



**Council of Trustees
Quarterly Business Meeting**

**Friday, December 16, 2016
2:00 p.m.
Crawford Center Conference Room**

A G E N D A

- **Roll Call**
- **Public Comment Period**
- **Old Business**
 - Action**
Minutes – Meeting held on November 9, 2016
- **Welcome**
 - Appointed - EU Student Trustee Savannah F. Anderton**
- **President H. Fred Walker – *President’s Report to the Council of Trustees***
- **New Business**
 - Executive – Action**
 - Resolution**
Posthumous Honor of the Contributions of EU Trustee Ronald A. Steele

Academic Affairs (Dr. Michael Hannan, Provost and Vice President for Academic Affairs)

Information – Academic Affairs

Academic Affairs Report

Individuals Granted Emeritus Status

Program Revisions

Bachelor of Arts in Communication Studies

Bachelor of Arts in Political Science – International Affairs concentration

Minor in Special Education

Enrollment Management (Dr. William Edmonds, Vice President for Enrollment Management)

Information – Enrollment Management

Enrollment Management Report

Finance and Administration (Mr. Guilbert Brown, Vice President for Finance and Administration)

Action – Finance and Administration

President Walker recommends approval of **Contracts and Purchases** as reviewed by the Council of Trustees for the period **October 1-31 and November 1-30, 2016**.

Resolution – Certification of Compliance with Board of Governors' Policy 1985-04-A: *University External Financial Support*

Edinboro University Alumni Association
Edinboro University Foundation, Inc.
Edinboro University Services, Inc.
Edinboro University Student Government Association

Resolution – Demolition of Chicken Coop at Porreco College (Erie campus)

Information – Finance and Administration

Finance and Administration Report

EU Financial Statements and Supplementary Information for Years Ended June 30, 2016 and 2015

Personnel transactions since October 24, 2016

Student Affairs (Dr. Mary Beth Mercatoris, Interim Dean of Students and Campus Life)

Information - Student Affairs

Student Affairs Report

University Advancement (Ms. Marilyn Goellner, Assistant Vice President for Advancement)

Information – Advancement

Advancement Report

Gifts-in-Kind received since October 24, 2016

Executive Committee/Representative Reports

Information – Advancement

PACT Executive Committee Report (Trustee Harold Shields)

- ❖ Summary of December 6 conference call - PACT Executive Board and Council of Trustees Chairs
- ❖ **2017 PACT Spring Conference – April 19-20, 2017**
Dixon University Center
Accommodations: Harrisburg Hilton & Towers

NEXT Meeting of the EU Council of Trustees – date changed to March 22, 2017



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

- **Old Business**

- Action**

- Minutes – Meeting held on November 9, 2016**

MINUTES
Edinboro University of Pennsylvania Council of Trustees
Business Meeting
Wednesday, November 9, 2016
Crawford Center Conference Room

Beginning at 9:00 a.m., Chair Dennis Frampton, President Walker and others met in Study Session and then Executive Session until approximately 2:30 p.m. In addition to Council Chair Frampton and President H. Fred Walker, Trustees Chaffee, Higham, Kennedy, Pape (via phone), Pirrello, Shields, Wachter and Student Trustee-Select Savannah Anderton were in attendance as well as the following members of the EU administration:

Mr. Guilbert Brown - NOTE at the invitation of Vice President Gil Brown, Mr. Eric Sheppard and Ms. Theresa Villella were asked to join the meeting in progress at 11:00 a.m.
 Dr. Michael Hannan
 Ms. Susan Black-Keim
 Dr. Mary Beth Mercatoris
 Dr. William Edmonds

President Walker and members of the President's Executive Leadership Team (ELT) reviewed, discussed, or presented on the topics noted below:

Finance and Administration – Vice President Gil Brown

- ❖ Update – Budget 2016-17
- ❖ Internal Controls
- ❖ Highlands Transaction Summary

Academic Affairs – Provost Hannan

- ❖ Personnel Planning

University Advancement – Interim Vice President Black-Keim

- ❖ Introduction, Changes and Path Forward for Advancement
- ❖ Report – University Advancement
- ❖ National Search and Use of Search Firm

Enrollment Management – Vice President Edmonds

- ❖ Update – Enrollment Fall 2016 and Projections for Spring & Fall 2017
- ❖ Proposal to Revise Admissions Standards for Main Campus General Students

Following the conclusion of an Executive Session and prior to the official start of the Business Meeting, EU employee and Notary Barb Abbott was asked to swear in and deliver Oath of Office to Patricia Kennedy and Anthony Pirrello. The Pennsylvania Senate confirmed their individual appointment as members of the EU Council of Trustees on October 25, 2016. Upon Trustees Kennedy and Pirrello sworn testimony and administration of the Oath of Office by EU notary Barb Abbott, it was noted and recorded that they were now able to perform the powers and duties of this public office.

Chair Dennis Frampton called the Business Meeting of the Edinboro University Council of Trustees to order at 2:35 p.m. At the direction of Chair Frampton, the Recording Secretary conducted Roll Call and verified the presence of a quorum. Present were:

Mr. Dennis Frampton
 Mr. Daniel Higham
 Ms. Patricia Kennedy
 Ms. Kathy Pape (via phone)
 Mr. Anthony Pirrello
 Mr. Harold Shields
 Mr. Timothy Wachter
 Ms. Savannah Anderton – Student Trustee-Select (not yet confirmed; non-voting)

Absent: Trustees Chaffee (departed meeting proceedings at 2:30 p.m. prior to official start of business meetings) and Lowther

In addition to President H. Fred Walker, the following individuals were in attendance at the public meeting on of the EU Council of Trustees:

Dr. Alan Biel, Dean of Graduate Studies and Research/Dean of the School of Education
 Ms. Susan Black-Keim, Interim Vice President for University Advancement
 Mr. Guilbert Brown, Vice President for Finance and Administration
 Dr. Donald Dilmore, Associate Vice President for University Libraries
 Dr. William Edmonds, Vice President for Enrollment Management
 Ms. Sherri Galvin, Executive Assistant to the Vice President for Finance and Administration and Recording Secretary to the EU Council of Trustees
 Dr. Michael Hannan, Provost and Vice President for Academic Affairs
 Mr. Jeffrey Hileman, Director of Communications
 Dr. Fai Howard, Assistant Vice President for Academic Success & Student Retention
 Dr. Mary Beth Mercatoris, Interim Dean of Students and Campus Life
 Dr. Scott Miller, Dean - School of Business and Interim Dean - College of Arts, Humanities and Social Sciences
 Ms. Coleen Panko, Special Events Coordinator
 Mr. Wayne Patterson, Director of Human Resources & Faculty Relations
 Mr. Eric Sheppard, Associate Vice President of Financial Operations
 Dr. Ronald Wilson, Director of Social Equity & Title IX Coordinator/Executive Director of Porreco
 Ms. Carol Webster, Executive Assistant to President H. Fred Walker

Guest: Dr. Susan Newman, Spouse of EU President H. Fred Walker

At the start of the official business meeting, Chair Frampton announced that the proceedings of the Edinboro University Council of Trustees are recorded; therefore, public disclosure to those in attendance via verbal announcement and written public notice avoids any violation of the Pennsylvania Wire Tapping Act. The Chair then requested that each bow their head in observance of a moment of silence in remembrance of good friend and EU Trustee Ronald Steele. He then announced it would be his intention to present to Mrs. Barbara Steele a Resolution which serves to honor and recognize posthumously the contributions of her late husband and EU Trustee Ronald A. Steele. Mrs. Steele will be contacted and invited to attend or send a representative to the Council's December 16 meeting.

Chair Frampton moved to the first order of business - Public Comment. The Chair invited comment from the public in attendance. Hearing no request from members of the public, the Chair moved to the next item of business – approval of Minutes from the Quarterly Business meeting

held on August 1, 2016. Chair Frampton solicited questions and/or corrections to the Minutes as presented. There were no inquiries; therefore, **it was voted**, on motion of Trustee Pape, seconded by Trustee Higham, to approve the August 1, 2016, Minutes of the Quarterly Business meeting as presented. Since there was Trustee participation via phone, it was necessary to conduct a Roll Call of each item presented for review and action during the course of the business meeting. Record of Roll Call vote noted below:

Roll Call vote – Minutes of Quarterly Business Meeting held on August 1, 2016

	Aye	No	Absent	Abstain
Trustee Chaffee			X	
Chair Frampton	X			
Trustee Higham	X			
Trustee Kennedy	X			
Trustee Lowther			X	
Trustee Pape (via phone)	X			
Trustee Pirrello	X			
Trustee Shields	X			
Trustee Wachter	X			
Trustee-Select Anderton (ineligible to cast vote since not yet officially appointed as Student Representative)				

The motion carried with unanimous approval.

It was the Chair's pleasure to announce the confirmation and appointment of Patricia J. Kennedy and Anthony J. Pirrello as the newest members of the EU Council of Trustees. He noted that Kennedy is no stranger to EU having served as a member of the EU Foundation Board of Directors since 2004, a member of the EU Communications Department Advisory Board since 2011, and as a member of President Wollman's 2015 22-member Blue Ribbon Commission on Campus-Community Safety. She is also an EU alumnae and currently serves as Erie County's Chief Public Defender. Likewise, Pirrello also is quite familiar with the academic campus community as a two-time graduate of EU along with earning two Certificates and his Superintendent Letter of Eligibility. He is currently serving in his 11th year as Chief Executive Officer of the Montessori Regional Charter School and has worked in the field of education for more than 20 years. Service to EU includes membership on the EU President's Advisory Council (EUPAC) since 2014 in addition to many community and professional commitments. Chair Frampton extended a warm welcome to them as members of the team. Also, the Chair noted the reappointment of current Trustees Rob Lowther and Harold Shields as continuing members of the EU Council of Trustees, and extended congratulations to all.

Next, the Chair yielded the floor to President Walker for the delivery of the *President's Report to the Council of Trustees*. President Walker stated that the University is off to a fine start for the fall with signs of solid enrollment numbers. Although there was a trying period of time because of a work stoppage, the work stoppage has been addressed and faculty are back to work. The University is in the process of restarting academic operations as well as determining a process for the make-up of lost class time (three days). Discussions are underway and plans call for the observance of some Saturday class sessions and the provision of opportunities for students to make up work on an individual basis in terms of online classes.

President Walker was confident the make-up of lost class time would be accomplished without an extension of the normal academic semester. Therefore, he reiterated that the University is on schedule to hold its winter (fall) commencement ceremonies as scheduled. Concern by students and parents about commencement, job opportunities, internships, and coops were among the most important topics. The President was pleased to report that both faculty and administration adhered to and maintained boundaries of civility and collegiality during the strike. During the strike, President Walker worked to emphasize that the conflict involved the faculty at the state level and the PASSHE Office of the Chancellor at a state level; careful NOT make it personal at the campus level and weigh-in on matters. The President felt the steps taken were largely a positive endeavor, that operations have been restarted and the strike now behind us.

The President reminded everyone of a number of challenges in terms of the budget deficit that the University faced with the start of the fiscal year. There have been some more challenges identified with some additional costs associated with collective bargaining, in general. President Walker continues to address these matters as an open community. He is prepared to move forward with an action plan, on behalf of the University community, and begin the implementation of a very structured problem-solving methodology. This includes: the identification of problem(s) or opportunities; seeking data to support that problem or opportunity; conducting analyses for which external validation is sought; and then timely decision-making.

President Walker reported positive results in terms of engaging in enrollments for the Spring semester. Although the University will not likely experience levels in excess of 8,700, the University has begun conversations about moving forward with some potential for new and different programs. This plan also calls for the shaping of the incoming class in a way that has not been done in the past. Efforts are also moving forward to align University functions with their best fit. The President noted that this entailed the movement and change in reporting line of Marketing to the Enrollment Management function as well as a change resulting in Communications reporting directly to the Office of the President whereas these offices had been previously embedded in the University Advancement office functions.

In closing, the President noted there are a litany of changes to be made and issues that need to be addressed. While it took us many years to arrive at the point we are today, President Walker stated that it will take many years to address all of the issues. However, he is ready to do so with great enthusiasm, optimism and energy and pronounced that there is a path forward.

Chair Frampton thanked President Walker for his report and inquired if there were any questions to be asked of the President. For the record, Trustee Wachter extended applause to the administration and the President for the manner in which the University conducted itself during the time of the strike. He stated that it was a testament to the President's professionalism and commitment to the students. Trustee Wachter thanked the President and staff for making the transition appear effortless after the conclusion of the work stoppage easy. Chair Frampton so noted for the record and concurred with Trustee Wachter's observations.

Next, the Chair presented and read the Certifying Resolution whereby President Walker recommended the Order of Succession as developed in accordance with Board of Governors Policy 1983-14-A: *Appointing Interim and Acting Chief Executive Officers*.

CERTIFYING RESOLUTION

WHEREAS, Board of Governors Policy 1983-14-A: *Appointing Interim and Acting Chief Executive Officers*, requires that each PASSHE university president develop and publish an Order of Succession identifying, in rank order, members of its university's executive management team who will act on behalf of the president in his/her absence; in the event the president is temporarily unable to fulfill the responsibilities of the position; or in the event there is a vacancy; and

WHEREAS, Board of Governors Policy 1983-14-A, *Appointing Interim and Acting Chief Executive Officers*, requires that prior to the beginning of each academic year, the president deliver the university Order of Succession Plan to the Chancellor after a resolution and vote by the university's Council of Trustees; and

WHEREAS, the attached Order of Succession Plan, provided by the President of Edinboro University, lists in rank order the members of Edinboro University's executive management team to act on President Walker's behalf in his absence or in the event he is temporarily unable to fulfill his responsibilities, or in the event there is a vacancy;

THEREFORE, BE IT RESOLVED, that the Council of Trustees approves and certifies the attached Order of Succession Plan and directs the President of Edinboro University to deliver the Succession Plan to the Chancellor, in accordance with Board of Governors Policy 1983-14-A.

Approved this 9th day of November, 2016.

And that order is:

1. Dr. Michael Hannan
Provost and Vice President for Academic Affairs

and

2. Mr. Guilbert Brown
Vice President for Finance and Administration

Prior to the vote, Trustee Pirrello posed a question relative to whether or not a vote was required to be for a two-deep succession plan, was it a representation of the natural depth of leadership, or could additional names be added? He further inquired about the process to be followed should the two named individuals be incapacitated or unable to fulfill role. Trustee Shields responded and directed Trustee Pirrello to the above-referenced policy which states the following:

Excerpt: B.1.

Acting President. When the office of the president at a university becomes vacant, the duties of president shall be performed by the individual identified in the university Order of Succession plan until the incumbent president is unable to resume duties, until an interim president is appointed by the Board, or until a successor permanent president is appointed by the Board.

Trustee Pirrello expressed appreciation for the responses. Hearing no additional questions or concerns, **it was voted**, on motion of Trustee Shields, seconded by Trustee Higham to accept

President Walker's recommended Order of Succession as developed in accordance with Board of Governors policy.

Roll Call vote – Certifying Resolution re: campus Order of Succession Plan

	Aye	No	Absent	Abstain
Trustee Chaffee			X	
Chair Frampton	X			
Trustee Higham	X			
Trustee Kennedy	X			
Trustee Lowther			X	
Trustee Pape (via phone)	X			
Trustee Pirrello	X			
Trustee Shields	X			
Trustee Wachter	X			
Trustee-Select Anderton (ineligible to cast vote since not yet officially appointed as Student Representative)				

The motion carried with unanimous approval – **Attachment #1**.

Moving on to the next item of business, Chair Frampton presented the following three individuals for the Council's consideration regarding the awarding of an honorary degree from Edinboro University:

Sister Joan Chittister
 Dr. Rachel Levine
 Ms. Eleanor Smeal

Trustee Shields asked for a brief review of Dr. Levine's credentials since he was least familiar with this individual. The Chair read directly from the recommendation noting that "Dr. Levine is the Pennsylvania Department of Health Physician General, unanimously confirmed for this office by the Pennsylvania Senate in 2015. Her previous professional experience includes leadership at the Penn State Hershey Medical Center, where she established an eating disorders program for children, adolescents and adults. While teaching at the Penn State College of Medicine, she also served as the liaison for the LGBT community for the Office of Diversity at the College."

It was voted, on motion of Trustee Pirrello, seconded by Trustee Higham to accept President Walker's recommendation and approve the Honorary Degree Selection Committee's three names as forwarded to the President under cover memorandum dated October 3, 2016.

Roll Call vote – Honorary Degree Nominations

	Aye	No	Absent	Abstain
Trustee Chaffee			X	
Chair Frampton	X			
Trustee Higham	X			
Trustee Kennedy	X			
Trustee Lowther			X	
Trustee Pape (via phone)	X			
Trustee Pirrello	X			

Trustee Shields	X
Trustee Wachter	X
Trustee-Select Anderton (ineligible to cast vote since not yet officially appointed as Student Representative)	

The motion carried with unanimous approval. For the record, it was noted that the above-referenced three names are joined to the four previously nominated and recommended individuals who remain in a pool of eligible candidates:

Elizabeth Warren
 Mellody Hobson
 Bryan Stevenson
 Susan Kemenyffy

Moving on next to New Business, the Chair invited Provost Michael Hannan to come forward for the delivery and presentation of a report on behalf of Academic Affairs. Provost Hannan welcomed new Trustees Kennedy and Pirrello and stated that he only had an informational report and program revision to share with the Council. The written three-page report had been distributed in advance of the meeting (**Attachment #2**); therefore, Provost Hannan highlighted the following entries:

University Outreach and Campus Programs

- The Sophomore Experience program was launched this academic year as a follow-up to the newly structured First-Year Experience program. The emphasis of the program is on engagement in experiential learning opportunities. The first event was held on September 19 which highlighted internship opportunities as part of an Internship Academy housed in the University's Office of Career Services.
- The Office of the Provost provided two tuition scholarships through the Provost Leadership Fund for Shandong University of Technology (SDUT - China) students to enroll in an online course at EU in global business. The intent is to strengthen the relationship with SDUT and provide a channel to direct more students from the university to online EU courses and face-to-face programs.

Faculty Recognition

- Dr. William Pithers (professor in the Psychology Department) attained Fellow status within the Society for Clinical Psychology in the American Psychological Association.
- Also, Dr. Ron Craig (professor in the Psychology Department) co-published a peer-reviewed article entitled "The Use of Texting as a Medium for Deception Among College-Age Texters." Provost Hannan noted what was especially note-worthy about this article is that it is published in a highly respected Journal and its co-authors are both Craig's former EU undergraduates. Provost Hannan noted that this is demonstrative of the strong faculty/student scholarship research that takes place in that department.

Student Recognition

- Megan Kunst, an EU honors student, presented her research on forensic facial reconstruction at the 2016 National Collegiate Honors Council Conference in Seattle this fall along with some other honor students who did research presentations. Ms. Kunst also works very closely with EU fellows in the University's relatively new Forensic Sciences Institute where they do a lot of work in the forensics area.

Miscellaneous

- For the third year in a row, Edinboro University received the 2016 Higher Education Excellence in Diversity (HEED) Award from INSIGHT Into Diversity magazine. The University will be featured in the November issue acknowledging Edinboro's "outstanding commitment to diversity and inclusion."
- The EU Highland Games took place on September 8-11. Featured attractions included world-class musicians, fine gift vendors, fiddle and harp competitions, Highland dance and athletic competitions, pipe bands and solo competitions, clan gatherings, children crafts and games and traditional Scottish food. Provost Hannan was especially pleased with the level of attendance by EU students this year.

Lastly, Provost Hannan addressed the informational issue pertaining to a program revision to the Minor in Women's Studies. He noted that the proposed revision aligns the minor with current course offerings. It will give students a wider range of choice in course selection and help ensure they will be able to complete the minor within a reasonable time frame.

Chair Frampton thanked Provost Hannan for the report and inquired of Council members if they had questions. Hearing none, the Chair requested Vice President for Enrollment Management – Dr. Bill Edmonds to come forward for the delivery of a report. Dr. Edmonds stated that his area had one ACTION item and one INFORMATION item for presentation.

Beginning with the ACTION item, Dr. Edmonds presented a proposal to revise the admissions standards for main campus general students noting that President Walker recommended acceptance of the proposal as presented and discussed earlier. **It was voted,** on motion of Trustee Wachter and seconded by Trustee Higham to accept President Walker's recommendation for the approval of the revised Admissions Standards for Main Campus General Students as presented (**Attachment #3**).

Roll Call vote – Revision of Admission Standards for Main Campus General Students

	Aye	No	Absent	Abstain
Trustee Chaffee			X	
Chair Frampton	X			
Trustee Higham	X			
Trustee Kennedy	X			
Trustee Lowther			X	
Trustee Pape (via phone)	X			
Trustee Pirrello	X			
Trustee Shields	X			
Trustee Wachter	X			
Trustee-Select Anderton (ineligible to cast vote since not yet officially appointed as Student Representative)				

The motion carried with unanimous approval.

Next, Vice President Edmonds highlighted the following entries from the four-page written report (**Attachment #4**). These included:

Admissions

- In October 2016, MSL Direct was the successful vendor to outsource and mail the Senior Mail Flow. This year, MSL Direct mailed almost 6,000 senior inquiries out in one day verses one week. The goal is to communicate earlier with potential students. Beginning this outreach earlier to all inquiries will move those students through the enrollment funnel in a much more timely fashion.
- Dr. Edmonds reported with enthusiasm alumni involvement in the recruiting process. EU alumni participated in recruitment activities during the fall, attended Homecoming events as well as college fairs.
- Vice President Edmonds reiterated the strategic importance of enrollment management and asking every employee to be a recruiter.
- As President Walker mentioned in his report, the Marketing function now reports to Enrollment Management. The goal is to improve marketing strategies for recruitment as well as to improve EU branding.
- Updates have been made to the website to allow high school Dual Enrollment / Early Advantage clientele to enroll in courses through the use of a more user-friendly website. This program is available to high school seniors and juniors who have the opportunity to take Edinboro coursework at a significantly reduced cost or students can participate in the Regional Choice Initiative Program. Edinboro University offers high school students the chance to earn college credits through dual enrollment opportunities. The Regional Choice Initiative is a program coordinated by the Northwest Tri-County Intermediate Unit in cooperation with high schools in Erie and Crawford Counties.

Financial Aid

- In November, FAFSA completion workshops were held at Fort LeBoeuf and Fairview High Schools.

Marketing

- Plans were finalized to launch new EU web/mobile digital campaign, including key word search retargeting, contextual retargeting and geofencing. Geofencing is a location-based digital marketing tool that lets marketers send messages to smartphone users in a defined geographic area.
- Also, Marketing has been working closely with Admissions staff to finalize a communications plan from inquiry through enrollment, and launched Mail Flow #1 through outsourcing and marketing.
- Lastly, a multi-media marketing plan for EU was completed for Fall Open House events, including TV, radio, print, web/mobile, social media, direct mail and email.

Veterans Success Center

- Initiated the first fall Veterans orientation session for incoming veterans and GI Bill beneficiaries. This session was built on the success of spring program. The students learned about the services the Veterans Success Center provides, GI Bill benefits and their student records were reviewed to ensure all students were ready for the start of the Fall 2016 semester.
- Dr. Edmonds reported that new tracking measures have been put in place to utilize Banner reports in order to better track retention of veteran students. Current retention rates for veteran students is 75% between 2016 and 2017 calculated based on the total number of veterans enrolled in both undergraduate and graduate programs.

Chair Frampton thanked Vice President Edmonds for the presentation of both the action item and information report on behalf of Enrollment Management. Hearing no requests or questions for further discussion, the Chair yielded the floor to Vice President Gil Brown for the delivery of action item and information reports on behalf of the division of Finance and Administration.

Mr. Brown stated that there was one ACTION item for the Council's review and action as well as two items of INFORMATION. The ACTION pertains to Contracts and Purchases for which President Walker recommends approval of Contracts and Purchases as reviewed by the Council of Trustees for the periods July 1-31, August 1-31, and September 1-30, 2016. **It was voted**, on motion of Trustee Shields, seconded by Trustee Kennedy, to approve the Contracts and Purchases for the periods July 1-31, August 1-31, and September 1-30, 2016, as submitted electronically.

Roll Call vote – Contracts and Purchases for the periods July 1-31, August 1-31, and September 1-30, 2016

	Aye	No	Absent	Abstain
Trustee Chaffee			X	
Chair Frampton	X			
Trustee Higham	X			
Trustee Kennedy	X			
Trustee Lowther			X	
Trustee Pape (via phone)	X			
Trustee Pirrello	X			
Trustee Shields	X			
Trustee Wachter	X			
Trustee-Select Anderton (ineligible to cast vote since not yet officially appointed as Student Representative)				

The motion carried with unanimous approval.

Vice President Brown then highlighted the following entries from the seven- page written report (**Attachment #5**) which had been distributed electronically prior to the meeting with the agenda and meeting materials. These included:

Finance and Administration

- During the month of July, the University closed out Fiscal Year 2016 with an operating deficit of roughly one-third of the budgeted deficit.
- In September, the Office of Finance and Administration worked to successfully refinance and acquire The Highlands Housing facilities from the EU Foundation. EU worked with the PASSHE on an advanced refunding of the bond issue for The Highlands.

Accounting and Budget

- In preparation for Fiscal Year 2016 audit, fiscal year closing processes were completed and final financial reports prepared for the EU Council of Trustees.
- Accounting personnel worked with the CliftonLarsonAllen auditors to complete the June 30, 2016 external audit of the financial reports. These reports were accepted by PASSHE due date of August 31, 2016.

- Also, annual PASSHE Budget Report (FIN) was completed and submitted. The FIN Report submission is used to feed and generate IPEDS and other required reporting for the year.
- Accounting and Finance staff provided training to academic departments with regard to the online Travel Management module which is now being used by all of the departments at the University. EU was the first PASSHE institution to adopt and implement this electronic means of travel management. Procurement training was also provided to all department chairs and managers.

Facilities and Maintenance

- Improvements were made to outside area of VanHouten Dining Hall – removal of patio enclosure and old concrete patio area; poured new concrete patio areas as well as built retaining wall; and landscaped and tiled behind patio area.
- Renovations have been completed on the second floor of Dearborn Hall and several faculty offices relocated from Centennial to Dearborn. Completion of these relocations now enables the facilities office to close down Centennial Hall and allow the University to realize facilities savings (HVAC, electric, etc.)
- Replaced concrete in several areas on the EU campus, including Reeder Hall, Rose Hall, Miller Hall, and VanHouten.

Information Technology Services (ITS)

- The ITS (Information Technology Services) department replaced the entire WiFi network in The Highlands (480 access points). Installation was completed in-house during the summer months at a cost of one-third what an outside vendor would have charged for one year and at a savings to the University of approximately \$2 million over five years if outsourced. At the same time, bandwidth available to students was doubled for RESnet as well as implemented Netflix Caching. The Netflix Caching will provide more efficient streaming services to students who increasingly expect and depend on it.
- Dropbox for Education cloud-based storage service was implemented. This service provides unlimited file storage and is accessible from most devices anywhere there is an internet connection.
- Lastly, a total of 70 faculty received new computers and 20 received new iPads through the Faculty Lifecycle Computer replacement program.

In conclusion, Vice President Brown noted that there were additional details contained in the report that Council members could review at their leisure.

For the record and officially recorded below is a list of Personnel Transactions occurring since the last business meeting of the EU Council of Trustees held on August 1, 2016:

NEW HIRES/REPLACEMENTS/CONTINUATIONS

Benson, Mr. Donald E., Senior Systems Engineer, Management Salary Level 190, Information Technology Services, at \$76,000.00 effective August 22, 2016.

Berlin, Mr. Kenneth, part-time (up to 50%), temporary Instructor, Middle & Secondary Education and Educational Leadership Department, 2016-2017 academic year, at \$23,304.77 effective August 20, 2016.

Bess, Mr. Christopher, part-time (12%), temporary Instructor, Co-Coordinator Athletic Study Program, 2016-2017 academic year, at \$5,593.14 effective August 20, 2016.

continued – New Hires/Replacements/Continuations

Bliley, Mr. Sean, part-time (up to 25%), temporary Instructor, Business and Economics Department, 2016-2017 academic year, at \$11,652.38 effective August 20, 2016.

Bodamer, Dr. Kristina, part-time (up to 50%), temporary Instructor, Early Childhood and Reading Department, 2016-2017 academic year, at \$23,304.77 effective August 20, 2016.

Boulder, Dr. James, part-time (up to 25%), temporary Instructor, Mathematics and Computer Science Department, Fall 2016 semester, at \$5,826.19 effective August 20, 2016.

Connick, Dr. Robert, part-time (up to 50%), temporary Instructor, Music and Theatre Department, Fall 2016 semester, at \$11,652.38 effective August 2, 2016.

Cotterill, Mr. Justus, part-time (up to 33%) temporary equivalent Instructor, Interim Director of Bruce Gallery, 2016-2017 academic year, and temporary Instructor (up to 33%), Art Department, Fall 2016, at \$15,536.49 (Fall 2016) and \$7,768.25 (Spring 2016) effective August 20, 2016.

Day, Ms. Maria G., part-time (up to 40%), temporary Instructor, Counseling and Psychology Service Department, 2016-2017 academic year, at \$18,499.34 effective September 20, 2016.

DeWald, Dr. Meghan, part-time (up to 50%), temporary Instructor, Music and Theatre Department, 2016-2017 academic year, at \$23,304.77 effective August 20, 2016.

Eaton, Mr. Daniel, part-time (up to 50%), temporary Instructor, Nursing Department, Fall 2016 semester, at \$5,826.19 effective August 20, 2016.

Eberhardt, Mr. Douglas C., part-time (up to 33%), temporary Instructor, Art Department, Fall 2016 semester, at \$7,768.25 effective August 20, 2016.

Foley, Dr. David, part-time (up to 50%), temporary Instructor, Middle & Secondary Education and Educational Leadership Department, 2016-2017 academic year, at \$23,304.77 effective August 20, 2016.

Friel, Mr. Stephen S., full-time, temporary Custodial Worker 1, Facilities, at \$12.62 hourly effective October 1, 2016.

Fry, Ms. Marjorie M., part-time (up to 50%), temporary Instructor, English and Philosophy Department, 2016-2017 academic year, at \$23,304.77 effective August 20, 2016.

Jones, Ms. Katie L., regular, full-time, Clerk Typist 2, International Student Services Office, at \$27,834.00 effective August 8, 2016.

Junkin, Ms. Cynthia C., part-time (up to 8.3%), temporary Instructor, Music and Theatre Department, Fall 2016 semester, at \$1,702.18 effective September 12, 2016.

Kambs, Ms. Jill E., part-time (up to 66%), temporary Instructor, Art Department, Fall 2016 semester, at \$15,536.49 effective August 20, 2016.

Knappenberger, Ms. Merri Beth, part-time (up to 25%), temporary Instructor, Counseling, School Psychology and Special Education Department, Fall 2016 semester, at \$5,826.19 effective August 20, 2016.

Knobloch, Mr. Paul, part-time (up to 25%), temporary Instructor, Counseling, School Psychology, and Special Education Department, Fall 2016 semester, at \$5,826.19 effective August 20, 2016.

Kovacs, Dr. Paul, part-time (up to 60%), temporary Instructor, Counseling and Psychological Services Department, 2016-2017 academic year, at \$30,832.27 effective August 20, 2016.

Kwoka, Dr. Joshua J., part-time (up to 50%), temporary Instructor, Criminal Justice, Anthropology, and Forensic Studies Department, Fall 2016 semester, at \$11,652.38 effective August 20, 2016.

Lang, Ms. Courtney L., part-time (up to 50%), temporary Instructor, English and Philosophy Department, 2016-2017 academic year, at \$23,304.77 effective August 20, 2016.

Larison, Mr. Adam, part-time (up to 25%), temporary Instructor, Music and Theatre Department, 2016-2017 academic year, at \$11,652.38 effective August 20, 2016.

continued – New Hires/Replacements/Continuations

Lilyhorn, Mr. Jarred, part-time (wage) Intern for Campus Life/Recreation, Student Affairs, 2016-2017 academic year, at \$10.25 per hour for up to 1,150 hours, effective August 4, 2016.

Lucas-Szumigala, Ms. Cassandra, part-time (up to 25%), temporary Instructor, Speech, Language and Hearing Department, 2016-2017 academic year, at \$11,652.38 effective August 20, 2016.

McDonough, Dr. Jennifer N., part-time (up to 25%), temporary Instructor, Criminal Justice, Anthropology and Forensic Studies Department, at \$5,826.19 effective August 20, 2016.

McGaughey, Mr. Craig L., part-time (up to 42%), temporary Instructor, Music and Theatre Department, 2016-2017 academic year, at \$19,576.00 effective August 20, 2016.

Meier, Dr. Mary Elizabeth, part-time (up to 50%), temporary Instructor, Art Department, Fall 2016 semester, at \$11,652.38 effective August 20, 2016.

Moore, Ms. Nicole, part-time (up to 20%), temporary Instructor, Nursing Department, 2016-2017 academic year, at \$9,788.00 effective August 20, 2016.

Mustin, Ms. Alexis, part-time (up to 90%), temporary Instructor, Counseling and Psychological Services Department, 2016-2017 academic year, at \$46,248.40 effective August 20, 2016.

Najimian, Mr. Evan, part-time (wage) Intern for Campus Life/Recreation, Student Affairs, 2016-2017 academic year, at \$10.25 per hour for up to 1,150 hours, effective August 15, 2016.

Porter, Ms. Amanda, part-time (up to 25%), temporary Instructor, Mathematics and Computer Science Department, Fall 2016 semester, at \$5,286.19 effective August 20, 2016.

Rhodes, Mr. Christopher, part-time (12%), temporary Instructor, Co-Coordinator Athletic Study Program, 2016-2017 academic year, at \$5,593.14 effective August 20, 2016.

Rodriguez, Ms. Marisa, regular, full-time, Diversity Recruiter, Undergraduate Admissions, at \$45,027.00 effective August 29, 2016.

Sherwin, Ms. Caroline L., part-time (up to 40%), temporary Instructor, Nursing Department, 2016-2017 academic year, at \$18,643.81 effective August 20, 2016.

Smith, Mr. Marc, full-time (up to 100%), temporary Instructor, Middle & Secondary Education and Educational Leadership Department, 2016-2017 academic year, at \$46,609.53 effective August 20, 2016.

Stevenson, Ms. Tyana, regular, full-time, Clerk Typist 2, Facilities Department, at \$27,834.00 effective September 6, 2016.

Sutton, Mr. Lee, full-time (up to 100%), temporary Instructor, Mathematics and Computer Science Department, 2016-2017 academic year, at \$46,609.53 effective August 20, 2016.

Terry, Mr. Dorian, temporary, full-time (wage), Custodial Worker 1, at \$12.62 per hour, effective August 4, 2016 through August 26, 2016.

Treadon, Dr. Carolyn, part-time (up to 50%), temporary Instructor, Counseling, School Psychology and Special Education Department, 2016-2017 academic year, at \$23,304.77 effective August 20, 2016.

Trychin, Mrs. Janet Juracich (up to 25%), temporary Assistant Professor, Speech, Language and Hearing Department, 2016-2017 academic year, at \$15,615.34 effective August 20, 2016.

Webster, Ms. Carol, Executive Assistant to the University President, Management Level 170, at \$70,000.00 effective September 1, 2016.

White, Ms. Terri, full-time (up to 100%), temporary Instructor, Counseling, School Psychology, and Special Education Department, 2016-2017 academic year, at \$46,609.53 effective August 20, 2016.

Wick, Mr. David, full-time (up to 100%), Temporary Instructor, Physics and Technology Department, Fall 2016 semester, at \$25,693.56 effective August 20, 2016.

continued – New Hires/Replacements/Continuations

Witowski, Dr. Lisa, part-time (up to 25%), temporary Assistant Professor, Counseling, School Psychology, and Special Education Department, Fall 2016 semester, at \$6,744.57 effective August 20, 2016.

Youngblood, Dr. Constance, full-time (up to 100%), temporary Instructor, Middle & Secondary Education and Educational Leadership Department, 2016-2017 academic year, at \$46,609.53 effective August 20, 2016.

RESIGNATION/SEPARATIONS

Mengine, Ms. Tina M., Vice President for University Advancement, Office of University Advancement, effective with the close of business September 30, 2016.

Mitchell, Mr. John R., Manager of Communications, Communications and Marketing Department, effective with the close of business August 19, 2016.

Whitford, Ms. Beth E., regular, part-time Nurse Aide, Office for Students with Disabilities, effective with the close of business September 13, 2016.

Whitley, Dr. Catherine, Associate Professor, English and Philosophy Department, effective with the close of business August 28, 2016.

CONTRACT RESCIND/FURLOUGHS/TERMINATION/POSITION ABOLISHMENT

Fischler, Ms. Karen, Contract Rescind, full-time (up to 100%), temporary Instructor, Social Work Department, 2016-2017 academic year, at \$46,609.53.

Kennedy, Ms. Kimberly A., Termination, Director for the Office for Students with Disabilities, effective with the close of business September 26, 2016.

Matlock, Mr. Mark N., Termination, Bursar, effective with the close of business September 20, 2016.

RETIREMENTS

Fox, Mrs. Gail S., Special Transportation Vehicle Coordinator, Office for Students with Disabilities, effective with the close of business August 25, 2016.

Fox, Dr. Martin G., Professor, Biology and Health Services Department, effective with the close of business August 19, 2016.

Spohn, Mr. Franz F., Assistant Professor, Art Department, effective with the close of business August 19, 2016.

Walsh, Mrs. Rebecca J., Custodial Worker 2, Facilities Department, effective with the close of business September 30, 2016.

Zindel, Mr. R. Alan, Semi-Skilled Laborer, Facilities Department, effective with the close of business October 28, 2016.

COACHING CONTRACTS/RENEWALS/CHANGE IN STATUS

Andry, Mr. Matthew H., regular, part-time (32%), Strength and Conditioning Coach, at \$12,000.00, effective August 1, 2016 through July 31, 2017.

CONTRACTS AND CONTRACT RENEWALS

Black, Ms. Susan F., Interim Vice President for University Advancement, Management Level 230, at \$142,737.00, effective September 13, 2016, until a permanent replacement has been secured.

Dahle, Mr. James, Director of Environmental Health and Safety, at \$82,000.00, effective December 1, 2016 through November 30, 2018.

continued – Contracts and Contract Renewals

Shinn, Dr. Roy E., Acting Manager, Associate Dean of the College of Science and Health Professions, at \$146,359.00, effective July 23, 2016 through July 22, 2017.

Wolbert, Dr. Stacie M., Acting Manager, Associate Provost, at \$95,000.00, effective August 1, 2016 through July 30, 2018.

SICK LEAVE

SUMMARY – Five (5) members of the Edinboro University campus staff utilized sick, Family Medical Leave Act (FMLA) leave, or parental leave during the period.

CHANGE IN STATUS

Aylsworth, Mr. Daniel R., from temporary, full-time, Custodial Worker 1 to regular, full-time, Custodial Worker 1, at \$24,685.00 effective October 1, 2016.

Bliley, Mr. Sean A., Salary and Management Grade Level Adjustment, from Level 180 to Level 190, \$84,147.00 to \$89,147.00 effective August 6, 2016.

Hiller, Ms. Eve M., in-grade salary adjustment, from \$57,500.00 to \$62,000.00 effective July 23, 2016.

Myers, Mr. Francis J., IV, from temporary, full-time, Semi-Skilled Laborer, to regular, full-time, Semi-Skilled Laborer, at \$27,834.00 effective August 6, 2016.

PROMOTION - NON-FACULTY

Abreu-Baker, Ms. Brenda, Assistant Director for Transfer Evaluations, Undergraduate Admissions, from Transfer Credit Evaluator, Undergraduate Admissions, at \$45,027.00 effective July 23, 2016.

Althof, Ms. Kari, regular, full-time, State University Administrator 3, Associate Director of Campus Life for Conferences, from regular, full-time, State University Administrator 2, Assistant Director, University Center, at \$63,648.00 effective August 1, 2016.

Gould, Ms. Shari, from Manager of Employment Services, Classification and Compensation, Management Grade Level 180, to Bursar, Management Grade Level 190, at \$73,420.00 effective September 21, 2016.

Joy, Mr. Jeramie S., from Medium Voltage Electrician to High Voltage Electrician, at \$45,692.00 effective July 23, 2016.

