

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 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 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; and the Immediate Past President of the Association. 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

ARTICLE VIII

Meetings

Section 1. The Annual Meeting of the Association shall be held in May on a date and at a location to be determined by the Board. Twenty-five members for the Association shall constitute a quorum.

Section 2. The Board shall hold six regular meetings. The Executive Council, no later than August 1, shall determine the meeting calendar for the year and shall notify all Board members of the dates. Special meetings of the Board may be called by the President of the Association and must be held upon a call signed by AT LEAST four Board members. Ten members of the Board constitute a quorum.

Section 3. Within the operating year, July 1 through June 30, Directors shall not be absent for more than two of the six scheduled Board meetings. Any Director absent from more than two of these meetings shall be deemed to have resigned immediately, and that seat shall be filled in accordance with Article IX, Section 4.

Section 4. Agenda For Use At All Board Meetings

1. Call to Order
2. Opening Exercises
3. Roll Call
4. Reading, Correction, Approval, or Disapproval of Minutes of Previous Meetings
5. Reports of Officers
6. (Brief Reports/Presentations of Special Guests)
7. Reports of Standing Committees
8. Reports of Special Committees
9. Reports of Liaisons
10. Report of Director of Alumni Relations
11. Unfinished Business
12. New Business
13. Adjournment

ARTICLE IX

Committees

Section 1. A Bylaws Committee shall be appointed annually by the President of the Association. The duty of this committee shall be to submit any suggested

Section 7. The additional standing committees, appointed annually by the President of the Association, shall be: Alumni Communications, Awards (Distinguished Alumni, Service, Emeritus/Emerita), Programs (Welcome Day, Senior Day, Alumni Day, Homecoming), and Scholarship.

Section 8. Such other committees, standing or special, shall be appointed by the President as the Executive Council shall from time to time deem necessary to carry on the work of the Association.

ARTICLE X

Executive Director

The West Chester University Director of Alumni Relations shall serve as the Executive Director of the Association, without compensation from the Association. The Executive Director shall be a consulting (non-voting) member of the Board and the Executive Council. By May 15th of each year the Executive Director shall present the Association budget to the Finance Committee, the Executive Council, and the Board for approval. The Executive Director shall not have voting privileges on the Board, the Executive Council, or any affiliated committee.

ARTICLE XI

Chapters

Section 1. A Chapter may be authorized whenever at least ten members of the Association are interested in forming one. The Bylaws of a proposed Chapter must be approved by the Board prior to chapter recognition. The Bylaws Committee shall conduct an annual review of each Chapter, and those failing to have held a business meeting and a special event during the year shall be accorded inactive status. Any alumni group meeting together, but not interested in a formal structure and adherence to the standards established for Chapters, shall be designated as a Caucus.

Section 2. The President or the appointed designee of a chapter shall serve as a liaison member of the Board. Inactive Chapters shall not be represented on the Board.

Section 3. An inactive Chapter shall be restored to active status when it can show the necessary conditions have been met.

Section 4. Chapters shall be required to send an annual report of activities to the Bylaws Committee by April 1 of each year.

2007 - 2008 West Chester University Alumni Association Board of Directors, Liaisons, and Emeriti

WCUAA President

Debra A. Dreisbach '86

Vice President

David Sears '05

Secretary

Michael Stoll '03

Treasurer

Dr. L. James Kiscaden '65, M'73

Immediate Past President

C. Curtis Norcini '87

Parliamentarian

Dr. Carolyn Keefe

Directors

Michael Andris '05, Debra A. Dreisbach '86, Patrick Gonzalez '79, Francis J. Green, Jr. '72, Kathryn Rossman Green '73, M'02, Judi Kaplan Ivins '77, Tanya Pino '98, Dr. L. James Kiscaden '65, M'73, Nancy Ambrosia MacMullan '51, Dr. Bronwyn L. Martin M'00, Edward Monroe '89, Matthew Mullen '05, Susan Barlow Pezzuto '81, Nick D. Polcini '00, M'05, S. Colby Schofield '04, David Sears '05, Janet Staneruck '73, Michael Stoll '03

