUAA will establish reasonable rules and regulations concerning the use of the VMAH.

C. WCU Lease. WCU has entered into a separate Lease Agreement with the WCUAA for a current annual payment of $3,000 for the rental of an office. So long as the current Lease is in effect or any renegotiated Lease is in effect, the annual Lease payment will be tendered to the WCUAA for deposit into a WCUAA account as designated by the WCUAA.

D. MBNA Credit Card. The WCUAA has entered into an Agreement with MBNA involving the issuance of credit cards and the resulting receipt of commissions by the WCUAA. All payments by MBNA pursuant to the Agreement (in the estimated amount of $25,000 per year for four remaining years) will be paid to the WCUAA and held in a separate non-WCU account for the WCUAA.

E. Budget.

1. The DASE will prepare and present a budget by May 15 of each year to the Executive Council and to the Vice-President for Advancement for mutual review and approval and then to the WCUAA Board of Directors for final approval.

2. A minimum of $30,000 will be provided annually by WCU for programming events which amount is included within the $58,000 to $60,000 unified account budget.

3. The budget will include all revenues and expenditures for both programming and office operations.

4. The DASE will prepare the WCUAA Committee budgets after consultation with the various Committees, with the exception of the House and Grounds Committee, which will prepare its own budget which budgets will then be reviewed and approved by the Executive Council and the Board of Directors of the WCUAA.

5. Any remaining funds in the unified account at the end of any fiscal year will be carried over to the following fiscal year as a surplus and as an addition to the minimum $58,000 to $60,000 budget. Any deficit in the unified account at the end of the fiscal year will be carried over to the following fiscal year.

6. The DASE will prepare the budget indicating the line items for all costs of each event. Subsequent to budget approval, any line item revision of less than $100 can be made by the DASE. However, revisions of more than $100 will require the approval
of two officers of the Executive Council and the approval of the WCU Vice-President for Advancement. Any changes to the programming portion of the budget other than a line item revision and any changes to the total overall amount of the budget will require the approval of the WCUAA and WCU Vice-President for Advancement.

IV. WCUAA Fundraising.

1. The WCUAA and its Chapters will not conduct fundraising solicitations of the general alumni body. However, after consultation with WCU, the WCUAA can engage in sponsorship of the sale of products for the purpose of generating extra revenue.

2. In the event that financial donations are sent directly to WCU or to the WCUAA made payable to the WCUAA without further directives or notations indicated, the donor will be contacted and asked for further instructions as to whether the donation is intended for WCU or to the WCUAA. Thereafter, the donation will be transmitted accordingly.

3. In the event that donations are sent directly to WCU or to the WCUAA with directives or notations that the payment is made for the benefit of the VMAH, then these payments will be deposited as directed by the WCUAA for the benefit of the VMAH.

4. Gifts benefitting the VMAH will not be considered to be part of the WCU Annual Giving.

V. West Chester University Magazine. WCU will provide the WCUAA with up to 37 pages per year of space within the West Chester University Magazine for the Ramparts section devoted to Alumni events and news. A Ramparts section may be included in all four quarterly issues of the West Chester University Magazine. The DASE retains editorial control for the contents of Ramparts and stylistic and format decisions are the responsibility of the Magazine Editor.

VI. Review of Memorandum of Understanding.

A. The initial term of this MOU will be from July 1, 1997 to the ending date of June 30, 1997. The ending date will establish the annual "anniversary date" which is defined as that same month and day during succeeding years.

B. The MOU will automatically renew and continue in effect for additional one (1) year periods commencing from the ending date to the first anniversary date, and then from anniversary dates to anniversary dates.
C. If either party desires to renegotiate the MOU, the desirous party must provide the other party with written notice at least sixty (60) days prior to the next anniversary date of the party's intent to renegotiate the MOU.

D. If the MOU is not thereafter renegotiated by a writing signed by both parties prior to the next anniversary date, then the MOU will terminate at the next anniversary date unless the parties sign a writing indicating their intent to continue the MOU for a specified period of time and specifying whether the MOU as then in effect will continue in its then form or with any modifications.