Marquis, Ms. Brenda L., from Administrative Assistant (Confidential) to Human Resources Business Partner, Management Level 180, at \$55,000.00 effective October 1, 2016.

McMaster, Mr. John, from regular, full-time Semi-Skilled Laborer to regular, full-time Maintenance Repairman 2, at \$36,381.00 effective July 23, 2016.

Schaefer, Ms. Robin, from Data Analyst 2 to Management Technician, Dining Services and ID Card Office, at \$46,748.00 effective April 4, 2016.

Zewe, Ms. Beth, from Manager of Continuing Education, Management Grade Level 170 to Director of Continuing Education and Workforce Development & Ombudsperson, Management Grade Level 180, at \$65,000.00 effective October 1, 2016.

Chair Frampton thanked Vice President for the report and congratulated him and staff with regard to the replacement of routers in the Highlands (student housing facilities). He was aware that this was a significant project and involved a large number of routers. The Chair then requested Dr. Mary Beth Mercatoris, Interim Dean of Students and Campus Life, to come forward the delivery of her report on behalf of Student Affairs.

Interim Vice President Mercatoris began her report by extending thanks to everyone for the privilege to serve EU students; she and other staff members in campus life consider it a “pleasure” to serve the University and student population. Dr. Mercatoris reported a successful start to the semester with visioning and a strong focus on engagement which is the constant theme in the preparation of program recommendations as well as their daily work. As a result, there has been a significant increase in both the number of on-campus offerings and opportunities for activities. She stated that the calendar system’s administrative component has been centralized and now serves to coordinate and cull advertisement of all events taking place on the campus in one place. There also has been more focus placed on the marketing of the activities now under Vice President Edmonds’ leadership. Through the use and implementation of new card swipe software, attendance is being taken at various events with statistics being generated for analysis and interpretation. Dr. Mercatoris reported that since August 25, nearly 400 programs have been offered on a wide range of topics -- social, academic, health and wellness, recreation, cultural and community services. Also, Dr. Mercatoris has strived to raise awareness that each employee in the division of student affairs serves not only as a recruiter, but also a retention officer; they work and endeavor to marry students to the institution and establish a bond, build a life outside of the classroom and engagement each student in a vibrant way. With regard to inclusion, Dr. Mercatoris announced that the search is in the final stages of making an offer to a new Director of Diversity and Inclusion. Lastly, the Interim Vice President referenced a number of accolades contained in the written six-page report (**Attachment #6**) and entertained questions from the content of that report or others.

Following the conclusion of Dr. Mercatoris’ report, President Walker stated that he would be remiss if he did not call out attention to the work of the student affairs division as the University progressed through the work stoppage. Under Dr. Mercatoris’ leadership staff in the student affairs division prepared a full two weeks of programming beginning early in morning and until well into the evening as a stand-alone package in case the strike continued beyond just a couple of days. The President stated there was fully developed and in-depth plan for the engagement of 6,000 plus students from early in the morning until well into the evening. He noted that this was no small feat given that area is operating with a critically reduced staff. In addition, these events and schedules were well-published and communicated on a daily basis. President Walker recognized Jeff Hileman, EU Director of Communications, for his work in collaboration with Dr. Mercatoris’ staff who did a fantastic job. It was fundamentally an immense job, involving hundreds of people who kept EU students engaged and kept them from doing things that they should not have been doing during the three days that the strike unfolded which could have easily turned into an extended amount of time. In closing, President Walker reiterated his thanks and appreciation for a job well done by Dr. Mercatoris, Director of Communications Hileman and everyone else who contributed to the success of programming planned and offered during the work stoppage. A round of applause followed President Walker’s concluding remark.

Chair Frampton thanked Interim Vice President Mercatoris and next asked Interim Vice President for University Advancement, Susan Black-Keim, to come forward. The Chair welcomed her to the University and yielded the floor to her for the delivery of her report.

Interim Vice President Black-Keim thanked the Chair for the introduction. She noted the inclusion and electronic distribution of two-page written report (**Attachment #7**) with agenda and meeting materials. The report covers fundraising activity occurring since July 1, 2016. The report contains a list of activities that the Advancement staff has been engaged during the same period of time. A

number of large gifts have been received with some coming as the result of planned gifts. She reminded Council members that the University stands on the shoulders of people who go before us. The University is also grateful for all of those relationships that were formed in the past and that now provide gifts to the University for the future. Ms. Black-Keim pointed out a number of “friendraising” events held since July 2016. Friendraising is how the Advancement office refers to alumni. Alumni attended many events and did a lot of work to help make Homecoming Weekend successful. Advancement also worked to facilitate and schedule President Walker to attend and visit with a number of community leaders in Erie and the surrounding area. In addition to a number of community relations visits, President Walker and his wife have hosted several dinners at Commonwealth House with major donor prospects. Interim Vice President Black-Keim stated that while there are a lot of exciting things happening in the division, her focus has been to work to create and implement best practices within the division. The review of research dictates actions and provides the path to follow versus looking at the entire population of 65,000 alums. Advancement officers have done research and each identified 20 top alumni prospects. If you are one of their top 20 prospects, you can expect to be receiving a lot more attention. Interim Vice President Black-Keim noted that this is fluid list and while we cannot earn money for people, the advancement staff can certainly assist them in deciding on how it is distributed to worthy organizations and causes. In closing, Ms. Black-Keim stated that she has enjoyed working with the talented people in the division and re-establishing best practices to be followed in that area.

President Walker shared additional commentary regarding a couple of important changes within the Advancement function. In discussions with Interim Vice President Black-Keim, President Walker noted the philosophical repurposing of the Advancement function, meaning that non-Advancement functions have been removed and reassigned to other areas. Therefore, the Marketing function under the leadership of Bill Berger now has its reporting line to the Vice President for Enrollment Management (Dr. William Edmonds) and, likewise, the Communications function under the direction of Jeff Hileman reports directly to the President. These reporting line changes allows for the University Advancement function to focus solely on advancement-related activities. President Walker and Ms. Black-Keim have also worked toward a culture shift in terms of the overall operations of this function with a shift to attention on major projects as opposed to smaller fundraising needs. The President also capitalized on Interim Vice President Black-Keim’s mention of the work that the President and his wife (Dr. Susan Newman) are doing to integrate into the community, foster relationships with alumni, and to prepare for fundraising. Dr. Newman, in her role as a volunteer, works tirelessly in partnership with the President to host and attend related events. Ms. Black-Keim responded that both are doing a great job and appreciated the time and energy Drs. Walker and Newman are committing to this endeavor. Again, a round of applause ensued in recognition of their hard work and contributions in support of advancement initiatives that have taken place or are underway in the planning stages.

For the record, a list of Gifts-in-Kind received by the University was distributed in the meeting materials. **Attachment #8** serves to record Gifts-in-Kind received since the last business meeting of the EU Council of Trustees held on August 1.

Chair Frampton asked Trustee Harold Shields to provide commentary related to the Pennsylvania Councils of Trustees (PACT). First, Trustee Shields indicated that he would be commenting on the acceptance of invitation issued by Slippery Rock Trustee Jeff Smith who hosted a delegation of visiting EU Trustees at their Homecoming weekend event and football game on Saturday, October 22. He reported that EU Chair Frampton and Trustees Higham and Shields attended the gathering. It was a good event for several reasons; one of which was the opportunity to sit down with Slippery Rock Trustees to discuss and share information about how they operate and conduct

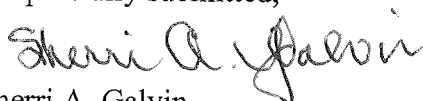
meetings. Given that the EU Council of Trustees seldom experiences the related issue of securing a quorum for business meetings, Trustee Shields was surprised to learn that attendance and achieving a quorum was ongoing issue for Slippery Rock. In fact, Slippery Rock may talk about changing their present two-day meeting format to something that more resembles Edinboro's format. Additionally, and tied to EU's last minute win over Slippery Rock, Trustee Shields noted for the record kudos to new Head Coach Justin Lustig's leadership and turnaround of the EU Football program. Coach Lustig has done an excellent job and Trustee Shields wanted to put that on the record. Trustee Shields also commented on Slippery Rock's hosting of an alumni tent and suggests highly that EU adopt and implement this offering as a part of next year's Homecoming events. President Walker noted that EU did offer such a tent this year and observed that it was very well-received by a high number of alumni. Additionally, Chair Frampton commented that the new dining hall at Slippery Rock is beautiful and worthy of review when the time comes to renovate or replace EU's current dining facility.

With regard to PACT, Trustee Shields reported that the Fall 2016 Workshop was held in Harrisburg on October 6-7, 2016. Although the workshop offered an outstanding and power packed day, it did lack in terms of attendance from across the System. President Walker asked if there was discussion by the group to hold next year's fall meeting on an alternate date – one that did not conflict with Homecoming Weekend (almost half of the PASSHE schools Homecoming Weekend dates conflicted with PACT workshop offering). Trustees Shields responded in the positive, noting when originally scheduled that the fall PACT workshop ran contiguous to the PASSHE 2016 October Board of Governors meeting. Discussions are taking place to move the PACT Fall meeting to occur at the front end of the Board of Governors 2017 October meetings. Trustee Shield noted the availability of workshop materials from the fall meeting under the PASSHE's PACT link - <http://www.passhe.edu/PACT/Pages/PACT-Home.aspx>. He invited Council members to review the various presentations made by the Association of Governing Boards (AGB) in collaboration with PACT. Also, Trustee Shields reminded Council members to review the Workforce Gap Analysis document (link sent to Council members via email sent on behalf of President Walker dated November 4). An update and presentation was delivered at the workshop by Dr. Sue Mukherjee, PASSHE Assistant Vice Chancellor for Educational Intelligence, and her condensed update is available for review at the above-referenced link.

In terms of the upcoming Spring conference, Trustee Shields asked for the support of the Chair and his fellow EU Trustees in terms of attendance. He noted that it would be an especially good opportunity for new Trustees to attend and understand more fully their role as a member of the PACT and EU Trustee. **SAVE THE DATE:** Spring Conference to be held at the Sheraton Harrisburg Hershey Hotel – April 19-20, 2017.

Chair Frampton called for additional items for the good of the order. Hearing no requests, the Chair entertained a non-debatable motion to adjourn the business meeting. The next meeting of the EU Council of Trustees will take place on Friday, December 16 which will be a combined Study Session as well as the conduct of a public quarterly business meeting. **It was voted,** on motion of Trustee Higham, seconded by Trustee Wachter to adjourn the business meeting. The meeting officially adjourned at 3:19 p.m.

Respectfully submitted,



Sherri A. Galvin

Executive Assistant to the Vice President for Finance
and Recording Secretary



EDINBORO UNIVERSITY

CERTIFYING RESOLUTION

WHEREAS, Board of Governors Policy 1983-14-A: *Appointing Interim and Acting Chief Executive Officers*, requires that each PASSHE university president develop and publish an Order of Succession identifying, in rank order, members of its university's executive management team who will act on behalf of the president in his/her absence; in the event the president is temporarily unable to fulfill the responsibilities of the position; or in the event there is a vacancy; and

WHEREAS, Board of Governors Policy 1983-14-A, *Appointing Interim and Acting Chief Executive Officers*, requires that prior to the beginning of each academic year, the president deliver the university Order of Succession Plan to the Chancellor after a resolution and vote by the university's Council of Trustees; and

WHEREAS, the attached Order of Succession Plan, provided by the President of Edinboro University, lists in rank order the members of Edinboro University's executive management team to act on President Walker's behalf in his absence or in the event he is temporarily unable to fulfill his responsibilities, or in the event there is a vacancy;

THEREFORE, BE IT RESOLVED, that the Council of Trustees approves and certifies the attached Order of Succession Plan and directs the President of Edinboro University to deliver the Succession Plan to the Chancellor, in accordance with Board of Governors Policy 1983-14-A.

Approved this 9th day of November, 2016.

Dennis R. Frampton, Chairperson
Council of Trustees

Barbara C. Chaffee, Vice Chairperson
Council of Trustees

Daniel E. Higham, Secretary
Council of Trustees

**Edinboro University of Pennsylvania
University Order of Succession Plan
2016-2017**

1. Dr. Michael Hannan
Provost and Vice President for Academic Affairs
2. Mr. Guilbert Brown
Vice President for Finance and Administration




EDINBORO UNIVERSITY

H. FRED WALKER, Ph.D.
PRESIDENT

MEMORANDUM

TO: Mr. Frank T. Brogan, Chancellor
Pennsylvania State System of Higher Education

FROM: Dr. H. Fred Walker, President 

DATE: November 9, 2016

SUBJECT: Order of Succession for Edinboro University

In accordance with revised Board of Governors Policy 1983-14-A, I submit the approved Order of Succession for Edinboro University. This Order of Succession listing identifies in rank order members of the Executive Leadership Team (ELT) who will act on my behalf in event of absence, temporary incapacity to fulfill presidential responsibilities, or in the event there is a vacancy.

Dr. Michael Hannan, Provost and Vice President for Academic Affairs
Mr. Guilbert Brown, Vice President for Finance and Administration

On November 9, 2016 the Edinboro University Council of Trustees resolved and hereby approved the above-referenced Order of Succession plan (Certifying Resolution enclosed) as required by Board of Governors policy. I will notify you if the Order of Succession plan needs to be adjusted in any way.

Enclosure/Attachment-Certifying Resolution and Order of Succession Plan

C: Mr. Dennis R. Frampton, Chair
and Members of the Edinboro University Council of Trustees
Members of the Executive Leadership Team

Academic Affairs - Report
Edinboro University Council of Trustees
November 9, 2016

Grants and Sponsored Program

- Edinboro University has developed a new system that will streamline the grant submission process. New documents and procedures are located on the University's internal Grants and Sponsored Programs webpage.

Grants recently awarded:

- Dr. Peter Lindeman, professor in the Biology Department, received a third year of funding in the amount of \$40,000 from the U.S. Department of Fish and Wildlife Service to conduct populations surveys of the Megacephalic Map Turtle. Dr. Lindeman travels to Mississippi between mid-May and the end of June to conduct his research.
- Dr. Terri Astorino, professor in the Nursing Department received \$113,000 from the Dr. and Mrs. Arthur William Phillips Charitable Trust to purchase a new maternity simulator which will be used to train nursing students on labor and delivery techniques.
- Ms. Julie Chacona, Director of Development, received \$25,000 from Erie Insurance to assist with developing an outside classroom at Porreco.
- Ms. Darla Elder, Director of Ghering Health and Wellness Center, received a \$1,500 grant from the PA Faculty Health and Welfare Fund to provide CPR and First Aid training to faculty to prepare them for an emergency on campus.
- Edinboro University's Office for Students with Disabilities received a \$7,500 grant from PASSHE to support a pilot project designed to recruit and support students with autism spectrum disorders.
- Ms. Karen Murdzak, Information Technology Services, received a grant for \$190,000 to support distance education programs with Titusville School District.
- Dr. Tim Thompson, professor in the Communication Studies Department, received \$8,900 from the Erie County Gaming Revenue Authority to host the Edinboro Highland Games of 2017.
- Ms. Fai Howard, Assistant Vice President for Academic Success and Student Retention, received a National College Testing Association (NCTA) Grant for \$3,430.50 to host a symposium in May of 2017.

University Outreach and Campus Programs

- On August 26, New Student Convocation was held in McComb Fieldhouse for the Class of 2020. Freshmen and transfer students pledged to take an active role in their education, be open to new ideas and to become engaged outside the classroom.
- A Reading Initiative was launched this fall semester by the Provost encouraging faculty to expand non-textbook reading across courses on campus. Requiring additional reading outside their regular coursework will assist the enhancement of our students' vocabulary, support their ability to think critically and solve problems, and improve their writing and creativity.
- Edinboro University's Office of Social Equity, Center for Faculty Excellence and Office of the Provost will host the Social Equity Distinguished Lecture Series throughout the academic year. The theme topic is Social Justice and each month, a faculty member will present on the intersection of Social Justice or Social Equity. The series is designed to broaden the educational experience of Edinboro University students and the community by providing an opportunity for our faculty to share thought-provoking and engaging research on the topic of Social Justice or Social Equity. Some of the presenters for the fall semester include Dr. Margaret Smith (Public Health), Dr. Stephen Sullivan (Philosophy), Dr. Stacie Wolbert (Education) and Dr. George Richards (Criminal Justice). The lecture series will continue through the spring semester with presentations by Dr. Jerra Jenrette (Cultures), Dr. Irene Fiala (Sociology), and Dr. Samuel Claster and Dr. Lee Williams (Sociology).

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Academic Affairs - Report
Edinboro University Council of Trustees
November 9, 2016

- The Sophomore Experience program was launched this academic year as a follow-up to the newly structured First Year Experience program. The emphasis of the program is on engagement in experiential learning opportunities. The first event was held on September 19 highlighting internship opportunities as part of an Internship Academy housed in Edinboro University's Office of Career Services.
- The Provost provided two tuition scholarships through the Provost Leadership Fund for Shandong University of Technology (China) students to enroll in an online course at Edinboro University in global business. The intent is to strengthen the relationship with SDUT and provide a channel to direct more students from that university to online Edinboro University courses and face-to-face programs.
- The Center for Faculty Excellence launched the Monday Morning Mentor series through Magna Publications, providing faculty with access to a series of weekly resources to support professional development.

Faculty Recognition

- Dr. Colleen Bessetti-Barrett, faculty member in the Department of Nursing, served as a panelist following the showing of "Someone You Love: The HPV Epidemic" on August 11 at The Movies, located in Meadville, PA. The award-winning documentary followed the lives of five brave women affected by Human Papillomavirus (HPV).
- An exhibit entitled "I think I found it upside down" by Dietrich Wegner, faculty member in the Department of Art, will be featured at the Erie Art Museum opening in September.
- Dr. Andrew Smith, Professor in the Communication Studies Department, was named the recipient of the Pennsylvania Communication Association's 2016 Donald Ecroyd Research and Scholarship Award.
- Dr. Dale Tshudy, professor in the Geosciences Department, and Dr. Ulf Sorhannus, professor in the Biology Department, were recently notified that a paper they collaborated on entitled "Evolution of the thaumastocheliform lobsters (Crustacea, Decapoda, Nephropidae)" was published in the journal, *Zoologica Scripta*.
- Dr. William Pithers, professor in Psychology Department, attained Fellow status within the Society for Clinical Psychology in the American Psychological Association (APA).
- A peer-reviewed publication entitled "The Use of Texting as a Medium for Deception Among College-Age Texters," by Dr. Ronald Craig, professor in the Psychology Department, Angelica Perez, M.A., and Brett Gatesman, M.A., was recently published in the academic online journal *Media Psychology Review* Vol. 10 (1). Dr. Craig's co-authors are former undergraduate students from the Psychology Department.

Student Recognition

- Megan Kunst, an Edinboro University honors student, presented her research on forensic facial reconstruction at the 2016 National Collegiate Honors Council Conference in Seattle this October 12-16. Megan took first place at the 2014 conference in Denver for her project using math formulas to bring linear perspective to art.
- Erin O'Brien, a junior at Edinboro University, minoring in Political Science, attended the Democratic National Convention in Philadelphia during the week of August 1. Erin reported on her experience for the Titusville Herald, where she conducted interviews and gave readers a sense of what it was like to be caught up in history itself. Erin was accompanied by professor Rhonda Matthews who teaches politics at the University.
- During the summer, Edinboro University Chemistry Department student, Mirnessa Vakufac, was selected for a forensics internship at the Allegheny County Medical Examiner's Office. Kevin Shuman

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Academic Affairs - Report
Edinboro University Council of Trustees
November 9, 2016

of the Physics and Technology Department was selected to participate in the Department of Energy's Science Undergraduate Laboratory Internship program at the Fermi National Accelerator Laboratory (Illinois).

Miscellaneous

- The Office of the Provost hosted a day-long New Faculty Orientation on August 25 that involved a walking tour of various offices throughout the morning, including the Office for Students with Disabilities, Veterans Success Center, Registration and Financial Aid, Center for Faculty Excellence, Technology Center, Learning Commons, Library, Frank G. Pogue Student Center and Student Affairs. Hands-on technology training was also provided in the afternoon. Topics covered included SCOTS/Degree Works, Starfish Retention Solutions software, D2L (online/distance education), faculty email and Employee Self Service (ESS).
- The Edinboro University Philanthropy Council Women to Women networking series hosted EU Alumna, Andrea Stevenson Connor, who presented "Global Leadership and Social Responsibility" on Tuesday, September 13. Andrea holds a master's degree in Global Leadership from Duquesne University and a bachelor's degree in economics and business from Edinboro University.
- Edinboro University received a 2016 Higher Education Excellence in Diversity (HEED) Award for the third year in a row from INSIGHT Into Diversity magazine. The University will be featured in the November issue acknowledging Edinboro's "outstanding commitment to diversity and inclusion."
- The Edinboro University Highland Games was held on September 8-11. Featured attractions included world-class musicians, fine gift vendors, fiddle and harp competitions, Highland dance and athletic competitions, pipe bands and solo competitions, clan gatherings, kids' crafts and games and traditional Scottish food.
- The 6th annual Potterfest took place on September 17-24 at Edinboro University and the surrounding community with events that included the Potterbowl Trivia Contest, Harry Potter theme music performances by the Edinboro student symphonic wind ensemble and choir, and The Joey Laythe Wizard Scrabble tournament.
- Homecoming festivities took place October 6-8. The three-day event included many activities such as the annual Alumni Golf Outing, the 28th Annual Speech-Language Pathology Alumni Conference, SCOTtalk featuring stories from highly successful EU alumni, the Kilted Mile race and the Homecoming parade.

Proposal to Revise Admission Standards for Main Campus General Students

Edinboro University employs multiple admission standards and requirements depending on student major and campus. The focus of the current proposal is to increase the admission standard that applies to most students studying in main campus programs. Excluded from the proposed change are standards related to the following: Porreco College, specialized programs (e.g., Nursing, LECOM-related programs), the Academic Enrichment Program (AEP), and transfer students.

Current general admission standards considered for change through this proposal include the following:

- College prep curriculum (consistent with PASSHE recommendations)
- Min **2.5** cum H.S. GPA (4.0 scale)
- Min **800** SAT (CR & M only) or 16-17 ACT composite (16=790; 17=830)

Predictive Model of Retention

A predictive model of second year retention (logistic regression) was developed and estimated using five years of data for the University. The model structure was as follows:

- Dependent Variable:
 - 2nd Year Retention (binary)
- Independent Variables:
 - **H.S. GPA**
 - **SAT Composite Score Equivalent**
 - Expected Family Contribution (EFC)
 - Undeclared Student (binary)
 - H.S. Percentile Rank
 - External Scholarship
 - Difference b/t application and start of term (days)

The most significant variables in terms of explanatory power were H.S. GPA and the SAT Composite Score Equivalent (hereafter, SAT), both of which are components of the existing admission standard. It should be noted that the EFC variable was also an important indicator, but given the mission of the University should not be considered in making an admission decision.

A simplified model was estimated using only H.S. GPA and the SAT as independent variables. The results show that H.S. GPA was relatively more important in explaining second year retention with a weight of 81.7%, with SAT weighted at 18.3%; the model had a concordance ratio of 0.64.

Proposed Formula for Admission Decisions

Rather than continuing with an admission standard that sets minimum H.S. GPA and SAT values, a formula is developed to move to a higher standard that also allows students flexibility to offset a lower value for one variable with a higher value for the other (e.g., a higher H.S. GPA value can offset a lower SAT score in determining admission). Assuming equal weight to both the H.S. GPA and SAT results in the following formula:

$$(1) \quad (400 \times \text{GPA}) + (\text{SAT})$$

The maximum value using this equally weighted approach is 3200 $[(400 \times 4.00) + (1600)]$. Since the predictive model, discussed above, showed that H.S. GPA is a significantly stronger predictor of second year retention, a weighted version of the formula results in the following:

$$(2) \quad 0.8(400 \times \text{GPA}) + 0.2(\text{SAT})$$

At the current admission standard, a student meeting the minimums for both GPA and SAT would have a total score of 960 $[0.8(400 \times 2.50) + 0.2(800)]$.

To raise admissions standards, a combined score above 960 must be established. To determine that value, an analysis of student data from the previous three years ($n > 3,500$) was performed relating admissions scores generated from equation (2) to the probability of retention to the second year. Results from this analysis are shown in Table 1. It should be noted that the mean second year retention rate for all data is 0.70 (70%). It was determined through examination of retention probabilities at the student level within the shown score ranges that the **greatest improvement in retention occurred where the student admission score was near the value of 1140**. This value also corresponds to an approximate H.S. GPA of 3.00 and a composite SAT score of 900.¹ Per the highlighted range in Table 1, this also corresponds to a predicted probability of retention of approximately 60% for any given student with that score. Also note that the student could still meet admission requirements with a H.S. GPA below 3.00 or a composite SAT score of less than 900, provided that the other measure is above these levels.

Formula Timing and Impact

The implementation of the higher standard is proposed over a two cycle period for recruitment. The combined score minimums for each year are proposed as follows:

Fall 2016: 960 (using current minimum requirements)
Fall 2017: 1050
Fall 2018: 1140

Table 2 shows selected combinations of H.S. GPA and SAT that would allow a student to meet the 1050 (light yellow) and 1140 (darker yellow) score minimum. The results show that should a student's H.S. GPA be at the level of 3.25 or higher, an SAT less than 800 would still allow the student to meet the 1140 target value. As an example, if a student had a H.S. GPA of 3.25, the student would just need an SAT of just 500 to have a weighted admission score of 1140. To correct for this problem, the weighted decision rule defined in equation (2) would be subject to **floor values** of 2.50 for the H.S. GPA and 800 for the SAT. Thus, even if a student had a high H.S. GPA, she would also need to meet the SAT floor value of 800.

¹ Note that a revised version of the SAT exam goes into effect this academic year, where a combined score of 900 under the current version of the exam would correspond to a score of 980 under the new exam. The analysis presented here is based on the current scoring system, so the admissions standard target would need to be adjusted in the future once the University fully moves to use of the new SAT measure.

Based on the analysis of data presented in Table 1, the predicted loss of students resulting from the higher standard would be 95 students once the combined score is 1050, and 178 students once the combined score is raised to 1140; both losses represent differences from enrollment levels when the combined score is 960. This loss assumes that all students not meeting the higher standard would not attend the University. However, in reality some of these students may be directed to Porreco College, which would retain a lower admission standard, or the AEP (conditional admission) program. It is also expected that the loss of students may be lessened by attracting more higher-qualified students who would have not previously considered Edinboro as a first choice university.

The second year retention rate is expected to rise from 70% to approximately 72% once the combined score is set to 1050, and to approximately 74% once the combined score reaches 1140. These estimates do not including the impact of other retention initiatives underway. An increase in third and fourth year retention rates would also be expected and contribute favorable to university finances.

Concluding Points

1. This proposal suggests a two-year phase-in period to limit the negative impact on new enrollments. A three-year period may also be considered.
2. The strategy includes communicating admission standard changes to guidance counselors, and at high school fairs and other venues to push the positive message of quality. The actual formula for admission would not be shared, but rather the understanding that higher overall standards are in place that will include a combination of H.S. GPA and SAT score.
3. The strategy will include maintenance of a communication channel (from Admissions) to those denied/deferred with a path for future admission.
4. The University's access mission will be met through the Porreco College and AEP.
5. The Admissions Office will develop a "Plan B" strategy for admissions in late spring for those narrowly below the minimum score to assist in meeting the University's enrollment target.
6. As the retention rate improves, the University will continue to maintain its academic support investment (ASC) for AEP students, lower performing students, and to increase all student engagement and expand retention programming beyond the 2nd year.
7. The strategy will include development and implementation of an intentional transition program to move qualified associate degree students to baccalaureate programs.
8. This proposal was limited to the broadest admission standard impacting most main campus students. An analysis of other admission standards (e.g., AEP, transfer) is to be undertaken for potential revision.
9. The impact of such a change on athletic recruitment, student race, gender, and Pell-eligible status are under evaluation for presentation.

Table 1. Probability Model Results

Weighted Score	Count	AVG Retention Prob	AVG H.S. GPA	AVG Composite SAT
Below 950	165	0.55	1.40	914
950 - 999.9	120	0.49	2.54	898
1000 - 1049.9	175	0.52	2.68	894
1050 - 1099.9	185	0.56	2.81	911
1100 - 1139.9	184	0.59	2.94	907
1140 - 1149.9	55	0.61	2.99	936
1150 - 1199.9	277	0.64	3.11	926
1200 - 1249.9	322	0.67	3.24	939
1250 - 1299.9	348	0.71	3.39	960
1300 - 1349.9	356	0.74	3.54	965
1350 - 1399.9	426	0.77	3.69	979
1400 - 1449.9	447	0.80	3.80	1043
1450 - 1499.9	339	0.83	4.00	1081
1500 Above	129	0.87	4.17	1217
Grand Total	3528	0.70	3.33	978

Table 2. Admissions Score Matrix

Table with 40 columns (Old SAT 800-1500) and 40 rows (New SAT 800-1500). Each cell contains a numerical score. The values are symmetric along the main diagonal, representing a matrix of admission scores. The diagonal elements range from approximately 800 to 1500, increasing in increments of 10. The off-diagonal elements are slightly lower, representing a range of approximately 750 to 1450. The overall pattern shows a strong positive correlation between Old SAT and New SAT scores.

Values within the table represent combined admission decision scores from equation (2).

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ADMISSIONS

- Promoting and Marketing EU to Campus visitors – Giveaways: bags, pens, bags, shirts, pennants
- Tartan fabric material - Tablecloths and white banners - will provide consistent EU table coverings for all recruiters. New ones passed out in October 2016.
- Student Search Purchase - SAT Names - Purchased 30,000 names in the past. Increased to 104,000.
- Diversity Recruiter Hired - Marissa Rodriquez
- Performance Improvement – Make Admission Counselors more accountable for their territory numbers and outlining their individual goals.
- Color copier - Working with the Purchasing office on lease/pricing. Pricing color copiers to make more in-house copies verses sending them to an outside vendor which can be more costly.
- Outsource mailings – October 2016 MSL Direct was the successful vendor – Senior Mail Flow
- Earlier communication with all students - Beginning to reach out earlier to all inquiries.
- Open House Schedule – Revised - Strategic – When and how we contact and engage prospective students (organized and coordinated efforts with other offices and departments that are involved). Moved open house event hours from 1 p.m. – 3 p.m. to 9:00 a.m. – 2:00 p.m., this provides additional time to build relationships, share relevant information and tour campus.
- Shared Project worksheet with staff to enter what they have implemented in Admissions.
- Department Chair Meetings-Updates – Dr. Edmonds and Counselors are meeting with Academic Departments to keep updated with any changes that are/may occur.
- Alumni involvement - Alumni will participate in recruitment during campus events, homecoming, college fairs etc.
- Transcript evaluator position upgraded - Evaluator now has the ability to make admissions decisions - increases our transfer decision process turnaround time by using two counselors.
- Update recruitment brochures and content – Together with Communication and Marketing Department - Reviewed/updated with EU branding.
- Military Friendly Advertisement Campaign - Veterans Success - National recruitment campaign targeted at Veterans in order to broaden our market of Veterans. Project is currently pending legal review and final approval from purchasing.
- Summer Melt Project – Parents - Increase communication to parents by mailing letters and proud parent of a Fighting Scot sticker.
- Strategic Importance of Enrollment Management – Enrolling qualified students, every employee is an EU Recruiter.
- Promotion of William A. Edmonds - Promotion from Associate Vice President for Enrollment Services to Vice President for Enrollment Management.
- Marketing now reports to Enrollment Management – To improve our marketing strategies for recruitment and to improve our brand.
- Updated all admit letters.
- Veteran Retention Numbers - Veterans Success - Compile data from Banner reports spanning the last year to better understand the retention rate of students currently utilizing GI Bill® benefits. Results show that we have a 75.5% retention rate for Veterans utilizing various version of the GI Bill/Military Benefits.
- Promoting EU to our local high schools - Delivered mini-footballs to surrounding school districts to pass out during home football games.
- Dual Enrollment Early Advantage - Website update - Updated website to be more user friendly for students to enroll.

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- SPACMNT rollout clerical staff - Support staff will be using SPACMNT to document student interactions and communication.
- Drop Box - Shared Drive - Create a shared drive for admission counselors to download college visit inquiries daily from the road vs waiting to bring them into the office - will speed up response time.
- Updated Open House Letters - Fall 2016 Confirmation letters/emails and thank-you's.

FINANCIAL AID EVENTS FOR FALL 2016

September 2016

- 09/15/2016 Banner upgrade installed- tested in DEVL and loaded into production
- 09/27/2016 - Common hour mini-session- financial aid – Diana presented how receive and keep financial aid
- 09/28/2016 - FAFSA information night- Ft. LeBoeuf High School 7:00 PM- Diana presented on how to complete the FAFSA and common mistakes to avoid in completing.

October 2016

- 10/04/2016 - Common hour mini- session- financial aid- Diana presented
- 10/15/2016 - Open house presentation and table fair- Diana presented FAFSA filing information, counselors were on hand at table to answer family and student's questions regarding financial aid
- 10/18/2016 - Common hour mini-session- Diana present
- October - Due to new FAFSA filing date of October 1 (instead of January 1) - setting up of Banner for new award year 17/18 has been pushed to October- beginning to set up 17/18 so that ISIRs can be pulled in

November 2016

- 11/02/2016 - FAFSA completion workshop - Ft. LeBoeuf 6-8 p.m.
- 11/05/2016 - Open house - presentation and table fair
- 11/10/2016 - FAFSA completion workshop - Fairview High School 6-8 p.m.
- 11/15/2016 - GRAD fair - Diana present financial aid information

MARKETING AND PRINT PUBLICATIONS

- Developed overall marketing strategy for 2016-17 with media buying agency. Plan focuses on Erie and Pittsburgh DMA's, plus eastern Ohio and southwest New York markets.
- Began new movie theater advertising campaign that includes lobby and in-theater commercials, plus behavior-retargeted video and display ads.
- Finalized planning to launch new EU web/mobile digital campaign, including keyword search retargeting, contextual retargeting and geo-fencing.
- Finalized plans for paid search AdWords campaign to market key programs.
- Completed TV campaign in Erie market during Olympic telecasts to drive EU brand awareness during peak viewing.
- Worked closely with Admissions to finalize communications plan, and launched mail flow #1 to prospective students.
- Completed successful Homecoming promotion, including Kilted Mile, Golf outing and main event publications and signage.
- Completed multimedia marketing plan for EU fall Open House events, including TV, radio, print, web/mobile, social media, direct mail and email.
- Completed signage and materials for Open House.
- Finalized and implemented the Edinboro University Weather Camera as part of the WJET Sky Cam network, which provides on-air promotion plus broadcast and online/mobile advertising.
- Placed various print and web/mobile ads in fall college fair and "back to school" publications.

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- Promotion of the summer Porreco Under the Stars Movie Series.
- Continued social media promotion of events, news and happenings at EU.
- Completed successful marketing of the EU Highland Games and Scottish Festival, including multi-media and various individual components.
- Began first of the 2016-17 Graduate Studies email blasts with a message to teachers promoting Education.
- Coordinated and began implementation of new Graduate Studies online/mobile retargeting campaign.
- Worked with Admissions and the individual Schools/Colleges to move forward with brochures in a similar layout to the School of Education piece.
- Created Snapchat geofilters to run during key events like Open House and Welcome Weekend.
- Completed August 2016 edition of Edinboro University Magazine.
- Assisted Admissions with design and branding in Academy Hall.
- Created/revised publications and projects for Admissions:
 - Counselor visit postcards
 - Inquiry card
 - Next Steps postcard
 - Visit posters/flyers
 - Table covers
 - Student Activities flyer
 - View book
 - Search piece
 - EU flag cutout
 - Fighting Scot cutout
 - Transfer brochure
 - Adult Students flyer
 - New flyer titled “Things to do Around EU,” highlighting the many activities available on and off campus
- Assisted various departments with their design, marketing and publication needs, either through our workflow ticket system or direct contact:
 - Transfer and Adult Students brochure
 - Music and theater pop up
 - Alumni giveaway binder clip and packaging
 - Phonation forms
 - VSC brochure updates
 - New Student Orientation (NSO) postcard
 - NSO packet materials
 - Alumni house directional signage
 - BASIS flyer update
 - SCOT talk banners
 - SLP flyer
 - PSAC media day program cover
 - Electronic registration postcard
 - Hall of fame program
 - Advancement charts
 - Dr. Walker stationery
 - Athletics schedule posters
 - Listening hour email

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- Grad course catalog cover
- MASS brochure/flyers
- MSW brochure reprint
- EU notecards reprint
- DNP ad
- Porreco pocket folders reprint
- Commencement invitation postcards
- Grad school table top display
- Comm/journalism alumni board update
- Poster highlighting EU's Green Initiatives
- Ad in the Erie Times News Pink Breast Cancer Awareness issue, highlighting the EU Nursing program

WEBSITE

- Updated the Costs landing page to include an annualized overview of tuition and fees, room, and board (at the recommendation of Ruffalo Noel Levitz).
- Replaced all instances of the cost calculator on the web with a link to the new DOE calculator.
- Revised the messaging on the Request Information form response to include links to additional resources on the web.
- Regular updates to the Homecoming website leading up to the event; created Guidebook app with virtual map and rotating ads.
- Setup Porreco Open House registration page.
- Updated the Transfer and Adult Student Services webpages to reflect the combined departments/services.
- Testing the option to embed BoroSync calendar on our website as the main University calendar, rather than paying for a separate platform (currently Active Data calendar).
- Migrated news pages to following Google News standards and appear in search; submit to Google.
- Began planning on major initiative to expand the majors and programs listing on the web, to strengthen highlights and distinctive aspects of each program.

VETERANS SUCCESS CENTER

- Commenced advertising partnership with G.I. Jobs magazine. A quarter page advertisements will appear in the Military Friendly Schools special edition and our school profile is already available on the Military Friendly School search tool. This initiative piggy backs with Edinboro's national recognition as a Military Friendly School and increases exposure to Veterans on a national scale.
- Initiated first fall session Veterans orientation. Built on the success of the spring session Veterans orientation, incoming Veteran / G.I. Bill beneficiaries were invited to attend special information sessions. New students learned about the services the Veterans Success Center provides, G.I. Bill benefits, and their student records were reviewed to ensure all new students were ready for class.
- Enrollment of Veteran students between 2012 and 2015 increased by 26.4%. This is indicative of an upward trend in Veteran enrollment.
- New tracking measures have been put into place utilizing Banner reports in order to better track retention of Veteran students. Current retention rate of Veteran students is 75% between 201610 and 201710, calculated based on total number of Veterans enrolled in both the undergraduate and graduate programs.

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Attachment #5

Office of the Vice President for Finance and Administration

- ❖ Successfully refinanced and acquired The Highlands Housing Facilities from the EU Foundation on September 7, 2016.
- ❖ Closed out the fiscal year with a deficit which was 1/3 the budgeted deficit.
- ❖ Closed and cleared all “open” findings contained in the PASSHE Office of Internal Audit and Risk Assessment 4th Quarter Report issued on July 12, 2016.

Accounting and Finance

- ❖ Updated the financial managers in SAP for recent personnel changes.
- ❖ Worked with the Bursar office to update federal grant reporting authorizations for drawing loan and grant funds.
- ❖ Provided finance training session for new chairs of academic department and departmental managers.
- ❖ Athletic summer camp billing.
- ❖ Completed preliminary and final Council of Trustees financial reports for FY2016.
- ❖ Completed fiscal year closing processes in preparation for the FY2016 financial audit.
- ❖ Worked with the CliftonLarsonAllen auditors so they could complete the June 30, 2016 external audit of the financial reports and accept by the August 31, 2016, PASSHE due date.
- ❖ Submitted the approved PASSHE Financial Information report for the June 30, 2016, fiscal year by the August 31, 2016, due date.
- ❖ Initiated training of the academic departments in Travel Management.
- ❖ Grant reconciliation for fiscal year 2016.