Board Liaisons and *Emeriti

J. Glenn Crawford '88, *Janice Weir Etshied '50, *Karl Helicher '72, M'82, M'87, Paul McDonald '99, *Richard D. Merion '59, M'69, Lynn Monahan-Couch '02, *John F. Murphy '43, Barbara Lappano '67, Aubria Nance '02, Dr. Mark Pavlovich, *Dr. Luther B. Sowers '49, Vincent Suppan '47, Dr. Elinor Zimmerman Taylor '43, David Wilson '62

Francis Hall Ins. & Risk Mgmt
 P.O. Box 5010
 West Chester, PA 19380-5010
 Phone: 610-696-5100 Fax: 610-696-9358

West Chester University
 Alumni Association
 Kate Cipriano
 West Chester, PA 19381

MEMO

Page 1

ACCOUNT NO	OF	DATE
ALUMN-1	DD	12/20/2007
POLICY INFORMATION		
POLICY NO		
2097535210		
TYPE	EFFECTIVE	EXPIRATION
BOPP	02/19/2007	02/19/2008

Re: **CERTIFICATE REQUEST**


DEAR KATE:

FAX: 610-436-3211

AS REQUESTED, ENCLOSED IS A CERTIFICATE OF INSURANCE FOR WEST CHESTER UNIVERSITY COUNCIL OF TRUSTEES.

PLEASE GIVE US A CALL IF YOU HAVE ANY QUESTIONS TO THE ENCLOSED.

SINCERELY,



Donna Pearson

ACORD CERTIFICATE OF LIABILITY INSURANCE

OF ID DD
ALUMN-1

DATE (MM/DD/YYYY)
12/20/0

PRODUCER
Francis Hall Ins. & Risk Mgmt
1065 Andrew Drive, Suite B1
P.O. Box 5010
West Chester PA 19380-5010
Phone: 610-696-5100 Fax: 610-696-9358

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
West Chester University
Alumni Association
Veterians Memorial Alumni Hous
West Chester PA 19381

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: CNA Insurance Co's.	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	2097535210	02/19/07	02/19/08	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Business Owners				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
					MED EXP (Any one person) \$ 10,000
					PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COM/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
A	EXCESS/UMBRELLA LIABILITY	2097535224	02/19/07	02/19/08	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$				AGGREGATE \$ 1,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				<input type="checkbox"/> WO STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				
A	OTHER PROPERTY	2097535210	02/19/07	02/19/08	BUILDING 499505 PROPERTY 32895

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 D&O COVERAGE IS ALSO PROVIDED BY UNITED STATES LIABILITY NDO1061454
 \$1,000,000 LIMIT 4/18/07-08.

CERTIFICATE HOLDER

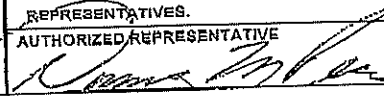
WEST CHESTER UNIVERSITY
COUNCIL OF TRUSTEES

WCUWCAS

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



**WEST CHESTER UNIVERSITY
ALUMNI ASSOCIATION
FINANCIAL STATEMENTS
JUNE 30, 2007**

Maulo & Company, Ltd.

Certified Public Accountants

27 South High Street
West Chester, PA 19382-3224

voice: 610.692.0910
fax: 610.692.7260
e-mail: mcl@maulo.com

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, 2007, and the related statements of activities and 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, 2007, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2007, on our consideration of West Chester University Alumni Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Maulo & Company, Ltd.

West Chester, Pennsylvania
September 10, 2007

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Statement of Financial Position
June 30, 2007

ASSETS

Current assets	\$ 1,227,755
Investments (Note 4)	12,955
Accounts receivable	<u>1,240,710</u>
Total current assets	<u>62,999</u>
Fixed assets (net of depreciation) (Note 5)	<u>1,303,709</u>
Total assets	<u>\$ 1,303,709</u>

LIABILITIES AND NET ASSETS

Current liabilities	\$ 6,693
Cash overdraft	417
Accounts payable	<u>7,110</u>
Total current liabilities	<u>506,700</u>
Net assets	<u>538,498</u>
Unrestricted - designated for contingency	1,045,198
Unrestricted - designated for Alumni House	<u>251,401</u>
Total unrestricted	<u>1,296,599</u>
Temporarily restricted	<u>1,303,709</u>
Total net assets	<u>\$ 1,303,709</u>
Total liabilities and net assets	<u>\$ 1,303,709</u>