West Chester University Alumni Association

By: [Signature]
President

Date: 6-27-97

West Chester University

By: [Signature]
President

Date: 6-27-97
Independent Auditor's Report

Board of Directors
West Chester University Alumni Association
West Chester, Pennsylvania

We have audited the accompanying statement of financial position of West Chester University Alumni Association (a Pennsylvania non-profit corporation) as of June 30, 2003, and the related statement of activities and statement of cash flows for the year then ended. These financial statements are the responsibility of West Chester University Alumni Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Alumni Association as of June 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

West Chester, Pennsylvania
August 18, 2003
WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2003  

**ASSETS**  

<table>
<thead>
<tr>
<th>Current assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 5,922</td>
</tr>
<tr>
<td>Investments (Note 4)</td>
<td>730,284</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>10,340</td>
</tr>
<tr>
<td>Total current assets</td>
<td>746,546</td>
</tr>
<tr>
<td>Fixed assets (net of depreciation) (Note 5)</td>
<td>95,606</td>
</tr>
<tr>
<td>Total assets</td>
<td>842,152</td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**  

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 6,170</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>6,170</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
</tr>
<tr>
<td>Unrestricted - designated for contingency</td>
<td>164,727</td>
</tr>
<tr>
<td>Unrestricted - designated for Alumni House</td>
<td>465,818</td>
</tr>
<tr>
<td>Total unrestricted</td>
<td>630,545</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>205,437</td>
</tr>
<tr>
<td>Total net assets</td>
<td>835,982</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$ 842,152</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

SUPPORT AND REVENUE

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>WCU Provided</th>
<th>Total Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Alumni House</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 494</td>
<td>$ 1,050</td>
<td>$ 191,870</td>
<td>$ 193,414</td>
<td>$ 1,087</td>
</tr>
<tr>
<td>House user fees</td>
<td>8,000</td>
<td>950</td>
<td>13,247</td>
<td>6,734</td>
<td>32,369</td>
</tr>
<tr>
<td>Dividends and interest income</td>
<td>6,114</td>
<td>7,133</td>
<td>(3,022)</td>
<td>(3,526)</td>
<td>32,369</td>
</tr>
<tr>
<td>Realized gains (losses) on investments</td>
<td>(32,369)</td>
<td>32,369</td>
<td>(32,369)</td>
<td>(32,369)</td>
<td>32,369</td>
</tr>
<tr>
<td>Royalties</td>
<td>52,369</td>
<td>50</td>
<td>11,393</td>
<td>5,791</td>
<td>17,184</td>
</tr>
<tr>
<td>Other income</td>
<td>15,625</td>
<td>6,135</td>
<td>15,625</td>
<td>(15,625)</td>
<td>0</td>
</tr>
<tr>
<td>Appreciation / (Depreciation) on investments</td>
<td>5,258</td>
<td>52,369</td>
<td>5,258</td>
<td>52,369</td>
<td>5,258</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>15,625</td>
<td>15,625</td>
<td>(5,051)</td>
<td>(5,051)</td>
<td>263,449</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td><strong>64,838</strong></td>
<td><strong>11,792</strong></td>
<td><strong>191,870</strong></td>
<td><strong>268,500</strong></td>
<td><strong>(5,051)</strong></td>
</tr>
</tbody>
</table>

EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>WCU Provided</th>
<th>Total Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alumni House</td>
<td>11,448</td>
<td>126,312</td>
<td>137,712</td>
<td>184,046</td>
<td>184,046</td>
</tr>
<tr>
<td>Events</td>
<td>15,625</td>
<td>900</td>
<td>16,525</td>
<td>20,761</td>
<td>20,761</td>
</tr>
<tr>
<td>Scholarships</td>
<td>19,861</td>
<td>900</td>
<td>20,761</td>
<td>20,761</td>
<td>20,761</td>
</tr>
<tr>
<td>Awards programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total program expenses</strong></td>
<td><strong>35,486</strong></td>
<td><strong>11,448</strong></td>
<td><strong>137,112</strong></td>
<td><strong>184,046</strong></td>
<td><strong>184,046</strong></td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>5,105</td>
<td>7,535</td>
<td>54,758</td>
<td>67,398</td>
<td>997</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>40,591</strong></td>
<td><strong>18,983</strong></td>
<td><strong>191,870</strong></td>
<td><strong>251,444</strong></td>
<td><strong>252,441</strong></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>24,247</td>
<td>(7,191)</td>
<td>0</td>
<td>17,056</td>
<td>(6,048)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>140,480</td>
<td>473,009</td>
<td>0</td>
<td>613,489</td>
<td>211,485</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$ 164,727</td>
<td>$ 465,818</td>
<td>$ 0</td>
<td>$ 630,545</td>
<td>$ 205,437</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003