Budget

- ❖ Successful budget training sessions were held in August and September. Invitees included new employees or those employees who have assumed new roles at the University and now have a financial management role. These training sessions were conducted by Budget Director Theresa Villella, Assistant Comptroller Sean Bliley and Purchasing Director Darla Spaid who provided an overview of the procurement procedures. This joint venture was well- received by the participants and the training team plans to conduct additional sessions during the fall semester.
- ❖ Budget Director and Office of the Vice President for Finance and Administration completed and submitted the annual PASSHE Budget Report.
- ❖ Also, in collaboration with the Institutional Research office, completed the 2015-2016 Department Credit Analysis which is utilized by the Provost and Deans.

Bursar

- ❖ Traffic activity for the Bursar Office was similar for August 2016. This year, 2,052 telephone calls were presented and 1,370 students and parents received assistance at the front counter. In addition, during August 2016 there were 4,121 responses sent for email correspondence received in the Bursar Office email account. Cash transactions processed in August 2016 at the front counter and through the mail totaled \$3,275,194.

Capital Projects

- ❖ Completed Design with some construction for the Van Houten Overhead Door and Patio Project.
- ❖ Substantially completed the Rose Hall Elevator Project. Along with inspections for ADA Compliant items and started close-out project.
- ❖ Completed Design of the Alexander Music Center Roof and Envelope Project.
- ❖ Reviewed and inspected new ADA and non-ADA compliant side walkways throughout campus.
- ❖ Coordinated and inspected Dearborn 2nd floor Relocation Project-In-House Project.
- ❖ Started inspections, reviews and paperwork for the Library Learning Commons Project.

Dining Services / ID Card Office

- ❖ Coming off a successful summer conference program of approximately 7,000 meal tickets for camp attendees.
- ❖ Successful opening for Fall 2016 semester integrating door access in the ID Card office. This access programming has made a very smooth transition for students, and without delay, access immediately to their Residence Halls. The ID office continues to be a good contact for students with door access problems.
- ❖ The off campus, Boro Bucks program, seems to be utilized frequently by students bringing the University and the downtown community together.

Environment, Health and Safety (EHS)

- ❖ Connected the University mass notification speaker system to Pogue and Human Services fire alarm systems. This allows the emergency messages to be played through the buildings' fire alarm system.
- ❖ EHS partnered with Information Technology Services (ITS), EU Police Department (EUPD) and Facilities to install a new blue light emergency phone at the rear of Butterfield Hall.
- ❖ EHS worked with several campus departments to resolve the most recent PASSHE Safety and Security Audit findings.
- ❖ EHS has recently developed a partnership with the American Heart Association to offer free "Hands Only" CPR training for the University community.
- ❖ EHS, in conjunction with Facilities, is completing the installation of Automated External Defibrillators (AEDs) throughout campus to increase the chances of survival of someone who is experiencing a heart attack.
- ❖ Completed the annual fire alarm system inspection and test of all fire alarm systems on campus in preparation for the new academic year.
- ❖ Completed the first quarter of the residence hall fire drills. Fire drills are conducted in the residence halls within the first 10 days of the start of class and another drill half way through the semester. This is done to educate the students on the University's evacuation procedures and their evacuation assembly point.
- ❖ EHS, ITS, EUPD, Communications and Marketing assisted with the implementation of the branding of the University's mass notification system (EU Shield) and debuted the new EU Shield app at new student orientation.
- ❖ EHS installed Building Emergency Action Plans throughout the campus to educate the building occupants on the emergency procedures specific to their building.

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Grounds and Maintenance

- ❖ Moved faculty offices from Centennial Hall to Dearborn Hall.
- ❖ Removed brush from around the campus lake.
- ❖ Concrete projects: Reeder Hall – front sidewalks, entrance, side of Reeder
Rose Hall – main entrance walks, entrance circle
- ❖ Removed black top lane (fire lane) behind Miller. Cut 2 1/2 ft of sidewalk/fire lane and brought in 200 yards of material to get sidewalk/fire lane to meet ADA requirements. Put in a concrete sidewalk and landscaped.
- ❖ Put in new catch basin bottom of Miller sidewalk.
- ❖ Blue light phone installed by Baron-Forness Library.
- ❖ Van Houten – removed old patio, removed patio enclosure, poured new concrete patio, built retaining wall, landscaped and tiled behind patio area.
- ❖ Police Station – front walk and main entrance.
- ❖ Doucette Hall – made steps/ramp to loading dock area entrance into all ramp
- ❖ McComb Fieldhouse – removed and fixed damaged sidewalks.
- ❖ McComb Fieldhouse and Wiley Arts & Sciences Center – repaired concrete work from contractors.
- ❖ The Highlands buildings – improved turning radius at trash rooms – added concrete.
- ❖ Parking lot signage – in progress.
- ❖ Painting of light posts and railings throughout campus – in progress.
- ❖ Assisted electricians with light poles down the Library road.
- ❖ Distribution of new trash cans throughout campus – in progress.
- ❖ Dozing/concrete crushed at the back of the barn.
- ❖ Prep site for storage of salt in dome-like facility located behind the barn.
- ❖ Planted five memorial trees.
- ❖ 2nd floor Library – removed shelving units, prepped floor for renovation.
- ❖ Library 1st floor - removed shelving to make room for study tables.
- ❖ Welcome Weekend – prepped grounds (mow, landscaping, etc.), set up events for Move-in Day (convocation, other weekend events).
- ❖ Porreco bridge – tore out old bridge and replaced it
- ❖ Removed four hazard trees in Sherwood Forrest.
- ❖ Facilities staff constructed 49 barricades.

Human Resources/Faculty Relations/Payroll

Human Resources:

- ❖ Shari Gould obtained SHRM-CP on July 14, 2016. (Society for Human Resource Management – Certified Professional). Shari Gould was promoted to Bursar as of September 21, 2016.
- ❖ Temporary Faculty Continuation Contracts – With the Spring 2017 semester, initiating a change to streamline the handling of temporary faculty continuations to reduce contract creation and processing by Human Resources Office and other stakeholders. This process provides earlier notification to temporary faculty member of their continuation; reduces paper handling in the dean's offices, provost office and human resources office; earlier awareness of separations to minimize impact of summer non-eligible health benefit contributions; and potentially reducing unemployment compensation paid with earlier notification of reasonable assurance of continuation.
- ❖ The Human Resources and Faculty Relations Department hosted the CUPA-HR (College and University Professional Association for Human Resources) West Chapter meeting and

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training session on September 30, 2016. There were 16 in attendance coming from Allegheny College, Carnegie Mellon University, Indiana University of Pennsylvania Pittsburgh Technical College, Robert Morris University and Slippery Rock University of Pennsylvania. Topics discussed included: Implicit Bias, Talent Acquisition, and University Diversity/Frederick Douglass Institute.

Payroll:

- ❖ Distance Education Payments – initiated a change to eliminate paperwork while improving the timeliness and accuracy of payments to faculty members; also ensuring CBA compliance.
- ❖ Full use of “My First Days” (ESS) for new hire benefit enrollments. Eliminates the need for the majority of paper forms (some PEBTF and VGLIP enrollments still require paper forms).
- ❖ Rollout of “Recording of Work Hours” via ESS for Facilities Office personnel. We have identified a few anomalies and once a fix is in place, we plan to continue the rollout.

Information Technology Services (ITS)

- ❖ Added Access Points in Doucette to enhance Wi-Fi coverage for classroom devices.
- ❖ Provided network, Wi-Fi, phone and fax capabilities for Ghering Health Center emergency location in Towers A.
- ❖ Ran fiber optics cabling for mass notification system in Pogue Student Center and Human Services building.
- ❖ Ordered equipment and held kickoff meeting for Campus Digital Signage project.
- ❖ Converted the Employee Microsoft Personal Purchase (Work at Home) service to the new Online O365 Service.
- ❖ Streamlined Print Management Quota process to gain efficiencies.
- ❖ Researched and implemented FireFly Thin Client Software solution for older PCs.
- ❖ Upgraded Porreco Barn 6 with 29 new computers and monitors.
- ❖ Imaged and installed 4 iMacs in OSD testing room.
- ❖ Installed scanner and braille embosser in OSD.
- ❖ Deployed Smart Office 2016 System Center Configuration Manager (SCCM) installation package.
- ❖ Replaced entire WiFi network in the Highlands (480 Access Points) with new state-of-the art ARUBA WiFi equipment. This increases throughput by as much as ten-fold and provides much better coverage for students. Installation was done in-house at a cost of 1/3 what an outside vendor would have charged for just one year and at a savings to the University of approximately \$2 million over five years if outsourced.
- ❖ Doubled the amount of bandwidth for RESnet and implemented Netflix Caching to provide more efficient streaming services for students who increasingly expect and depend on it for their entertainment.
- ❖ Provisioned network connectivity and performed setup of phones, computers and printers for move of faculty offices from Centennial to Dearborn.
- ❖ Performed upgrades in 30 computer labs for start of Fall semester.
- ❖ Implemented Dropbox for Education cloud based storage service. The service provides unlimited file storage and is accessible from most devices anywhere you have an internet connection. All files are always backed up and accidentally deleted files are recovered with ease. The Dropbox website is located at: <https://techhelp.edinboro.edu/scripts/dropbox/index.asp>.
- ❖ Implemented the Departmental Liaison program which is designed to create a partnership between Information Technology Services (ITS) and each department to enhance

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communication and improve technical support by allowing ITS to gain a better understanding of each department's technology needs.

- ❖ The Information Technology Services (ITS) team launched an online Service Catalog which empowers Edinboro University students and employees to resolve technology problems, find helpful information, “Submit a Ticket” for assistance or chat with our Technology Help Center via “Live Support”. The catalog may be accessed by clicking “Tech Help” through the MyEdinboro Launchpad.
- ❖ A total of 70 faculty received new computers and 20 received new iPads through the Faculty Lifecycle Computer replacement program.
- ❖ A change was made to the Caller ID that will display on all outgoing calls from the University. Outgoing calls now display the individual caller's direct dial number rather than the University main number. The outgoing caller name continues to display as Edinboro University. This change will help ensure that those who receive calls from the University find it easier to return those calls.
- ❖ A Distance Learning & Telemedicine Program Grant of \$421,925 was awarded to the Northwest Pennsylvania Distance Learning Partnership that includes Edinboro University as the host university. Edinboro received \$190,000 which will be used for new equipment to establish a distance learning network with three small school districts in northwest Pennsylvania: Titusville, Union City and Forest Area School Districts.
- ❖ Information Technology Services hosted a regional D2L Roadshow which included D2L representatives and Distance Education Directors/LMS Administrators from five PASSHE schools who attended to review the evolving needs of students.
- ❖ Information Technology Services worked with the Athletics coaching staff to develop and install a multi-room solution in McComb 31 and 32 allowing coaches to present material to one or both team rooms via 80” LCD Displays. Historically, this type of solution would be completed by a vendor costing the University thousands of additional dollars.
- ❖ A new Online Parking Ticket Appeal System was implemented which reduces or eliminates the need for in-person visits to the Police department to appeal tickets.
- ❖ Implementation of eTranscripts which allows secure processing of electronic transcripts via The National Student Clearinghouse thereby streamlining and expediting student request and receipt of transcripts.
- ❖ Implementation of Customer Relationship Management (CRM) Recruit software application for the Undergraduate Admissions office to support recruitment and correspondence with prospective students. All necessary test and production server infrastructure was built in-house resulting in overall implementation cost savings.
- ❖ Established new processes for the Bursar's office by developing new reports regarding Balances for Financial and Non-Financial Holds.
- ❖ SIMS Production Link established enabling the Office of Educational Intelligence to pull data directly from our Banner system.
- ❖ Upgraded the cBORD dining services application for new enhancements and security updates.
- ❖ Presented at the Pennsylvania Banner Users Group Technical Days.

Institutional Research (IR)

- ❖ IR has implemented Rapid Insights retention template. This allowed us to use predictive analytics on our incoming class based on the past four years of students. We provided the data to review EU admissions standards and have worked with the Provost and VP of

**Finance and Administration – Report
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Enrollment Management to develop scenarios for admissions standards that will improve our student profile and retention rate.

- ❖ ITS and IR have submitted the Fall 2016 student freeze (census) information to the system in the shortest time in three years and with minimal errors. This is in large part to a concerted effort from the various data inputs on campus including: Undergraduate Admissions, Graduate Admissions, Registration, and many others.
- ❖ The Fall 2016 FTE enrollment at census was 5258.21, this put us 1% over budgeted FTEs or 53.71 FTEs more than projected. The Fall 2016 headcount enrollment was 6181, 2.1% under budget or -133 less than budgeted. This shows that while we have less students than anticipated, they are taking more credits than anticipated. The FTE and headcount numbers are 5.7% and 5.63% below last year's numbers respectively.
- ❖ IR has been lending expertise in two working groups at the system level -- the Alumni Survey Review Committee and the NSSE (National Survey of Student Engagement) Survey Review Committee.

Purchasing

- ❖ Purchasing recently executed an affiliation agreement with Allegheny Health Network that covers three disciplines and multiple locations. It is always exciting to have agreements like this in place as it provides more opportunities for our students when searching for internships.
- ❖ Recently renewed a contract with Northwest Classroom Captioning for Communication Access Real-time Translation (CART) services that can be used by all PASSHE universities.
- ❖ In the past month, our office has processed about 200 purchase orders and service contracts for various campus departments.
- ❖ Since September 1, approximately 25 affiliation agreements were fully executed.
- ❖ New contract with Zito Media fully executed. This new agreement will provide a \$19,000 annual savings to the University for Ethernet services.
- ❖ \$1.8 million in service contracts & purchase orders processed through the Purchasing office in September.
- ❖ Conducted a finance training session for new chairs and others to review the procurement process.

SGA (Student Government Association)

- ❖ Since the beginning of the Fall 2016 semester, 6,125 involvement hours have been tracked on BoroSync with 4,023 people swiping into events. During the entire Spring 2016 semester, 3,388 hours were tracked on BoroSync and 2,294 people swiped into events.
- ❖ For the first time ever, EUSGA setup a tent outside of Pogue and sold popular items that students and their families often forget to pack before they come to campus. The initiative was very well received by students and their families.
- ❖ The EUSGA Vice President of Finance held pre-meetings with clubs and organizations to discuss their General Funds requests before they present to the Finance Committee for deliberation.
- ❖ A representative from the EUSGA Executive Board drove people around campus in an SGA vehicle that needed assistance.

University Police

- ❖ Communicated on October 3, the availability of EU's Annual Security and Fire Safety compliance document. The document can be found on the Edinboro University website at

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<http://www.edinboro.edu/SecurityInformation>. The report contains information regarding campus security and personal safety including topics such as crime prevention, fire safety, university police law enforcement authority, crime reporting policies, disciplinary procedures, sexual assault resources, relationship violence, and other matters of importance related to security and safety on campus. It also contains information about crime statistics for the three previous calendar years concerning reported crimes that occurred on campus, in certain off-campus buildings or property owned or controlled by Edinboro University, and on public property within, or immediately adjacent to and accessible from the campus. This information is required by law and is provided by the Edinboro University Police Department. Edinboro University is committed to assisting all members of the Edinboro community in providing for their own safety and security.

- ❖ Purchase of a new K-9 vehicle with a generous donation provided by the SGA (Student Government Association). This vehicle provides more safety features for the University's K-9 officer.
- ❖ Provided A.L.I.C.E. training to several student groups with a lot of positive feedback for this important and critical active shooter training. A.L.I.C.E. stands for **A**lert, **L**ockdown, **I**nform, **C**ounter and **E**vacuate.
- ❖ Hired and trained a new female police officer.
- ❖ Participated in the implementation of the new emergency notification system and trained all officers on the system - EU Shield.
- ❖ Implemented the new online parking ticket appeals process which eliminates the need for individuals to appear at the police station to complete a written ticket appeal.

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- The Edinboro University Student Government Association (EUSGA) has worked to increase the number of student involvement hours tracked on BoroSync so we may measure where students spend their time. Since the beginning of the Fall 2016 semester (approximately one month), 6,125 involvement hours have been tracked on BoroSync, and 4,023 people have swiped into events. This is a 44.7% increase in hours and a 43.0% increase in number of people swiping into events as compared to the entire Spring 2016 semester.
- For the first time ever, EUSGA set up a tent outside of Pogue and sold popular items that students and their families often forget to pack before they come to campus. The initiative was very well received by students and their families.
- To educate our clubs/organizations on how to properly request General Funds, the EUSGA Vice President of Finance held pre-meetings with clubs and organizations to discuss their General Funds requests before they present to the Finance Committee for deliberation.
- To provide more service to students during Move-In Day, a representative from our Executive Board drove people in need of assistance around campus in an EUSGA vehicle.
- Campus Life hosted a community service fair for Erie and Crawford County Service organizations, allowing them to reach out to our students to provide service opportunities. Thirty-five local agencies participated.
- Shellie Barbich attended the Title IX/Clery update session given by PASSHE legal at Clarion University. The session provided us the guidance to ensure we are following proper procedures in documenting Title IX cases as well as giving us a chance to meet directly with our legal counsel.
- Shellie Barbich and Ron Wilson have created a manual for all Title IX investigators to follow to ensure compliance in our investigations. Shellie successfully recruited six investigators and two advocates for the program. All are receiving Trauma Investigation training and were given all materials on a flash drive to keep accurate yet confidential records.
- To assist in promoting engagement on campus, the Campus Life Office has begun to work directly with the Communications Office to develop a template of activities that can be posted in several arenas so students are aware of events happening on campus and in the community.
- The Department of Residence Life and Housing facilitated more than 200 programs during the first week of classes and has continued to offer four engagement opportunities in each residence hall each week.
- During Welcome Week, the President of the Residence Hall Association (RHA) actively participated in RHA and signed up more than 130 students to engage in the first meeting (held Thursday, September 9). In addition, RHA facilitated 4 “pod” engagement sessions to encourage membership.
- During the Residence Assistant training week, the Department of Residence Life and Housing staff collected approximately 600 pounds of food for the food pantry.

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- Students have been invited to participate in a 4-day, 3-night EU Living-Learning Community adventure to NYC. The trip includes visits to the Statue of Liberty, the United Nations and the 9/11 Museum.
- The Department of Residence Life and Housing is collaborating with the Academic Support Center to offer a six-part “6 o’clock series” for students in the First Year Experience program that highlights strategies for academic success.
- Partnering with the Center for Career development, the Department of Residence Life has hosted the first in a four-part “Internship Academy.” Sessions include: Why Should I Intern? (9/19), Where and When Should I Intern? (10/4), What Do I need to Intern? (10/20), and How Should I Intern? (11/9).
- The Department of Residence Life partnered with Athletics and Dining Services to facilitate an attendance contest to encourage students to attend the first home football game of the season. More than 180 residential students braved the elements to attend the game!
- The Residence Life staff, in addition to managing the check in process, also conducted two floor meetings, participated in Convocation, Play Fair and a variety of other student Welcome Week activities.
- The Edinboro athletic teams have begun to perform community service projects throughout the area. The Wrestling Team once again participated in the annual cleanup of the County YMCA. Members of the Softball Team served as volunteers at the 2016 US Women’s Mid-Amateur Championship at the Kahkwa Country Club in Erie. Teams throughout the year will be participating in a variety of projects.
- The Football Team kicked off the 2016-17 Read to Compete Program with a visit to Edinboro Elementary on September 23. All Fighting Scots athletic teams will take a turn visiting with students from the elementary school at some point this year.
- Campus Life successfully coordinated an on campus student employment fair with several offices conducting interviews and hiring students on site. Several offices contributed services to allow students to work through the processes in one spot and begin work the very next day.
- The Department of Residence Life and Housing is partnering with the Departments of Athletics, Dining Services, and Facilities to re-develop and update processes related to the execution of the summer camps program.
- The system of professional staff members on-call has been re-designed and now includes the Assistant Directors from the Department of Residence Life and Housing. On-call staff members provide expert direction and intervention in the event there are campus emergencies that occur after hours or on weekends.
- The Residence Hall Association (RHA) has established a fundraising relationship with Off Campus Marketing programs (OCM). With expected proceeds totaling about \$4,000 each year, this

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Student Affairs – Report
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relationship will assist RHA, a group advised by the Department of Residence Life and Housing, to provide programming to residence hall community members.

- The Department of Residence Life and Housing redefined the scholar role to equalize scholar compensation across campus, while reducing the Living Learning Community budget by \$15,220.
- In order to ensure the smooth operation of the University, afford students more flexibility with the check in dates, and to accommodate the EU athletic program, the Department of Residence Life and Housing accommodated more than 500 early check-in students.
- For the first time in two years, the Department of Residence Life and Housing, in partnership with the Department of Criminal Justice has added a Criminal Justice scholar back onto the Criminal Justice living learning community.
- Dave Goodwill and his staff successfully completed a summer of several revenue-generating ROPES sessions.
- The Counseling and Psychological Services (CAPS) Department added early evening appointments on one weekday and may add more based on student demand.
- CAPS partnered with Therapy Dogs United to reduce student stress on move-in day. Monthly events dubbed "Pause and Paws" are scheduled.
- The Pogue Student Center Staff, Campus Life Student Staff, Recreational Sports, Programming Board, and CORE student staff all attended fall training which encompassed 5-10 day training periods including ALICE, social equity, Title IX, customer service, functional information and many other important topics.
- In combined efforts with the Tom Ridge Environmental Center, EU participated in our 6th annual International Coastal Clean Up in order to clear local waterways of debris. We collected 179.25 pounds of debris from our waterways filling nearly 85 trash bags.
- The Department of Residence Life and Housing is in the process of upgrading its computer platform that houses student occupancy data. This upgrade will afford the department the ability to automate check-in procedures, room condition reporting, and billing.
- Cyndi Waldinger and Amy Franklin-Craft attended the PASSHE BASICS (Brief Alcohol Screening and Intervention for College Students) and CASICS (Cannabis Screening and Brief Intervention for College Students) training course in Shippensburg, Pennsylvania. These programs are designed to assist students in examining their own drinking behavior in a judgment-free environment. The goals are selected by the student and aimed at reducing risky behaviors and harmful consequences of drinking. After participating in the final training session on October 6, each will be certified to train others to and facilitate the BASICS and CASICS to program with alcohol and other drug policy violators.
- Josette Skobieranda-Dau, Assistant Director of Residence Life and Housing, has been trained and was added to the Student Affairs roster of Title IX intake personnel.

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Student Affairs – Report
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- The Department of Residence Life and Housing revised one Graduate Assistant position to include student conduct, by-stander intervention programming for the NCAA Step Up campaign and expanded the role to include mentoring for students in need. The mentoring function is intended to increase student civility and individual student responsibility within the EU campus.
- The department of Residence Life and Housing, in order to be fiscally responsible, reduced its operating budget by \$176,000. It then reduced the budget again by \$114,000.
- The Football Team is off to a winning start under first-year coach Justin Lustig. That includes a double overtime win over West Chester, the PSAC East pre-season favorite. Lustig is the first football coach in Edinboro history to win his first three games, and the 3-0 was the first since 2011.
- Head Coach Gary Kagiavas' team is off to the best start in school history at 8-1-0, and is currently ranked 20th in the latest NSCAA Division II Top 25. At one point, they climbed as high as 11th, the highest ranking in school history. Kagiavas won his 200th match as Edinboro's head coach recently with a 3-0 win over Lock Haven.
- The Women's Volleyball Team suffered four straight losses, two to nationally-ranked teams, while competing in the Oredigger Classic in Colorado to start the season, but has since run off nine straight wins. Head Coach Missy Soboleski picked up her 400th career win with a victory against Notre Dame (Ohio) on September 13.
- First-year head coach Ryan Foster currently has the Men's Cross Country Team ranked third in the Atlantic Region and receiving votes in the national poll. The Women's Team is sixth in the Atlantic Region.
- To keep all voter registrations within non-partisan guidelines and to eliminate the ability for independent drives to solicit student information, the Student Affairs leaders developed a SOP (standard operating procedure) for anyone choosing to officially host a voter registration drive on campus.
- Campus Life has begun the process of managing central reservations for the University.
- For the 2nd year in a row, students and employees had information at their fingertips thanks to the Welcome Weekend app for smart phones and devices. The app will help our students through their first semester with information available until mid-December.
- Well-received changes were made to Welcome Weekend. The freshman move-in process was altered to allow more contact time for students and families with Edinboro employees as the employees directed traffic and helped students carry their items into their residence halls.
- Student Affairs successfully assisted the Highland Games with their EUSGA budget expenditures, ensuring that we were compliant with all SGA policies for expenditure of student funds through contracts and certificates of insurance.
- Residence Life and Housing has established a regular meeting with Living Learning Partners.

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Student Affairs – Report
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- The Department of Residence Life and Housing student staff selection processes for Resident Assistants has been moved from Spring semester to a Fall semester process.
- In order to facilitate more fluid staff selection processes, approximately 60 student staff and professional staff members from the Department of Residence Life and Housing are completing Talent Acquisition Training, in conjunction with the Office of Social Equity.
- The Department of Residence Life and Housing created a comprehensive damage billing process for the summer sports camps program.
- Student Health Services (SHS) converted the accreditation information from a paper system to an electronic system.
- SHS relocated the emergency, back-up first-aid station from Tower B to Tower A.
- Ghering Health and Wellness Center created a student worker assignment sheet so tasks are completed in a timely and efficient manner and in order to exchange information between the various shifts.
- Over the last two weeks, the Pogue Student Center student staff have received several accolades from customers with excellent customer service experience.
- Fifteen EU ROTC Cadets attended advanced training at Fort Knox, two attended basic camp, one earned her Airborne Wings, two attended CULP [one in Gabon, one in Slovakia] and one completed project GO by studying Arabic at Irfane University in Morocco.
- Amy Franklin-Craft continues to serve as the Assembly Coordinator for Commissions for the American College Personnel Association. In July, she attended the annual leadership meeting in Columbus, Ohio. In November, she will participate in an organizational retreat in Washington D.C. Finally, in March, she will attend the annual leadership conference where she will lead a cadre of 20 commission chairs and more than 400 directorate body members.
- Amy Franklin-Craft attended the annual Adirondack Solutions user's conference in Nashville, Tennessee.
- For the first time, the Department of Residence Life and Housing student staff received training in the use of Automatic Defibrillators & Hands Only CPR to respond to health emergencies.
- Denita Kelly, Assistant Director for Operations for the Department of Residence Life and Housing, started classes toward earning her Ed.D.
- Josette Skoberianda-Dau, Assistant Director for Training and Selection for the Department of Residence Life and Housing, participated in the NCAA Step Up conference in California. This train the trainers program will be used in campus programming with students in order to encourage bystander intervention actions.

Student Affairs – Report
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- The Department of Residence Life and Housing facilitated the first NCAA sponsored Step Up training activity with 50 students on September 18.
- Six RHA leaders attended the NACURH conference at the University of Delaware.
- Lacey Gosnel, Graduate Hall Coordinator in Highlands 4 earned her certification in Yoga.
- Former Edinboro All-American Trevon Jenifer helped the USA Men’s Wheelchair Basketball Team win the gold medal in the 2016 Paralympics in Rio de Janeiro. Jenifer was part of the 2012 team that won the bronze medal.
- Eight new members will be inducted into the Edinboro Athletic Hall of Fame on Friday, October 7. This marks the first time the Hall of Fame has been paired with the Homecoming festivities. This year’s inductees include: Shawn Bunch, Stephanie Burner, Todd Jay, Walt McLaughlin, Sean McNicholas, Julie Nemergut-Yurcich, Anthony Peluso, and Callie Wheeler.

**University Advancement - Report
Edinboro University Council of Trustees
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Development:**Fundraising Goal July 1, 2016 – June 30, 2017****July 15, 2016 – October 31, 2016**

Total fundraised as of October 31, 2016: \$1,765,992.89

New Funds (July 15, 2016 to October 31, 2016):

- Victor Fuller/Fuller Building Group Wrestling Scholarship
- Ralph E. and Eileen A. Ackerman Scholarship
- Charles Elliot Rothman Memorial Scholarship

Large Gifts Received (July 15, 2016 to October 31, 2016):

- Charlotte W. Newcombe Foundation \$20,000
- Dennis D. Howard \$10,000
- Edinboro University Services, Inc. \$90,000
- EIJ Restaurants, Inc. \$10,000
- Eric M. Wiser \$10,000
- Erie Insurance Group \$27,500
- Great Lakes Case & Cabinet Co, Inc. \$10,000
- Michael C. Schneider \$97,778
- Scott Electric Foundation Inc. \$10,000
- Scott Electric Foundation Inc. \$25,000
- William J. Schaaf \$10,000
- Ralph E. Ackerman (Planned Gift received) \$1,115,981.07
- Geneva M. Bleakley (Planned Gift received) \$38,056.12
- John E. Horan (Planned Gift received) \$10,000

Fundraising/Friendraising Events - July 15, 2016 – October 10, 2016

- Porreco Gala in the Orchard
- Women's Philanthropy Council – Andrea Stevenson-Conner
- EU Trivia Night
- College of Science & Health Professions Distinguished Alumni Award
- Speech Language Hearing Distinguished Alumni Award
- SCOT Talk TED Talk style event featuring 5 distinguished alumni in business
- Tennis Contributors Recognition & Court Signs

Alumni Events - July 15, 2016 – October 10, 2016

Homecoming Events – October 6-8:

- ScotTalk Reception
- Athletic Hall of Fame Ceremony
- Alumni Reunions
- Alumni and Friends Homecoming Golf Outing
- Kilted Mile
- Alumni Open House
- Alumni Beer Garden

**University Advancement - Report
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- African American Alumni Reunion
- Athletes of the 50s and 60s Dinner

Community Relations Visits to introduce President H. Fred Walker

- Erie Chamber Annual Event
- GECAC Annual Dinner
- Pre-game brunch with Alumni & Friends
- President's Club Football Tent
- Erie Philharmonic pre-concert dinner party with board members and Senator Sean Wiley
- Photo with Sean Dugan, Senior Vice President of Community Outreach at Erie Insurance, for grant to Porreco College
- Art Alumni/International Sculpture Conference Reception – Pittsburgh, PA

Upcoming Alumni Events

- November 17 - Lavery Brewing Presidential Tour - SCOToberfest , Erie, PA
- December 10 - Celebrating 50 Years of EU Women's Basketball
- December 15 - Springhill Presidential Tour & Afternoon Tea

Fall Phonathon to run through December 1

Edinboro University Council of Trustees - November 9, 2016
 Gifts-in-Kind received since August 1, 2016

Attachment #8

NAME		GIFT DATE	AMOUNT	GIFT REFERENCE
Chacona	Julie A.	8/31/2016	\$125.00	Donation of a handmade necklace and earring set created by EU Art alumae Michelle Simmons as an auction item for the 2016 Study Abroad Trivia Night.
Dick's	Sporting Goods #689	8/31/2016	\$300.00	Gift-in-kind of two (2) \$100 and five (5) \$20 Dick's Sporting Goods Bonus Certificates for use by the Athletic Department's Women's Lacrosse Team.
Menzel	Heidi	8/31/2016	\$14.00	Gift-in-kind of two (2) paperback books and twelve (12) hardback books for placement at the Baron-Forness Library.
Snyder	John C.	8/31/2016	\$1.00	Gift-in-kind of Edinboro State College memorabilia for display in the Alumni Office's memory room. Items included - Edinboro State College tin, an Edinboro State College blanket, and assorted Homecoming Buttons.
UTZ	UTZ Quality Foods, Inc.	7/29/2016	\$72.00	Donation of four (4) cases of chips for distribution in welcome bags - EU host to meeting of PASSHE Chief Academic Officers July 28-29, 2016.



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

- **New Business**

 - Executive**

 - Action**

 - Executive – Action**

 - Resolution – Posthumous Honor of the Contributions of EU Trustee Ronald A. Steele**



EDINBORO UNIVERSITY

RESOLUTION

Posthumously Honors the Contributions of Ronald A. Steele

Whereas, Ronald Steele provided exemplary leadership and service to the region as Chief Executive Officer of the Greater Erie Community Action Committee (GECAC) since 2004 and for nearly two decades prior to that as a member of the organization's Board of Directors, of which he was Chairman from 1998 to 2004; and

Whereas, Ronald Steele served for 24 years as an employee of Erie County, including more than 10 years as the county's first minority Public Defender Detective; and

Whereas, Ronald Steele was an untiring leader in his community as a member of many boards, including those of the Erie Community Foundation, the Erie Regional Chamber & Growth Partnership, Sarah Reed Children's Center, the Robert Benjamin Wiley Community Charter School, as well as the Hamot Board of Corporators, and the Pennsylvania Association of Councils of Trustees; and

Whereas, Ronald Steele was also an active member of fraternal, service and social organizations, including Phi Beta Sigma Fraternity, Inc., Epsilon Kappa Chapter, Rotary Club of Erie, and the Erie Club; and

Whereas, Ronald Steele received a Bachelor of Arts in Sociology from the University of Pittsburgh in 1977; and

Whereas, Ronald Steele was the recipient of numerous recognitions for his service and leadership, including the Phi Beta Sigma Fraternity Hall of Fame Award in 1985, Erie County Bar Association "Liberty Bell" Award in 2000, a Congressional Certification of Recognition in 2001, and Edinboro University's Martin Luther King Award in 2007; and

Whereas, Ronald Steele served capably and conscientiously as a student-focused member of Edinboro University's Council of Trustees from his appointment by Governor Tom Corbett on December 14, 2011, until his untimely death on October 14, 2016; then

BE IT RESOLVED, therefore, that in recognition of Ronald Steele's distinguished service as Trustee, that this Council of Trustees of Edinboro University acknowledges with gratitude Ronald Steele's service, volunteerism, dedication and leadership to the university and the Erie community.

Unanimously adopted by the Council of Trustees on this 16th Day of December, 2016

Dennis R. Frampton, Chair
EU Council of Trustees

Barbara C. Chaffee, Vice Chair
EU Council of Trustees

Daniel E. Higham, Secretary
EU Council of Trustees



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

- **New Business**

Academic Affairs (Dr. Michael Hannan, Provost)

Information – Academic Affairs

Academic Affairs Report

Individuals Granted Emeritus Status

Program Revisions

Bachelor of Arts in Communication Studies

Bachelor of Arts in Political Science – International Affairs concentration

Minor in Special Education

Academic Affairs - Report
Edinboro University Council of Trustees
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Accreditations and Recognitions

- During its September 20-22, 2016 meeting, the Commission on Collegiate Nursing Education (CCNE) Board of Commissioners acted to grant accreditation to the baccalaureate degree program in nursing at Edinboro University for 10 years effective February 22, 2016. The next on-site evaluation will occur in the Spring of 2026.
- The Accreditation Board for Engineering and Technology (ABET) accreditation campus visit took place on October 2-4. Positive feedback was received from the evaluation team.
- Edinboro University was named one of the Best Online Colleges in Pennsylvania for 2016-17 by [Affordable Colleges Online](#).
- Edinboro University was recognized for the 7th year in a row as “Military Friendly” by Victory Media. The honor is awarded to institutions that are doing the most to embrace military students and dedicate resources to ensure their success in the classroom and after graduation.

University Outreach and Campus Programs

- The Center for Faculty Excellence and Information Technology Services hosted a Professors Integrating Technology (PIT) event in Ross Hall on October 26, 2016, for faculty members to learn about technology and receive tips for integrating technology in the classroom. Topics that were covered included: YouSeeU, Adobe Spark Video, Starfish, SMART Technology, Quality Matters and Dropbox.
- Edinboro University hosted its first Fall Internship Fair on November 1st in the Frank G. Pogue Student Center Multipurpose Room. More than 60 employers participated in the event that was offered to all students of all majors.
- Edinboro University hosted a Graduation Fair on November 15-16 in Frank G. Pogue Student Center for students who are graduating in December. The fair is a one-stop-shop for pending graduates to pick-up commencement tickets, cap and gown, tape an introduction video and complete an exit interview with financial aid staff.
- Eight student teachers from Edinboro University traveled to Dublin, Ireland, November 19 – December 14 as part of a study abroad program led by Slippery Rock University faculty member, Dr. Robert Snyder.
- The 10th annual College Bowl competition was held on November 10th in the Frank G. Pogue Student Center. Winning teams were as follows:

Undergraduate Competition:

- First place: Middle and Secondary Education and Educational Leadership
- Second place: Criminal Justice, Anthropology, and Forensic Studies
- Third place: Math and Computer Science
- Fourth place: Geosciences

Graduate Competition:

- First place: Speech, Language and Hearing
- Second place: Social Sciences
- Third place: Communication Studies

Faculty Recognition

- Professor Suzanne Proulx, Art Department, was commissioned by Febreze Air Purifiers to make sculptures out of 40 pounds of dust – the average amount collected in a year in the average American home. With the help of family, friends and students, Professor Proulx was able to create dust bunnies

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Academic Affairs - Report
Edinboro University Council of Trustees
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that look like actual bunnies. The finished sculptures are being displayed behind glass at Febreze headquarters in Marlborough, Massachusetts.



- Dr. Mary Elizabeth Meier, professor in the Art Department, was named Art Educator of the Year by the Pennsylvania Art Education Association. Dr. Meier was honored during the association's annual conference on October 8.
- Professor Umeme Sababu, Department Chair in the History, Politics, Languages and Cultures Department, was invited to serve on the National Governing Board of the National Social Science Association (NSSA). The NSSA is one of the largest interdisciplinary educational associations in the United States, providing training for social scientists through publications, conferences and seminars.
- On October 28, Dr. Mary Jo Melvin traveled with 40 Edinboro University students majoring in Education to the Elk Valley Elementary School in Girard, PA, to provide high-quality literacy lessons to approximately 658 students. The principal of Elk Valley sent a letter to President Walker, recognizing Dr. Melvin's work with the school over the past several years and complimented her commitment to nurturing the joy of teaching and learning.
- On November 10, Dr. Donald Sheehy and Dr. Robert Hass of the English and Philosophy Department joined other scholars of the poetry of Robert Frost in a panel discussion at the Jefferson Educational Society in Erie as part of their Global Summit VIII. The granddaughter of the late Robert Frost was also a participant in the panel discussion. A play about the life of Frost entitled "This Verse Business" was held in the Louis C. Cole Auditorium-Memorial Hall on November 12.
- On November 29 Dr. Baher Ghosheh (Geosciences Department) and Dr. Andrew Smith (Communication Studies Department), participated in a panel discussion about the daunting challenges our new president faces in steering U.S. policies throughout the Middle East. The event, held in Compton Hall, was presented by the North-Africa/West Asia Studies Committee (NAWA) of Edinboro University. Dr. Jim Wertz (Journalism and Public Relations Department) served as moderator.

Student Recognition

- This past May, Edinboro University Honors students, Savannah Anderton and Stephanie Stevenson, traveled to Spain as part of the annual PASSHE Summer Honors Program. The students hiked a 190-mile section of the historic Camino de Santiago, the pilgrimage to the Cathedral at Santiago, where

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Academic Affairs - Report
Edinboro University Council of Trustees
December 16, 2016

legend has it the remains of an apostle of Jesus, St. James, lie. Along the route, students participated in classes centered around analyzing classic Spanish texts that pertained directly to the Camino.

- Three Edinboro University Honors students presented at the 50th annual National Collegiate Honors Council (NCHC) meeting in Seattle, Washington, on October 12-16. Letitia Cawley presented “The Elements of Self-Portraiture”; Logan Erdner presented “Principles of Animation Driving Fine Art”; and Megan Kunst presented on two traditional methods to construct a pair of 3D forensic facial reconstructions on 3D printed human skulls.
- Several Honors Scholars had the opportunity to contract a non-Honors course:
 - Mackenzie Bracken completed a story as a written work and is now converting it into a graphic novel under the guidance of Professor Robert Hass.
 - Morgan Calahan is working with Professor Henry Lawrence on a series of scientific illustrations, diagrams, and models on different physical elements of the ecosystem.
 - Erika Krasneski is working with Professor Terri White to manage and plan a “Disability Carnival,” where students would be given various chances to experience disability.
 - Kathlyn Longtine is collaborating with Professor John Repp to write a full-length story in addition to analyzing Nabakov’s *Bend Sinister*.
 - Emma Sullivan is working with Dr. Katherine Robbins-Hunt to coordinate a program to mentor struggling student athletes and to collect and analyze data to evaluate the program’s effectiveness.
- Graduate student Stephanie Lambing presented her work entitled “Art Therapy Curriculum for Older Adult Veterans with Mental Health and Neurological Diagnosis,” in an online seminar on December 3, 2016. Ms. Lambing discussed research supporting the curriculum, the approach, client artwork and the group utilizing the curriculum at NAMI (The National Alliance on Mental Illness) Southwest Washington.