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Statement of Activities
For the Year Ended June 30, 2007

	Unrestricted			Total Unrestricted	Temporarily Restricted	Total
	Contingency	Alumni House	WCU Provided		Scholarships	
SUPPORT AND REVENUE						
Contributions	\$ 1,600	\$ 3,223	\$ 117,887	\$ 122,710	\$ 3,833	\$ 126,543
House user fees	8,000			8,000		8,000
Dividends and interest income	10,159	11,852		22,011	11,188	33,199
Realized gains (losses) on investments	3,112	3,630		6,742	3,427	10,169
Royalties	62,934			62,934		62,934
Other income	3,023			3,023		3,023
Appreciation / (Depreciation) on investments	39,453	46,029		85,482	43,450	128,932
Net assets released from restrictions	54,877			54,877	(54,877)	0
Total support and revenue	<u>183,158</u>	<u>64,734</u>	<u>117,887</u>	<u>365,779</u>	<u>7,021</u>	<u>372,800</u>
EXPENSES						
Program expenses						
Alumni House		10,069	55,220	65,289		65,289
Events	61,791		31,642	93,433		93,433
Scholarships	53,500			53,500		53,500
Awards programs	21,800			21,800		21,800
Total program expenses	<u>137,091</u>	<u>10,069</u>	<u>86,862</u>	<u>234,022</u>	<u>0</u>	<u>234,022</u>
General and administrative expenses						
	<u>11,496</u>	<u>13,388</u>	<u>31,025</u>	<u>55,909</u>		<u>55,909</u>
Total expenses	<u>148,587</u>	<u>23,457</u>	<u>117,887</u>	<u>289,931</u>	<u>0</u>	<u>289,931</u>
Change in net assets	34,571	41,277	0	75,848	7,021	82,869
Net assets at beginning of year	472,129	497,221	0	969,350	244,380	1,213,730
Net assets at end of year	\$ <u>506,700</u>	\$ <u>538,498</u>	\$ <u>0</u>	\$ <u>1,045,198</u>	\$ <u>251,401</u>	\$ <u>1,296,599</u>

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, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	\$ 187,545
Cash received from contributors and grants	(277,590)
Cash payments to suppliers and employees	12
Interest received	<u> </u>
Net cash provided by (used for) operating activities	<u>(90,033)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES	(4,728)
Cash paid to acquire property	39,269
Earnings on investments	40,739
Proceeds from (cash paid to acquire) other investments	<u> </u>
Net cash provided by (used for) investing activities	<u>75,280</u>
Net increase (decrease) in cash and cash flow	(14,753)
Cash and cash equivalents--July 1, 2006	<u>14,753</u>
Cash and cash equivalents--June 30, 2007	\$ <u><u>0</u></u>
<hr/>	
Reconciliation of Net Income to Net Cash Flow from Operating Activities	\$ <u>(85,332)</u>
Operating income (loss)	<u> </u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	9,096
Depreciation expense	
Changes in assets and liabilities:	(12,955)
(Increase) Decrease in accounts receivable	6,693
Increase (Decrease) in cash overdraft	(7,535)
Increase (Decrease) in accounts payable	<u> </u>
Total adjustments	<u>(4,701)</u>
Cash provided by (used for) operating activities	\$ <u><u>(90,033)</u></u>

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 also 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 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.

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, 2007, 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.

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Notes to Financial Statements
June 30, 2007
(Continued)

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. 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, 2006, the Association received \$5,000 from WCU for user's fees and \$3,000 for rental fees for 2007.

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, 2007, are \$117,887 and are included in these statements.

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Notes to Financial Statements
June 30, 2007
(Continued)

3. Permanently Restricted Net Assets and Temporarily Restricted Net Assets

At June 30, 2007, there are no permanently restricted net assets and the temporarily restricted assets are restricted for scholarships, as follows:

	Scholarship Fund		Total
	Viola Marple	General	
Balance – July 1, 2006	\$ 50,559	\$ 193,821	\$ 244,380
Contributions and net investment income	11,338	49,183	60,521
Scholarships granted	(4,500)	(49,000)	(53,500)
Balance – June 30, 2007	\$ <u>57,397</u>	\$ <u>194,004</u>	\$ <u>251,401</u>