Cash Flows From Operating Activities
Cash received from contributors and grants $ 213,647
Cash payments to suppliers and employees (238,285)
Interest received 19,981

Net cash provided by operating activities (4,657)

Cash Flows From Non-capital Financing Activities

Cash Flows From Capital and Related Financing Activities

Cash Flows From Investing Activities
Cash paid to acquire property (11,800)
Proceeds from (cash paid to acquire) other investments (18,829)

Net cash flow provided by investing activities (30,629)

Net increase (decrease) in cash and cash flow (35,286)

Cash and cash equivalents--July 1, 2002 41,208
Cash and cash equivalents--June 30, 2003 $ 5,922

Cash Flows From Operating Activities
Operating income (loss) $ 9,710

Adjustments to reconcile operating income (loss) to net cash provided by operating activities
Depreciation 8,036
Changes in assets and liabilities:
(Increase) Decrease in accounts receivable (10,340)
Increase (Decrease) in accounts payable 6,120
Increase (Decrease) in deferred revenue (16,183)

Total adjustments (14,367)

Cash provided by (used for) Total $ (4,657)

The accompanying notes are an integral part of the financial statements.
1. Summary of Significant Accounting Policies

Statement of Organization—The West Chester University Alumni Association (the Association) is a Pennsylvania tax-exempt, education-related organization. The mission of the Association is to promote the interests of West Chester University in all areas of academic, cultural, and social needs through a strong network of graduates; and to increase alumni awareness of the University's needs. The Association is responsible for the maintenance and operation of the Veterans' Memorial Alumni House located on the campus of West Chester University. The Association awards scholarships to students attending West Chester University.

Basis of Presentation—The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

**Unrestricted Net Assets**—Net assets which are not subject to donor-imposed requirements.

**Temporarily Restricted Net Assets**—Net assets subject to donor-imposed stipulations that may or will be met, either by action of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

**Permanently Restricted Net Assets**—Net assets are subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investments for general or specific purposes.

Advertising—The Association expenses advertising as incurred. Advertising expense was $5,750 for the year ended June 30, 2003.

Cash and Cash Equivalents—For purposes of reporting cash flows, cash and cash equivalents includes cash and all short-term investments purchased with a maturity of three months or less.

Accounts Receivable and Allowance for Bad Debts—The Association uses the direct write-off method for bad debt recognition. As of June 30, 2003, the Association considered accounts receivable to be fully collectible. Accordingly, no allowance for bad debts is required. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Income Taxes—The Association is an education-related organization that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Consequently, no provisions for income taxes are included.

Investments—The Association has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

Contributed Services—A substantial number of unpaid volunteers have made significant contributions of their time to produce Association programs. The value of this contributed time is not reflected in these statements, since it is not susceptible to objective measurement or valuation.

Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that can affect reported amounts and disclosures. Accordingly, actual results could differ from these estimates.
Property and Equipment—Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded at cost, if it is known, or at estimated fair value. Property and equipment are depreciated using the straight-line method over their estimated useful lives. The Association's policy is to capitalize all purchases greater than $1,000.

Contributions and Donations—Cash contributions and donations of property and equipment are considered to be unrestricted support unless they are specifically restricted by the donor. Restricted donations are classified as permanently restricted net assets or temporarily restricted net assets, depending on the nature of the restrictions. After the restrictions of time or use are fulfilled, the assets are reclassified as unrestricted net assets. If the restrictions are fulfilled in the same period the contribution is made, it is considered to be unrestricted support.