Miscellaneous

- Laugh/Riot performances of “Night of the Living Dead” took place during the month of October in the Diebold Center for the Performing Arts.
- Edinboro University’s Music Department hosted a Vocal Fall Concert on October 23 in the Louis C. Cole Auditorium-Memorial Hall. Performers included the Edinboro University Singers, University Chorale, selected soloists and Men’s Barbershop group.
- On October 24, Beth Zewe, Director of Continuing Education and Workforce Development, and Ombudsperson, gave a presentation at the Erie Regional Manufacturing Partnership quarterly meeting on the Workforce and Economic Development Network (WEDnet) and provided information about Edinboro’s Quality Assurance Certificate program.
- The Edinboro University Clay Club hosted clay workshops October 26-27 in East Hall. Guest artist, Joanna Powell, delivered an artist talk during an evening event.
- On November 11, Edinboro University ROTC and Veterans Success Center observed Veterans Day with a 21-Gun Salute and Flag-Folding Ceremony. Guest speaker Sergeant 1st Class Nathaniel Wilson, a Veteran student, spoke about the importance of family in the military and as a veteran.
- Edinboro University’s chapter of the Public Relations Student Society of America (PRSSA) won a Silver Award in the 2016 Niagara Awards competition sponsored by the Public Relations Society of America’s Northwestern Pennsylvania chapter. The Edinboro PRSSA chapter won in the category of

**Academic Affairs - Report
Edinboro University Council of Trustees
December 16, 2016**

“Special Events and Observances” for its sponsorship of PRSA Student Day on April 6 where students and public relations professionals are brought together for a day of speakers, panels and networking.

- Edinboro University hosted an artist workshop and lecture by Russian-born ceramic artist Sergei Isupov on December 1 in connection with an opening of an Erie Art Museum exhibition of the artist’s work.



**Academic Affairs – Information
Edinboro University Council of Trustees
December 16, 2016**

Emeritus Status Awarded – December 2016

EMERITUS

NAME	DEPARTMENT
Mrs. Rachael Burke	Art
Dr. Dorothy Carlson	Nursing
Dr. Tadesse Kidane-Mariam	Geosciences
Dr. Joseph Laythe - posthumous	History, Politics, Languages and Cultures
Mr. Bruce Skolnick	Academic Success
Mr. Franz Spohn	Art

Academic Affairs - INFORMATION
Edinboro University Council of Trustees
Friday, December 16, 2016
Program Revisions

	Name of Program	Code N=new R=Revision M=Moratorium	Description of Revisions/Reasons
1	Bachelor of Arts in Communication Studies (UWCC approved 11-2-16; Pending Senate approval 12-5-16)	R	The “C” or better requirement in English Skills courses will be dropped and “D” grade courses will not count in the major but can be used as general education electives and free electives.
2	Bachelor of Arts in Political Science – International Affairs Concentration (UWCC approved 11/30/16; Pending Senate approval 12-5-16)	R	This program is being revised to reflect the evolving nature of course offerings at Edinboro University. MATH 260 (Elements of Statistics) changes to its new course prefix/number, STAT 260; name of Section III in program requirements changes from “Thematic Courses” to “International Relations”; changing name of Section IV from “Regional Studies” to “Comparative and Thematic Studies”; GEOG 332 (Political Geography) is moved from Section III of program requirements to Section IV; in Section IV the list of available course options is expanded.
3	Minor in Special Education (UWCC approved 11/30/16; Pending Senate approval 12-5-16)	R	The revision for this minor replaces SPED 350 (Language and Literacy Skills for Students with Disabilities) with SPED 335 (Positive Behavior Supports in Secondary Settings). SPED 335 addresses classroom approaches for managing behaviors in inclusive and special education settings. The additional preparation for students pursuing this minor will better prepare them, as future teachers, to meet the academic, behavioral, and social needs of students with exceptionalities.

c: Office of Admissions
Office of Financial Aid
Office of Institutional Research
Office of the Registrar



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

Enrollment Management (Dr. William Edmonds, Vice President for Enrollment Management)
Information – Enrollment Management
Enrollment Management Report

Enrollment Management – Report
Edinboro University Council of Trustees
December 16, 2016

ADMISSIONS

- Promoting EU by sending an e-card (e-mail) to inquiry pool, applicants, and student search names, the message was have a Happy Thanksgiving. We also, provided links for calls to action, as well as providing links for additional information.
- Publications Quantity List – Created a document for the number of print publications needed for this year and to make adjustments as needed for next year.
- Porreco - Assistant Director of Admissions will be on the Porreco campus two mornings each week, Monday and Tuesday from 8:00 AM to 12:00 noon to cover in the absence of the Admissions and Financial Aid staff member.
- Spring 2017 Tartan Transfer Days 10:00 a.m. – 12:00 Noon and 1:00 – 3:00 p.m.
 - Friday, January 27, 2017, Monday, February 13, 2017, Tuesday, March 21, 2017, Thursday, April 13, 2017, and Thursday, May 4, 2017
- Tartan Transfer Days – Working with Marketing to have the dates and times placed on the website and registration form active.
- Implemented and fully utilizing the approved admission criteria.

FINANCIAL AID EVENTS FOR FALL 2016

- Good News
 - PHEAA Audit – On November 15-16, a representative from PHEAA was on campus to perform an audit of 2015/16 state programs. There were no audit findings.
 - Held on November 8 a FAFSA information session on the Porreco campus for the Trade Act students. Nine (9) students were in attendance. The session helped alleviate the stress of students needing to complete the FAFSA and clear any misunderstandings of what is needed for the income adjustments paperwork.
 - November 15 - Financial Aid Director spoke to GRAD students who are getting ready to graduate or just needed extra information on loan repayments and exit counseling. Approximately 20 students were in attendance.
- Initiatives
 - Awarding for 2017/18 will begin mid-late January. Working with ITS to set up Banner and get ready for the new awarding year. If we do not encounter any challenges with set up, awarding for new students will begin in January and returning students shortly after that in March or sooner.
- Ongoing projects
 - Office efficiency and improvements to processes.
 - Streamlining lender list on website- working with Great Lakes to compile a streamlined list of lenders that provide private loans to our students. The purpose is to have a comprehensive database of lenders we work with and the services provided by each. This will alleviate the frustration of students searching the internet for private loan lenders who meet their funding needs.
- Terms and Conditions
 - Terms and Conditions will be placed in Banner for students to read and accept. We received an approved template from PASSHE to be used for this purpose. The terms and conditions describe financial terms, financial aid terms, and billing agreements. The form is “housed” in the financial aid module, but will contain the information relating to payments as well. The purpose is the inform our students of things regarding to bill payments and financial aid to help them be more successful at EU and to alleviate some stress of students

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Enrollment Management – Report
Edinboro University Council of Trustees
December 16, 2016

who feel they have not been informed of the billing, payment, and financial aid processes. Students will view this information through their Scots account and will check a box stating they have read the information. A process will be run to load the information into Banner.

- Porreco - a representative from the financial aid office will be on the Porreco campus two afternoons each week, Wednesday and Thursdays from 1-4:30 p.m. to cover in the absence of the financial aid representative.

MARKETING AND PRINT PUBLICATIONS

- Launched new email blasts for Graduate Studies, promoting Art Therapy and various Education programs.
- Created Happy Thanksgiving email to large student database to stay in contact and drive awareness.
- Conducted research on EU website Search Engine Optimization in an effort to select a program and implement before the end of 2016.
- Based on results, revised movie theater digital retargeting plan to include all video ads, and no banner ads.
- Expanded Transfer Student campaign with social media and geofencing. Email blast is also in the works once the new CRM is in place.
- Created large EU ad in Erie Times News Thanksgiving edition to capture one of largest readership days of the year.
- Finalized renewed sponsorship with Erie Bayhawks, giving EU higher ed exclusivity on arena scoreboard with rotating digital messages.
- Pushed forward on production of Porreco College View Book.
- Began creating images and captions for new CRM that highlight individual programs and areas of interest.
- Continued Winter Session promotion to encourage class registration.
- Worked with Dr. Edmonds to continue the process of selecting an external firm to conduct EU marketing audit.
- Tracked web analytics as they relate to events in the marketing calendar.
- Assisted various departments with their design, marketing and publication needs, either through our workflow ticket system or direct contact:
 - Athletics football postcard
 - Leadership Institute logo (in production)
 - Learning/Living Communities logo (in production)
 - Softball helmet designs (in production)
 - MACS brochure/mailer (in production)
 - EU non-emergency texting icon (in production)
 - Honors Department letterhead (in production)
 - EU holiday card (in production)
 - Athletics winter sports posters (in production)

WEBSITE

- Met with Art Department to discuss expanded department pages.
- Created new landing page for Graduate Studies.
- Created concept layouts for individual program pages.
- Continued to field many tickets requesting updates, etc.

**Enrollment Management – Report
Edinboro University Council of Trustees
December 16, 2016**

VETERANS SUCCESS CENTER

- Veterans Day attracted 30 Veterans and numerous members of the Edinboro community to campus for the annual flag ceremony and three volley salute. This was a significant increase over the previous year.
- Pets and Vets had over 100 attendees consisting of students, Veterans, community members, and potential students. The Student Veterans Association was able to donate \$80 and 88 items to the ANNA Shelter in Erie and the EARS rabbit shelter.



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

- **New Business**

Finance and Administration (Mr. Gil Brown, Vice President for Finance and Administration)

Action – Finance and Administration

President Walker recommends approval of **Contracts and Purchases** as reviewed by the Council of Trustees for the period **October 1-31 and November 1-30, 2016.**

Resolution – Certification of Compliance with Board of Governors' Policy 1985-04-A:
University External Financial Support

Edinboro University Alumni Association
Edinboro University Foundation, Inc.
Edinboro University Services, Inc.
Edinboro University Student Government Association

Resolution – Demolition of Chicken Coop at Porreco College (Erie campus)



Contracts & Purchases

October 2016

**Council of Trustees Meeting
December 16, 2016**

COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY - REPORT OF CONTRACTS FROM 10/01/16 TO 10/31/16

Contractor's Name	Cost Center Name	Description	Funding Source	Expense Category	Amount
Allied Fire Protection Systems Inc	Various	Inspection of Fire Sprinkler Systems	Various	Contracted Maint - Bldgs & Grounds	\$ 10,500.00
Amark Environmental LLC	Library Improvements	Remove Asbestos - Baron-Forness Library	Unrestricted E&G Projects	Hazardous Waste Removal	\$ 464.00
Amark Environmental LLC	Deferred Maint - McComb	Remove Asbestos - McComb Fieldhouse	Unrestricted E&G Projects	Hazardous Waste Removal	812.00
Anderson Coach & Travel	Various	Transportation for Tennis Team	Self-Supported Funds	Athletic Team Travel	3,967.17
Anita Szymanski	Community Music School	Piano Lessons	Self-Supported Funds	Specialized Services	357.00
Arizon Company	Shops/Plant	Repair AC & Inflation Controllers on the Dome	General Funds	Contracted Maint - Bldgs & Grounds	5,346.00
C.W. Beal Inc	Deferred Maint - Compton Hall	Interior Painting in Compton Hall	Other E&G Funds	Contracted Maint - Bldgs & Grounds	17,940.00
Combustion Service & Equipment	Food Service - Maint & Custodial	Repair Boiler in Van Houten Dining Hall	Dining Hall Funds	Contracted Repairs	5,000.00
James Reinarz	Community Music School	Violin Lessons	Self-Supported Funds	Specialized Services	462.00
John Pinteia	Sports Information	Announcer for Women's Volleyball	General Funds	Game Support Personnel	300.00
Keystone Fitness Equipment Repair	University Center Operations	Maintenance on Fitness Equipment	Student Center Funds	Contracted Repairs	5,640.00

**COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY - REPORT OF CONTRACTS FROM 10/01/16 TO 10/31/16**

Contractor's Name	Cost Center Name	Description	Funding Source	Expense Category	Amount
Mayer Brothers Construction Co	Lot & Road Repaving	Parking Lot Repavement	Other E&G Funds	Contracted Maint - Bldgs & Grounds	8,327.06
Perry Construction Group Inc	Van Houten Furnishings	Overhead Doors at Van Houten Dining Hall	Unrestricted Auxiliary Projects	Contracted Maint - Bldgs & Grounds	18,600.00
Pittsburgh Stage Incorporated	Shops/Plant	Theatrical Rigging Equipment	General Funds	Contracted Repairs	3,674.00
Rabe Environmental Systems	East Hall	New Roof Mounted Exhaust Fan	Other E&G Funds	Contracted Maint - Bldgs & Grounds	4,500.00
Sarah Lee	Community Music School	Bassoon Lessons	Self-Supported Funds	Specialized Services	425.00
Schaal Glass	Van Houten Improvements	Remove/Replace Insulated Glass Units	Dining Hall Funds	Contracted Maint - Bldgs & Grounds	3,563.00
Stadium Solutions Incorporated	Shops/Plant	Bleacher Inspection in Various Locations	General Funds	Contracted Maint - Bldgs & Grounds	3,682.00
				TOTAL	\$ 93,559.23

COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY-REPORT OF PURCHASE ORDERS OVER \$10,000 FROM 10/01/16 TO 10/31/16

VENDOR-NAME	VENDOR-ADDRESS	DESCRIPTION	PO NUMBER	PO AMOUNT
Allen & Shariff Engineering LLC	7061 Deepage Dr Columbia MD 21045	Compton Hall Animal Facility AHU Replacement Design Services	3900008321	\$ 16,775.00
Audio Visual Innovations	2350 Eldo Rd Ste B Monroeville PA 15146	Cole Auditorium Media Update Project	4500513323	14,625.00
Cleveland Brothers Equipment Co	3950 Depot Rd Erie Pa 16510	Facilities Loader Rental	4500511646	14,500.00
Edinboro University Foundation	Edinboro University of PA Edinboro PA 16444	Facilities Traditional Residence Hall Laundry Machines Reimbursement	4500512268	12,900.00
Elsevier Science	Order Fulfillment St Louis MO 63146	Library Annual Science Direct Online Subscription	4500512623	27,563.23
James B Schwab Co	2901 West 22nd St Erie PA 16506	Campus-Wide Annual Copier Maintenance & Repair Services	4500511879	61,548.40
Leader Graphics	1926 Peach St Erie PA 16502	Admissions Vinyl Graphic Applications	4500512249	10,480.00
MSL Direct Inc	4302 Old William Penn Hwy Ste 200 Murrysville PA 15668	Admissions Printing & Mailhouse Services	4500511872	35,889.90
OCLC Inc	6565 Kilgour Pl Dublin OH 43017-3395	Library Subscription Services	4500511542	12,800.00
PA Dept of General Services	PO Box 2833 Accts Receivable Harrisburg PA 17101	Finance & Administration Annual Boiler, Machinery and Excess Property Insurances, Employee Performance Bond	4500512866	89,857.00

COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY-REPORT OF PURCHASE ORDERS OVER \$10,000 FROM 10/01/16 TO 10/31/16

VENDOR-NAME	VENDOR-ADDRESS	DESCRIPTION	PO NUMBER	PO AMOUNT
Software Services of Delaware Inc	1024 Justison St Wilmington DE 19801	Information Technology Services Annual Axiom Web Form License Renewal	4500511302	13,120.00
Taser International Inc	17800 North 85th St Scottsdale AZ 85255	Police Department Taser Equipment & 5-Year Assurance Plan	4500512465	34,434.56
Westchester Academic Library	118 North Bedford Rd Ste 302 Mt Kisco NY 10549	Library Subscriptions	4500512887	17,428.11
Yankee Book Peddler Inc	999 Maple St Contoocook NH 03229	Library Books	4500512594	25,000.00
			TOTAL	\$ 386,921.20



Contracts & Purchases

November 2016

**Council of Trustees Meeting
December 16, 2016**

COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY - REPORT OF CONTRACTS FROM 11/01/16 TO 11/30/16

Contractor's Name	Cost Center Name	Description	Funding Source	Expense Category	Amount
Al's Awning Shop Incorporated	Van Houten Furnishings	Installation of Stationary Awning Panels	Unrestricted Auxiliary Projects	Contracted Maint - Bldgs & Grounds	\$ 1,560.00
Ash Enterprises	Geosciences	Maintenance on Spitz Model A3P Projector	General Funds	Contracted Repairs	3,550.00
Conversion Image Technology Inc	Library - Administration	Annual Maintenance on Minolta Microfilm	General Funds	Contracted Maint - Office Equip	2,535.00
Culligan Water	Food Service-Maint & Custodial	Water Softener Services	Dining Hall Funds	Contracted Maint - Bldgs & Grounds	68,838.00
Development Cubed Inc	University Commencement	Student Commencement Video Services	General Funds	Specialized Services	4,921.50
Grise Audio Visual Center	Open House Events	Audio Visual Support for Open House	Specialized Services	General Funds	1,410.00
Grise Audio Visual Center	University Commencement	Audio Visual Support for Fall & Spring Commencement	General Funds	Specialized Services	6,020.00
Heartland Campus Solutions	Bursar	Federal Tax Document Services	General Funds	Printing Services Contracted	16,000.00
Jason Franz	Adaptive Athletic Program	Wheelchair Basketball Official	General Funds	Game Officials	940.00

COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY - REPORT OF CONTRACTS FROM 11/01/16 TO 11/30/16

Contractor's Name	Cost Center Name	Description	Funding Source	Expense Category	Amount
John Leisering	Sports Information	Men's/Women's Basketball Announcer	General Funds	Game Support Personnel	810.00
Kimberly Joy Morrow	Continuing Education	Social Work Professionals Workshop	Special Programs	Professional Services	900.00
Meadville Children's Center	PA Pre-K Counts Program	2016-2017 Budget for Pre-K Counts Grant	Restricted Grant / Contract - State	Subcontract Expense	283,500.00
Nites Lites	University Commencement	Audio & Lighting for Fall & Spring Commencement	General Funds	Specialized Services	520.00
Paul Crider	Adaptive Athletic Program	Wheelchair Basketball Official	General Funds	Game Officials	1,015.00
Professional Service Industries Inc	Fire & Safety	Industrial Hygiene Services	General Funds	Contracted Maint - Bldgs & Grounds	15,000.00
Raven Rental	University Commencement	Audio Sound System for Fall & Spring Commencement	General Funds	Rental / Operating Lease - Radio Equipment	2,400.00
Scott Dow	Art Department	Carving Demonstration	General Funds	Speaker Fees	200.00
Sergei Isupov	Art: Ceramics	"Sculpting Techniques Workshop"	General Funds	Speaker Fees	1,500.00

**COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY - REPORT OF CONTRACTS FROM 11/01/16 TO 11/30/16**

Contractor's Name	Cost Center Name	Description	Funding Source	Expense Category	Amount
Temple Portable Crushing Inc	Lot & Road Repaving	Concrete Crushing	Other E&G Funds	Contracted Maint - Bldgs & Grounds	10,000.00
Timber Ridge Child Care Center	PA Pre-K Counts Program	2016-2017 Budget for Pre-K Counts Grant	Restricted Grant / Contract - State	Subcontract Expense	105,300.00
William R Kutz	Adaptive Athletic Program	Wheelchair Basketball Official	General Funds	Game Officials	940.00
Yardmaster of PA LLC	Maintenance	Snow Removal for Dome	General Funds	Contracted Maint - Bldgs & Grounds	50,000.00
YMCA of Corry	PA Pre-K Counts Program	2016-2017 Budget for Pre-K Counts Grant	Restricted Grant / Contract - State	Subcontract Expense	259,200.00
				TOTAL	\$ 837,059.50

COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY-REPORT OF PURCHASE ORDERS OVER \$10,000 FROM 11/01/16 TO 11/30/16

VENDOR-NAME	VENDOR-ADDRESS	DESCRIPTION	PO NUMBER	PO AMOUNT
AE Works LTD	6587 Hamilton Ave Pittsburgh PA 15206	McComb Fieldhouse HVAC Systems Assessment & Feasibility Study	3900008360 \$	20,715.69
American Chemical Society	PO Box 182977 Columbus OH 43218-2426	Library Annual Web Editions/ebooks	4500515857	19,165.00
Dell Marketing LP	One Dell Way Round Rock TX 78682	Information Technology Services PowerEdge Servers	4500514394	59,124.52
Educational Solutions Enterprises	PO Box 700 Effort PA 18330	Physics Equipment	4500515199	14,060.00
Gaumard Scientific Company	14700 Southwest 136 St Miami FL 33196	Nursing Department Birthing Simulator	4500514385	104,885.00
Hepner Air Filter Service	3011 Henninger Rd Cleveland OH 44109	Facilities Air Filters	4500516053	12,500.00
HHSDR Architects Engineers	40 Shenango Ave Sharon PA 16416	Highlands Residence Halls Stair Towers Design Services	3900008359	133,100.00
Keystone Fitness Equipment Repair	PO Box 71 Edinboro PA 16412	Athletics Fitness Equipment	4500515105	17,894.85
Plyler Overhead Door Company	8850 Fry Rd McKean PA 16426-1533	Van Houten Dining Hall Overhead Door Replacement	4500513801	12,783.00

COUNCIL OF TRUSTEES
EDINBORO UNIVERSITY-REPORT OF PURCHASE ORDERS OVER \$10,000 FROM 11/01/16 TO 11/30/16

VENDOR-NAME	VENDOR-ADDRESS	DESCRIPTION	PO NUMBER	PO AMOUNT
TargetX	1000 River Rd Conshohocken PA 19428	Admissions Mass Email Software Subscription	4500513851	12,000.00
Whitlock Corporation	9048 William Penn Hwy Huntingdon PA 16652	Frank G Pogue Theater Upgrade	4500514314	36,994.66
Yardmaster of PA LLC	2305 Manchester Rd Erie PA 16506	Zafirovski Dome Snow Removal	4500514828	18,000.00
			TOTAL	\$ 461,222.72



EDINBORO UNIVERSITY

RESOLUTION

Certification of Compliance with Board of Governors' Policy 1985-04-A: *University External Financial Support*

The Council of Trustees of Edinboro University of Pennsylvania, upon recommendation of the president, hereby certifies, as per Board of Governors' Policy 1985-04-A, that the following affiliated entities make a financial contribution to the University or provide similar benefits on a regular basis, satisfactory to this Council of Trustees and to the president.

Edinboro University Alumni Association
Edinboro University Foundation
Edinboro University Services, Inc.
Edinboro University Student Government Association

The Council of Trustees also certifies that, to the best of its knowledge, information and belief, the affiliated entities are in compliance with Board of Governors' Policy 1985-04-A, in that they exist solely for the benefit of the University; the expectations of the relationship between the University and the affiliated entity are memorialized in current, executed Memoranda of Understanding; and the affiliated entities require an annual external audit of their funds and provide copies of their audit reports to the University and the Office of the Chancellor.

The Council of Trustees also certifies that, to the best of its knowledge, information and belief, no University employee serves as a voting member of the Board of these affiliated entities, nor does any employee of the University risk adverse interest through service to or relationship with an affiliated entity.

A copy of a statement by the University's chief financial officer summarizing both the direct University support provided to the affiliated entities and the contributions made by the affiliated entities to the University covered in this certification is attached hereto and made a part hereof.

As approved by action of the Council of Trustees during the quarterly meeting held on December 16, 2016, at Edinboro, Pennsylvania.

Dennis R. Frampton, Chair
Council of Trustees

Barbara C. Chaffee, Vice Chair
Council of Trustees

Daniel E. Higham, Secretary
Council of Trustees



Guilbert Brown, Vice President
Finance and
Administration
Reeder Hall • 219 Meadville Street • Edinboro, PA 16444
phone: (814) 732-2585
fax: (814) 732-2756
email: gbrown@edinboro.edu

STATEMENT OF EXTERNAL FINANCIAL SUPPORT PROVIDED BY AFFILIATED ORGANIZATIONS

Edinboro University of Pennsylvania Alumni Association, Edinboro University Foundation, Inc. and Edinboro University Services, Inc. are affiliated organizations created to enrich Edinboro University of Pennsylvania through contributions and other financial assistance. Each are separate legal entities that provide their financial reports to the University upon completion of annual audits conducted by external public accountants. During FY2016, external support from these organizations was received as follows:

Affiliated Organizations

FY16 Unrestricted and Restricted Support

Edinboro University of Pennsylvania Alumni Association	122,659
Edinboro University Foundation, Inc.	769,318
Edinboro University Services, Inc.	416,823

The University, in turn, provides management services, utilities, maintenance and supplies to the Alumni Association; management services, office space, utilities, maintenance and supplies to the Edinboro University Foundation; and management services, office and storefront space, and utilities to University Services, Inc.

Edinboro University Alumni Association

- **Memorandum of Understanding (expires June 30, 2019)**
- **Memorandum of Understanding/Fighting Scot Plaza Loan Agreement (effective until July 1, 2020)**
- **Fiduciary Agreement between EU Foundation and EU Alumni Association (renewable biennially; expires June 30, 2017)**
- **Audited Financial Statements, June 30, 2016**
- **Articles of Incorporation (previously circulated - no changes)**
- **ByLaws**
- **Board of Directors**

Pennsylvania State System of Higher Education
Memorandum of Understanding
Between
Edinboro University of Pennsylvania
And
Edinboro University Alumni Association

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into this day of _____, 20__, by and between EDINBORO UNIVERSITY OF PENNSYLVANIA, part of the Pennsylvania State System of Higher Education (PASSHE), a body corporate and politic constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania, created by Act 188 of 1982, 24 P.S. §20-2001-A et seq., (hereinafter referred to as "UNIVERSITY"), and EDINBORO UNIVERSITY ALUMNI ASSOCIATION, a nonprofit tax-exempt entity organized under the laws of the Commonwealth of Pennsylvania and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (hereinafter referred to as "ASSOCIATION").

WITNESSETH:

WHEREAS, the ASSOCIATION was formed in 1973 is an independent nonprofit corporation existing solely for the purpose of supporting the UNIVERSITY through its relationships with alumni and friends of the University; and

WHEREAS, the purpose of the ASSOCIATION, as stated in its Articles of Incorporation approved and filed in the Department of State on the 11th day of May, 1973, is to promote the general interests and welfare of Edinboro University, its alumni and friends, and the various activities of or pertaining to, these said groups of the institution, in any lawful manner; and

WHEREAS, PASSHE Board of Governors' Policy 1985-04-A: University External Financial Support stipulates that the UNIVERSITY must utilize an MOU to outline the respective roles between universities and affiliated entities.

NOW, THEREFORE, based upon the mutual promises, covenants and conditions set forth herein and intending to be legally bound, the UNIVERSITY and the ASSOCIATION agree as follows.

A. In terms of role, scope and mission, some of the major contributions of the ASSOCIATION to the UNIVERSITY have been and will continue to be:

1. STUDENT PROGRAMS: Assisting and coordinating selected student programs and services of the UNIVERSITY and the officially recognized student government association as set forth in Section 20-2010-A(3) of Act 188 of 1982, 24 P.S. Section 20-2010-A(3).
2. ALUMNI: Carrying out resource development activities related to alumni and other prospective donors.

3. FUNDRAISING:

- a. Providing fundraising and development services that promote the educational purposes of the UNIVERSITY, such as the purchase of equipment and supplies for the UNIVERSITY; support for travel and in the hiring of faculty; support of research by selected faculty, staff and students; support for funding faculty chairs, student scholarships and other educational, research, cultural, scientific, public service and charitable activities; and other lawful purposes of the UNIVERSITY.
- b. In conducting all fundraising, beginning on the effective date of this agreement, in accordance with University Policy No. 0005, the ASSOCIATION will collect a 5% administrative fee on all cash and unrestricted gifts of \$100 or more.
 - i. The fees collected will be transmitted to the University on a monthly basis on the 10th day of each month.
 - ii. The fee will not apply to grants or to gifts of property or real property.
 - iii. The fee will not apply to pledges made before the effective date of University Policy No. 0005, or to pledges made without notice to the donor of this fee.
- c. The ASSOCIATION will provide notice of the administrative gift fee as follows:
 - i. Written notice shall be provided on all ASSOCIATION fundraising materials (both documents and electronic communications);
 - ii. Written notice shall be provided on all ASSOCIATION websites; and
 - iii. Verbal notice shall be provided in all verbal gift solicitations.
- d. The administrative gift fee may not be waived by the ASSOCIATION.
- e. Within sixty (60) days of the effective date of this MOU, the ASSOCIATION shall develop a written policy for collection of the administrative gift fee, and shall provide a copy of the policy to the University. This sixty-day period shall not prevent application of the fee upon the execution of this MOU.
- f. In addition to the functions previously outlined, the ASSOCIATION may operate programs and serve in matters of development, planned deferred giving, gift processing and recording, gift stewardship, donor/development records and other fundraising functions as appropriate, in consultation with the UNIVERSITY's President.

4. JOINT FUNDRAISING: In accordance with applicable statutes and Board of Governors' policies and procedures/standards, engaging either jointly or in coordination with the UNIVERSITY fundraising activities to benefit the ASSOCIATION. Such fundraising shall not be done solely through the efforts and resources of the UNIVERSITY and UNIVERSITY employees.

5. CAPITAL CAMPAIGN: Support a capital campaign to raise external funds to support the mission and activities of the UNIVERSITY, with the use of campaign proceeds and the campaign fundraising target to be determined by the UNIVERSITY, subject to provisions agreed to by the UNIVERSITY and ASSOCIATION in a separate agreement.

6. FUNDING: Reviewing funding requests and recommendations from the UNIVERSITY President and making regular allocations of available unrestricted funds to support UNIVERSITY programs and institutional advancement efforts. These activities shall be conducted with the approval of the Board of Directors of the ASSOCIATION.

7. Conducting activities to promote the educational purposes of the UNIVERSITY.

8. Conducting activities in accordance with the ASSOCIATION's charter and by-laws.

9. Continuing to provide finance payments pursuant to the 2006 Memorandum of Understanding between the UNIVERSITY and ASSOCIATION concerning the monument of the Fighting Scot (the "2006 Monument MOU").

B. In order to assist the ASSOCIATION in serving as a vehicle for volunteer involvement in the life of the UNIVERSITY, the following coordination and review mechanisms will be implemented.

1. The UNIVERSITY may, if desired, have a nonvoting liaison to the ASSOCIATION's Board of Directors.

2. The UNIVERSITY's President or designee may serve as a liaison to the governing board and/or committees of ASSOCIATION. If no services are provided pursuant to section C below, UNIVERSITY employees or officers may voluntarily provide services to an affiliated entity as an ex-officio, nonvoting member of the board of the ASSOCIATION as part of the mission of the UNIVERSITY.

3. To ensure that efficient coordination is maintained, the UNIVERSITY and the ASSOCIATION shall regularly consult on matters pertaining to the activities outlined in this MOU, development activities, etc. To ensure proper coordination is maintained, the UNIVERSITY President or designee(s) will meet at least annually with a designee(s) of the ASSOCIATION.

C. In compliance with PASSHE Board of Governors' Policy 1985-04-A regarding fundraising and affiliated entities, it is the UNIVERSITY's desire to enhance the ability of the ASSOCIATION to function by providing to the ASSOCIATION facilities and services as described below, at a cost to be agreed to by the parties in separate agreements, such as service purchase agreements, in accordance with applicable procurement law and regulations and requisite legal approval:

1. Communication services to include telecommunications, limited access to University databases, postage, printing, public relations and similar services.

2. Facilities to include, but not be limited to, office space, utilities, maintenance, housekeeping, lawn care, snow removal and other UNIVERSITY physical facilities for conducting ASSOCIATION functions and activities. In exchange for services and goods received by the UNIVERSITY, the ASSOCIATION will provide space for university employees without cost in the Alumni House located at 210 Meadville Street, Edinboro, PA (which is owned by the ASSOCIATION) pursuant to the terms of a lease agreement dated April 18, 2011 and effective June 14, 2011 (the "2011 Lease").

3. Operational services to include network connectivity, ongoing maintenance and support of computer systems, mail and delivery services, and maintenance agreements to which the UNIVERSITY is a party.

D. No UNIVERSITY employee who provides support or staff services to the ASSOCIATION may serve as a voting member of the board of the ASSOCIATION, or otherwise risk adverse interest through such service. UNIVERSITY officials and employees are bound by the provisions of the Ethics Act.

E. The parties to this MOU agree and acknowledge that the names "EU" and "EDINBORO UNIVERSITY OF PENNSYLVANIA" or any facsimile or approximation thereof is the property of the UNIVERSITY and shall remain so under all circumstances and conditions. The ASSOCIATION shall not use or permit any other party to use the name "EU" or "EDINBORO UNIVERSITY OF PENNSYLVANIA" or any facsimile or approximation thereof without the express prior written approval of the UNIVERSITY and the chancellor of PASSHE.

The UNIVERSITY has provided and may in the future provide authorization for the ASSOCIATION to enter into licensing agreements or similar arrangements to generate royalty revenues or other agreed-upon benefits from the use of the UNIVERSITY name and logo.

F. The UNIVERSITY's Council of Trustees will review this MOU annually, in conjunction with its certification of External University Financial Support.

G. As part of this MOU, the ASSOCIATION agrees to comply with the following requirements:

1. The ASSOCIATION shall be responsible for and agrees to indemnify and hold harmless the UNIVERSITY, PASSHE and the Commonwealth and its officers, employees, representatives and agents, from any and all liability, claims, demands and actions based upon and arising out of any activities performed by the ASSOCIATION under this MOU. Upon receipt of written notice of any matter for which indemnification might be claimed by the UNIVERSITY or its officers, employees, representatives and agents, the ASSOCIATION shall promptly defend, contest or otherwise protect against any such suit, action, investigation, claim or proceeding, at its own cost and expense. The UNIVERSITY may, but will not be obligated to, participate at its own expense in the proceeding, with counsel of its own choosing. Representation of the UNIVERSITY shall be in compliance with the Commonwealth Attorneys Act.

2. The ASSOCIATION shall maintain Comprehensive, Commercial/General Liability, Property Damage Insurance and Automobile Liability Insurance in such amounts that meet the prescribed minimums of, \$1,000,000 for injury or death of one person in a single occurrence, \$2,000,000 aggregate; for injury or death of more than one person in a single occurrence and \$1,000,000 for a single occurrence of property damage. The UNIVERSITY must be listed as "additionally insured" On such policy or policies of insurance. This must all appear in the description of operational/locations/vehicles/special items section at the bottom of the Certificate of Insurance. "Additionally Insured Endorsements" also must be provided along with the Certificates of Insurance. It must be stated on the Certificate of Insurance Form that the issuing company must notify the UNIVERSITY in writing a minimum of thirty (30) days in advance if the insurance coverage is canceled or the indicated coverage limits are reduced prior to the expiration date.

3. The ASSOCIATION will carry sufficient Workers' Compensation Insurance to cover all employees of its organization.

4. A designee of the ASSOCIATION shall meet with the UNIVERSITY Council of Trustees' designee and UNIVERSITY President on at least an annual basis to review the performance of the ASSOCIATION's obligations under this MOU.

5. The ASSOCIATION will provide the UNIVERSITY with an annual report summarizing the contributions and include the following items:

a. A reconciliation of the ASSOCIATION's revenues, expenses and financial contributions made by the ASSOCIATION to the UNIVERSITY;

b. An annual external financial audit performed by PASSHE's independent auditing firm or another independent external certified public accounting firm that meets minimum criteria established by the UNIVERSITY. As part of the fiscal year-end financial reporting process, the Vice Chancellor for Administration and Finance will notify the UNIVERSITY and the ASSOCIATION of the deadlines for submission of the PASSHE component unit financial reporting template (typically in mid-August), comprising the audited Balance Sheet and audited Statement of Activities; and the complete audited financial statements (typically in early September), comprising the auditor's opinion, financial statements, and required disclosures;

c. Certificates of Liability Insurance and Workers' Compensation Insurance;

d. A listing of the ASSOCIATION board of directors including indication of the officers; and

e. Certification that the ASSOCIATION did not undertake any credit-bearing instruction, or other programs or activities that are properly part of the UNIVERSITY's academic mission, unless expressly authorized by the UNIVERSITY President.

6. If the ASSOCIATION ceases to exist or ceases to be a recognized affiliated entity of the UNIVERSITY, the ASSOCIATION will transfer to the UNIVERSITY the ASSOCIATION's assets, consistent with the ASSOCIATION's articles of incorporation, its by-laws, state and federal law, and such restrictions as may have been imposed by donors. Upon termination of the relationship with the UNIVERSITY, the ASSOCIATION shall be prohibited from using the name, symbol, logo or trademarks of the UNIVERSITY and shall transfer all records to the UNIVERSITY.

H. The UNIVERSITY has the right to terminate this MOU as follows:

1. TERMINATION FOR CAUSE: The UNIVERSITY shall have the right to terminate the MOU for cause, including but not limited to malfeasance. Such termination for cause shall be effective 30 days from the date notice is provided in writing to the ASSOCIATION.

2. TERMINATION FOR CONVENIENCE: The UNIVERSITY shall have the right to terminate the MOU for its convenience if the UNIVERSITY determines termination to be in its best interest. Such termination for convenience shall be effective within six months from the date notice is provided in writing to the ASSOCIATION.

I. This MOU documents the relationship between the UNIVERSITY and the ASSOCIATION and represents the complete agreement between the parties, superseding any other prior or contemporaneous written or oral agreements—except for the 2006 Monument MOU and the 2011 Lease, which remain in full force and effect. Any changes, corrections or additions to this MOU shall be in writing in the form of a supplemental agreement signed by all necessary parties, including approval by PASSHE's University Legal Counsel and the Commonwealth's Office of Attorney General.

J. The parties to this MOU are independent contractors. The ASSOCIATION shall not enter into any transactions or agreements on behalf of the UNIVERSITY or PASSHE. Similarly, neither the UNIVERSITY nor PASSHE nor the Commonwealth shall be responsible for the payment of any debts or satisfaction of any obligations incurred by the ASSOCIATION.

K. Any notice required to be given hereunder shall be made by United States Registered Mail, return receipt requested, postage prepaid, and shall be deemed to have been received on the date noted on the receipt returned to sender. Such notice shall be addressed as follows.

UNIVERSITY: Reeder Hall, 219 Meadville St. Edinboro, PA 16444

ASSOCIATION: Alumni House, 210 Meadville St. Edinboro, PA 16444

L. This MOU is executed pursuant to, and shall be construed under, the laws of the Commonwealth of Pennsylvania. Should any term of this MOU be rendered unlawful by a court of competent jurisdiction or any legislative act, then the parties shall give effect to the balance of the agreement to the extent possible.

M. This MOU will commence when executed by all necessary parties on _____, 20____, and will expire on June 30, 2019.

IN WITNESS WHEREOF, this MOU has been executed and delivered as of the date set forth in the caption above.

FOR THE ASSOCIATION:

Mary Timashenka
President/Vice President of ASSOCIATION (circle one)

MARY TIMASHENKA
Printed Name

David A. Niemira

Secretary/Treasurer of ASSOCIATION (circle title)

David A. Niemira
Printed Name

FOR THE UNIVERSITY:

Julie E. Wollman
President or Designee

Julie E. Wollman, Ph.D.
Printed Name

APPROVED FOR FISCAL RESPONSIBILITY AND AVAILABILITY OF FUNDS:

Controller

APPROVED FOR FORM AND LEGALITY:

Joseph Miller
University Legal Counsel

Patricia A. Callahan 11/12/14
Deputy Attorney General

EFFECTIVE DATE
NOV 12 2014

IN WITNESS WHEREOF, this MOU has been executed and delivered as of the date set forth in the caption above.