4. Investments

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

	Cost	Market Value	Unrealized Appreciation Depreciation
The Vanguard Group			
High-yield Corporate Fund	\$ 68,417	\$ 60,230	\$ (8,187)
Inter-term Corporate Fund	126,233	122,432	(3,801)
Long-term Bond Index Fund	61,942	59,284	(2,658)
Short-term Bond Index Fund	80,475	80,876	401
Short-term Corporate Fund	88,336	86,916	(1,420)
Strategic Equity Fund	32,323	53,611	21,288
Explorer Fund	39,840	53,889	14,049
Total Intern Stock Index Fund	83,250	166,254	83,004
Total Stock Market Index Fund	222,162	318,884	96,722
US Growth Fund Admiral	105,376	112,668	7,292
Windsor II Fund Admiral	95,419	112,711	17,292
Totals	\$ <u>1,003,773</u>	\$ <u>1,227,755</u>	\$ <u>223,982</u>

Vanguard advisor fees for the year ended June 30, 2007, were \$4,087.

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Notes to Financial Statements
June 30, 2007
(Continued)

5. Fixed Assets

Summary of fixed assets:	Balance 6/30/06	Additions	Balance 6/30/07
Land	\$ 4,200	\$ 0	\$ 4,200
Buildings and improvements	195,558	3,023	198,581
Furniture and equipment	<u>25,784</u>	<u>1,705</u>	<u>27,489</u>
	225,542	4,728	230,270
Less: accumulated depreciation	<u>158,175</u>	<u>9,096</u>	<u>167,271</u>
Total	\$ <u>67,367</u>	\$ <u>(4,368)</u>	\$ <u>62,999</u>

SUPPLEMENTAL INFORMATION

27 South High Street
West Chester, PA 19382-3224

voice: 610.692.0910
fax: 610.692.7260
e-mail: mcl@maulo.com

**Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

To the Board of Directors
West Chester University Alumni Association

We have audited the financial statements of West Chester University Alumni Association (the Association) as of and for the year ended June 30, 2007, and have issued our report thereon dated September 10, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be significant deficiencies in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items; 06-2, 07-3, 07-4, and 07-5 to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Association in a separate letter dated September 10, 2007.

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

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

Maulo & Company, LLC.

September 10, 2007
West Chester, Pennsylvania

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Schedule of Findings and Responses
June 30, 2007

06-1 Database backup

Condition: There was only one backup of the database kept. This backup was on the bookkeeper's memory stick which left the premises.

Recommendation: We recommend that a backup copy is maintained at the office, preferably a CD copy.

Response: The Alumni agreed with our assessment and currently keeps a backup copy of the database at the office.

06-2 Scholarship Funds

Condition: The Alumni is not tracking the scholarship funds properly. The starting amount for each fund is not known and there is no procedure for allocating investment income to each fund. We also noted that more income is being generated than is being awarded in scholarships.

Recommendation: We recommend the Alumni determine a starting amount for each fund and create a procedure for allocating investment income. Any donations should be segregated to the proper fund. We also recommend that more scholarships be awarded.

Response: The Alumni agreed with our assessment and will proceed to implement the Scholarship Fund recommendations during the 2007-08 fiscal year. The Alumni added an additional scholarship in the 2007-08 budget.

07-1 Bank reconciliations

Condition: We noted, on the bank reconciliation, transactions that had not cleared in over a year

Recommendation: We recommend a policy be created regarding the handling of old outstanding checks.

Response: The Alumni concurs with the finding and will implement a policy outlining the dispensation of outstanding checks declaring them null and void after 120 days.

07-2 Vanguard account

Condition: The Vanguard account is not being properly tracked. The Vanguard account should be reviewed and reconciled at least quarterly to keep the database accurate.

Recommendation: We have provided an excel sheet to track the Vanguard account. We recommend this or another method is used to track Vanguard.

Response: The Alumni agreed with the finding and will implement a policy reviewing and reconciling the Vanguard account on a quarterly basis. Previous reports have been reviewed by the Treasurer but not reconciled.

07-3 Trial balance

Condition: During our audit, we had to make numerous adjusting journal entries to get the trial balance into an acceptable position to do the financial statements. With changing auditing standards it is now management's responsibility, more than ever, to give us a trial balance ready for a financial statement.