2. Permanently Restricted Net Assets and Temporarily Restricted Net Assets

At June 30, 2003, there are no permanently restricted net assets and the temporarily restricted assets are restricted for scholarships, as follows:

<table>
<thead>
<tr>
<th>Scholarship Fund</th>
<th>Viola Maple</th>
<th>General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance – July 1, 2002</td>
<td>$38,980</td>
<td>$172,505</td>
<td>$211,485</td>
</tr>
<tr>
<td>Contributions and net investment income</td>
<td>1,970</td>
<td>7,607</td>
<td>9,577</td>
</tr>
<tr>
<td>Scholarships granted</td>
<td>(1,000)</td>
<td>(14,625)</td>
<td>(15,625)</td>
</tr>
<tr>
<td>Balance – June 30, 2003</td>
<td>$39,950</td>
<td>$165,487</td>
<td>$205,437</td>
</tr>
</tbody>
</table>

3. Related Party Transactions

Pursuant to an agreement between West Chester University (WCU) and the Association dated June 16, 1992, WCU is responsible for all development activities related to the University. During the Annual Giving Program, contributions from alumni are solicited by WCU for the enhancement of the University. All collecting, reporting, and managing of funds gathered during the Annual Giving Program is the responsibility of WCU. The dispensing of the annual giving funds for alumni operating purposes is directed by WCU.

WCU pays the Association $5,000 per year as a user fee for access to the Veterans' Memorial Alumni House for university-related functions. Under a separate agreement, WCU pays the Association a rental fee for use of the second floor of the house for office space. During the year ended June 30, 2003, the Association received $5,000 from WCU for user's fees and $3,000 for rental fees for 2003.

West Chester University (WCU) pays for payroll, employee benefits, and other costs for the Association. Contributions related to these expenditures for the year ended June 30, 2003, are $191,870 and are included in these statements.
4. Investments

Investments are stated at market value and consist primarily of mutual funds as follows:

<table>
<thead>
<tr>
<th>The Vanguard Group</th>
<th>Cost</th>
<th>Market Value</th>
<th>Unrealized Appreciation (Depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Prime Money Market</td>
<td>$1,009</td>
<td>$1,009</td>
<td>$0</td>
</tr>
<tr>
<td>Vanguard High-yield Corporate Fund</td>
<td>$34,870</td>
<td>$34,433</td>
<td>$(437)</td>
</tr>
<tr>
<td>Vanguard Inter-term Corporate Fund</td>
<td>$66,939</td>
<td>$80,320</td>
<td>$13,381</td>
</tr>
<tr>
<td>Vanguard Long-term Bond Index Fund</td>
<td>$27,138</td>
<td>$33,970</td>
<td>$6,832</td>
</tr>
<tr>
<td>Vanguard Short-term Bond Index Fund</td>
<td>$51,938</td>
<td>$47,292</td>
<td>$(4,646)</td>
</tr>
<tr>
<td>Vanguard Short-term Corporate Fund</td>
<td>$60,143</td>
<td>$49,966</td>
<td>$(10,177)</td>
</tr>
<tr>
<td>Vanguard Strategic Equity Fund</td>
<td>$27,027</td>
<td>$33,325</td>
<td>$6,298</td>
</tr>
<tr>
<td>Vanguard Explorer Fund</td>
<td>$31,850</td>
<td>$29,658</td>
<td>$(2,192)</td>
</tr>
<tr>
<td>Vanguard Total Intern Stock Index Fund</td>
<td>$119,621</td>
<td>$94,528</td>
<td>$(25,093)</td>
</tr>
<tr>
<td>Vanguard Total Stock Market Index Fund</td>
<td>$211,307</td>
<td>$193,463</td>
<td>$(17,844)</td>
</tr>
<tr>
<td>Vanguard US Growth Fund</td>
<td>$116,147</td>
<td>$65,950</td>
<td>$(50,197)</td>
</tr>
<tr>
<td>Vanguard Windsor It Fund</td>
<td>$74,546</td>
<td>$66,370</td>
<td>$(8,176)</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$822,535</strong></td>
<td><strong>$730,284</strong></td>
<td><strong>$(92,251)</strong></td>
</tr>
</tbody>
</table>

Vanguard advisor fees for the year ended June 30, 2003 were $2,958.