FOR THE ASSOCIATION:

FOR THE UNIVERSITY:

President/Vice President of ASSOCIATION (circle one)

President or Designee

Printed Name

Printed Name

Secretary/Treasurer of ASSOCIATION
(circle title)

APPROVED FOR FISCAL RESPONSIBILITY
AND AVAILABILITY OF FUNDS:

W. J. T. O's

Controller

Printed Name

APPROVED FOR FORM AND LEGALITY:

University Legal Counsel

Deputy Attorney General

MEMORANDUM OF UNDERSTANDING
Between
EDINBORO UNIVERSITY OF PENNSYLVANIA
And
EDINBORO UNIVERSITY ALUMNI ASSOCIATION

WHEREAS Edinboro University of Pennsylvania (University) and the Edinboro University Alumni Association (Association) have enjoyed a very positive and productive relationship that is characterized by a common commitment to serving alumni and students and supporting university-wide needs and initiatives which they memorialized in a memorandum of understanding of mutual support effective on July 1, 2001 and continues to be in effect this date:

WHEREAS the Association, a 501(c)(3) nonprofit organization which is organized for purposes of the promotion and advancement of the University by providing assistance in varying forms to the University's constituencies:

WHEREAS the University provides support, when possible, to manage and assist the Association in its varied activities, including mailings, phonathons, and processing of donated funds;

WHEREAS the University has undertaken the construction and renovations to the University Center and plaza through approved student funding; and,

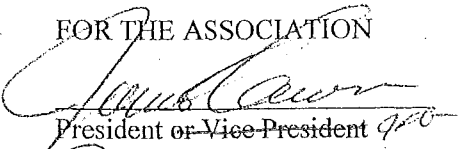
WHEREAS the Association desires that the construction and renovation project include the proposed erection of a monument of the "FIGHTING SCOT";


NOW THEREFORE, the University and the Association for good and valuable consideration do mutually agree to be legally bound to the following terms and conditions:

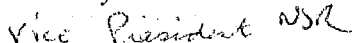
1. The University does hereby agree to undertake the planning and construction of the "Fighting Scot" plaza monument at the University Center at the estimated cost of \$606,000.00 (six hundred and six thousand dollars).
2. The Association does hereby agree to finance the planning and construction of said monument by making payment to the University in the sum of \$57,509.45 (fifty-seven thousand five hundred nine dollars and 45 cents) per year over a fifteen-year period with payment due one year in advance with the first payment due on July 1, 2006, and the final payment shall be made on July 1, 2020. Installment payments include interest at a rate of 4.778% and there will be no prepayment penalty for payoff of balances due the University.


IN WITNESS WHEREOF, the parties have caused these presents to be signed and attested by their proper officials, pursuant to due and legal action authorizing the same to be done, the day and year first written above and to be effective upon the review and approval of Commonwealth Attorneys.

FOR THE ASSOCIATION

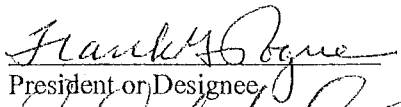

President or Vice-President

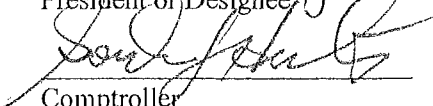

Secretary or Treasurer


Vice President

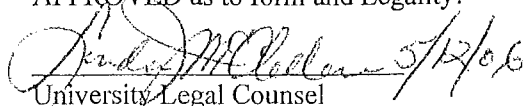

Treasurer

FOR THE UNIVERSITY


President or Designee


Comptroller

APPROVED as to form and Legality:


University Legal Counsel
PA State System of Higher Education

Deputy Attorney General
Office of Attorney General

MAY 1 2006

**Edinboro University Foundation
And
Edinboro University Alumni Association
Fiduciary Agreement**

By this Agreement, entered into this 1st day of July, 2015, the Edinboro University Foundation (hereinafter "Foundation") and the Edinboro University Alumni Association (hereinafter "Alumni Association") are entering into a fiduciary relationship with respect to certain Alumni Association assets, subjecting the Foundation to equitable duties to deal with the assets for the benefit of the Alumni Association. In return for the confidence reposed in the Foundation, the Foundation will be obliged to administer faithfully and according to such confidence. Therefore, intending to be legally bound hereby, the parties hereto agree as follows:

1. The Alumni Association will transfer the principal amount of restricted gift assets and true endowments, given directly to the Alumni Association that originates only from external sources. The Alumni Association shall retain title to all assets; including funds (principal, interest and additional gifts) transferred to or invested by, the Foundation acting as the University's fiduciary. All transfers must be authorized in writing by the President of the Alumni Association or his/her designee and each separate transfer will be subject to approval and acceptance by the Foundation. The Foundation may, in its discretion, reject any transfer for reasons that include but are not limited to, the nature of the asset and the restrictions, rules or donor agreements governing the asset or assets proposed to be transferred.
2. The Alumni Association may additionally increase its investment portfolio with the Foundation through the following means: 1) Through the internal movement of funds from unrestricted accounts held by the Association to a restricted category, e.g., endowments for additional scholarships, either named or general in nature; 2) Through the internal movement of funds received from unsolicited sources, including, but not limited to monies forwarded from estates, bequests, or gifts, whether they be restricted in use from the source, or generally received and subsequently transferred to a restricted account fund by the Association; or, 3) Other sources recognized as not being in conflict with the accepted mission of the Foundation to act as the University's fiduciary agent for the direct solicitation of scholarships, development office activities, or other specific University fund-raising activities.
3. The Foundation shall hold and manage transferred assets for the Alumni Association. Assets shall be placed only in "authorized investments" as defined in the Investment Policy of the Alumni Association. The Foundation will be bound by the "prudent man rule" as defined in the Decedents, Estates, and Fiduciaries Act of 1972 (1972, June 30, P.L. 508, No. 164, §7302[b].) The Foundation is responsible for acting in accordance with its Investment Policy as limited by the "authorized investments" of the Investment Policy of the Alumni Association. The Foundation is not responsible for any losses with respect to the investment of the funds.

4. Concurrent with the transfer, the Alumni Association shall inform the Foundation of all prior restrictions, rules, and agreements governing each transferred asset. The Foundation is obligated to honor all prior restrictions, rules, and agreements governing each transferred asset. The Foundation may not alter the purpose of any transferred asset.
5. The Foundation is bound to act, with all due speed and without a vote of its Board of Directors, upon all written requests by the President of the Alumni Association or his/her designee, for the return of all transferred assets and for checks drawn upon transferred funds, including the payment of all bills and other obligations associated with each fund.
6. The Foundation may levy charges that represent the cost associated with managing the assets transferred. A portion of the charges will be returned to the Alumni Association's operating fund each July. A fee of .57 percent will be applied uniformly to all Alumni funds managed by the Foundation, with .1372 percent of the prior fiscal year end fair market values of the Foundation investments, the University investments, and the Alumni Association's investments managed by the Foundation, being returned to the Alumni Association. All charges and fees associated with this paragraph will be returned to the Alumni Association's operating fund by July 31st of each fiscal year.
7. All transferred Alumni Association assets will be reported in the Foundation's annual independent audit all in accordance with generally accepted accounting principles. Copies of such reports will be presented annually to the Alumni Association Board of Directors. Any special audits required by the Alumni Association Board of Directors shall be charged to the Alumni Association at cost.
8. Either party reserves the right to revoke this Agreement at any time without cause upon thirty (30) days written notice. The Foundation shall then return all Alumni Association assets, principal at market value, and unspent accrued interest, within thirty (30) working days of the effective date of termination. Marketable securities held by the Foundation shall not be sold upon notice of revocation. Possession of all equities and unexpired bonds and other investments shall be transferred to the Alumni Association within the foregoing time frame, or upon a schedule that shall be mutually established and agreed to by the parties.
9. This Agreement is renewable biennially. It expires **June 30, 2017**. This Agreement may be amended at any time by mutual agreement between the Alumni Association and the Foundation.
10. In all questions arising from this Agreement, the laws of the Commonwealth of Pennsylvania shall apply.

11. The parties desire to enter into this arrangement to pool assets, not for the purpose of investment strategy, but to reduce fund administration fees and expenses. The parties are tax exempt organizations. The pooled fund will not solicit or accept contributions directly from individual donors. Any donor making a gift will make the donation to the Foundation or the Alumni Association, either of which may in turn place the donation in the pooled fund in accordance with the provisions herein. The participation in this arrangement is incidental to the benevolent and charitable purpose of each party. No part of the net earnings will inure to the benefit of any private officer, director or employee of either party.

12. The Foundation will return to the Alumni Association all fees, dollar for dollar, charged against the Alumni Association for credit card processing fees for gifts, and/or other charges and services. All charges and fees associated with this paragraph will be returned to the Alumni Association's operating fund by July 31st of each year.

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed This Fiduciary Agreement as of the date and year first above written.

Signature
Dennis Howard, Chair

Date

FOR THE FOUNDATION

Signature
James Kirk, Treasurer

Date

Federal I.D. Number 25-1819940

FOR THE ALUMNI ASSOCIATION

Signature

6-15-2015

Date

SCOTT IRLBACHER

Printed Name

PRESIDENT

Title

Signature

6/15/15

Date

David A Niemira Treasurer

Printed Name

Title

Federal I.D. Number 25-1329776

**EDINBORO UNIVERSITY
OF
PENNSYLVANIA
ALUMNI ASSOCIATION**

AUDITED FINANCIAL STATEMENTS

June 30, 2016 and 2015



***Coleman
& Co, P.C.***

Certified Public Accountants

**EDINBORO UNIVERSITY
OF
PENNSYLVANIA
ALUMNI ASSOCIATION**

AUDITED FINANCIAL STATEMENTS

June 30, 2016 and 2015

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

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June 30, 2016 and 2015

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AUDITED FINANCIAL STATEMENTS



C E R T I F I E D P U B L I C A C C O U N T A N T S

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Edinboro University of Pennsylvania Alumni Association

We have audited the accompanying financial statements of Edinboro University of Pennsylvania Alumni Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Edinboro University of Pennsylvania Alumni Association as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America

Coleman & Co., P.C.

Coleman & Co., P.C.
August 5, 2016

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION**STATEMENTS OF FINANCIAL POSITION****June 30, 2016 and 2015****ASSETS**

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 79,808	\$ 92,573
Marketable Securities (Note 2)	387,942	436,623
Accounts Receivable		
Due from Related Party (Note 3)	30,658	29,681
Other Receivable	(41,854)	13,443
Prepaid Expenses	8,321	7,900
Total Current Assets	<u>464,875</u>	<u>580,220</u>
INVESTMENTS UNDER MANAGEMENT (Note 4)	1,725,628	1,756,059
PROPERTY AND EQUIPMENT, Net (Note 6)	400,496	368,826
TOTAL ASSETS	<u>\$ 2,590,999</u>	<u>\$ 2,705,105</u>

LIABILITIES and NET ASSETS**CURRENT LIABILITIES**

Current Portion of Pledges Payable (Note 8)	\$ 45,540	\$ 43,464
Accounts Payable and Accrued Expenses	18,059	17,547
Total Current Liabilities	<u>63,599</u>	<u>61,011</u>

LONG-TERM LIABILITIES

Pledges Payable (Note 8)	<u>204,983</u>	<u>250,523</u>
Total Long-term Liabilities	204,983	250,523

NET ASSETS

Unrestricted Net Assets	538,225	524,141
Temporarily Restricted	506,862	611,526
Permanently Restricted	1,277,330	1,257,904
Total Net Assets	<u>2,322,417</u>	<u>2,393,571</u>

TOTAL LIABILITIES and NET ASSETS	<u>\$ 2,590,999</u>	<u>\$ 2,705,105</u>
-----------------------------------------	----------------------------	----------------------------

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

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2016 and 2015

	2016			2015	
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total	Total
REVENUES and SUPPORT					
Donations	\$ 5,903	\$ 950	\$ 19,426	\$ 26,279	\$ 33,147
Royalties	32,243	0	0	32,243	27,714
Scholarship Administration Fees	30,311	0	0	30,311	29,405
Special Activities	7,429	0	0	7,429	4,893
Net Investment Income-Realized	24,383	121,343	0	145,726	93,687
Net Investment Income-Unrealized	(31,887)	(140,846)	0	(172,733)	(34,791)
Total Revenues and Support	68,382	(18,553)	19,426	69,255	154,055
Net Assets Released from Restrictions	65,150	(65,150)	0	0	0
Total Revenues and Support & Net Assets Released from Restrictions	133,532	(83,703)	19,426	69,255	154,055
EXPENSES					
Scholarships	65,150	0	0	65,150	57,400
General Institutional Support	16,505	0	0	16,505	19,199
Special Activities	1,388	0	0	1,388	3,608
Depreciation	16,730	0	0	16,730	15,167
General & Administrative	18,525	0	0	18,525	23,141
Investment Management Fees	1,150	0	0	1,150	2,104
Foundation Management Fees	0	20,961	0	20,961	20,957
Total Expenses	119,448	20,961	0	140,409	141,576
INCREASE (DECREASE) IN NET ASSETS	14,084	(104,664)	19,426	(71,154)	12,479
NET ASSETS AT THE BEGINNING OF THE YEAR	524,141	611,526	1,257,904	2,393,571	2,381,092
NET ASSETS AT THE END OF THE YEAR	\$ 538,225	\$ 506,862	\$ 1,277,330	\$ 2,322,417	\$ 2,393,571

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

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION**STATEMENTS OF CASH FLOWS****For the Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (71,154)	\$ 12,479
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	16,730	15,167
Unrealized (Gains) Losses on Investments	172,733	34,791
Realized (Gains) Losses on Investments	(114,565)	(7,499)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	(977)	5,367
(Increase) Decrease in Other Receivables	55,297	(6,208)
(Increase) Decrease in Prepaid Expenses	(421)	(175)
Increase (Decrease) in Accounts Payable and Accrued Expenses	512	(27,818)
Net Cash Flows Provided by Operating Activities	<u>58,155</u>	<u>26,104</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(48,400)	0
Proceeds from Sale of Investments	1,091,717	1,123,611
Purchase of Investments	<u>(1,070,773)</u>	<u>(1,104,000)</u>
Net Cash Flows Provided (Used) by Investing Activities	(27,456)	19,611
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Pledges Payable	<u>(43,464)</u>	<u>(41,482)</u>
Net Cash Flows Used by Investing Activities	<u>(43,464)</u>	<u>(41,482)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,765)	4,233
CASH and CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>92,573</u>	<u>88,340</u>
CASH and CASH EQUIVALENTS, END OF YEAR	<u>\$ 79,808</u>	<u>\$ 92,573</u>

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

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Edinboro University of Pennsylvania Alumni Association (“Association”) is presented to assist in understanding the Association’s financial statements. The financial statements and notes are representations of the Association’s management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

The Edinboro University of Pennsylvania Alumni Association is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania. The Association’s purpose is to promote the general interests and welfare of Edinboro University of Pennsylvania by making gifts, scholarships, grants or other financial assistance available for the advancement of higher education.

Basis of Accounting

The financial statements include the accounts of the Association, presented on an accrual basis of accounting in accordance with generally accepted accounting principles in the United States.

Financial Statement Presentation

Statement of Financial Position Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations* was adopted by the Association. Under SFAS No. 117, the Association is required to report information regarding its financial position and the activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows.

Unrestricted Net Assets - Net assets that are not subject to donor-restricted stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time.

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 related investments for general or specific purposes.

Revenue Recognition

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

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income and realized net gains and losses on investments are reported as changes in temporarily restricted net assets if the terms of the gift or relevant state laws impose restrictions on the use of income or gains and losses. All other changes result in changes to unrestricted net assets.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class and a reclassification to unrestricted net assets is made to reflect the satisfaction of such restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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

Cash and cash equivalents consist of cash. For purposes of the statements of cash flows, the Association considers all investments with an original maturity, at date of purchase of three months or less, to be cash equivalents. The Association does not maintain cash and cash equivalents with various financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation.

Marketable Securities

The fair value of marketable debt and equity securities held by the Association are based on quoted market prices of the public securities market.

Functional Allocation of Interest Income

Net investment income from marketable securities is allocated to each fund based on each fund's pro rata share of the prior year's fund balance plus donations less disbursements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of their related assets. An estimated life for buildings is 39 years; the estimated life of furniture and fixtures ranges from five to ten years.

Impairment of Long-Lived Assets

Long-lived assets held and used by the Association are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

Income Taxes

The Association is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and is not a private foundation. As such, no provision for income taxes has been made on the financial statement.

The Organization's Form 990, *Return of Organization Exempt from Income Tax* for the years ending 2012, 2013, and 2014 are subjected to examination by the IRS, generally for three years after they were filed.

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Component Unit Reporting

The Association, due to its relationship with Edinboro University of Pennsylvania, is considered a component unit and, therefore required to have its financial statements included in the financial statements of Edinboro University of Pennsylvania.

Date of Management's Review

Subsequent events were evaluated through August 5, 2016, which is the date the financial statements were available for issuance.

Contributed Services and Facilities

Currently the Association and Edinboro University of Pennsylvania, provide support to each other through the charges of services. Edinboro University of Pennsylvania provides certain personnel services under the direction of Edinboro University of Pennsylvania, as well as maintenance, housekeeping, lawn care and snow removal. In exchange, the Alumni Association provides space for certain Edinboro University employees and supports the University through its activities as outlined in Note 1. In April of 2011, the Association and Edinboro University of Pennsylvania executed a property lease documenting the above arrangement. This lease runs through January 5, 2016 and can be terminated by Edinboro University of Pennsylvania without notice. Upon the expiration of the lease, the Association and Edinboro University of Pennsylvania have continued operating under the same terms on a month to month basis. These amounts have not been reflected in the financial statements. See also Note 10.

NOTE 2 MARKETABLE SECURITIES

Marketable securities are carried at fair value in the financial statement. Marketable securities at June 30, 2016 and 2015 consist of the following:

	2016	2015
Fixed Income	\$ 95,900	\$ 99,187
Equity Securities	252,013	283,906
Alternative Investments	40,029	53,530
	<u>\$ 387,942</u>	<u>436,623</u>

Additionally, a summary of unrealized gains and losses for assets is as follows as of June 30, 2016 and 2015:

	2016		
	Cost	Fair Value	Unrealized Gain/(Loss)
Fixed Income	\$ 95,256	\$ 95,900	\$ 644
Equity Securities	238,907	252,013	13,106
Alternative Investments	41,504	40,029	(1,475)
	<u>\$ 375,667</u>	<u>\$ 387,942</u>	<u>\$ 12,275</u>

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE 2 MARKETABLE SECURITIES (Continued)

	2015		
	Cost	Fair Value	Unrealized Gain/(Loss)
Fixed Income	\$ 99,030	\$ 99,187	\$ 157
Equity Securities	239,944	283,906	43,962
Alternative Investments	54,950	53,530	(1,420)
	<u>\$ 393,924</u>	<u>\$ 436,623</u>	<u>\$ 42,699</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30, 2016 and 2015:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment Income	\$ 24,383	\$ 0	\$ 0	\$ 24,383
Unrealized Gain	(31,887)	0	0	(31,887)
Return on Investments	<u>\$ (7,504)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,504)</u>

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment Income	\$ 21,135	\$ 0	\$ 0	\$ 21,135
Unrealized Gain	(9,587)	0	0	(9,587)
Return on Investments	<u>\$ 11,548</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,548</u>

These investments are unrestricted net assets, not subject to any donor restrictions or board designations.

NOTE 3 DUE FROM RELATED PARTY

Due from related party at June 30, 2016 and 2015 consists of fiduciary fees and merchant fees in the amount of \$30,658 and \$29,681, respectively, due from the Edinboro University Foundation ("Foundation").

NOTE 4 INVESTMENTS UNDER MANAGEMENT

In July of 2006, the Association entered into an agreement with the Edinboro University Foundation under which the Edinboro University Foundation will manage the principal amount of investments held by the Association. In August 2006, \$1,162,359 was transferred to Edinboro University Foundation. Investments under management are carried at fair value in the financial statements.

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 an 2015

NOTE 4 INVESTMENTS UNDER MANAGEMENT (Continued)

For the managing of these funds, the Edinboro University Foundation will receive a fee from the Association of .57 percent applied uniformly to all funds managed by the Foundation, with .1372 percent of the prior fiscal year end fair market values of the Foundation investments, the University investments, and the Association's investments managed by the Foundation, being returned to the Association.

The Agreement is renewable biennially and expires in June 2017. The Agreement may be amended at any time by mutual agreement between the Association and Edinboro University Foundation. The Agreement may also be revoked at anytime without cause upon (30) days written notice.

These funds are all considered to be donor restricted endowment funds.

The Association's endowment funds consist of 49 funds established to support scholarships at Edinboro University of Pennsylvania. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted Pennsylvania law as requiring the preservation of fair market value, as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. Consequently, the Association classifies permanently restricted assets as:

- The original value of the gifts donated to the permanent endowment, and
- The original value of the subsequent gifts to the permanent endowment.

The remaining portion of the donor restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association's Board. In accordance with Pennsylvania law, the Association considers the following factors in making a determination to accumulate donor-restricted funds:

- The duration and preservation of the fund
- The purpose of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of the investment
- Other resources of the Association
- The investment policies of the Association

The Association has adopted investment and spending policies for endowment assets that attempts to provide a predictable stream of funding to the scholarships supported by the endowments. The endowment assets are invested in a manner that is intended to produce results that adhere to the Association's Investment Policy. This policy assumes a moderate level of investment risk, with predefined targets.

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE 4 INVESTMENTS UNDER MANAGEMENT (Continued)

The Association has a policy of appropriating for distribution each year four percent of its endowment fund's average appreciation over the prior three years, proceeding the fiscal year in which the distribution is planned. Because this amount is calculated for the next fiscal year, the amount appropriated for the following fiscal year is added to temporarily restricted net assets in the current year.

In establishing this policy, the Association considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Association expects the current spending policy will allow its endowment to retain the original value of the gift.

The Association relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Association targets a diversified asset allocation that emphasizes a blend of fixed income securities and equity investments to achieve its long-term objectives within prudent risk constraints.

Investments under management consist of the following at June 30, 2016 and 2015:

	2016	2015
Money Market Funds	\$ 54,605	\$ 27,526
Fixed Income	410,759	375,767
Equity Securities	1,079,069	1,147,829
Alternative Investments	181,195	204,937
	<u>\$ 1,725,628</u>	<u>\$ 1,756,059</u>

Additionally, a summary of unrealized gains and losses for assets held by the trustee is as follows at June 30, 2016 and 2015:

	<u>June 30, 2016</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
Money Market Funds	\$ 54,605	\$ 54,605	\$ 0
Fixed Income	407,967	410,759	2,792
Equity Securities	1,033,560	1,079,069	45,509
Alternative Investments	187,501	181,195	(6,306)
	<u>\$ 1,683,633</u>	<u>\$ 1,725,628</u>	<u>\$ 41,995</u>
	<u>June 30, 2015</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
Money Market Funds	\$ 27,526	\$ 27,526	\$ 0
Fixed Income	375,337	375,767	430
Equity Securities	973,044	1,147,829	174,785
Alternative Investments	210,288	204,937	(5,351)
	<u>\$ 1,586,195</u>	<u>\$ 1,756,059</u>	<u>\$ 169,864</u>

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE 4 INVESTMENTS UNDER MANAGEMENT (Continued)

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30, 2016 and 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets, July 1, 2014	\$ 0	\$ 637,465	\$ 1,235,729	\$ 1,873,194
Investment Income	0	72,552	0	72,552
Unrealized Loss/Gain	<u>0</u>	<u>(25,204)</u>	<u>0</u>	<u>(25,204)</u>
Return on Investments	0	47,348	0	47,348
Contributions	0	5,070	22,175	27,245
Appropriation for Expenditure	0	(57,400)	0	(57,400)
Investment Fees	<u>0</u>	<u>(20,957)</u>	<u>0</u>	<u>(20,957)</u>
Net Assets, June 30, 2015	<u>\$ 0</u>	<u>\$ 611,526</u>	<u>\$ 1,257,904</u>	<u>\$ 1,869,430</u>
Investment Income	0	121,343	0	121,343
Unrealized Loss/Gain	<u>0</u>	<u>(140,846)</u>	<u>0</u>	<u>(140,846)</u>
Return on Investments	0	(19,503)	0	(19,503)
Contributions	0	950	19,426	20,376
Appropriation for Expenditure	0	(65,150)	0	(57,400)
Investment Fees	<u>0</u>	<u>(20,961)</u>	<u>0</u>	<u>(20,961)</u>
Net Assets, June 30, 2016	<u>\$ 0</u>	<u>\$ 506,862</u>	<u>\$ 1,277,330</u>	<u>\$ 1,784,192</u>

NOTE 5 FAIR VALUE MEASUREMENT

The Association measures its investments at fair value on a recurring basis in accordance with generally accepted accounting principles.

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to dispose of a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify priorities used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value measurement are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE 5 FAIR VALUE MEASUREMENT (Continued)

Level 2 - Observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table represents the Association's fair value hierarchy for the financial instruments measured at fair value on a recurring basis as of June 30, 2016 and 2015, respectively:

	2016			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable Securities	\$ 387,942	\$ 387,942	\$ 0	\$ 0
Investments Under Management	1,725,628	1,725,628	0	0
	<u>\$ 2,113,570</u>	<u>\$ 2,113,570</u>	<u>\$ 0</u>	<u>\$ 0</u>

	2015			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable Securities	\$ 436,623	\$ 436,623	\$ 0	\$ 0
Investments Under Management	1,756,059	1,756,059	0	0
	<u>\$ 2,192,682</u>	<u>\$ 2,192,682</u>	<u>\$ 0</u>	<u>\$ 0</u>

The fair value of marketable securities and investments under management is based upon quoted market prices for those or similar investments.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2016 and 2015 is comprised of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ 154,000	\$ 154,000
Buildings and Improvements	506,467	458,067
Furniture and Fixtures	42,683	42,683
	<u>703,150</u>	<u>654,750</u>
Less Accumulated Depreciation	302,654	285,924
Property, Net	<u>\$ 400,496</u>	<u>\$ 368,826</u>

Depreciation expense for the years ended June 30, 2016 and 2015, was \$16,730 and \$15,167, respectively.

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE 7 FUNCTIONAL EXPENSES

Below is a summary of functional expenses for the years ended June 30, 2016 and 2015:

June 30, 2016			
Program Expenses	Administrative Expenses		Total
	Management & General	Fundraising	
<u>\$ 112,250</u>	<u>\$ 26,771</u>	<u>\$ 1,388</u>	<u>\$ 140,409</u>

June 30, 2015			
Program Expenses	Administrative Expenses		Total
	Management & General	Fundraising	
<u>\$ 105,230</u>	<u>\$ 32,738</u>	<u>\$ 3,608</u>	<u>\$ 141,576</u>

NOTE 8 PLEDGES PAYABLE

In May of 2006, the Association formalized an agreement to pledge \$606,000 towards a construction project on the University campus. This pledge is payable in equal yearly installments for 15 years beginning July 1, 2006, and bears interest at 4.78%. The annual payment including principal and interest is \$57,509. The principal has been expensed as general institutional support in relation to the construction costs incurred. The interest will be expensed as general institutional support as incurred. For the year ended June 30, 2016 and 2015, \$14,046 and \$16,028, respectively, in interest expense is included and reflected as such in the accompanying statements.

Future minimum payments under this pledge are as follows:

2016	\$ 45,540
2017	47,716
2018	49,996
2019	52,384
2020	54,887
Total Minimum Pledge Payments	<u>\$ 250,523</u>

NOTE 9 SCHOLARSHIP ADMINISTRATION FEES

The scholarship administration fees for 2016 and 2015 represent the revenue recorded under the management agreement with the Edinboro University Foundation as described in Note 4.

Investment management fees charged against scholarships in 2016 and 2015 were \$30,311 and \$29,405, respectively, including \$10,032 and \$10,043 to the Edinboro University Foundation, respectively.

EDINBORO UNIVERSITY OF PENNSYLVANIA ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE 10 RELATED PARTY TRANSACTIONS

As discussed in Note 1, the Association and Edinboro University of Pennsylvania provide support to each to other. The nature of this relationship was formalized through a Memorandum of Understanding (MOU), that was executed by both parties on January 5, 2011. This MOU clarifies and formalizes the relationship between the two entities. Management believes the fair market value of these services is reflected as a component of general institutional support in the accompanying financial statements.

NOTE 11 CASH FLOWS

Cash paid for interest amounted to \$14,046 and \$16,028 for the years ended June 30, 2016 and 2015.

Commonwealth of Pennsylvania

Department of State

3-1-73.21 1263

Corporation Bureau

Articles of Incorporation

Non-Profit Corporation

Non-Profit Corporation Law of 1972, Act 1972,

In compliance with the provisions of the Non-Profit Corporation Law approved the 30th day of May 1972, P.L. NO. 271, as amended, the undersigned, all of whom are of full age* at least 3 of whom are citizens of the United States and residents of the Commonwealth of Pennsylvania, desiring that they may be incorporated as a non-profit corporation, do hereby certify:

1. The name of the corporation is:

Edinboro State College Alumni Association

2. The location and post office address of its initial registered office in this Commonwealth is:

Alumni Office Edinboro State College, Edinboro, Pa. 16412

Number Street City County Pennsylvania

3. The purpose or purposes of the corporation which shall be organized under this Act are as follows: (**)

It shall be the purpose of the Association to promote the general interests and welfare of Edinboro State College, its alumni and friends, and the various activities of or pertaining to, these said groups of the institution, in any lawful manner, including, but not limited to, the following: by promoting educational purposes in connection with or at the request of the College and/or the Edinboro Foundation; by making gifts, scholarships or other grants, loans or otherwise providing money, credit or financial assistance for these or like objectives by seeking, acquiring, holding and using gifts, bequests, devises, endowments and foundations for the several needs for the College, its faculty, staff or students, the Association and its membership; by acquiring, constructing, or otherwise providing buildings, grounds, or other suitable facilities, improvements, or equipment for the College; by acquiring, holding, using, or providing real and personal property, funds, credit or financial assistance for the accomplishment of any or all said objectives and purposes and all material necessarily or properly incident thereto or connected therewith; and, the foregoing should be construed as powers as well as purposes.

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

5. The term of its existence is: Perpetual

6. A. The corporation is organized upon a non stock basis.

B. The aggregate number of shares which the corporation shall have authority to issue is (***)

(*) At least five or more natural persons of full age, and of either sex at least three of whom are citizens of the United States, and residents of the Commonwealth of Pennsylvania, may incorporate a non-profit corporation under the provisions of this Act.

(**) It shall not be necessary to set forth any powers enumerated in Section 302 of the Act.

(***) There should be set forth the number and par value of all shares having par value; the number of shares without par value, and the stated capital applicable thereto. If the shares are to be divided into classes, a description of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights granted to, or imposed upon, the shares of each class.

FILING FEE — \$40.00

NOTE: Excise tax at the rate of 1/5 of 1% (\$2.00 per \$1,000) will be due and payable at the time of filing of the Articles, computed by multiplying the number of authorized shares having par value by their par value, or if shares of no par stock are authorized, then on the stated capital applicable thereto as well.

ONLY A CLEARLY LEGIBLE ORIGINAL SHOULD BE SUBMITTED.

SIGNATURES SHOULD BE IN BLACK INK.

7. The names and addresses of those persons who are to act as directors until the election of their successors:

NAME	ADDRESS (including street and number, if any)
Willard Andre	417 Elk St. Franklin, Pa. 16323
Louis S. Meyer	R. D. 2 Cambridge Springs, Pa. 16403
Justina Baron	8661 West Baron Rd., Mc Kean, Pa. 16426
David M. O'Dessa	216 Meadville St., Edinboro, Pa. 16412
Dave Burke	R. D. 4, Meadville, Pa. 16335
Daniel O. McLaughlin	139 Chestnut St., Edinboro, Pa. 16412
Paul Foust	8467 W. Lake Rd., Erie, Pa. 16511
Raymond C. VanSlyke	565 Water Street, Conneaut Lake, Pa. 16316
Patricia Gagliardi	910 Bauman Ave., Baden, Pa. 15005
Florian F. Florek, M.D.	27 Market Street, Edinboro, Pa. 16412
Michael Zaborchak	R. D. 3, Sewickley, Pa. 15143

8. The name, place of residence, and post office address of each of the incorporators are as follows:

NAME	ADDRESS (including street and number, if any)	NUMBER AND CLASS OF SHARES (if any)
Louis S. Meyer	R. D. 2 Cambridge Springs, Pa. 16403	
David M. O'Dessa	216 Meadville St., Edinboro, Pa. 16412	
Daniel O. McLaughlin	139 Chestnut St., Edinboro, Pa. 16412	
Raymond C. VanSlyke	565 Water St., Conneaut Lake, Pa. 16316	
Florian F. Florek, M.D.	27 Market St., Edinboro, Pa. 16412	

IN TESTIMONY WHEREOF, the incorporators have signed and sealed these Articles of Incorporation this

9th day of May, 1973.

Louis S. Meyer (SEAL) _____ (SEAL)
David M. O'Dessa (SEAL) _____ (SEAL)
Raymond C. VanSlyke (SEAL) _____ (SEAL)
Daniel O. McLaughlin (SEAL) _____ (SEAL)
Florian F. Florek (SEAL) _____ (SEAL)
 _____ (SEAL) _____ (SEAL)
 _____ (SEAL) _____ (SEAL)

Approved and filed in the Department of State on the 11th day of May A.D. 1973

C. DeLoree Tucker

Secretary of the Commonwealth

as

STATE OF PA
 RECEIVED
 MAY 11 AM 5:15

Erie County Legal Journal

Proof of Publication of Notice

STATE OF PENNSYLVANIA } SS:
COUNTY OF ERIE

Virginia C. Phillips

Associate Editor of the Erie County Legal Journal, being duly sworn according to law, deposes and says that the Erie County Legal Journal is the duly designated legal newspaper for Erie County, Pennsylvania, which legal newspaper was established in 1945, and is published at Court House, Erie, Erie County, Pennsylvania; and that a copy of the printed notice or publication is attached hereto exactly as printed or published in the issue or issues of said legal newspaper on the following date or dates:

COPY OF NOTICE

ARTICLES OF AMENDMENT
Edinboro State College Alumni Association hereby gives notice that it filed Articles of Amendment to its Articles of Incorporation under the provisions of the Nonprofit Corporation Law of 1972, Act 1972, Nov. 15, P.L. 271.
1. The Edinboro State College Alumni Association is a domestic nonprofit corporation with its registered office at the Alumni Office, Edinboro State College, Edinboro, Pennsylvania 16444.
2. The Articles of Amendment were filed under the provisions of Section 7906 of the Nonprofit Corporation Law of 1972, 15 Pa.S., Act of 1972, No. 271.
3. The amendments consisted of deleting the existing Article 3 of the said Articles of Incorporation in its entirety and substituting a new Article 3 for the purpose of assuring that the said Corporation would qualify as an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future U.S. Internal Revenue Law, and imposing restrictions on its purposes, activities and distribution of assets in the event of the dissolution of the Corporation in such a manner as to qualify as such an exempt organization. The amendments further added a new Paragraph Nine (9) to the Articles providing that the Corporation shall have membership of such classes as the Bylaws adopted by the membership shall prescribe.
4. The Articles of Amendment were filed with the Department of State on November 3, 1976.
William G. Sesler, Esq.
109 East Tenth Street
Erie, Pennsylvania 16501
August 5

Friday

August 5 A. D., 1977

The affiant further states that he is the designated agent of Erie County Bar Association, the owner of said legal newspaper, that he is not interested in the subject matter of the aforesaid notice or advertising, and that all the allegations of the aforesaid statement as to time, place and character of publication are true.

Virginia C. Phillips, Associate Editor

Sworn to and subscribed before me this

8th day of August

A. D., 1977

Ruth B. Meyer, Notary Public

MY COMMISSION EXPIRES:

RUTH B. MEYER, NOTARY PUBLIC
ERIC, ERIE COUNTY, PENNSYLVANIA
MY COMMISSION EXPIRES FEB. 23, 1981

TO: ERIE COUNTY LEGAL JOURNAL
501 Sassafras Street
Erie, Pennsylvania 16507

ERIE TIMES NEWS
205 West 12th Street
Erie, Pennsylvania 16507

PLEASE PUBLISH THE FOLLOWING LEGAL NOTICE ONCE:

ARTICLES OF AMENDMENT

EDINBORO STATE COLLEGE ALUMNI ASSOCIATION hereby gives notice that it filed Articles of Amendment/under the provisions of the Nonprofit Corporation Law of 1972, Act 1972, Nov. 15, P.L. 271.

1. The Edinboro State College Alumni Association is a domestic nonprofit corporation with its registered office at the Alumni Office, Edinboro State College, Edinboro, Pennsylvania 16444.

2. The Articles of Amendment were filed under the provisions of Section 7906 of the Nonprofit Corporation Law of 1972, 15 Pa.S., Act of 1972, No. 271.

3. The amendments consisted of deleting the existing Article 3 of the said Articles of Incorporation in its entirety and substituting a new Article 3 for the purpose of assuring that the said Corporation would qualify as an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future U.S. Internal Revenue Law, and imposing restrictions on its purposes, activities and distribution of assets in the event of the dissolution of the Corporation in such a manner as to qualify as such an exempt organization. The amendments further added a new Paragraph Nine (9) to the Articles providing that the Corporation shall have membership of such classes as the Bylaws adopted by the membership shall prescribe.

4. The Articles of Amendment were filed with the Department of State on November 3, 1976.

William G. Sesler, Esq.
109 East Tenth Street
Erie, Pennsylvania 16501

Printed 9/27/77 per memo

APPLICANT'S ACCT NO.

DSCB: 15-7905 (Rev. 11-72)

Filing Fee: \$40
AN-11

Articles of
Amendment—
Domestic Nonprofit Corporation

3-1-76-47 446

(Line for numbering)
106830

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
CORPORATION BUREAU

Filed this 3rd day of
November, 1976

Commonwealth of Pennsylvania
Department of State

P. DeLoach Tucker

Secretary of the Commonwealth ec

(Box for Certification)

In compliance with the requirements of 15 Pa. S. §7905 (relating to articles of amendment), the under-
signed nonprofit corporation, desiring to amend its Articles, does hereby certify that:

1. The name of the corporation is:

Edinboro State College Alumni Association

2. The address of its registered office in this Commonwealth is (the Department of State is hereby authorized
to correct the following statement to conform to the records of the Department):

Alumni Office, Edinboro State College

(NUMBER)

(STREET)

Edinboro,

Pennsylvania

16444

(CITY)

(ZIP CODE)

3. The statute by or under which it was incorporated is:

Nonprofit Corporation Law of 1972, Act 1972, Nov. 15, P.L. 271

4. The date of its incorporation is: May 11, 1973

5. (Check, and if appropriate, complete one of the following):

The amendment shall be effective upon filing these Articles of Amendment in the Department
of State.

The amendment shall be effective on:

_____ at _____
(DATE) (HOUR)

6. (Check one of the following):

The amendment was adopted by the members pursuant to 15 Pa. S. §7904(a).

The amendment was adopted by the board of directors pursuant to 15 Pa. S. §7904(b).

7. The amendment adopted by the corporation, set forth in full, is as follows:

Delete paragraph three (3) of said Articles in its entirety and substitute the
following: (See copy attached hereto.) Add new paragraph nine (9) as follows:

"The Corporation shall have membership of such classes as the bylaws
adopted by the membership shall prescribe."

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer and its corporate seal, duly attested by another such officer, to be hereunto affixed this 23rd day of October, 1976.

EDINBORO STATE COLLEGE ALUMNI ASSOCIATION
(NAME OF CORPORATION)

By: Patricia J. Gagliardi
(SIGNATURE)
President
(TITLE: PRESIDENT, VICE PRESIDENT, ETC.)

Attest: Helen C. Page
(SIGNATURE)
Secretary

(TITLE: SECRETARY, ASSISTANT SECRETARY, ETC.)

(CORPORATE SEAL)

INSTRUCTIONS FOR COMPLETION OF FORM:

- A. Any necessary copies of Form DSCB:17.2 (Consent to Appropriation of Name) or Form DSCB:17.3 (Consent to Use of Similar Name) shall accompany Articles of Amendment effecting a change of name.
- B. Any necessary governmental approvals shall accompany this form.
- C. If the action was authorized by a body other than the board of directors Paragraph 6 should be modified accordingly.
- D. 15 Pa. S. §7906(c) requires that the corporation shall advertise its intention to file or the filing of Articles of Amendment. Proofs of publication of such advertising should not be delivered to the Department, but should be filed with the minutes of the corporation.

RECEIVED
NOV 23 1976
DEPARTMENT

"3. The Corporation is incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania for the following purpose or purposes: Said corporation is organized exclusively for charitable, religious, educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), including, specifically, Edinboro State College, a public nonsectarian institution supported by the Commonwealth of Pennsylvania.