WEST CHESTER UNIVERSITY ALUMNI ASSOCIATION
Schedule of Findings and Responses
June 30, 2007
(Continued)

Recommendation: We recommend that the Association record transactions through out the year in order to better track their current financial position. It is management's responsibility to record any expenditures paid by the university, year end accounts payable and receivable as well as track fixed assets.

Response: The Alumni agreed with the assessment and will implement a policy to be sure all transactions are properly recorded on a timely basis.

07-4 Revenue

Condition: During our audit, we became aware of a check from January that was never deposited. It is management's responsibility to record revenue and make sure any checks received are deposited.

Recommendation: We recommend that better controls be implemented to ensure that no revenue or expenses are missed. Management needs to be aware of transactions that happen regularly and question when a discrepancy occurs.

Response: The Alumni agreed with the finding and has immediately implemented the policy that all Affinity receipts due to the Alumni will be forwarded to the Treasurer and not committee chairs. The Finance Committee will also explore the feasibility of these receipts transferred electronically into the Alumni's accounts.

07-5 Financial statements

Condition: It is our belief that management would not be capable of preparing their organizations financial statements. With new standards being implemented it is considered management's responsibility to prepare the organization's financial statements. If management is not capable of preparing their financial statements it is considered a material weakness.

Recommendation: We recommend management take the time to understand the numbers included in the financial statements and the disclosure requirements. Management should be generally familiar with what the financial statements entail.

Response: The Alumni accepts the recommendation and will schedule an annual training session with the management team and finance committee to be certain all persons connected with the Alumni's fiscal affairs thoroughly understands what the financial statements entail. Maulo and Company, Ltd. will be utilized for this training.



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

Council of Trustees
Resolution
2008-04

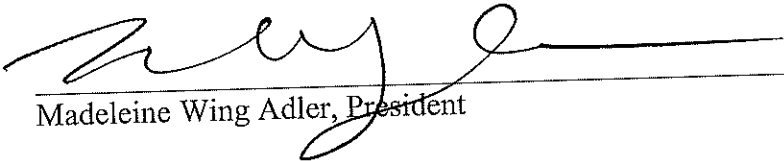
www.wcupa.edu

RESOLUTION
COUNCIL OF TRUSTEES
WEST CHESTER UNIVERSITY OF PENNSYLVANIA
JANUARY 24, 2008

**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 2006-2007, 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.

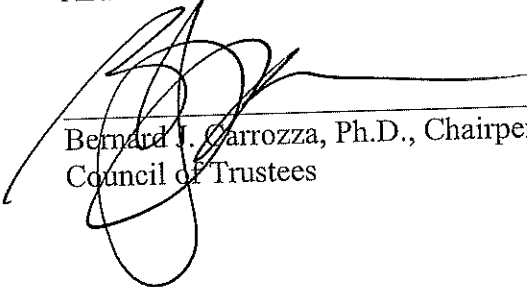
APPROVED PENDING ACTION BY THE COUNCIL OF TRUSTEES



Madeleine Wing Adler, President

1/23/08
Date

APPROVED BY VOTE OF THE COUNCIL OF TRUSTEES



Bernard J. Carrozza, Ph.D., Chairperson
Council of Trustees

1/24/08
Date



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

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

RE: Certification of the West Chester University Foundation

DATE: January 24, 2008

I am pleased to certify that West Chester University Foundation is in compliance with the Board of Governor's Policy on External Financial Support (Policy 1985-04). The Foundation meets 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, 2007 (copy attached).
- 2) A Memorandum of Understanding signed by the Foundation, University, and legal counsel is in place (copy attached).
- 3) Articles of Incorporation and Bylaws are presented to the Council of Trustees (copy attached).
- 4) A current list of Foundation Board members and Officers is available to the Council of Trustees (copy attached).
- 5) Proof of Insurance is presented to the Council of Trustees (copy attached).
- 6) An annual audit has been performed and the results are being shared with the Council of Trustees (copy attached).

PROPOSED

RESOLUTION
COUNCIL OF TRUSTEES
WEST CHESTER UNIVERSITY OF PENNSYLVANIA
JANUARY 24, 2008

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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

Date

APPROVED BY VOTE OF THE COUNCIL OF TRUSTEES

Bernard J. Carrozza, Ph.D., Chairperson
Council of Trustees

Date