5 Fixed Assets

Summary of fixed assets:

<table>
<thead>
<tr>
<th></th>
<th>Balance 6/30/02</th>
<th>Additions</th>
<th>Balance 6/30/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$4,200</td>
<td>$0</td>
<td>$4,200</td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>$182,758</td>
<td>$11,800</td>
<td>$194,558</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$25,784</td>
<td>0</td>
<td>$25,784</td>
</tr>
<tr>
<td></td>
<td><strong>212,742</strong></td>
<td></td>
<td><strong>224,542</strong></td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>$120,900</td>
<td>$8,036</td>
<td>$128,936</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$91,842</strong></td>
<td><strong>$3,764</strong></td>
<td><strong>$95,606</strong></td>
</tr>
</tbody>
</table>
CERTIFICATE OF SUMMARY OF RECORD
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE CORPORATION BUREAU
306 NORTH OFFICE BUILDING, HARRISBURG, PA 17120

1. NAME OF CORPORATION OR LIMITED PARTNERSHIP
WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION

2. ADDRESS OF REGISTERED OFFICE OR PRINCIPAL PLACE OF BUSINESS IN PENNSYLVANIA
Philips Memorial Building

3. CITY
West Chester

4. STATE
PA

5. ZIP CODE
19383

6. THE ORIGINAL STATEMENT, ARTICLES DEATH DATE OR OTHER ORIGINAL DOCUMENTS WERERecorded OR FILED ON
6/13/1898

7. THE ORIGI NAL STATEMENT, ARTICLES DEATH DATE OR OTHER ORIGINAL DOCUMENTS WERE Record ed OR FILED ON
6/18/1898

8. CHESTER CITY RECORDER OF DEEDS, CORP. BOX 4 PA 268

9. NAME AND TITLE OF PERSON WHO CEIVED THE ORIGINAL STATEMENT, ARTICLES OR OTHER ORIGINAL DOCUMENTS

10. IF APPLICABLE: THE MANNER IN WHICH THE CORPORATION WAS FORMED WAS BY:

11. SPECIAL ACT

12. DEGREE OF

13. NAME OF COURT

14. LETTER OF TRANSFER

15. DEEDS, EXECUTIONS, ESTATES OR OTHER INSTRUMENTS OR AMENDED OR RESTATED ARTICLES ARE
ATTACHED HERETO AS EXHIBIT A

16. EACH NAME BY WHICH THE CORPORATION WAS KNOWN AND THE EFFECTIVE DATES ARE AS FOLLOWS

Alumni Association of West Chester State Normal School 6/18/1898
Alumni Association of the College of West Chester 6/24/1929
Alumni Association of West Chester State College 11/15/1972
Alumni Association of West Chester State Teachers College

IN TESTIMONY WHEREOF, THE UNDERSIGNED CORPORATE OFFICERS/PARTNERS HAVE SIGNED AND SEALED

JANICE E. ETSHIED, PRESIDENT

[Signature]

DIRECTOR, RECORDS DIVISION

[Signature]

OFFICE USE ONLY

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]
In compliance with the requirements of the Act of May 30, 1933, P.L. 660, Article 1, Section 14, as added by the Act of June 17, 1949, P.L. 545, No. 51, Section 1, the applicant desiring to amend its Articles of Incorporation hereby certifies under its corporate seal that:

1. The name of the corporation is: ALUMNI ASSOCIATION OF THE STATE TEACHERS COLLEGE AT WEST CHESTER.

2. 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 Act of Assembly under which the corporation was formed was: The Nonprofit Corporation Law of Pennsylvania entitled "An Act to provide for the incorporation and regulation of certain corporations" approved the 29th day of April, A.D. 1874 and its amendments. The said Articles were filed in the Office of the Recorder of Deeds in and for Chester County, in Corporate Book No. 6, page 254, on June 18, 1909. Articles of Amendment thereto were duly filed in the Office of the Recorder of Deeds in and for Chester County, in Corporate Book No. 6, page 300, on June 24, 1909.

4. Written consent to the amendment has been given by all members entitled to vote thereon. The said Resolution approved by the members by written consent contained the language of the proposed amendment, as set forth in paragraph 5 hereof and provided that the Articles of Amendment should be amended in accordance therewith.