Its further purpose shall be to promote and advance the course of higher education in connection with and under the direction of the administration of said Edinboro State College by providing gifts, grants, loans, credit or other forms of assistance for the several needs of the College, including, but not limited to, its faculty, staff, buildings, grounds, equipment, and other facilities; to award scholarships, gifts, grants, or other assistance to any students matriculating at Edinboro State College who by reason of merit, academic achievement and/or financial need deserve aid to advance their education; to establish and implement programs for continuing education of the alumni of the College with the corporation and under the direction of the College and to foster and encourage interest, concern, and support for Edinboro State College among its alumni, other individuals and society.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, Directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes

set forth herein. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of Erie County in which the principal office of the corporation is located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes."

**BYLAWS OF THE
EDINBORO UNIVERSITY OF PENNSYLVANIA
ALUMNI ASSOCIATION, INC.**

A Nonprofit Organization

ARTICLE I

DEFINITION OF BYLAWS

These Bylaws constitute the code of rules adopted by Edinboro University of Pennsylvania Alumni Association, hereinafter referred to as "Association," for the regulation and management of its affairs.

ARTICLE II

PURPOSES AND POWERS

The Association will have the purposes or powers as may be stated in its Articles of Incorporation and such powers as are now or may be granted hereunder by the Nonprofit Association Law of 1972 of the Commonwealth of Pennsylvania, or any successor legislation.

1. The Association is organized exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), including, specifically, Edinboro University of Pennsylvania, a public nonsectarian institution supported by the Commonwealth of Pennsylvania. Its further purpose shall be to promote and advance the course of higher education in connection with the administration of said Edinboro University of Pennsylvania by providing gifts, grants, loans, credit or other forms of assistance for the several needs of the University, including, but not limited to, its faculty, staff, buildings, grounds, equipment, and other facilities; to award scholarships, gifts, grants, or other assistance to any students matriculating at Edinboro University of Pennsylvania who by reason of merit, academic achievement and-or financial need deserve aid to advance their education; to establish and implement programs for continuing education of the alumni of the University with the cooperation of the University and to foster and encourage interest, concern, and support for Edinboro University of Pennsylvania among its alumni, other individuals, and society by various activities including but not limited to the following:
 - (a) by initiating and-or participating in fundraising drives and-or projects;
 - (b) by assisting the University in the production of various publications, the purpose of which is to inform the members of this Association of the activities of the Association, the University, its faculty, and its students;

- (c) by assisting the University in maintaining a current record of its former students;
 - (d) by developing and encouraging individual and community interest in the University;
 - (e) by cooperating with the University in any or all of the foregoing and in the establishment and implementation of programs for the continuing education and-or extension of the alumni.
 - (f) by supporting University initiatives through cash donations, volunteer time, alumni expertise, or joint venture with other University organizations.
2. In addition to the foregoing, it shall be the function of the Association to promote educational purposes in connection with or at the request of Edinboro University of Pennsylvania, and in any lawful manner including, but not limited to, the following:
- (a) by supporting University initiatives, activities and pursuits;
 - (b) by making gifts, scholarships, grants or loans or otherwise providing money, credit, or financial assistance for the accomplishment of the foregoing objectives and purposes;
 - (c) by seeking, acquiring, holding, and using gifts, bequests, devises, endowments, and foundations for the several needs of Edinboro University of Pennsylvania, its faculty, staff or students, the Association and its membership;
 - (d) by acquiring, constructing, supporting, managing, or otherwise providing physical, financial, or investment expertise in the development of buildings, grounds, or other suitable facilities, improvements or equipment for Edinboro University of Pennsylvania or for the use or benefit of Edinboro University of Pennsylvania or its faculty, staff or students, the Association and its membership;
 - (e) by acquiring, holding, using or providing real and personal property, funds, credit or financial assistance for the accomplishment of any or all of said objectives and purposes and all material necessarily or properly incident thereto or connected therewith; and
 - (f) by supporting and assisting Edinboro University of Pennsylvania Council of Trustees, Edinboro University of Pennsylvania Foundation, and Edinboro University of Pennsylvania Student Government Association in the accomplishment of the initiatives, activities, and pursuits of said institution.

3. The foregoing should be construed as powers as well as purposes, and this Association shall also have, use and employ any and all powers necessarily or properly incident to or connected with any of the foregoing purposes and powers including the power to acquire in any lawful manner such property, real, personal or mixed or any interest therein as may be necessary to the transaction of its business or the execution of any trust, and may hold, use, lease, sell, mortgage, pledge, assign, transfer or convey the same or any part thereof.
4. The Association shall not provide for pecuniary gain or profit, incidental or otherwise, to its members.
5. No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Association shall not carry on any other activities not permitted to be carried on (a) by an Association exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by an Association, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law.)
6. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of Erie County in which the principal office of the Association is located, exclusively for such purposes or to such organization or organizations, as said Court shall determine which are organized and operated exclusively for such purposes.
7. Subventions:

The Association shall be authorized by resolution of the Board of Directors and therefore may accept financial grants, property, subsidies, aid, or other subventions from members or nonmembers on terms and conditions consistent with the

provisions of the Nonprofit Association Act of 1972 and any successive legislation enacted.

8. Governing Regulations:

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Association Board of Directors in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Board of Directors may adopt. (RONR [10th ed.], p. 15, 1. 17-25; p. 561-62)

ARTICLE III

OFFICES AND AGENCY

1. Principal and Branch Offices:

The principal place of business of this Association in Pennsylvania will be located at the Alumni House, 210 Meadville Street, Edinboro, PA 16444. In addition, the Association may maintain other offices either within or without the Commonwealth of Pennsylvania as its business requires.

2. Location of Registered Office:

The location of the registered office of this Association is stated in the Articles of Incorporation. Such office will be continuously maintained in the Commonwealth of Pennsylvania for the duration of this Association. The Board of Directors may from time to time change the address of its registered office by duly adopted resolution and amend its Article or file the appropriate statement with the Department of State.

ARTICLE IV

ASSOCIATION GENERAL MEMBERSHIP

1. Definition of Membership:

The Members of the Association are those persons having membership rights in accordance with the provisions of these Bylaws.

2. Classes of Members:

This Association will have three (3) classes of Members, which are designated Active, Associate, and Honorary.

3. Qualifications and Rights of the Members:

(a) Active Membership:

All persons who have completed the requirement of a prescribed curriculum of the University and received a degree or certificate attesting to said academic achievement shall be considered to be Active Members of the Association. Active Members may attend all meetings of the Board of Directors and may vote on Association business as set forth below. At the April meeting of the Board of Directors Active Members shall have the right to vote for the following: the election of members and officers of the Association, changes and amendments to the By-Laws of the Association, and other items as permitted at the discretion of the Board of Directors.

(b) Associate Membership:

All persons who have attended the University for one or more academic periods or sessions may submit a written request to the Board of Directors for consideration to become an Associate Member of the Association. Associate Members may attend all meetings of the Board of Directors but cannot vote. The members of the Faculty and Council of Trustees, past and present, of the University shall be Associate Members of the Association. Undergraduate students shall be Associate Members of the Association.

(c) Honorary Membership:

Retired faculty granted Emeritus Status by Edinboro University, friends and benefactors of the University and others whose services the Association may desire to recognize may become Honorary Non-Voting Members of this Association by invitation of the Board of Directors and a simple majority (50% + 1) vote of all members of the Board of Directors present at any regular Board of Directors meeting.

4. Place of Members' Meetings:

Meetings of Members will be held at the Alumni House of Edinboro University of Pennsylvania, Edinboro, Pennsylvania or at such place within the Commonwealth of Pennsylvania as the Board of Directors may from time to time designate.

5. Special Members' Meetings:

Special meetings of the Members may be called by any one of the following:

- (a) Two-thirds (2/3) of the current Members of the Board of Directors; or
- (b) The President of the Association.

Notice of special meetings, stating the place, day, and hour of the meeting, and stating the purpose or purposes for which the meeting is called, will be posted on the Association website not less than five (5) nor more than sixty (60) days before such meeting.

6. Members' Voting:

An active Association Member shall have only one (1) vote on any eligible question or matter before the Association at the April Board of Directors Meeting.

7. Transferability of Membership:

Membership in this Association is nontransferable and non-assignable.

8. Termination of Membership:

Membership will terminate in the Association upon the presence of any one of the following conditions, and for no other reason:

- (a) Receipt by the Board of Directors of the written resignation of a Member, executed by such Member or his duly authorized attorney-in-fact;
- (b) The death of a Member; or
- (c) For cause, behavior, or actions inconsistent with terms and conditions of membership, at the discretion of the Association Board of Directors upon recommendation of the Executive Committee of the Board of Directors. All terminations shall be by simple majority (50% +1) of the entire voting members of the Board of Directors.

ARTICLE V

BOARD OF DIRECTORS

1. Definition of Board of Directors:

The management of the business and affairs of the Edinboro University Association shall be vested in a Board of Directors consisting of a maximum of twenty-four (24), and not fewer than eight (8), voting Directors at any time.

2. Structure of Board:

- (a) The Board of Directors of the Association shall be composed of those voting Directors elected by the general membership present and entitled to vote at the April Board of Directors Meeting as provided in these By-laws. Board of Directors membership is limited to those Active Members duly elected and those granted Lifetime Membership status (see Article V. 4.(b)). Board of Directors participation, beyond the 8-24 voting members, is extended to Non-Voting Liaisons as invited and provided herein.
- (b) No person subject to the provision of the Adverse Interest Law of the Commonwealth of Pennsylvania shall serve in a voting position on the Board of Directors of the Association.

3. Nomination of Directors:

Members of the Board of Directors shall be nominated in the following fashion: Nominations will be referred to and accepted by the Nominations Committee. The Nominations Committee shall vote on each nomination separately, and if approved, send that nomination to the Executive Committee for consideration. If the Executive Committee accepts the recommendation it shall present the proposed slate of new and continuing directors to the Board of Directors for acceptance or rejection, at the April Meeting of the Board of Directors. A request for an individual vote for each nomination, rather than a slate vote, may be made by any member of the Board. Any Active Member of the Association in attendance may vote in the election. Any seats remaining open following the April meeting shall be dealt with in accordance with these By-Laws.

4. Term of Directors:

- (a) Membership on the Association Board of Directors for voting members shall be limited to three (3) consecutive three-year terms. Such limitation may be waived upon the recommendation of the Nominations Committee under certain conditions, including, but not limited to the following: unavailability of sufficient, qualified prospective nominees to stand for the anticipated vacancies; circumstances or Board of Directors business which could be adversely affected by the change in membership at that point in time; or other situations, which by recommendation and subsequent action by the Board of Directors would waive this limitation on a case-by-case basis. A person so limited shall be eligible for re-election at the next available election following a one-year hiatus from the Board. This shall be effective for all newly elected members beginning April 2010, and upon adoption of these revised By-laws.
- (b) Included in the twenty-four (24) voting members of the Board of Directors permitted herein, there shall be the position of Lifetime

Member of the Board of Directors. Nominations for this position shall be made by any current Board of Directors Member to the Nominations Committee, who shall approve or reject the nomination. If approved, the Nominating Committee shall then pass their recommendation to the Executive Committee for approval or rejection. If approved, the nomination shall then be presented to the Board of Directors for action. A two-thirds (2/3) affirmative vote of the current Members of the Board of Directors, at a regular meeting, shall be required for approval.

- (c) Lifetime Members shall be eligible to vote, hold elected office, serve on the Executive Committee and other committees, and have all other privileges accorded to members of the Board of Directors.
- (d) A Lifetime Members who wishes to resign his/her position shall have two options:
 - (1) Resign Membership: Therefore giving up all the rights and privileges as described in our by-laws. If at some time in the future he/she wished to return to the Board of Directors, the individual would need to go through the general nominating process; or
 - (2) Inactive Membership: The Executive Committee will fill the vacant seat on the Board. The individual would remain an inactive Honorary Lifetime Member. If in the future, he/she wished to return to the Board of Directors, the individual would be given a seat as soon as a seat became vacant.

5. Non-Voting Liaisons:

- a) Non-Voting Liaisons are those person(s), or their respective designees, who, by reason of their position within the University, have non-voting seats on the Association Board of Directors.
- b) The following persons shall be non-voting Liaison representatives on the Board of Directors: Edinboro University Council of Trustees designee, Edinboro University Foundation designee, Edinboro University Student Government Association designee, the President of Edinboro University and-or his/her designee, and any board approved University Liaison to the Board of Directors.

6. Vacancies on the Board:

Any vacancy occurring on the Board of Directors, and any directorship to be filled by reason of an increase in the number of Directors, may be filled by a vote of the majority of the remaining voting members present of the Board of Directors and said new Director so elected to fill a vacancy shall serve until the

next April Board of Directors Meeting of the Association General Membership. At such time a vacancy will be declared in the office and an election made by the Members of a Director to serve said unexpired term, pursuant to the provision herein as it relates to the nomination of members of the Board of Directors.

7. Place of Directors' Meetings:

- (a) Meetings of the Board of Directors, regular or special, will be held at the Alumni House of Edinboro University of Pennsylvania, or such other place or places as the Executive Committee may designate.
- (b) For regular meetings, the Board of Directors shall meet five times during the calendar year at such places as the Board may designate. The regular meetings will be held during the months of September, November, February, April, and July.

8. Special Directors' Meetings:

A special meeting of the Board of Directors may be held at the call of the President of the Board of Directors at the time and place designated by him/her or by request in writing to the President by a simple majority (50% +1) vote of the current voting members of the Board of Directors.

9. Notice of Directors' Meetings:

Written or printed notice stating the place, day, and hour of any meeting of the Association Board of Directors will be delivered to each Director not less than five (5) days before the date of the meeting, either personally, electronically, or by first-class mail, by or at the direction of the Association President, or by the Board of Directors calling the meeting. If mailed, such notice will be deemed to be delivered when deposited in the United States mail addressed to the Director at his/her address as it appears on the records of the Association, with postage prepaid. Such notice need not state the business to be transacted at, nor the purpose of, such meeting, unless it is a special meeting. If electronically transmitted, the notice will be deemed to be delivered unless notification to the contrary is received by the sender.

10. Waiver of Notice:

Attendance of a Director at any meeting of the Association Board of Directors will constitute a waiver of notice of such meeting except where such Director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

11. Quorum of Directors:

Fifty (50%) percent plus one (1) of the current voting members of the Board of Directors will constitute a quorum. The act of a majority of the Directors present at a meeting at which a quorum is present will be the act of the Board of Directors unless a greater number is required under the provisions of the Nonprofit Association Law of 1972, the Articles of Incorporation of this Association, or any provision of these Bylaws.

12. Use of Conference Call & Similar Equipment:

One or more persons may participate in a meeting of the Board of Directors by means of a conference telephone, video, or similar connection equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting. Such participant retains his/her voting privileges.

13. Termination of Board Membership:

The Board of Directors, at its discretion, and by a vote of the majority of the remaining voting members of the Board, may declare a Director's seat vacant if said Director:

- (a) Misses, unexcused, any two consecutive meetings of the five regular (5) Board of Directors meetings during the fiscal year of the Association.
- (b) Fails to attend any three (3) of the five (5) meetings in a fiscal year;
- (c) Fails to annually attend a minimum of three (3) of the special events in a fiscal year. By way of example, but not meant to be exhaustive, the following is a list of special events:
 - EUP President's Programs and Receptions
 - Homecoming Activities
 - Award Ceremonies
 - Annual Sports Banquet Reception
 - Admissions Events
 - Regional Events
 - Other Affinity Events as scheduled by the Alumni Association or University.
- (d) Fails to contribute financially, to either the University or to the Association each fiscal year in which he/she serves.

Requests for exception from any of the above requirements shall be submitted in writing to the Association President and are subject to approval of the Executive Committee.

ARTICLE VI

ASSOCIATION OFFICERS

1. Roster of Officers:

- (a) The officers of the Association will consist of a President, Vice President, Secretary and Treasurer, and such other officers and assistant officers as the Board directs. The offices of Secretary and Treasurer may be combined at the discretion of the Board of Directors.
- (b) Should the offices of either President, Vice President, Secretary, or Treasurer become vacant for any reason other than removal from office, the Board of Directors, acting upon recommendation from the Executive Committee, shall have authority to appoint a voting Board member to fill that position as Acting President, Acting Vice President, Acting Secretary, or Acting Treasurer to serve the unexpired term of the vacant office.

2. Election of Officers:

- (a) Only a current member of the Board of Directors is eligible to hold elective office.
- (b) The election of officers shall follow the same format as the election of members of the Board of Directors, with the Nominating Committee approving nominations of officers for the coming fiscal year and forwarding said nominations of officers to the Executive Committee for approval. The nominations, as approved by the Executive Committee, shall then be submitted to the Board of Directors at the April Board meeting for a vote of approval or rejection. The proposed nominations shall then be presented at the April Board of Directors meeting for approval. Officers' terms shall become effective immediately upon election.

3. President:

The President of the Association shall be the chief administrator of the Association and his/her duties shall include the general management and supervision of the affairs of the Association, including the supervision of the employees thereof.

The President will, subject to the control of the Board of Directors, supervise and direct the affairs of the Association. The President shall be elected by the Active Membership for a full term of two (2) years in the manner authorized by these Bylaws. The President shall be eligible for re-election, either for a

consecutive or nonconsecutive term of two (2) years. In the event that a President has been appointed to fill an unexpired term of a previous President's office, that service shall not be considered an "elected term" and the President shall still be eligible for an election to two (2) full two-year (2) terms in office. In the event that the Nominating Committee of the Board of Directors is unable to identify a candidate for the Presidency and the current President has served two (2) full terms, the current President may serve as Acting President until the next April Board of Directors Meeting of the Association following the expiration of the President's normal two-year (2) term at which time the Nominating Committee shall present an additional name for consideration for the office.

The President of the Association and Contracted Recordkeeper, if so designated, shall be custodian of all books, records, papers, and property of the Association and shall be responsible for the collection of all contributions, maintenance of Membership Register, and exercise other administrative duties as shall be necessary or desirable. The Board of Directors may change these duties of the President of the Association at the pleasure of said Board.

4. Vice President:

The Vice President will perform all duties and exercise all powers of the President when the President is absent or is otherwise unable to act. The Vice President will perform and exercise other such duties as may be directed from time to time by the President or as may be prescribed from time to time by the Board of Directors. He/she shall be elected by the active membership for a one-year term (1) at the April Board of Directors Meeting of the Association. He/she shall be eligible for an indefinite number of re-elections. As part of his/her duties, the Vice President will serve as a member of the Nominations Committee.

5. Secretary:

The Secretary will be responsible for working in collaboration with the Association and their employees to ensure the accuracy of minutes and for the maintenance and distribution of all minutes, records and meeting notices as required by law or by these Bylaws, and, generally, will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors. He/she shall be elected by the active membership for a one-year (1) term at the ~~Annual Business Meeting~~ April Board meeting of the Association. He/she shall be eligible for an indefinite number of re-elections.

6. Treasurer:

The Treasurer will have charge and custody of all funds of the Association, will ensure the deposit of funds as required by the Board of Directors, will keep and maintain adequate and correct accounts of the Association's properties and business transactions, will render reports and accountings to the Directors and to the Members as required by the Board of Directors or Members or by law, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Article of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors. The Treasurer serving in this capacity will automatically serve as the liaison between the Alumni Association as the appointing body and the Edinboro University Foundation. He/she shall be elected by the Active Membership for a one-year (1) term at the April Board of Directors meeting of the Association. He/she shall be eligible for an indefinite number of re-elections.

The Treasurer shall provide an annual report and statement for the fiscal year. Such report shall be provided within three (3) months of the end of the fiscal year to all Members of the Board of Directors of the Association.

7. University Employee Liaison:

- (a) The University Employee Liaison shall be appointed and removed by the President of Edinboro University of Pennsylvania and shall serve consistent with the terms and conditions of the prevailing Memorandum of Understanding between the Association and the University, and subsequent manifestations thereof. In the event the Edinboro University President shall fail to appoint such a University Employee Liaison within six (6) months of the date that any vacancy shall exist in such office, the Association at their discretion may appoint a replacement by a vote of the majority of the Association Board of Directors to serve for such term or indefinite term as the Board of Directors may designate.
- (b) No University Employee Liaison shall serve as a voting member of the Board of Directors of the Association, and no University Employee Liaison providing support to the Association may vote, govern, or otherwise risk adverse interest through such service, as determined by the University.
- (c) University Employee Liaisons are permitted to participate in meetings of the Association Board of Directors if and when invited for University purposes.
- (d) The University Employee Liaison of the Association may, as directed, perform limited Treasurer's duties unless specified by resolution of the Board of Directors or by law. No expenditure in excess of \$500.00 shall be made by the Treasurer or the University Employed Liaison unless it shall constitute an expenditure the payment of which has received the

prior approval of the Board of Directors as a budgeted item or otherwise. All other expenditures shall be made only upon a duly adopted resolution of the Board of Directors. The Treasurer or University Employed Liaison shall submit a report of all expenditures to the Board of Directors at each regular meeting of the Board of Directors.

8. Removal of Officers:

- (a) Any Officer elected or appointed to office may be removed for cause after notice given to the individual(s) affected, and after a hearing before a special meeting of the Association Board of Directors. Such removal will require a two-thirds (2/3) vote of the current voting members of the Board of Directors.
- (b) If said officer, so removed, shall be the President of the Board of Directors, the duly elected Vice-President shall fill the term of the President until the next regularly scheduled election, e.g., normally in April of each year. At that time the Board of Directors will elect an Interim President to fill the remainder of any remaining time left in the principal term of office of the removed President. Such election shall follow the general rules of election set forth in these by-laws for the election of officers. If the election falls on the regularly scheduled date for the full term of President, such office will return to its normal operation following said election.
- (c) Should there not be a Vice-President eligible to serve the interim term of the President until the next regularly scheduled election, the Board of Directors may conduct a special election to elect a President Pro-Tem to fulfill the remaining time until the next regularly scheduled election. At such time the Board of Directors will elect a President to either fill the remaining term of the removed President, or to fill a full term following the normal procedure for the general election of a President.
- (d) Should the vacancy occur in the position of Vice President, Secretary or Treasurer (normally elected on an annual basis), the Board may choose to either elect an interim officer to fill the remaining time of the term, or the Board of Directors may authorize the Executive Committee to appoint an interim officer to fill that remaining term.

ARTICLE VII

INFORMAL ACTION

1. Waiver of Notice:

Whenever any notice whatever is required to be given under the provisions of the Nonprofit Association Law of 1972, the Articles of Incorporation of this Association, or

these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, will be deemed equivalent to the giving of such notice. Such waiver must, in the case of a special meeting of Members, specify the general nature of the business to be transacted.

2. Action by Consent:

Any action required by law or under the Articles of Incorporation of this Association or these Bylaws or any action which otherwise may be taken at a meeting of either a Committee or Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the persons entitled to vote with respect to the subject matter of such consent, or all Directors in office, and filed with the Secretary of the Association.

ARTICLE VIII

COMMITTEES OF THE BOARD OF DIRECTORS

1. Definition of Committees:

This Board of Directors may have certain Committees, membership of which shall consist of one (1) or more voting members of the Board of Directors, one of whom must be the chairperson (unless otherwise directed by the President). However, no such Committee will have the authority of the Board of Directors in reference to affecting any of the following:

- (a) Submission to Members of any action requiring approval of Members under the Nonprofit Association Law of 1972.
- (b) Filling of vacancies in the Board of Directors;
- (c) Adoption, amendment, or repeal of Bylaws;
- (d) Amendment or repeal of any resolution of the Board of Directors; or
- (e) Action on matters committed by Bylaws or resolutions of the Board of Directors to another Committee of the Board of Directors.

2. Appointment of Committees:

The Board of Directors, by resolution duly adopted by a majority of the voting Directors in office, may designate and appoint one or more Committees and delegate to such Committee authority to act in specific and prescribed operations of this Association. However, the creation of such Committees will not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on such personnel otherwise by law.

3. Committees:

The Executive Committee may appoint certain ad hoc and-or standing committees designed to transact certain business of the Association or to advise the Board of Directors.

- (a) The creation of standing committees shall be approved by a majority vote of the Board of Directors, and said committees can be dissolved only by a majority vote of the Board of Directors. The Executive Committee shall designate such members of standing Committees as it may choose. However, the chairperson must be approved by a majority of the Board of Directors.
- (b) The Executive Committee shall have the power to create and dissolve ad hoc committees without Board of Directors approval. The Executive Committee shall designate such members of ad hoc committees as it may choose.
- (c) A person, other than a member of the Board of Directors of the Association, may be appointed by the Association President, with approval of the Executive Committee, to such ad hoc Board of Directors Committees.

4. Executive Committee:

The Officers of the Board of Directors, the President, Vice-President, Secretary and Treasurer, shall constitute the members of the Executive Committee. In addition, the Immediate Past President, if available, shall also be a member of the Executive Committee. If the Immediate Past President is unable or unwilling to so serve, the President shall seek a past President in reverse chronological order who is willing to so serve. Further, the President may also appoint up to a maximum of two (2) active members of the Board of Directors to serve at-large on the Executive Committee for a one-year term. Each at-large member is subject to the approval of the elected voting members of the Board of Directors. The non-voting Foundation Liaison will also serve on the Executive Committee as invited for special occasions as needed.

ARTICLE IX

OPERATIONS

1. Fiscal Year:

The fiscal year of the Association shall begin on the first day of July each year.

2. Execution of Documents:

- (a) Except as otherwise provided by law, checks, drafts, promissory notes, orders for the payment of money, and other evidences of indebtedness of the Association in the amount of \$500 or more are to be signed by two of the following four: President, Vice President, Treasurer, or Secretary. The signature of one of the above is sufficient for amounts less than \$500.
- (b) Contracts, leases, or other instruments executed in the name of and on behalf of the Association should be signed by the President and Secretary or designated Executive Committee member. No other signature shall be required, unless otherwise directed, to be affixed by duly adopted resolution of the Board of Directors.

3. Books and Records:

- (a) The Association will keep correct and complete books and records of account, and will also keep minutes of the proceedings of its Members, Board of Directors, and Committees. The Association will keep at its principal place of business a Membership Register giving the names, addresses, and showing classes and other details of the Membership, and the original or a copy of its Bylaws including amendments to date certified by the Secretary of the Association.
- (b) The Association shall take necessary steps to ensure that all financial records and transactions are audited annually by an agency and apart from the University.

4. Inspection of Books and Records:

All books and records of the Association may be inspected by any Member, or his/her agent or attorney, for any proper purpose at any reasonable time on written demand under oath stating such purpose.

5. Nonprofit Operations:

The Association will not have or issue shares of stock. No dividend will be paid, and no part of the revenue of the Association will be distributed to its Members, Directors, or Officers. However, the Association may pay compensation in a reasonable amount to Members, Officers, Directors, or employees for services rendered.

6. Loans to Management:

This Association will make no loans to any of its Directors or Officers or to any of its employees, or to any other individual, either within or apart from the University.

7. Regulation of Association Activities:

The Association shall not engage in any fund-raising activities nor make any grants, awards, contributions, or awards of scholarships for any purpose or otherwise engage in any activities or exercise any powers not in furtherance of the primary purposes of the Association, and the Board of Directors shall not conduct or carry on any activities including but not limited to the award of scholarships, grants, loans, or make any contribution not permitted or to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or that may hereinafter be amended or by any organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and its regulations as they now exist or that may hereinafter be amended, and the Board of Directors are authorized to make any such amendments or establish any criteria or procedures in regard to such fund raising activities, contributions, or disbursements as may be required in order to comply with the aforesaid laws and regulations.

ARTICLE X

AMENDMENT

1. Modification of Bylaws:

The power to alter, amend, or repeal these Bylaws or adopt new Bylaws, insofar as is allowed by law, is vested in the Board of Directors, subject to the power of the Active Members to change, alter, repeal, or amend such action by 2/3 majority vote of those present at the April Board of Directors Meeting or at a Special Members' Meeting called in accordance with these Bylaws.

2. Liability:

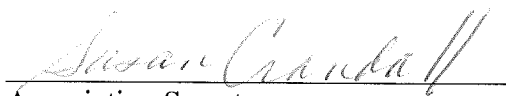
A Director shall not be personally liable as a Director for monetary damages, for any action taken, or any failure to take an action, unless the Director has breached or failed to perform the duties of his office under Section 8363 of Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, and the breach or failure to perform such duties constitutes self-dealing, willful misconduct, or recklessness. This section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute, or the liability of a Director for the payment of taxes pursuant to Local, State, or Federal Law, nor shall this section apply to any actions filed prior to the date of the amendment adding this section to the Bylaws, nor to any breach or performance of duty or any failure of performance of duty by a Director prior to such date. No amendment to or repeal of this section shall apply to or have any effect on the liability or alleged liability of any Director for, or with respect to, any acts or omissions of such Director occurring prior to such amendment or repeal.

Notwithstanding any provision of these Bylaws to the contrary, any person who is made a party to an action by, or in the right of, the Alumni Association to procure a judgment in its favor by reason of the fact he/she, his/her testator or intestate, is or was a Director or Officer of the Alumni Association, or who is made or threatened to be made a party to any other action or proceeding, whether civil or criminal, including any action by, or in the right of, any other Association of any type or kind, domestic or foreign, in which any Director or Officer of the Association served in any capacity at the request of the Association, by reason of the fact that he/she, his/her testator or intestate, is a Director or Officer of the Association, or served such other Association in any capacity, shall be indemnified by the Association to the fullest extent permissible under the law.

In accordance with the then current MOU between the University and the Association the Association shall ensure that proper and adequate Directors and Operators Liability Insurance is in place at all times to cover all of those activities and operations handled under the guise of the Association. Such insurance shall be reviewed annually for scope and limits of coverage to protect both the Association and those Directors, Officers, employees and staff who perform all requisite duties under these same Bylaws.

3. Adoption of Bylaws:

The undersigned, Secretary of the Association, hereby certifies that these Bylaws were adopted, as amended, at the April, 25, 2015 meeting.



Association Secretary

Amended April 25, 2015

EDINBORO UNIVERSITY ALUMNI ASSOCIATION BOARD OF DIRECTORS
as of September 2, 2016

<p>James Alexander '73 93 Metcalf Avenue Jamestown, NY 14701 (H) 716-484-7459 (C) 716-485-6041 jim.alexander@dominionvoting.com</p>	<p>Adam Avenali '06 419 Calibre Lake Pkwy SE Smyrna, GA 30082 (C) 814-594-0759 adamavenali@yahoo.com</p>	<p>Dr. Michael Barnes '93 <i>Vice President</i> 17230 Corban Drive Chagrin Falls, OH 44023 (H) 216-264-4510 mbarnes@mayfieldschools.org</p>
<p>Paul Belosh '69 108 Sunset Drive Edinboro, PA 16412 (C) 814-450-9899 pmbelosh@yahoo.com</p>	<p>Allison Bressler '03, M'05 2101 Northway Road Apt 1206 Williamsport, PA 17701 (C) 814-758-3441 aabressler@gmail.com</p>	<p>Susan Crandall '72, M'94 <i>Secretary</i> 10942 Tracy Drive Meadville, PA 16335 (H) 814-807-0173 slcrandallart5@gmail.com</p>
<p>Mark Eisert '98 124 Harrison Drive Edinboro, PA 16412 (H) 814-734-6785 (C) 814-397-0087 markeisert@gmail.com</p>	<p>Gregory Harris '07, M'12 4065 Ellison Road South Euclid, OH 44121 (C) 440-813-1615 gjharris8@yahoo.com</p>	<p>Scott Irlbacher '04, M'06 <i>President</i> 1005 Norwood Avenue Pittsburgh, PA 15202 (C) 412-951-5542 scottirlbacher@gmail.com</p>
<p>Michael Joseph '75 1007 Lakeside Drive Edinboro, PA 16412 (C) 713-842-0043 mjoseph810@gmail.com</p>	<p>Mitchell Kallay '90 471 Barrington Ridge Road Painesville, OH 44077 (H) 440-354-5787 (C) 440-479-1195 abelcet5mg@yahoo.com</p>	<p>Beth Lustig '01 200 N. Skytop Road Edinboro, PA 16412 (C) 610-608-0074 thelustigs2005@gmail.com</p>
<p>Joseph Mineo '73, M'78 <i>Lifetime Member</i> 4503 Basswood Drive Erie, PA 16506 (H) 814-838-9949 (C) 814-450-6097 j.mineo@verizon.net</p>	<p>David Niemira '08 <i>Treasurer</i> 5254 West Lake Road Edinboro, PA 16412 (C) 814-440-1313 davidaniemira@gmail.com</p>	<p>Eric Pope '03, M'05 65 Sunflower Drive Rochester, NY 14621 (C) 412-818-2726 emp15133@yahoo.com</p>
<p>Tony Ratcliff '14 1021 East 37th Street Erie, PA 16503 (H) 814-881-4847 tr74511@gmail.com</p>	<p>Jaime Russell '00, M'02 1521-1 Swordfish Lane Carolina Beach, NC 28428 (C) 814-602-9352 russelljl1030@gmail.com</p>	<p>David Sheneman '64 <i>Lifetime Member</i> 661 West Corydon Street Bradford, PA 16701 (H) 814-368-7895 (C) 814-558-8389 dsheneman@atlanticbb.net</p>
<p>James R. Stevens '85 106 Southfield Court Pittsburgh, PA 15237 (H) 412-548-3012 (C) 412-818-0026 jstevens163@verizon.net</p>	<p>Mary Timashenka '80, M'97 <i>Immediate Past President</i> 3034 Patio Drive Erie, PA 16506 (C) 814-392-4556 mtimashenka@wjettv.com</p>	<p>Shaquan Walker '16 5 S Jardin Street Apt 3 Shenandoah, PA 17976 724-815-7127 edinborotruster@gmail.com</p>
<p>Daniel J. Walsh '08 2913 Highland Road Erie, PA 16506 (C) 724-456-4787 walsh@fnb-corp.com</p>	<p>M. Quinn Zahorchak '87 305 Kerry Court Cranberry Township, PA 16066 (C) 412-523-0412 quinn.zahorchak@rmsmortgage.com</p>	<p align="center">VACANT</p>

EDINBORO UNIVERSITY ALUMNI ASSOCIATION NON-VOTING LIAISONS

<p>Antoinette Jackson <i>Non-Voting SGA Liaison</i> 405 Scotland Drive (W) 814-732-1476 president@edinborosga.com</p>	<p>Daniel Higham '70 <i>Non-Voting Council of Trustees Liaison</i> 12538 Leslie Road Meadville, PA 16335 (H) 814-724-7520 (W) 814-337-4234x225 dhigham@usbfmi.com</p>	<p>Susan Black-Keim <i>Non-Voting University Liaison</i> Interim VP of University Advancement (W) 732-1732 sblack@edinboro.edu</p>
<p>Leta Jeffers '11 <i>Non-Voting University Liaison</i> Director of Alumni Relations & Annual Giving (W) 732-1713 ljeffers@edinboro.edu</p>	<p>VACANT <i>Non-Voting Foundation Liaison</i></p>	

Edinboro University Foundation, Inc.

- **Memorandum of Understanding (EXPIRED June 30, 2016); DRAFT MOU**
- **Fiduciary Agreement between Edinboro University and EU Foundation (expires June 30, 2017)**
- **Fiduciary Agreement between EU Foundation and EU Alumni Association (renewable biennially; expires June 30, 2017)**
- **Financial Statements and Supplementary Information, June 30, 2016 and 2015**
- **Articles of Incorporation (previously circulated - no changes)**
- **ByLaws**
- **Board of Directors**

Memorandum of Understanding Between
Edinboro University of Pennsylvania
and
Edinboro University Foundation

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into this ___ day of _____ 2014, by and between EDINBORO UNIVERSITY OF PENNSYLVANIA, part of the Pennsylvania State System of Higher Education (PASSHE), a body corporate and politic constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania, created by Act 188 of 1982, 24 P.S. §20-2001-A et seq., (hereinafter referred to as "UNIVERSITY"), and EDINBORO UNIVERSITY FOUNDATION a nonprofit tax-exempt entity organized under the laws of the Commonwealth of Pennsylvania and Section 501 (c)(3) of the Internal Revenue Code of 1986 (hereinafter referred to as the "FOUNDATION").

WITNESSETH:

WHEREAS, the FOUNDATION formed in 1998 as an independent nonprofit corporation existing solely for the purpose of supporting the University through solicitation, receipt, and investment of gifts and donations; and

WHEREAS, PASSHE Board of Governors' Policy 1985-04-A: *University External Financial Support*, stipulates that the UNIVERSITY must utilize an MOU to outline the respective roles between universities and affiliated entities.

NOW, THEREFORE, based upon the mutual promises, covenants, and conditions set forth herein and intending to be legally bound, the UNIVERSITY and the FOUNDATION agree as follows.

A. In terms of role, scope and mission, some of the major contributions of the FOUNDATION to the UNIVERSITY have been and will continue to be:

~~1. HOUSING: Conducting activities associated with acquiring, constructing, or otherwise providing buildings, grounds or other suitable facilities, improvements or equipment for the UNIVERSITY as set forth in the Amended and Restated Facility Management Agreement between Edinboro University Foundation and Edinboro University of Pennsylvania of the State System of Higher Education, which reflects the ongoing maintenance and management of the properties.~~

2. FUNDRAISING

a. Serving as the repository for private financial support given directly to the FOUNDATION in order to support the mission of the UNIVERSITY; ~~and b. Providing fundraising and development services for the benefit of the UNIVERSITY,~~ such as the purchase of equipment and supplies for the UNIVERSITY; support for travel for

Commented [SA1]: Do you want them to have the ability to accept gifts for these types of purposes even if they are not actively fundraising? If so, maybe call this section "Gifts and University Support"?

And while we are at it, does this represent what the university sees as the type of support it might want from the Foundation (as discussed, there may be other existing affiliates who could do this sort of thing depending on what their MOU's provide for)

University faculty and staff, and in the hiring of faculty and staff; supporting research by selected faculty, staff, and students; support for funding faculty chairs, student scholarships, and other educational, research, cultural, scientific, public service and charitable activities; and other lawful purposes of the UNIVERSITY.

4.2 ~~JOINT FUNDRAISING:~~ In accordance with applicable statutes and Board of Governors' policies and procedures/standards, engaging in- either jointly or in coordination with the UNIVERSITY - fundraising activities to benefit the FOUNDATION. Such fundraising activities shall not be done solely through the efforts and resources of the UNIVERSITY and UNIVERSITY employees.

Commented [SA2]: If the relationship continues, this can be a point of negotiation regarding how much support the university wants to give the foundation to raise its own operating funds.

6.3 ~~GRANT SERVICES:~~ The FOUNDATION will provide grant services under the terms of a properly executed grant services agreement.

Commented [SA3]: I am not aware if they are currently doing this or you would want them to

~~6. FISCAL MANAGEMENT:~~

Commented [SA4]: My understanding is the university is no longer interested in having them manage money that comes directly to the university.

~~c. Serving as the managing organization for private funds given directly to the UNIVERSITY (e.g., fund management, investments and interest earnings) with such management activity to be under the terms of a properly executed Fiduciary Agreement and in accordance with all applicable contractual, accounting and regulatory requirements, and restrictions specified by the external party/donor and applicable to such gifts. Title to such gifts shall remain with the UNIVERSITY, and control over the expenditure of the funds shall rest with the UNIVERSITY President or his/her designee.~~

~~e. Serving as the managing organization for UNIVERSITY funds; these funds must be titled to the UNIVERSITY and as such, constitute public funds. All UNIVERSITY funds must be managed in adherence to PASSHE Procedure/Standard Number 2014-07: Expenditure of Public Funds - Guidelines, Standards, and Limits.~~

~~g. Beginning on the effective date of this agreement, in accordance with University Policy No. E005, the Foundation will collect a 5% administrative fee on all cash and unrestricted gifts of \$100 or more.~~

~~i. The fees collected will be transmitted to the University on a monthly basis on the 10th day of each month.~~

~~ii. The fee will not apply to grants or to noncash gifts (including gifts of property or real property).~~

~~iii. The fee will not apply to pledges made before the effective date of University Policy No. E005 (August 25, 2014) or to subsequent payments on such pledges.~~

Commented [SA5]: If the university no longer wants them to do this either, and the fiduciary agreement will also need to be dealt with.

~~m. All FOUNDATION fundraising communications and solicitations (both in writing and orally), all written FOUNDATION fundraising materials, and the FOUNDATION website will state: "Edinboro University applies a 5% administrative fee to new monetary gifts of \$100 or more. This fee supports the work and efforts of the University to support student success."~~

~~p. The administrative gift fee may only be waived in accordance with University Policy No. E005.~~

~~q. The FOUNDATION agrees to comply with all other provisions of University Policy No. E005.~~

6.4. REPOSITORY FOR DONATIONS: Acting as the recipient organization for the donation of properties to the UNIVERSITY when appropriate.

7. FUNDING: Reviewing funding requests and recommendations from the UNIVERSITY President and making regular allocations of available unrestricted funds to support UNIVERSITY programs ~~and institutional advancement efforts~~. These activities shall be conducted by the Board of Directors of the FOUNDATION.

8. Conducting activities to promote the educational purposes of the UNIVERSITY.

9. In order to assist the FOUNDATION inserving as a vehicle for volunteer involvement in the life of the UNIVERSITY, the following coordination and review mechanisms will be implemented.

a. The UNIVERSITY may, if desired, have a nonvoting liaison to the FOUNDATION's Board of Directors.

b. In addition to the functions previously outlined, the FOUNDATION may operate programs and serve in matters of ~~development~~, planned deferred giving, gift processing and recording, gift stewardship, ~~donor/development records~~, and other ~~fundraising~~ functions as appropriate, in consultation with the UNIVERSITY's President.

Commented [SA6]: I am deleting this out but if there are other development type activities you see them doing, we can put back in. And, again depending on whether you want them to be able to take gifts on the university's behalf, I have left this in.

c. The UNIVERSITY's president or designee may serve as a liaison to the governing board and/or committees of the FOUNDATION.

d. To ensure that efficient coordination is maintained, the UNIVERSITY and the FOUNDATION will consult on matters pertaining to the activities outlined in this MOU

e. To ensure proper coordination is maintained, a designee of the FOUNDATION shall meet with the UNIVERSITY president or her/his designee each month or as requested by the UNIVERSITY President.

C. In compliance with PASSHE Board of Governors' Policy 1985-04-A regarding fundraising and affiliated entities, it is the UNIVERSITY's desire to enhance the ability of the FOUNDATION to function by providing to the FOUNDATION certain staff, facilities and services as described below, at a cost to be agreed to by the parties in separate agreements-such as service purchase agreements-in accordance with applicable procurement law and regulations and with requisite legal approval.

1.a. Clerical assistance, including typing, filing, administrative and other clerical functions.

b. Communication services, to including telecommunications, postage, printing, public relations and similar services.

2. Facilities, including, but not limited to, office space, utilities, maintenance and other UNIVERSITY physical facilities for conducting FOUNDATION functions and activities.

3. Operational services, including purchasing services, network connectivity, ongoing maintenance and support of computer systems, mail and delivery services and maintenance agreements to which the UNIVERSITY is a party.

D. No UNIVERSITY employee who provides support or staff services to the FOUNDATION may serve as a voting member of the board of the FOUNDATION, or otherwise risk adverse interest through such service. UNIVERSITY officials and employees are bound by the provisions of the Ethics Act.

E. The parties to this MOU agree and acknowledge that the name "Edinboro University" or any facsimile or approximation thereof is the property of the UNIVERSITY and shall remain so under all circumstances and conditions. The FOUNDATION shall not use or permit any other party to use the name Edinboro University or any facsimile or approximation thereof without the express prior written approval of the UNIVERSITY and the Chancellor of PASSHE. The UNIVERSITY provides authorization for the FOUNDATION to enter into licensing agreements or similar arrangements to generate royalty revenues or other agreed-upon benefits from the use of the UNIVERSITY name and logo.

F. The UNIVERSITY's Council of Trustees shall review this MOU annually, in conjunction with its certification of External University Financial Support.

G. As part of this MOU, the FOUNDATION agrees to comply with the following requirements.

1. The FOUNDATION shall be responsible for and agrees to indemnify and hold harmless the UNIVERSITY, PASSHE and the Commonwealth and their officers, employees, representatives and agents, from any and all liability, claims, demands and actions based upon and arising out of any activities performed by the FOUNDATION under this MOU. Upon receipt of written notice of any matter for which indemnification might be claimed by the UNIVERSITY or its officers, employees, representatives and agents, the FOUNDATION shall promptly defend, contest or otherwise protect against any such suit, action, investigation, claim or proceeding, at its own cost and expense. The UNIVERSITY may, but will not be obligated to, participate at its own expense in the proceeding, with counsel of its own choosing. Representation of the UNIVERSITY shall be in compliance with the Commonwealth Attorneys Act.

2. The FOUNDATION shall carry Comprehensive, Commercial/General Liability, Property Damage Insurance and Automobile Liability Insurance in such amounts that meet the prescribed minimums of \$20,000,000.00 for injury or death of one person or property damage in a single occurrence and \$20,000,000.00 for injury or death of more than one person in a single occurrence, with a total policy aggregate of \$20,000,000.00

The UNIVERSITY must be listed as "additionally insured." This must all appear in the description of operational/locations/vehicles/special items section at the bottom of the Certificate of Insurance. "Additionally Insured Endorsements" must also be provided along with the Certificates of Insurance. It must be stated on the Certificate of Insurance Form that the issuing company must notify the UNIVERSITY in writing (a minimum of thirty (30) days in advance) if the insurance

Commented [SA7]: This might be another area to consider what the university wants the Foundation to be able to do to make its own money.

coverage is canceled or the indicated coverage limits are reduced prior to the expiration date.

3. The FOUNDATION will carry sufficient Workers' Compensation Insurance to cover all employees of its organization.

4. A designee of the FOUNDATION shall meet with the UNIVERSITY Council of Trustees' designee and UNIVERSITY President on at least an annual basis to review the performance of the FOUNDATION's obligations under this MOU.

H. The FOUNDATION will provide the UNIVERSITY with an annual report summarizing the contributions and include the following items:

1. A reconciliation of the FOUNDATION's revenues, expenses and financial contributions made by the FOUNDATION to the UNIVERSITY;

2. An annual external financial audit performed by PASSHE's independent auditing firm or another independent external certified public accounting firm that meets minimum criteria established by the UNIVERSITY. As part of the fiscal year-end financial reporting process, the Vice Chancellor for Administration and Finance will notify the UNIVERSITY and the FOUNDATION of the deadlines for submission of the PASSHE component unit financial reporting template (typically in mid-August), comprising the audited Balance Sheet and audited Statement of Activities; and the complete audited financial statements (typically in early September), comprising the auditor's opinion, financial statements, and required disclosures;

3. A monthly financial statement in a format determined by the University;

4. Certificates of Liability Insurance and Workers' Compensation Insurance;

5. A listing of the board of directors including indication of the officers; and

6. Certification that the FOUNDATION did not undertake any credit-bearing instruction or other programs or activities that are properly part of the UNIVERSITY's academic mission, unless expressly authorized by the UNIVERSITY President.

I. The UNIVERSITY has the right to terminate this MOU as follows:

1. **TERMINATION FOR CAUSE:** The UNIVERSITY shall have the right to terminate the MOU for cause including, but not limited to, malfeasance. Such termination for cause shall be effective 30 days from the date notice is provided in writing to the FOUNDATION.

2. **TERMINATION FOR CONVENIENCE:** The UNIVERSITY shall have the right to terminate the MOU for its convenience if the UNIVERSITY determines termination to be in its best interest. Such termination for convenience shall be effective within six months from the date notice is provided in writing to the FOUNDATION.

J. ~~This MOU along with the Amended and Restated Facility Management Agreement between Edinboro University Foundation and Edinboro University of Pennsylvania of the State System of Higher Education, the Fiduciary Agreement between Edinboro University of Pennsylvania and~~

Edinboro University Foundation, and any Grant Services Agreement entered into between Edinboro University of Pennsylvania and Edinboro University Foundation document the relationship between the UNIVERSITY and the FOUNDATION and represent the complete agreement between the parties, superseding any other prior or contemporaneous written or oral agreements. Any changes, corrections or additions to this MOU shall be in writing in the form of a supplemental agreement signed by all necessary parties, including approval by PASSHE's University Legal Counsel and the Commonwealth's Office of Attorney General.

K. The parties to this MOU are independent contractors. The FOUNDATION shall not enter into any transactions or agreements on behalf of the UNIVERSITY, PASSHE, or the Commonwealth. Similarly, neither the UNIVERSITY nor PASSHE nor the Commonwealth shall be responsible for the payment of any debts or satisfaction of any obligations incurred by the FOUNDATION.

L. Any notice required to be given hereunder shall be made by United States Registered Mail, return receipt requested, postage prepaid, and shall be deemed to have been received on the date noted on the receipt returned to sender. Such notice shall be addressed as follows.

UNIVERSITY:
Edinboro University, Office for Advancement, 219 Meadville St. Edinboro, PA
16444

FOUNDATION:
Edinboro University Foundation, 210 Meadville Street, Edinboro, PA 16412

M. This MOU is executed pursuant to, and shall be construed under, the laws of the Commonwealth of Pennsylvania. Should any term of this MOU be rendered unlawful by decision of a court of competent jurisdiction or any legislative act, then the parties shall give effect to the balance of the MOU to the extent possible.

N. This MOU will commence when executed and approved by all necessary parties and will expire on June 30, 2016.

IN WITNESS WHEREOF, this MOU has been executed and delivered as of the date set forth in the caption above.

FOR THE [FOUNDATION]:

Foundation Chair

Printed Name

Secretary/Treasurer of Foundation (circle title) APPROVED FOR FISCAL RESPONSIBILITY
AND AVAILABILITY OF FUNDS

Printed Name

FOR THE UNIVERSITY:

President or Designee

Printed Name

APPROVED FOR FORM AND LEGALITY:

President or Designee

Printed Name

DRAFT

**Memorandum of Understanding
Between Edinboro University of Pennsylvania
and
Edinboro University Foundation**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into this ___ day of _____, 2014, by and between EDINBORO UNIVERSITY OF PENNSYLVANIA, part of the Pennsylvania State System of Higher Education (PASSHE), a body corporate and politic constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania, created by Act 188 of 1982, 24 P.S. §20-2001-A et seq., (hereinafter referred to as "UNIVERSITY"), and EDINBORO UNIVERSITY FOUNDATION a nonprofit tax-exempt entity organized under the laws of the Commonwealth of Pennsylvania and Section 501(c)(3) of the Internal Revenue Code of 1986 (hereinafter referred to as the "FOUNDATION").

WITNESSETH:

WHEREAS, the FOUNDATION formed in 1998 as an independent nonprofit corporation existing solely for the purpose of supporting the University through solicitation, receipt, and investment of gifts and donations; and

WHEREAS, PASSHE Board of Governors' Policy 1985-04-A: *University External Financial Support*, stipulates that the UNIVERSITY must utilize an MOU to outline the respective roles between universities and affiliated entities.

NOW, THEREFORE, based upon the mutual promises, covenants, and conditions set forth herein and intending to be legally bound, the UNIVERSITY and the FOUNDATION agree as follows.

A. In terms of role, scope and mission, some of the major contributions of the FOUNDATION to the UNIVERSITY have been and will continue to be:

1. **HOUSING:** Conducting activities associated with acquiring, constructing, or otherwise providing buildings, grounds or other suitable facilities, improvements or equipment for the UNIVERSITY as set forth in the Amended and Restated Facility Management Agreement between Edinboro University Foundation and Edinboro University of Pennsylvania of the State System of Higher Education, which reflects the ongoing maintenance and management of the properties.
2. **FUNDRAISING**
 - a. Serving as the repository for private financial support given directly to the FOUNDATION in order to support the mission of the UNIVERSITY; and
 - b. Providing fundraising and development services for the benefit of the UNIVERSITY, such as the purchase of equipment and supplies for the UNIVERSITY; support for travel for University faculty and staff, and in the hiring of faculty and staff; supporting research by selected faculty, staff, and students; support for funding faculty

chairs, student scholarships, and other educational, research, cultural, scientific, public service and charitable activities; and other lawful purposes of the UNIVERSITY.

3. JOINT FUNDRAISING: In accordance with applicable statutes and Board of Governors' policies and procedures/standards, engaging in - either jointly or in coordination with the UNIVERSITY - fundraising activities to benefit the FOUNDATION. Such fundraising activities shall not be done solely through the efforts and resources of the UNIVERSITY and UNIVERSITY employees.
4. GRANT SERVICES: The FOUNDATION will provide grant services under the terms of a properly executed grant services agreement.
5. FISCAL MANAGEMENT:

a. Serving as the managing organization for private funds given directly to the UNIVERSITY (e.g., fund management, investments and interest earnings), with such management activity to be under the terms of a properly executed Fiduciary Agreement and in accordance with all applicable contractual, accounting and regulatory requirements, and restrictions specified by the external party/donor and applicable to such gifts. Title to such gifts shall remain with the UNIVERSITY, and control over the expenditure of the funds shall rest with the UNIVERSITY President or his/her designee.

b. Serving as the managing organization for UNIVERSITY funds; these funds must be titled to the UNIVERSITY and, as such, constitute public funds. All UNIVERSITY funds must be managed in adherence to PASSHE Procedure/Standard Number 2011-07: *Expenditure of Public Funds Guidelines, Standards, and Limits*.

c. Beginning on the effective date of this agreement, in accordance with University Policy No. E005, the Foundation will collect a 5% administrative fee on all cash and unrestricted gifts of \$100 or more.

i. The fees collected will be transmitted to the University on a monthly basis on the 10th day of each month.

ii. The fee will not apply to grants or to noncash gifts (including gifts of property or real property).

iii. The fee will not apply to pledges made before the effective date of University Policy No. E005 (August 25, 2014) or to subsequent payments on such pledges .

d. All FOUNDATION fundraising communications and solicitations (both in writing and orally), all written FOUNDATION fundraising materials, and the FOUNDATION website will state: "Edinboro University applies a 5% administrative fee to new monetary gifts of \$100 or more. This fee supports the work and efforts of the University to support student success."

e. The administrative gift fee may only be waived in accordance with University Policy No. E005.

f. The FOUNDATION agrees to comply with all other provisions of University Policy No. E005.

6. REPOSITORY FOR DONATIONS: Acting as the recipient organization for the donation of properties to the UNIVERSITY when appropriate.

7. FUNDING: Reviewing funding requests and recommendations from the UNIVERSITY President and making regular allocations of available unrestricted funds to support UNIVERSITY programs and institutional advancement efforts. These activities shall be conducted by the Board of Directors of the FOUNDATION.

8. Conducting activities to promote the educational purposes of the UNIVERSITY.

9. In order to assist the FOUNDATION in serving as a vehicle for volunteer involvement in the life of the UNIVERSITY, the following coordination and review mechanisms will be implemented.

a. The UNIVERSITY may, if desired, have a nonvoting liaison to the FOUNDATION's Board of Directors.

b. In addition to the functions previously outlined, the FOUNDATION may operate programs and serve in matters of development, planned deferred giving, gift processing and recording, gift stewardship, donor/development records, and other fundraising functions as appropriate, in consultation with the UNIVERSITY's President.

c. The UNIVERSITY's president or designee may serve as a liaison to the governing board and/or committees of the FOUNDATION.

d. To ensure that efficient coordination is maintained, the UNIVERSITY and the FOUNDATION will consult on matters pertaining to the activities outlined in this MOU

e. To ensure proper coordination is maintained, a designee of the FOUNDATION shall meet with the UNIVERSITY president or her/his designee each month or as requested by the UNIVERSITY President.

C. In compliance with PASSHE Board of Governors' Policy 1985-04-A regarding fundraising and affiliated entities, it is the UNIVERSITY's desire to enhance the ability of the FOUNDATION to function by providing to the FOUNDATION certain staff, facilities and services as described below, at a cost to be agreed to by the parties in separate agreements--such as service purchase agreements--in accordance with applicable procurement law and regulations and with requisite legal approval.

1.a. Clerical assistance, including typing, filing, administrative and other clerical functions.

b. Communication services, to including telecommunications, postage, printing, public relations and similar services.

2. Facilities, including, but not limited to, office space, utilities, maintenance and other UNIVERSITY physical facilities for conducting FOUNDATION functions and activities.

3. Operational services, including purchasing services, network connectivity, ongoing maintenance and support of computer systems, mail and delivery services and maintenance agreements to which the UNIVERSITY is a party.

D. No UNIVERSITY employee who provides support or staff services to the FOUNDATION may serve as a voting member of the board of the FOUNDATION, or otherwise risk adverse interest through such service. UNIVERSITY officials and employees are bound by the provisions of the Ethics Act.

E. The parties to this MOU agree and acknowledge that the name "Edinboro University" or any facsimile or approximation thereof is the property of the UNIVERSITY and shall remain so under all circumstances and conditions. The FOUNDATION shall not use or permit any other party to use the name Edinboro University or any facsimile or approximation thereof without the express prior written approval of the UNIVERSITY and the Chancellor of PASSHE. The UNIVERSITY provides authorization for the FOUNDATION to enter into licensing agreements or similar arrangements to generate royalty revenues or other agreed-upon benefits from the use of the UNIVERSITY name and logo.

F. The UNIVERSITY's Council of Trustees shall review this MOU annually, in conjunction with its certification of External University Financial Support.

G. As part of this MOU, the FOUNDATION agrees to comply with the following requirements.

1. The FOUNDATION shall be responsible for and agrees to indemnify and hold harmless the UNIVERSITY, PASSHE and the Commonwealth and their officers, employees, representatives and agents, from any and all liability, claims, demands and actions based upon and arising out of any activities performed by the FOUNDATION under this MOU. Upon receipt of written notice of any matter for which indemnification might be claimed by the UNIVERSITY or its officers, employees, representatives and agents, the FOUNDATION shall promptly defend, contest or otherwise protect against any such suit, action, investigation, claim or proceeding, at its own cost and expense. The UNIVERSITY may, but will not be obligated to, participate at its own expense in the proceeding, with counsel of its own choosing. Representation of the UNIVERSITY shall be in compliance with the *Commonwealth Attorneys Act*.

2. The FOUNDATION shall carry Comprehensive, Commercial/General Liability, Property Damage Insurance and Automobile Liability Insurance in such amounts that meet the prescribed minimums of \$20,000,000.00 for injury or death of one person or property damage in a single occurrence and \$20,000,000.00 for injury

or death of more than one person in a single occurrence, with a total policy aggregate of \$20,000,000.00.

The UNIVERSITY must be listed as "additionally insured." This must all appear in the description of operational/locations/vehicles/special items section at the bottom of the Certificate of Insurance. "Additionally Insured Endorsements" must also be provided along with the Certificates of Insurance. It must be stated on the Certificate of Insurance Form that the issuing company must notify the UNIVERSITY in writing (a minimum of thirty (30) days in advance) if the insurance coverage is canceled or the indicated coverage limits are reduced prior to the expiration date.

3. The FOUNDATION will carry sufficient Workers' Compensation Insurance to cover all employees of its organization.

4. A designee of the FOUNDATION shall meet with the UNIVERSITY Council of Trustees' designee and UNIVERSITY President on at least an annual basis to review the performance of the FOUNDATION's obligations under this MOU.

H. The FOUNDATION will provide the UNIVERSITY with an annual report summarizing the contributions and include the following items:

1. A reconciliation of the FOUNDATION's revenues, expenses and financial contributions made by the FOUNDATION to the UNIVERSITY;

2. An annual external financial audit performed by PASSHE's independent auditing firm or another independent external certified public accounting firm that meets minimum criteria established by the UNIVERSITY. As part of the fiscal year-end financial reporting process, the Vice Chancellor for Administration and Finance will notify the UNIVERSITY and the FOUNDATION of the deadlines for submission of the PASSHE component unit financial reporting template (typically in mid-August), comprising the audited Balance Sheet and audited Statement of Activities; and the complete audited financial statements (typically in early September), comprising the auditor's opinion, financial statements, and required disclosures;

3. A monthly financial statement in a format determined by the University;

4. Certificates of Liability Insurance and Workers' Compensation Insurance;

5. A listing of the board of directors including indication of the officers; and

6. Certification that the FOUNDATION did not undertake any credit-bearing instruction or other programs or activities that are properly part of the UNIVERSITY's academic mission, unless expressly authorized by the UNIVERSITY President.

I. The UNIVERSITY has the right to terminate this MOU as follows:

1. TERMINATION FOR CAUSE: The UNIVERSITY shall have the right to terminate the MOU for cause including, but not limited to, malfeasance. Such termination for cause shall be effective 30 days from the date notice is provided in writing to the FOUNDATION.

2. TERMINATION FOR CONVENIENCE: The UNIVERSITY shall have the right to terminate the MOU for its convenience if the UNIVERSITY determines termination to be in its best interest. Such termination for convenience shall be effective within six months from the date notice is provided in writing to the FOUNDATION.

J. This MOU—along with the Amended and Restated Facility Management Agreement between Edinboro University Foundation and Edinboro University of Pennsylvania of the State System of Higher Education, the Fiduciary Agreement between Edinboro University of Pennsylvania and Edinboro University Foundation, and any Grant Services Agreement entered into between Edinboro University of Pennsylvania and Edinboro University Foundation—document the relationship between the UNIVERSITY and the FOUNDATION and represent the complete agreement between the parties, superseding any other prior or contemporaneous written or oral agreements. Any changes, corrections or additions to this MOU shall be in writing in the form of a supplemental agreement signed by all necessary parties, including approval by PASSHE's University Legal Counsel and the Commonwealth's Office of Attorney General.

K. The parties to this MOU are independent contractors. The FOUNDATION shall not enter into any transactions or agreements on behalf of the UNIVERSITY, PASSHE, or the Commonwealth. Similarly, neither the UNIVERSITY nor PASSHE nor the Commonwealth shall be responsible for the payment of any debts or satisfaction of any obligations incurred by the FOUNDATION.

L. Any notice required to be given hereunder shall be made by United States Registered Mail, return receipt requested, postage prepaid, and shall be deemed to have been received on the date noted on the receipt returned to sender. Such notice shall be addressed as follows.

UNIVERSITY:

Edinboro University, Office for Advancement, 219 Meadville St. Edinboro, PA 16444

FOUNDATION:

Edinboro University Foundation, 210 Meadville Street, Edinboro, PA 16412

M. This MOU is executed pursuant to, and shall be construed under, the laws of the Commonwealth of Pennsylvania. Should any term of this MOU be rendered unlawful by decision of a court of competent jurisdiction or any legislative act, then the parties shall give effect to the balance of the MOU to the extent possible.

N. This MOU will commence when executed and approved by all necessary parties and will expire on June 30, 2016.

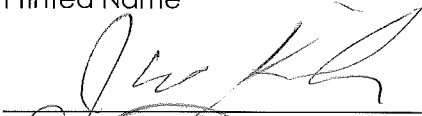
IN WITNESS WHEREOF, this MOU has been executed and delivered as of the date set forth in the caption above.

FOR THE [FOUNDATION]:



Foundation Chair

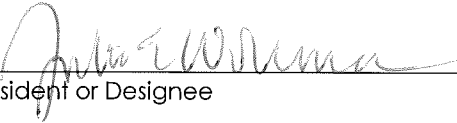
Dennis Howard
Printed Name



Secretary/Treasurer of Foundation (circle title) **APPROVED FOR FISCAL RESPONSIBILITY AND AVAILABILITY OF FUNDS.**

James Kirk
Printed Name

FOR THE UNIVERSITY:



President or Designee

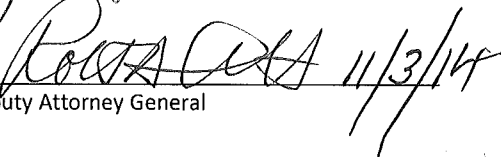
Julie E. Wollman, Ph.D.

Printed Name

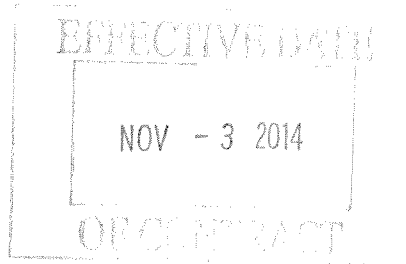
APPROVED FOR FORM AND LEGALITY:



University Legal Counsel



Deputy Attorney General



**Fiduciary Agreement
Between Edinboro University of Pennsylvania
And
Edinboro University Foundation**

BY THIS AGREEMENT, entered into this _____ day of _____, _____ the Edinboro University Foundation (hereinafter the "Affiliate") and Edinboro University of Pennsylvania (hereinafter the "University") are entering into a fiduciary relationship with respect to the administration of certain university assets, subjecting the Affiliate to duties to manage and administer assets for the benefit of the University. In return for the confidence reposed in the Affiliate by the University, the Affiliate will be obliged to manage and administer the assets properly, faithfully and according to such confidence. Therefore, intending to be legally bound hereby, the parties hereto agree as follows:

1. The University shall retain title to all funds administered by or assigned to the Affiliate.
2. The University assigns to the Affiliate administrative oversight of the following funds:
 - Donor-restricted endowment funds;
 - Donor-restricted, non-endowed funds;
 - Unrestricted, non-endowed funds;
 - Grant funds;
 - Educational Improvement Tax Credit funds;
 - Other special gifts.

The President of the University—or her/his designee—shall approve the distributions of gift and/or grant funds to be administered by or assigned to the Affiliate.

3. Administrative oversight of the funds shall include holding the funds in accounts appropriate to their purpose and in accordance with this Agreement; distributing the funds in accordance with donor restrictions (when applicable); distributing the funds in accordance with direction provided by the University President or her/his designee; management of grant funds in accordance with a grants management agreement duly executed between the University and the Affiliate; and management of EITC funds in accordance with the statutory requirements and Commonwealth guidelines for those funds.

4. The University assigns to the Affiliate investment management duties of the principal amount of the following long-term funds:
 - Unrestricted Endowment Funds
 - Restricted Endowment Funds

5. Neither appropriated funds nor funds of a current unrestricted nature may be assigned to the Affiliate. The University shall retain title to all assigned assets and shall record the assets on its financial statements, including funds (principal and interest) assigned to, administered by, and/or invested by, the Affiliate acting as the University's fiduciary. All assignment of assets must be authorized in writing by the President of the University or her/his designee. This Fiduciary Agreement identifies the only funds for which the investment management is assigned to the Affiliate.

6. Assigned assets shall be placed only in "authorized investments" as defined in the Pennsylvania State System of Higher Education (PASSHE) Board of Governors' Policy 1986-02-A: *Investment*, and investment guidelines of the University. The Affiliate will be bound by the "prudent man rule" as defined in the Decedents, Estates and Fiduciaries Act of 1972 (Act of June 30, 1972, P.L. 508, No. 164) §7302.

7. Concurrent with the assignment, the University shall inform the Affiliate of all prior restrictions, rules and agreements governing each assigned asset. The Affiliate is obligated to honor all prior restrictions, rules and agreements governing each assigned asset. The Affiliate may not alter the purpose of any assigned asset.

8. The Affiliate is bound to act, with all due speed and without a vote of its Board of Directors, upon all written requests by the President of the University or his/her designee, for the return of assigned assets and for checks drawn upon assigned funds, including the payment of all bills and other obligations associated with each fund.

9. The Affiliate may levy charges approved by the University that represent the actual direct cost associated with managing the assets assigned. General administrative overhead fees, service charges and indirect costs are not allowable. The fee schedule shall be as follows:

- FY15 – 0.8% of Restricted and Unrestricted Endowment Funds
- FY16 – 0.65% of Restricted and Unrestricted Endowment Funds
- FY17 – 0.4% of Restricted and Unrestricted Endowment Funds

10. All assigned University assets will be audited in the Affiliate's annual independent audit and any special audits required by the President of the University or his/her designee, which will be presented to the University in accordance with PASSHE policies and regulations.

11. Either party reserves the right to revoke this Agreement at any time without cause upon thirty (30) days' written notice. The Affiliate shall then return all University assigned assets, principal at market value and unspent accrued interest, within ten (10) working days from the expiration of the University's notice. Marketable securities held by the Affiliate shall not be sold upon notice of revocation. Possession of all equities and unexpired bonds and other investments shall be reassigned to the University within the time frame herein required, or upon a schedule that the University shall specify.

FOR THE UNIVERSITY:

Andrew W. Womack
President

10/23/14
Date

Spencer J. Br...
Vice President for Finance
and Administration

10/24/14
Date

PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION:
FOR THE CHANCELLOR:

Vice Chancellor for Administration
and Finance

Date

Approved as to Form and Legality:

University Legal Counsel

Date

FOR THE ATTORNEY GENERAL:

Signature

Title

Date

FOR THE UNIVERSITY:

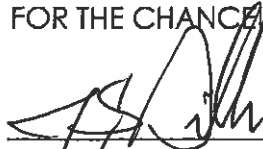
President

Date

Vice President for Finance
and Administration

Date

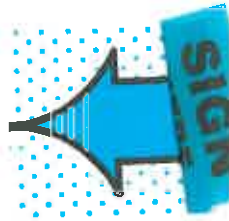
PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION:
FOR THE CHANCELLOR:



Vice Chancellor for Administration
and Finance

10-20-14

Date



Approved as to Form and Legality:



University Legal Counsel

10/22/14

Date

FOR THE ATTORNEY GENERAL:

Signature

Title

Date

**Edinboro University Foundation
And
Edinboro University Alumni Association
Fiduciary Agreement**

By this Agreement, entered into this 1st day of July, 2015, the Edinboro University Foundation (hereinafter "Foundation") and the Edinboro University Alumni Association (hereinafter "Alumni Association") are entering into a fiduciary relationship with respect to certain Alumni Association assets, subjecting the Foundation to equitable duties to deal with the assets for the benefit of the Alumni Association. In return for the confidence reposed in the Foundation, the Foundation will be obliged to administer faithfully and according to such confidence. Therefore, intending to be legally bound hereby, the parties hereto agree as follows:

1. The Alumni Association will transfer the principal amount of restricted gift assets and true endowments, given directly to the Alumni Association that originates only from external sources. The Alumni Association shall retain title to all assets; including funds (principal, interest and additional gifts) transferred to or invested by, the Foundation acting as the University's fiduciary. All transfers must be authorized in writing by the President of the Alumni Association or his/her designee and each separate transfer will be subject to approval and acceptance by the Foundation. The Foundation may, in its discretion, reject any transfer for reasons that include but are not limited to, the nature of the asset and the restrictions, rules or donor agreements governing the asset or assets proposed to be transferred.
2. The Alumni Association may additionally increase its investment portfolio with the Foundation through the following means: 1) Through the internal movement of funds from unrestricted accounts held by the Association to a restricted category, e.g., endowments for additional scholarships, either named or general in nature; 2) Through the internal movement of funds received from unsolicited sources, including, but not limited to monies forwarded from estates, bequests, or gifts, whether they be restricted in use from the source, or generally received and subsequently transferred to a restricted account fund by the Association; or, 3) Other sources recognized as not being in conflict with the accepted mission of the Foundation to act as the University's fiduciary agent for the direct solicitation of scholarships, development office activities, or other specific University fund-raising activities.
3. The Foundation shall hold and manage transferred assets for the Alumni Association. Assets shall be placed only in "authorized investments" as defined in the Investment Policy of the Alumni Association. The Foundation will be bound by the "prudent man rule" as defined in the Decedents, Estates, and Fiduciaries Act of 1972 (1972, June 30, P.L. 508, No. 164, §7302[b].) The Foundation is responsible for acting in accordance with its Investment Policy as limited by the "authorized investments" of the Investment Policy of the Alumni Association. The Foundation is not responsible for any losses with respect to the investment of the funds.

4. Concurrent with the transfer, the Alumni Association shall inform the Foundation of all prior restrictions, rules, and agreements governing each transferred asset. The Foundation is obligated to honor all prior restrictions, rules, and agreements governing each transferred asset. The Foundation may not alter the purpose of any transferred asset.
5. The Foundation is bound to act, with all due speed and without a vote of its Board of Directors, upon all written requests by the President of the Alumni Association or his/her designee, for the return of all transferred assets and for checks drawn upon transferred funds, including the payment of all bills and other obligations associated with each fund.
6. The Foundation may levy charges that represent the cost associated with managing the assets transferred. A portion of the charges will be returned to the Alumni Association's operating fund each July. A fee of .57 percent will be applied uniformly to all Alumni funds managed by the Foundation, with .1372 percent of the prior fiscal year end fair market values of the Foundation investments, the University investments, and the Alumni Association's investments managed by the Foundation, being returned to the Alumni Association. All charges and fees associated with this paragraph will be returned to the Alumni Association's operating fund by July 31st of each fiscal year.
7. All transferred Alumni Association assets will be reported in the Foundation's annual independent audit all in accordance with generally accepted accounting principles. Copies of such reports will be presented annually to the Alumni Association Board of Directors. Any special audits required by the Alumni Association Board of Directors shall be charged to the Alumni Association at cost.
8. Either party reserves the right to revoke this Agreement at any time without cause upon thirty (30) days written notice. The Foundation shall then return all Alumni Association assets, principal at market value, and unspent accrued interest, within thirty (30) working days of the effective date of termination. Marketable securities held by the Foundation shall not be sold upon notice of revocation. Possession of all equities and unexpired bonds and other investments shall be transferred to the Alumni Association within the foregoing time frame, or upon a schedule that shall be mutually established and agreed to by the parties.
9. This Agreement is renewable biennially. It expires **June 30, 2017**. This Agreement may be amended at any time by mutual agreement between the Alumni Association and the Foundation.
10. In all questions arising from this Agreement, the laws of the Commonwealth of Pennsylvania shall apply.

11. The parties desire to enter into this arrangement to pool assets, not for the purpose of investment strategy, but to reduce fund administration fees and expenses. The parties are tax exempt organizations. The pooled fund will not solicit or accept contributions directly from individual donors. Any donor making a gift will make the donation to the Foundation or the Alumni Association, either of which may in turn place the donation in the pooled fund in accordance with the provisions herein. The participation in this arrangement is incidental to the benevolent and charitable purpose of each party. No part of the net earnings will inure to the benefit of any private officer, director or employee of either party.

12. The Foundation will return to the Alumni Association all fees, dollar for dollar, charged against the Alumni Association for credit card processing fees for gifts, and/or other charges and services. All charges and fees associated with this paragraph will be returned to the Alumni Association's operating fund by July 31st of each year.

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed This Fiduciary Agreement as of the date and year first above written.

Signature
Dennis Howard, Chair

Date

FOR THE FOUNDATION

Signature
James Kirk, Treasurer

Date

Federal I.D. Number 25-1819940

FOR THE ALUMNI ASSOCIATION

Signature

6-15-2015

Date

SCOTT IRLBACHER

Printed Name

PRESIDENT

Title

Signature

6/15/15

Date

David A Niemira Treasurer

Printed Name

Title

Federal I.D. Number 25-1329776

Edinboro University Foundation

Financial Statements and
Supplementary Information

June 30, 2016 and 2015



BAKER TILLY

Candor. Insight. Results.

Edinboro University Foundation

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June 30, 2016 and 2015

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Schedule of Debt Service Coverage Ratio - Student Housing Facility	30

Independent Auditors' Report

Board of Directors
Edinboro University Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Edinboro University Foundation, which comprise the statement of financial position, as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Edinboro University Foundation as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 28-30 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly Viechow Krause, LLP

Pittsburgh, Pennsylvania
September 6, 2016

Edinboro University FoundationStatement of Financial Position
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,231,984	\$ 1,642,613
Trustee held funds	168,415	168,415
Due from affiliated entities	82,120	86,700
Other current assets	<u>360,807</u>	<u>612,650</u>
Total current assets	1,843,326	2,510,378
Investments	22,092,846	21,432,276
Trustee Held Funds	17,728,389	17,274,476
Fixed Assets, Net of Accumulated Depreciation	84,939,672	88,435,671
Deferred Financing Costs	681,745	714,091
Beneficial Interest in Remainder Trust	299,383	299,383
Other Assets	<u>719,542</u>	<u>293,484</u>
Total assets	<u>\$ 128,304,903</u>	<u>\$ 130,959,759</u>
Current Liabilities		
Accounts payable and accrued liabilities	\$ 141,623	\$ 164,400
Due to affiliated entities	183,100	261,899
Accrued interest payable	3,307,495	3,337,574
Construction contracts and retainage payable	168,415	168,415
Current portion of long-term debt	<u>1,615,000</u>	<u>1,405,000</u>
Total current liabilities	<u>5,415,633</u>	<u>5,337,288</u>
Endowments Held on Behalf of Others		
Funds under investment management for:		
Edinboro University of Pennsylvania	13,689,521	13,342,947
Edinboro University Alumni Association	<u>1,680,448</u>	<u>1,765,683</u>
Total endowments held on behalf of others	<u>15,369,969</u>	<u>15,108,630</u>
Long-Term Debt	<u>110,823,319</u>	<u>112,398,913</u>
Total liabilities	<u>131,608,921</u>	<u>132,844,831</u>
Net Assets		
Unrestricted net assets, board designated	-	82,500
Unrestricted, undesignated	(11,813,883)	(10,155,684)
Accumulated losses on donor-restricted endowments	<u>(84,889)</u>	<u>(36,391)</u>
Total unrestricted net assets	(11,898,772)	(10,109,575)
Temporarily restricted net assets	2,028,117	2,143,765
Permanently restricted net assets	<u>6,566,637</u>	<u>6,080,738</u>
Total net assets	<u>(3,304,018)</u>	<u>(1,885,072)</u>
Total liabilities and net assets	<u>\$ 128,304,903</u>	<u>\$ 130,959,759</u>

See notes to financial statements

Edinboro University FoundationStatement of Activities
Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenues				
Rental income	\$ 12,859,440	\$ -	\$ -	\$ 12,859,440
Unrealized gains (losses) on investments	74,763	(232,578)	-	(157,815)
Contributions	3,085	1,109,549	490,663	1,603,297
Interest and dividend income, net of investment expense	119,831	42,093	-	161,924
Portfolio management fee income	195,535	-	-	195,535
Realized gains on investments	-	9,462	-	9,462
Adjustment to cash surrender value of life insurance	-	-	(4,764)	(4,764)
Other Income	10,426	-	-	10,426
Net assets released from restrictions: Satisfaction of purpose restrictions	1,044,174	(1,044,174)	-	-
Total public support and revenues	<u>14,307,254</u>	<u>(115,648)</u>	<u>485,899</u>	<u>14,677,505</u>
Expenses				
Program services	15,668,139	-	-	15,668,139
Management and general expenses	391,340	-	-	391,340
Fundraising expenses	36,972	-	-	36,972
Total expenses	<u>16,096,451</u>	<u>-</u>	<u>-</u>	<u>16,096,451</u>
Increase (Decrease) in Net Assets	(1,789,197)	(115,648)	485,899	(1,418,946)
Net Assets, Beginning	<u>(10,109,575)</u>	<u>2,143,765</u>	<u>6,080,738</u>	<u>(1,885,072)</u>
Net Assets, Ending	<u>\$ (11,898,772)</u>	<u>\$ 2,028,117</u>	<u>\$ 6,566,637</u>	<u>\$ (3,304,018)</u>

See notes to financial statements

Edinboro University Foundation

Statement of Activities

Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenues				
Rental income	\$ 12,433,265	\$ -	\$ -	\$ 12,433,265
Unrealized gains (losses) on investments	12,742	(148,523)	-	(135,781)
Contributions	287,128	723,047	93,486	1,103,661
Interest and dividend income, net of investment expense	33,112	28,504	-	61,616
Portfolio management fee income	212,535	-	-	212,535
Realized gains on investments	-	228,756	-	228,756
Change in value of split-interest agreement	-	-	34,020	34,020
Adjustment to cash surrender value of life insurance	-	-	12,858	12,858
Other Income	503,391	-	-	503,391
Net assets released from restrictions:				
Satisfaction of purpose restrictions	1,061,596	(1,061,596)	-	-
Transfers and other adjustments	58,363	217,232	(275,595)	-
Total public support and revenues	<u>14,602,132</u>	<u>(12,580)</u>	<u>(135,231)</u>	<u>14,454,321</u>
Expenses				
Program services	16,217,253	-	-	16,217,253
Management and general expenses	414,076	-	-	414,076
Fundraising expenses	4,853	-	-	4,853
Total expenses	<u>16,636,182</u>	<u>-</u>	<u>-</u>	<u>16,636,182</u>
Decrease in Net Assets	<u>(2,034,050)</u>	<u>(12,580)</u>	<u>(135,231)</u>	<u>(2,181,861)</u>
Net Assets, Beginning	<u>(8,075,525)</u>	<u>2,156,345</u>	<u>6,215,969</u>	<u>296,789</u>
Net Assets, Ending	<u>\$ (10,109,575)</u>	<u>\$ 2,143,765</u>	<u>\$ 6,080,738</u>	<u>\$ (1,885,072)</u>

See notes to financial statements

Edinboro University Foundation

Statement of Cash Flows

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Decrease in net assets	\$ (1,418,946)	\$ (2,181,861)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	3,572,363	3,603,092
Unrealized investment losses	157,815	135,781
Change in value of split interest agreement	-	(34,020)
Adjustment to cash surrender value of life insurance	4,764	(12,858)
Realized investment gains, net	(9,462)	(228,756)
(Increase) decrease in:		
Other assets	(178,979)	(482,732)
Due from affiliated entities	4,580	68,079
Increase (decrease) in:		
Accounts payable and accrued liabilities	(22,777)	51,427
Due to affiliated entities	(78,799)	40,760
Accrued interest payable	(30,079)	(24,550)
Pledge payable	-	(5,000)
Net cash provided by operating activities	<u>2,000,480</u>	<u>929,362</u>
Cash Flows from Investing Activities		
Payments for fixed assets	(4,612)	(33,723)
(Increase) decrease in trustee held funds	(453,913)	273,704
Purchase of investments	(5,956,341)	(6,594,912)
Proceeds from sale of investments	5,147,418	6,428,330
Increase in agency endowment liability	261,339	347,260
Net cash provided by (used in) investing activities	<u>(1,006,109)</u>	<u>420,659</u>
Cash Flows from Financing Activities		
Principal payments related to long-term debt	(1,405,000)	(1,120,000)
Net change in cash and cash equivalents	(410,629)	230,021
Cash and Cash Equivalents, Beginning	<u>1,642,613</u>	<u>1,412,592</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,231,984</u>	<u>\$ 1,642,613</u>
Supplemental Disclosures of Non-cash Investing and Financing Activities		
Fixed assets included in construction contracts and retainage payable	<u>\$ 168,415</u>	<u>\$ 168,415</u>
Supplemental Disclosure of Other Cash Flow Information		
Interest paid	<u>\$ 6,645,867</u>	<u>\$ 6,699,697</u>

See notes to financial statements

Edinboro University Foundation

Notes to Financial Statements

June 30, 2016 and 2015

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Edinboro University Foundation (the "Foundation"), a not-for-profit organization, was formed in 1998 for the benefit of the students, faculty, and staff of Edinboro University of Pennsylvania of the State System of Higher Education (the "University"). Dedicating its time and resources to developing private sources of financial support for the University's mission, the Foundation strives to build permanent endowments that will support the University's students, faculty, and staff in perpetuity. The Foundation also owns and operates student housing facilities on the campus of the University.