5. The proposed amendment or addition to the existing Articles is as follows:

(a) Paragraph 1 of the said Articles of Incorporation, as amended, shall be further amended by striking paragraph 1 thereof and setting forth in lieu thereof and substitution thereof, the following:

"The name of the corporation shall be Alumni Association of West Chester State College."

(b) The Articles of Incorporation shall be further amended by adding thereto a new paragraph 8 providing as follows:
TO THE HONORABLE, THE JUDGES OF THE SAI3 COURT:

The Petition of The Alumni Association of the West Chester State Normal School

RESPECTFULLY SHewed:

That your petitioner is a corporation of the first class formed and existing under the provisions of Assembly of the Commonwealth of Pennsylvania, entitled "An Act to Provide for the Incorporation of Certai3 Corporations," approved the 26th day of April 1874 P.L. 73 and the Supplemental

"EXHIBIT A."

That at a meeting of the Board of Directors of the said Corporation held pursuant to law and legal notice in the Philadelphia Auditorium at the State Teachers College at West Chester, Pennsylvania, on the 2001 day of April, A.D. 1926, the following resolution was adopted unanimously:

Resolved, that the name, style and title of this corporation be changed from "The Alumni Association of the West Chester State Normal School" to the "Alumni Association of the State Teachers College at West Chester State Normal School." The present and secretary of this corporation, be hereby authorized and directed to petition the Court of Common Pleas of Chester County, Pennsylvania, in the name of the corporation, and in the name of its corporate seal to its corporate seal to change its name as aforesaid and for said purpose to act as officers of the corporation and as board of directors therein specified in said resolution mentioned.

That the name of the West Chester State Normal School was duly changed to the State Teachers College at West Chester by the State Senate of Education by the act of Assembly approved May 10, 1911, and that the said Act of Assembly approved June 17, 1911, P.L. 408 and Section 40 (c) of the Act of Assembly approved June 17, 1911, P.L. 408 and the amendments thereto. That the Board of Directors of the "Alumni Association of the West Chester State Normal School" desires to change the name to the "Alumni Association of the State Teachers College at West Chester." In order to conform to the change of name of the school, the present and secretary of the members of the said corporation, the proper officers of said corporation were directed to petition the Honorable Court for leave to amend the charter of said corporation by this change in name and seal as described in said resolution mentioned.

That the same as in and for the said State and County of Chester, personally appeared T. Fred Woodley and Evelyn M. Wells, duly sworn, before the Court and made oath that the said corporation, "The Alumni Association of the West Chester State Normal School," and that the above written instrument was duly signed, sealed, and delivered.

Commonwealth of Pennsylvania, County of Chester, 1926.

Doth it appear that on the 25th day of May A.D. 1926, before me, the subscriber, a

The Alumni Association of the

West Chester State Normal School

By: T. Fred Woodley, President

Attorney: Evelyn M. Wells.

Secretary
WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
BYLAWS

ARTICLE I

Name
The name of this association shall be the West Chester University Alumni Association,
hereinafter referred to as the "Association." The Association was incorporated in 1898
under the laws of the Commonwealth of Pennsylvania, County of Chester.

ARTICLE II

Purpose
The purpose of the Association shall be to promote the interests of West Chester
University in all areas of academic, cultural and social needs; to strengthen the
Association through a strong network of graduates; and to increase alumni awareness of
the University's needs.

ARTICLE III

Members
Section 1. Any person graduating from West Chester Normal School, West Chester State
Normal School, West Chester State Teachers College, West Chester State College, or
West Chester University becomes and remains a member of the Association. All
nongraduates who have attended West Chester University or its predecessors for at least
two semesters and whose classes have graduated may become members of the
Association upon request.

Section 2. All members of the Council of Trustees, the faculty, and the administration of
West Chester University shall be considered and taken to be honorary members of the
Association. Any person may be elected an honorary member of the Association by the
Board of Directors (hereinafter referred to as the "Board") at any regular meeting of the
Board by a majority vote of said Board. Honorary members shall neither vote nor hold
office in the Association.

ARTICLE IV

Officers
Section 1. The officers of the Association, who comprise the Executive Council, shall be
as follows: President, Vice President, Secretary, Treasurer and Immediate Past President.

Section 2. The duties of the officers of the Association shall be as follows:
Section 2.1 PRESIDENT: The President of the Association shall preside at all meetings of the Association and of the Board. The President shall: be the principal representative of the Association at all Association and/or University functions where an Association representative is needed; decide all questions of order; offer for consideration all motions regularly made; appoint all committees; participate in the implementation of the decisions of the Board; and perform other duties that usually pertain to this office. The President shall be an advisor (non-voting) to all committees except the Nominating Committee. The President shall not be an advisor nor participating member of the Nominating Committee.

Section 2.2 VICE PRESIDENT: The Vice President of the Association shall be first in line of succession to the President. The Vice President shall fulfill the duties of President whenever the President is unable to do so and shall also perform the duties that usually pertain to this office or that may be assigned by the President.

Section 2.3 SECRETARY: The Secretary of the Association shall be second in line of succession to the President. The Secretary shall take the minutes of all meetings of the Association, the Board, and the Executive Council, and shall also perform the duties that usually pertain to this office or that may be assigned by the President.

Section 2.4 TREASURER: The Treasurer of the Association shall be third in line of succession to the President. The Treasurer shall be responsible for the management of the Association's funds, shall chair the Finance Committee, shall ensure that the books of the Association are audited on a yearly basis with results reported to the Board, and shall also perform the duties that usually pertain to this office or that may be assigned by the President.

Section 2.5 IMMEDIATE PAST PRESIDENT: The Immediate Past President of the Association shall be an ex officio (voting) member of the Board and of the Executive Council.

Section 3. The officers of the Association shall be elected from the Directors elected at large. They shall be elected by the Board. A committee comprised of three Past Presidents, appointed by the President, shall present a single slate of officers at the reorganizational meeting which is the first Board meeting following the Annual Meeting. Officers of the Association shall be limited to two consecutive one-year terms per office. A member of the Association who is also a member of the faculty, staff, or administration shall not be eligible to serve as an officer of the Association.

Section 4. Should any officers of the Association resign or be unable to perform the duties of that office, the vacancy shall be filled by an election by the Board at the next regularly scheduled meeting.
ARTICLE V

Board of Directors
Section 1. The Board of Directors of the Association shall be comprised as follows: eighteen Directors, of which no more than three may be current employees of the University, elected at large by the Association: the Immediate Past President of the Association: and the Presidents of all Association chapters that have been approved in accordance with these bylaws. No current member of the Council of Trustees may serve as a member of the Board.

Section 2. The Board shall be responsible for the general operation and finances of the Association.

Section 3. The term of office for the eighteen Directors elected at large shall be three years that coincide with the Association's fiscal year, July 1 to June 30. One-third of the elected seats shall be opened for nomination each year. Directors shall be limited to two full terms, except the Immediate Past President who may exceed this limit to fulfill his or her obligation. Once the Immediate Past President fulfills this obligation, he or she shall be ineligible to run for re-election to the Board for two years. In the case of the other Directors, two years shall elapse before they are eligible for re-election to the Board after serving two full terms.

Section 4. If there be a failure to elect or install any or all officers and Directors, those persons then in office shall hold over and shall retain the full authority of the respective positions until their successors shall be duly elected.

Section 5. The honorary title of President Emeritus/Emerita or Director Emeritus/Emerita shall not confer voting status to the individual, nor shall it prohibit the individual from serving as an elected member of the Board.

Section 6. A Director shall not be personally liable, for monetary damages as such, for any action taken, or any failure to take any action, unless the Director has breached or failed to perform the duties of his or her office under 42 Pa. C.S. A. 8332.2.

Section 7. The Association shall indemnify a Director against any liability incurred in connection with any proceeding in which the Director may be involved as a party or otherwise, by reason of the fact that such person is or was serving in an indemnified capacity, including without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statements, or gross negligence except where such indemnification is expressly prohibited by applicable law or where the conduct of the indemnified representative has been determined pursuant to 42 Pa. C.S.A. 8332.2 or any superseding provision of law, sufficient in the circumstances to bar indemnification against liabilities arising from the conduct.