The Foundation administers numerous individual charitable funds, each established with an instrument of gift describing either the general or specific purposes for which grants are to be made, usually from income only, but in some cases, from principal.

The Foundation has evaluated all subsequent events through September 6, 2016, which is the date these financial statements were issued. See Note 15.

As evidenced by the accompanying financial statements, the Foundation had deficit unrestricted net assets of approximately \$11,899,000 and \$10,110,000 as of June 30, 2016 and 2015, respectively, and recognized decreases in net assets of approximately \$1,400,000 and \$2,200,000 for the years then ended. On August 25, 2016, the University committed to a refinancing of the Foundation's existing bonds and to assume both of the bonds and related student housing property by which the bonds are secured. The Foundation has represented that this proposed subsequent release of its bond obligations will lead to improvements in its overall financial condition. The advanced refunding closing is scheduled to occur on September 7, 2016. See Note 15.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in preparing these financial statements include depreciation of property and equipment, the allowance for uncollectible accounts, and the fair value of investments and financial instruments. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments purchased with original maturities of three months or less, excluding trustee held funds and certain short-term instruments classified as investments.

Edinboro University Foundation

Notes to Financial Statements
June 30, 2016 and 2015

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the pledge is made (this approach does not differ materially from the use of a risk-adjusted rate). Amortization of the discount is included in contribution revenue.

Conditional promises to give are promises for which donor-imposed conditions specify future and uncertain events whose occurrence or failure to occur release the donors from the obligation to transfer the assets in the future. If and when such conditions have been substantially met, these promises cease to be conditional, and revenues are recorded, as appropriate.

Investments

Equity securities with readily determinable fair values and debt securities are valued at fair value, based on quoted market prices as reported by the Foundation's investment custodians. Adjustments to reflect increases or decreases in market value, referred to as unrealized gains and losses, are reported in the statement of activities.

The cost of investments received as gifts represents fair value as determined upon receipt. The cost of investments sold is determined by use of the specific identification method.

All realized and unrealized gains and losses arising from the sale or appreciation (depreciation) in the fair value of investments, and all ordinary income from investments, are reported as changes in unrestricted net assets unless their use is temporarily restricted by explicit donor imposed stipulations or by law.

Investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the statement of financial position are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near term.

Trustee Held Funds

Trustee held funds include cash equivalents held by a bank trustee under the terms of a loan agreement with the Pennsylvania Higher Educational Facilities Authority ("PHEFA").

Edinboro University Foundation

Notes to Financial Statements

June 30, 2016 and 2015

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation, computed on a straight-line basis over the lesser of the lease term or the estimated useful lives of the assets. The estimated useful lives are as follows:

Assets	Life
Buildings and improvements	10-40 years
Furniture and fixtures	10 years
Equipment	3-5 years
Land improvements	20 years
Vehicles and heavy equipment	5 years

Expenditures for repair and maintenance costs which extend the useful lives of assets are capitalized and routine maintenance and repair costs are expensed as incurred.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the term of the underlying loan agreement using the straight-line method, which does not materially differ from the effective interest method. Amortization was \$32,346 for both of the years ended June 30, 2016 and 2015.

Beneficial Interest in Remainder Trust

The Foundation is a beneficiary under a charitable remainder unitrust, an arrangement in which a donor establishes and funds a trust with specified distributions to be made to a designated beneficiary over the trust's term. Upon termination of this trust, the Foundation will receive the assets remaining in the trust for endowment purposes.

Endowments Held on Behalf of Others

The Foundation holds and manages transferred assets for other governmental and not-for-profit organizations (namely, the University and the Edinboro University Alumni Association). Such assets, which are included in investments in the accompanying statement of financial position, are reported as endowments held on behalf of others (i.e. agency funds). The University and the Edinboro University Alumni Association establish investment and spending policies which govern these assets; the Foundation manages these assets within such parameters. The Foundation recognizes the fair value of the assets transferred as an increase in its investments and a corresponding liability attributable to the participating governmental and not-for-profit organizations, with the related investment activity being reported as an increase or decrease in the corresponding liability, as appropriate.

Endowment Investment Return

Total endowment investment return is composed of investment income, net realized gains and losses on endowment investments, and net unrealized gains and losses on endowment investments reported at fair value net of investment fees.

Edinboro University Foundation

Notes to Financial Statements
June 30, 2016 and 2015

Endowment Spending Policy

Commonwealth of Pennsylvania Act 141 permits the Foundation to allocate to income each year a portion of endowment return. The law allows not-for-profit organizations to spend a percentage of the market value of their endowment funds, including realized and unrealized gains. The percentage, which by law must be between 2% and 7%, is elected annually by the Board of Directors. The endowment market value is determined based on an average spanning three years. The Foundation's spending policy allowed for a payout of up to 4% for fiscal years 2016 and 2015, of the rolling three-year average balances, which is based on market value.

Unrestricted, Temporarily and Permanently Restricted Net Assets

Unrestricted net assets are those whose use by the Foundation is not subject to donor-imposed restrictions. Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Board Designated Net Assets

The Foundation's Board of Directors has voluntarily approved segregations of unrestricted net assets to be utilized for specific programs, projects and operational expenses. Such items are reported as board designated net assets within the unrestricted net asset category.

Rental Revenue Recognition

Rental revenue is recognized on a monthly basis as it is due under the terms of short-term, operating lease agreements for student housing at the University. All revenue is recorded net of estimated allowances for uncollectible receivables. Rental revenue is based on units rented, which is dependent on student residency populations, by semester. See Note 15.

Donor Restricted Gifts

All contributions are considered to be available for unrestricted purposes unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When a donor restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Endowments and certain other investments are permanently restricted based on the donor's specifications. Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

Edinboro University Foundation

Notes to Financial Statements
June 30, 2016 and 2015

In-Kind Gifts

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Management believes that such contributions were not material to the financial statements during the years ended June 30, 2016 and 2015.

Legacies and Bequests

The Foundation is a beneficiary under various wills, the total realizable value of which is not presently determinable. Such amounts are recorded as contributions when clear title is established and the proceeds are clearly measurable.

Income Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Accordingly no provision for income taxes has been recorded in the accompanying financial statements. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Foundation accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management determined that there were no tax uncertainties that met the recognition threshold in fiscal years 2016 and 2015.

The Foundation's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in management and general expense.

New Accounting Pronouncements

During May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. During August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09. ASU 2014-09 is effective for fiscal years beginning after December 15, 2018. The Foundation may elect to apply the guidance earlier, but no earlier than fiscal years beginning after December 15, 2016. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Foundation is currently assessing the effect that ASU 2014-09 and 2015-14 will have on its results from operations, financial position and cash flows.

Edinboro University Foundation

Notes to Financial Statements

June 30, 2016 and 2015

During April 2015, the FASB issued ASU No. 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in balance sheet as a direct deduction from the carrying amount of that debt liability instead of an asset. The recognition and measurement guidance for debt issuance costs are not affected by this update. ASU 2015-03 is effective for annual periods beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted. The Foundation does not believe that the adoption of ASU 2015-03 will have a material effect on its results of operations, financial position and cash flows.

During May 2015, the FASB issued ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. This ASU was issued to address the diversity in practice relating to how certain investments measured at net asset value are categorized in the fair value hierarchy. The amendments in this update remove the requirement to categorize, within the fair value hierarchy, all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. ASU 2015-07 is effective for the Foundation's fiscal year beginning July 1, 2016; early adoption is permitted. The Foundation is assessing the impact that this update will have on its results of operations, financial position and cash flows.

During January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This new guidance is intended to improve the recognition and measurement of financial instruments and eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for institutions that are not public business entities. For non-public business entities, ASU 2016-01 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted for fiscal years beginning after December 15, 2017. However, the new guidance permits entities that are not public business entities to adopt upon issuance the provision that eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost. The Foundation elected to adopt this provision in fiscal 2016. ASU 2016-01 is to be applied by means of a cumulative-effect adjustment to the statement of financial position as of the beginning of the fiscal year of adoption. The amendments related to equity securities without readily determinable fair values (including disclosure requirements) should be applied prospectively to equity investments that exist as of the date of adoption of ASU 2016-01. The Foundation is assessing the impact that the remainder of this standard will have on its results of operations, financial position and cash flows.

During February 2016, the FASB issued ASU No. 2016-02, *Leases*. ASU 2016-02 establishes principles that require a lessee create a lease asset and a lease liability for those leases classified as operating leases under previous accounting principles generally accepted in the United States of America. ASU 2016-02 is effective for annual periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Foundation is currently assessing the effect that ASU 2016-02 will have on its results of operations, financial position and cash flows.

Edinboro University Foundation

Notes to Financial Statements

June 30, 2016 and 2015

During August 2016, the FASB issued ASU No. 2016-14, *Not-For Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The new guidance is intended to improve and simplify the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. ASU 2016-14 is to be applied retroactively with transition provisions. The Foundation is currently assessing the impact this standard will have on its financial statements.

2. Investments

The carrying values of the Foundation's investments consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Mutual funds/Common Funds	\$ 19,318,142	\$ 18,512,122
Common stocks	2,153,608	2,725,169
Money market funds	<u>621,096</u>	<u>194,985</u>
Total	<u>\$ 22,092,846</u>	<u>\$ 21,432,276</u>

3. Fair Value Measurements

The Foundation measures its investments and charitable remainder trust at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to dispose of a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Foundation for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 - Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

Edinboro University Foundation

Notes to Financial Statements

June 30, 2016 and 2015

The Foundation, using available market information and appropriate valuation methodologies, has determined the estimated fair value of its financial instruments. However, considerable judgment is required in interpreting data to develop the estimates of fair value.

Fair values of assets measured on a recurring basis are as follows at June 30, 2016:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common stocks:				
Consumer discretionary	\$ 263,346	\$ 263,346	\$ -	\$ -
Consumer staples	240,373	240,373	-	-
Energy	151,301	151,301	-	-
Financial	337,336	337,336	-	-
Healthcare	320,267	320,267	-	-
Industrials	214,820	214,820	-	-
Materials	56,717	56,717	-	-
Technologies	427,760	427,760	-	-
Telecommunications	64,098	64,098	-	-
Utilities	77,590	77,590	-	-
Total common stocks	<u>2,153,608</u>	<u>2,153,608</u>	<u>-</u>	<u>-</u>
Debt-based mutual funds:				
United States treasuries	313,371	313,371	-	-
Investment grade securities	474,109	474,109	-	-
Other debt-based securities	2,499,565	2,499,565	-	-
Government National Mortgage Association	185,306	185,306	-	-
Equity-based mutual funds:				
Mid cap	1,133,948	1,133,948	-	-
International	1,233,729	1,233,729	-	-
Small cap	345,160	345,160	-	-
Unclassified	3,268,607	3,268,607	-	-
Commonfund:				
Multi-Strategy Equity	5,970,637	-	5,970,637	-
Multi-Strategy Bond	2,918,083	-	2,918,083	-
International Equity	975,627	-	975,627	-
Total mutual funds	<u>19,318,142</u>	<u>9,453,795</u>	<u>9,864,347</u>	<u>-</u>
Money market funds	<u>621,096</u>	<u>621,096</u>	<u>-</u>	<u>-</u>
Total investments	22,092,846	12,228,499	9,864,347	-
Beneficial interest in remainder trust	<u>299,383</u>	<u>-</u>	<u>-</u>	<u>299,383</u>
Total	<u>\$ 22,392,229</u>	<u>\$ 12,228,499</u>	<u>\$ 9,864,347</u>	<u>\$ 299,383</u>

Edinboro University Foundation

Notes to Financial Statements

June 30, 2016 and 2015

Fair values of assets measured on a recurring basis are as follows at June 30, 2015:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common stocks:				
Consumer discretionary	\$ 332,025	\$ 332,025	\$ -	\$ -
Consumer staples	241,253	241,253	-	-
Energy	219,076	219,076	-	-
Financial	455,519	455,519	-	-
Healthcare	420,699	420,699	-	-
Industrials	268,025	268,025	-	-
Materials	98,673	98,673	-	-
Technologies	537,361	537,361	-	-
Telecommunications	71,882	71,882	-	-
Utilities	80,656	80,656	-	-
	<u>2,725,169</u>	<u>2,725,169</u>	<u>-</u>	<u>-</u>
Total common stocks				
Debt-based mutual funds:				
United States treasuries	813,449	813,449	-	-
Investment grade securities	230,431	230,431	-	-
Other debt-based securities	1,641,880	1,641,880	-	-
Government National Mortgage Association	329,740	329,740	-	-
Equity-based mutual funds:				
Mid cap	1,226,148	1,226,148	-	-
International	1,737,073	1,737,073	-	-
Small cap	872,166	872,166	-	-
Unclassified	1,631,551	1,631,551	-	-
Commonfund:				
Multi-Strategy Equity	6,126,009	-	6,126,009	-
Multi-Strategy Bond	2,789,870	-	2,789,870	-
International Equity	1,113,805	-	1,113,805	-
	<u>18,512,122</u>	<u>8,482,438</u>	<u>10,029,684</u>	<u>-</u>
Total mutual funds				
Money market funds	194,985	194,985	-	-
	<u>21,432,276</u>	<u>11,402,592</u>	<u>10,029,684</u>	<u>-</u>
Total investments				
Beneficial interest in remainder trust	299,383	-	-	299,383
	<u>299,383</u>	<u>-</u>	<u>-</u>	<u>299,383</u>
Beneficial interest in remainder trust				
	<u>\$ 21,731,659</u>	<u>\$ 11,402,592</u>	<u>\$ 10,029,684</u>	<u>\$ 299,383</u>
Total				

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Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2016 and 2015.

Common stocks: Valued at closing price reported on the active market on which the individual securities are traded.

Money market funds are valued at quoted market prices for identical securities in the active markets that the Foundation had the ability to access at the measurement date.

Commonfund: Valued based upon the unit values (NAV) of the funds held by the Foundation at year end. Unit values are based upon the underlying assets of the funds derived from inputs principally from or corroborated by observable market data, by correlation, or other means. The Foundation invests in the following Commonfund funds:

Multi-Strategy Equity - The Multi-Strategy Equity program allocates assets across a broad spectrum of public equity strategies in proportions considered optimal for a fully diversified equity portfolio. The majority of the program's assets generally are invested directly or indirectly in a portfolio of common stocks and securities convertible into common stocks of U.S. companies. The program's allocation to the U.S. equity market includes exposure to companies in the S&P 500 Composite Index, the benchmark for the program, as well as companies not included in the index. The program seeks to diversify its portfolio by allocating assets to common stocks and other equity securities of foreign companies in both developed and emerging markets. In addition, the program expects to invest in marketable alternative strategies that seek opportunities in domestic and foreign markets for equity-type returns with low correlation to the equity markets. The investment is valued at net asset value per share and has no unfunded commitments or significant redemption restrictions.

Multi-Strategy Bond - The Multi-Strategy Bond program allocates assets across a broad spectrum of fixed income sectors in proportions considered optimal for a fully diversified fixed income portfolio. The majority of the program's assets generally are invested directly or indirectly in dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the broad U.S. bond market. The program seeks to diversify its portfolio by allocating assets to other fixed income securities and strategies, including but not limited to global bonds, inflation-indexed bonds, high yield bonds, emerging markets debt and opportunistic credit strategies. Under normal circumstances, at least 80 percent of the net assets of the program will be invested directly or indirectly in fixed income securities or cash. The benchmark for the program is the Barclays Capital U.S. Aggregate Bond Index. The investment is valued at net asset value per share and has no unfunded commitments or significant redemption restrictions.

International Equity Fund - The International Equity Fund invests primarily in common stocks and other equity securities of non-U.S. companies (including common stocks, securities convertible into common stocks and warrants to acquire common stocks). Up to 10 percent of the fund can be invested in equity securities of issuers located in emerging markets. The fund is designed to outperform its benchmark, the Morgan Stanley Capital International World ex-U.S. Index, over a full-market cycle, primarily through active stock selection. Portfolio holdings will typically range from 150 to 300 equity securities. The investment is valued at net asset value per share and has no unfunded commitments or significant redemption restrictions.

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Beneficial interest in remainder trust: Valued using the income approach with significant unobservable inputs based on fair value of the underlying investments. The assets are recorded at the estimated present value of the Foundation's future cash receipts from the trust assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of differing methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth a summary of changes in the fair value of Level 3 assets for the years ended June 30:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 299,383	\$ 265,363
Unrealized gains	-	34,020
Balance, end of year	<u>\$ 299,383</u>	<u>\$ 299,383</u>

The most significant unobservable inputs affecting the fair value of the beneficial interest in remainder trust are the changes in the fair value of the assets comprising the trust, as well as changes in the present value of the estimated future payments to beneficiaries. Significant changes in any of these inputs in isolation could result in a significant change in the fair value measurement. There were no changes in valuation techniques during 2016 and 2015.

4. Trustee Held Funds

The composition of trustee held funds is as follows at June 30:

	<u>2016</u>	<u>2015</u>
Under trust indenture, held by trustee, cash and cash equivalents	\$ 17,896,804	\$ 17,442,891
Less funds allocated toward current construction contracts and retainage payable	<u>168,415</u>	<u>168,415</u>
Non-current portion of funds held by trustee	<u>\$ 17,728,389</u>	<u>\$ 17,274,476</u>
Portion of non-current funds held by trustee reserved for debt service	<u>\$ 8,566,101</u>	<u>\$ 8,481,633</u>

Edinboro University Foundation

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Pursuant to the terms of the trust indentures underlying the Series 2008 and 2010 Bonds (Note 6), the Foundation is required to maintain an amount equivalent to the lesser of: the maximum annual debt service requirements payable on the bonds (other than the last fiscal year during the term of the bonds); 125% of the average annual debt service on the bonds, or; 10% of the original proceeds of the bonds. There was \$8,566,101 and \$8,481,633 on reserve at June 30, 2016 and 2015, respectively, which the Foundation considers to be a non-current asset.

See Note 15.

5. Fixed Assets

Fixed assets consist of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Buildings and improvements	\$ 98,864,671	\$ 98,864,671
Furniture and fixtures	3,400,265	3,395,653
Equipment	1,630,524	1,630,524
Land improvements	976,956	976,956
Vehicles and heavy equipment	258,197	258,197
Artwork	138,034	138,034
Construction in progress	1,222	1,222
Total	105,269,869	105,265,257
Less accumulated depreciation	20,330,197	16,829,586
Total fixed assets, net	<u>\$ 84,939,672</u>	<u>\$ 88,435,671</u>

Depreciation expense was \$3,500,611 and \$3,531,342 for the years ended June 30, 2016 and 2015, respectively.

The Foundation had undertaken a project consisting of financing, through the issuance of tax-exempt bonds through the PHEFA (Note 6), the costs of acquisition, construction, equipping and furnishing student housing on the campus of Edinboro University of Pennsylvania. Phase I consisted of a four-building, 796 bed student housing facility. Phase II consisted of a four-building, 847 bed student housing facility. At June 30, 2013, construction of Phases I and II was substantially complete. Primarily all of the assets noted above relate to the Student Housing Facility.

In connection with the Student Housing Facility projects, the Foundation entered into a Ground Lease Agreement with the University (classified as an operating lease) (Note 10), for the lease of certain land upon which the student housing buildings are located. In addition to defining the rentals to be paid for the premises described therein, the Ground Lease Agreement outlines certain mutual covenants and agreements between the Foundation and the University, and also indicates that title to the Student Housing Facility shall, upon the termination or expiration of the lease, vest with the Commonwealth of Pennsylvania ("Commonwealth"), subject to the rights of the University pursuant to an Agreement between the Commonwealth and the University.

Edinboro University Foundation

Notes to Financial Statements

June 30, 2016 and 2015

In addition, the Foundation has contracted with the University to manage the Student Housing Facility pursuant to the terms of a Management Agreement. Related to this agreement, the Foundation received from the University \$12,859,440 and \$12,433,265 during the years ended June 30, 2016 and 2015, respectively, of student housing rental income (which the University billed and collected on the Foundation's behalf) and paid to the University \$4,311,014 and \$4,228,489 during the years ended June 30, 2016 and 2015, respectively, of student housing facility operating expenses. At June 30, 2016 and 2015, the Foundation has a net receivable of \$235,448 and \$120,884, respectively, from the University related to this agreement.

See Note 15.

6. Long-Term Debt

Long-term debt consists of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Note payable (Series 2008 Bonds), Wells Fargo Bank, N. A., as more fully described below, due in varying annual installments through July 1, 2042, interest rates of 4.95% to 5.95%.	\$ 54,530,000	\$ 55,085,000
Note payable (Series 2010 Bonds), Wells Fargo Bank, N. A., as more fully described below, due in varying annual installments through July 1, 2043, interest rates of 3.63% to 6.00%.	58,740,000	59,590,000
Long-term debt	113,270,000	114,675,000
Less unamortized discount	831,681	871,087
Long-term debt, net of discount	112,438,319	113,803,913
Less current portion	1,615,000	1,405,000
Long-term debt, non-current portion	<u>\$ 110,823,319</u>	<u>\$ 112,398,913</u>

Series 2008 Bonds

In February 2008, PHEFA issued its Edinboro University Foundation Student Housing Project At Edinboro University of Pennsylvania Revenue Bonds - Series 2008 (the "Series 2008 Bonds"), the proceeds of which were loaned to the Foundation pursuant to a Loan Agreement between PHEFA and the Foundation dated February 1, 2008 (the "Loan Agreement"). The proceeds of the Series 2008 Bonds were used by the Foundation to provide funds to: finance the cost of acquiring, constructing, furnishing and equipping a four-building, 796-bed student housing facility ("Student Housing Facility"), including the buildings, furniture, fixtures and equipment therein and certain demolition activities related thereto, located on the main campus of the University on land leased by the Foundation from the University; to fund a portion of the interest payments on the Series of 2008 Bonds during construction of the Student Housing Facility and for a period of up to six months thereafter; to fund a Debt Service Reserve Fund for the Series 2008 Bonds, and; to pay the costs of issuing the Series 2008 Bonds.

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Following the issuance of the Series 2008 Bonds, PHEFA assigned the Loan Agreement to Wells Fargo Bank, N.A. ("Trustee"), as trustee, under a Trust Indenture dated February 1, 2008, as security for the Series 2008 Bonds.

Contemporaneously with the assignment of the Loan Agreement to the Trustee, the Trustee and the Foundation entered into an open-ended leasehold mortgage and security agreement as additional security for the Series 2008 Bonds, granting the Trustee a security interest in the premises, buildings, machinery and equipment, all rents, royalties and income, and the Ground Lease Agreement between the University (as lessor) and the Foundation (as lessee).

Under the terms of the Loan Agreement, the Foundation is required to remit interest payments to the Trustee on or before the 25th day of each calendar month in an amount equal to one-sixth of the interest due on the next succeeding interest payment date. Principal payments are due on or before the 25th day of each calendar month in amounts equal to one-twelfth of the principal amount maturing on the next succeeding July 1 (if any) commencing July 1, 2011. Payments required to effect mandatory redemption of principal amounts are due in amounts equal to one-twelfth of the Series 2008 bonds subject to mandatory redemption on the next succeeding July 1 (if any) beginning July 25, 2010.

Series 2010 Bonds

In May 2010, PHEFA issued its Edinboro University Foundation Student Housing Project At Edinboro University of Pennsylvania Revenue Bonds - Series 2010 (the "Series 2010 Bonds"), the proceeds of which were loaned to the Foundation pursuant to a Loan Agreement between PHEFA and the Foundation dated May 1, 2010 (the "Loan Agreement"). The proceeds of the Series 2010 Bonds were used by the Foundation to provide funds to: finance the cost of acquiring, demolishing, constructing, equipping and furnishing of student housing on the campus of the University consisting of 856 beds ("Student Housing Facility"); to fund a portion of the interest payments on the Series of 2010 Bonds during construction of the Student Housing Facility and for a period of up to six months thereafter; to fund a Debt Service Reserve Fund for the Series 2010 Bonds, and; to pay the costs of issuing the Series 2010 Bonds.

Following the issuance of the Series 2010 Bonds, PHEFA assigned the Loan Agreement to Wells Fargo Bank, N.A. ("Trustee"), as trustee, under a Trust Indenture dated May 1, 2010, as security for the Series 2010 Bonds.

Contemporaneously with the assignment of the Loan Agreement to the Trustee, the Trustee and the Foundation entered into an open-ended leasehold mortgage and security agreement as additional security for the Series 2010 Bonds, granting the Trustee a security interest in the premises, buildings, machinery and equipment, all rents, royalties and income, and the Ground Lease Agreement between the University (as lessor) and the Foundation (as lessee).

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Under the terms of the Loan Agreement, the Foundation is required to remit interest payments to the Trustee on or before the 25th day of each calendar month in an amount equal to one-sixth of the interest due on the next succeeding interest payment date. Principal payments are due on or before the 25th day of each calendar month in amounts equal to one-twelfth of the principal amount maturing on the next succeeding July 1 (if any) commencing July 1, 2013. Payments required to effect mandatory redemption of principal amounts are due in amounts equal to one-twelfth of the Series 2010 bonds subject to mandatory redemption on the next succeeding July 1 (if any) beginning July 25, 2021.

Interest incurred on the notes was \$6,615,788 and \$6,675,147 for the years ended June 30, 2016 and 2015, respectively.

The discount on long-term debt is being amortized to expense over the term of the note. This amortization amounted to \$39,406 and \$39,404 during the years ended June 30, 2016 and 2015, respectively.

Scheduled principal payments are as follows:

Years ending June 30:	
2017	\$ 1,615,000
2018	1,795,000
2019	2,005,000
2020	2,105,000
2021	2,215,000
Thereafter	<u>103,535,000</u>
Total	<u>\$ 113,270,000</u>

The loan agreement related to the bond issues contains certain covenants with which the Foundation must comply. During the years ended June 30, 2016 and 2015, the Foundation was not in compliance with the requirement to maintain at least 96% occupancy of the Student Housing Facilities and for the year ended June 30, 2016, the Foundation was not in compliance with the requirement to maintain a debt service coverage ratio of at least 1.2. Under such circumstances, the Foundation must submit a corrective action plan within 30 days of the date of this auditors' report.

See Note 15.

7. Unrestricted Net Assets - Board Designated

The Foundation's Board of Directors has designated a portion of unrestricted net assets for the following purposes as of June 30:

	<u>2016</u>	<u>2015</u>
Stipend Fund	\$ -	\$ 7,500
Student Scholarships	-	25,000
Allied Health Building Lab at Porreco College Support	-	<u>50,000</u>
Total	<u>\$ -</u>	<u>\$ 82,500</u>

Edinboro University Foundation

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8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are comprised of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Various Edinboro University scholarships and related programs	<u>\$ 2,028,117</u>	<u>\$ 2,143,765</u>

Permanently restricted net assets are comprised of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Investments to be held in perpetuity by donor stipulations or by Pennsylvania law, the income from which is generally available for scholarships and programs	\$ 6,182,697	\$ 5,692,034
Cash surrender value of donated life insurance policies to benefit scholarship and programs	84,557	89,321
Beneficial interests in remainder trust for endowment purposes	<u>299,383</u>	<u>299,383</u>
Total	<u>\$ 6,566,637</u>	<u>\$ 6,080,738</u>

9. Endowment Funds

The Foundation's endowment consists of approximately 200 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted Pennsylvania law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as either temporarily restricted or unrestricted net assets based on the existence of donor restrictions or by law.

Edinboro University Foundation

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June 30, 2016 and 2015

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of various indices such as the S&P 500, Russell 2000, Barclays Capital U.S. Aggregate Bond and EAFE index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide favorable results against these benchmark comparative indexes. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Over the long term, the Foundation expects the current spending policy to allow its endowment to continue to grow. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Edinboro University Foundation

Notes to Financial Statements
June 30, 2016 and 2015

Endowment net asset composition by type of fund as of June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Total donor restricted endowments	<u>\$ (84,889)</u>	<u>\$ 1,459,789</u>	<u>\$ 6,566,637</u>	<u>\$ 7,941,537</u>

Changes in endowment net assets for the year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (36,391)	\$ 1,182,907	\$ 6,080,738	\$ 7,227,254
Investment return	-	(183,474)	-	(183,474)
Contributions	-	774,643	490,663	1,265,306
Appropriation of endowment assets for expenditure	-	(576,402)	-	(576,402)
Other changes:				
Gifts and transfers to University	-	(4,010)	-	(4,010)
Change in value of split-interest agreements	-	-	-	-
Change in cash surrender value of life insurance	-	-	(4,764)	(4,764)
Other	(48,498)	266,124	-	217,626
Endowment net assets, end of year	<u>\$ (84,889)</u>	<u>\$ 1,459,788</u>	<u>\$ 6,566,637</u>	<u>\$ 7,941,536</u>

Endowment net asset composition by type of fund as of June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Total donor restricted endowments	<u>\$ (36,391)</u>	<u>\$ 1,182,907</u>	<u>\$ 6,080,738</u>	<u>\$ 7,227,254</u>

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Changes in endowment net assets for the year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (49,571)	\$ 1,480,820	\$ 6,215,969	\$ 7,647,218
Investment return	-	105,514	-	105,514
Contributions	-	990	93,486	94,476
Appropriation of endowment assets for expenditure	-	(468,241)	-	(468,241)
Other changes:				
Gifts and transfers to University	-	(1,174)	-	(1,174)
Change in value of split- interest agreements	-	-	34,020	34,020
Change in cash surrender value of life insurance	-	-	12,858	12,858
Other	13,180	64,998	(275,595)	(197,417)
Endowment net assets, end of year	<u>\$ (36,391)</u>	<u>\$ 1,182,907</u>	<u>\$ 6,080,738</u>	<u>\$ 7,227,254</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or law requires the Foundation to retain as a fund of perpetual duration. The Board of Directors utilizes an extended three-year market value average cycle to make this determination. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in unrestricted net assets were \$84,889 and \$36,391 as of June 30, 2016 and 2015, respectively.

10. Operating Lease

The Foundation has entered into a non-cancelable operating lease for the rental of land from the University ("Lessor"), as related to the Foundation's Student Housing Facilities (the "Ground Lease Agreement"). Rent expense related to this lease was \$37,845 and \$36,742 for the years ended June 30, 2016 and 2015, respectively. Significant terms of this Ground Lease Agreement include the following:

- The termination date of the lease is to be the earlier of July 1, 2054, or the date that all mortgages related to the Student Housing Facility are satisfied beyond July 1, 2044;
- Base rent for Phase I Project Facilities is to be \$16,000 per year beginning in 2010; base rent for Phase II Project Facilities is to be \$16,650 per year beginning in 2012, and the base rent shall be increased 3% per year through lease termination;

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- An additional annual "Percentage Rent" from Net Available Cash Flows (as defined) (only due to the extent available in any one year) is due to Lessor;
- An annual "System Fee" equal to 0.5% of gross room rental revenues is due to Lessor;
- Throughout the lease term, Lessor has the option to purchase the Student Housing Facility for its fair value;
- At the termination or expiration of the lease, all title to and ownership of the Student Housing Facilities shall automatically and immediately vest with the Commonwealth of Pennsylvania ("Commonwealth"), subject to the rights of the University pursuant to an Agreement between the Commonwealth and the University.

At June 30, 2016, the future minimum base rental payments under this operating lease are summarized as follows (the additional annual rents and fees noted above are not currently determinable, and are not included in the summary below):

Years Ending June 30:		
2017	\$	38,980
2018		40,149
2019		41,354
2020		42,594
2021		43,872
Thereafter		<u>2,488,878</u>
Total	\$	<u>2,695,827</u>

See note 15.

11. Portfolio Management Fees

The Foundation assesses an asset management fee on managed scholarship and other endowment funds to be used to support the programs and mission of its affiliated organizations. This fee, which is calculated based on a percentage of the total fair value of investments and billed to the University and Alumni Association, amounted to \$195,535 and \$212,535 for the years ended June 30, 2016 and 2015, respectively.

Edinboro University Foundation

Notes to Financial Statements
June 30, 2016 and 2015

12. Related Party Transactions

The Foundation manages scholarship assets received from the University and Alumni Association under an endowment custodial relationship (Note 1). These contributing organizations did not grant the Foundation variance power (the ability to redirect the corpus) and retained the ownership of the assets.

The Foundation receives and manages contributions from donors of assets intended for the benefit of the University. Direct contributions of these assets are recorded on the Foundation's records as contribution income and held in restricted net assets until the donors' requirements have been satisfied, at which time the assets are released from restrictions and paid to the University for various initiatives, awards, and scholarships. These gifts to the University were \$228,060 and \$296,147 for the years ended June 30, 2016 and 2015, respectively.

During the years ended June 30, 2016 and 2015, the Foundation paid \$541,258 and \$700,008, respectively, in indirect expenses to the University related to student housing activities.

As disclosed in Notes 5 and 10, the Foundation has entered into a ground lease agreement with the University and has also contracted with the University to manage the operation of the student housing facility.

See Note 15.

13. Concentration of Credit Risk

The Foundation maintains its cash and cash equivalents in bank deposit accounts, which at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risk related to its cash and cash equivalents.

14. Contingencies

The Foundation is currently a party to several actions involving a vendor and one of its subcontractors regarding damages arising from negligent construction of a sprinkler system. Outstanding payments are being withheld by the Foundation until the outcome of this matter has been settled. Claims are currently pending before an arbitrator and the outcome is not expected to materially affect the Foundation.

15. Subsequent Event

On August 25, 2016, the University committed to a refinancing of the Foundation's Series 2008 and 2010 bonds and agreed to assume both the bonds and related student housing property by which the bonds are secured. This advanced refunding of the bonds and transfer of property is currently scheduled to occur on September 7, 2016. The consummation of this agreement would result in the Series 2008 and 2010 bonds, the student housing property and all related activities, and the trustee funds transferring to the University. The Foundation would then no longer own and operate the student housing facilities.

Edinboro University Foundation

Schedule of Functional Expenses -

Management and General Expenses and Program Services

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Management and General Expenses		
Personnel expenses	\$ 264,700	\$ 216,172
Board sponsored events	-	82,548
Professional fees	50,796	52,215
Investment expenses	30,311	29,405
Miscellaneous	10,881	15,336
Software and maintenance agreements	16,126	5,968
Insurance	8,945	1,244
Office supplies	1,259	4,446
Board meetings and conferences	2,315	3,705
Dues and memberships	5,165	2,404
Depreciation expense	842	633
	<u>391,340</u>	<u>414,076</u>
Total management and general expenses	<u>\$ 391,340</u>	<u>\$ 414,076</u>
Program Services		
Student housing facility expense	\$ 14,590,614	\$ 15,300,207
Scholarship payments	692,104	615,149
Gifts to Edinboro University	228,340	296,147
Projects and special events	154,961	-
Gifts to others	2,120	5,500
Advertising	-	250
	<u>15,668,139</u>	<u>16,217,253</u>
Total program services	<u>\$ 15,668,139</u>	<u>\$ 16,217,253</u>

Edinboro University Foundation

Schedule of Rental Income and Expenses -
Student Housing Facility
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Rental revenue	\$ 12,451,317	\$ 11,905,255
Summer rental revenue	379,450	499,308
Other revenue	28,673	28,702
	<u>12,859,440</u>	<u>12,433,265</u>
Operating Expenses		
Depreciation	3,499,769	3,530,709
Maintenance	1,557,365	1,960,152
Indirect expenses	541,258	700,008
Utilities	655,478	716,788
Room	568,866	517,168
Salaries and benefits	391,463	530,267
Insurance	302,570	290,000
Professional fees	215,112	141,829
Bad debt (recovery) expense	44,933	(12,964)
Office supplies	15,164	67,842
Miscellaneous	8,631	10,227
Food supplies	7,581	7,164
Marketing and advertising	2,593	3,752
	<u>7,810,783</u>	<u>8,462,942</u>
Total operating expenses	<u>7,810,783</u>	<u>8,462,942</u>
Operating income	<u>5,048,657</u>	<u>3,970,323</u>
Nonoperating Revenues and Expenses		
Interest expense, long-term debt	(6,615,788)	(6,675,147)
Interest income, trustee held funds	118,651	41,632
Unrealized gains on investments	74,763	12,742
Insurance proceeds	10,256	503,391
Amortization of bond costs	(71,751)	(71,750)
Bond fees	(92,292)	(90,368)
	<u>(6,576,161)</u>	<u>(6,279,500)</u>
Nonoperating expenses, net	<u>(6,576,161)</u>	<u>(6,279,500)</u>
Excess of Expenses Over Revenues	<u><u>\$ (1,527,504)</u></u>	<u><u>\$ (2,309,177)</u></u>

Edinboro University Foundation

Schedule of Debt Service Coverage Ratio -
Student Housing Facility
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Excess of Expenses over Revenues	\$ (1,527,504)	\$ (2,309,177)
Plus Non-Cash and Subordinate Items		
Interest expense, long-term debt	6,615,788	6,675,147
Depreciation	3,499,769	3,530,709
Indirect expenses	541,258	700,008
Amortization of bond costs	71,751	71,750
One-time operating expenses*	500,139	1,076,584
Unrealized gains on investments	(74,763)	(12,742)
	<u>9,626,438</u>	<u>9,732,279</u>
Excess of Revenues Available for Debt Service	<u>\$ 9,626,438</u>	<u>\$ 9,732,279</u>
Annual Debt Service		
2008 Bonds	\$ 3,877,125	\$ 3,764,874
2010 Bonds	4,353,663	4,315,273
	<u>8,230,788</u>	<u>8,080,147</u>
Total Annual Debt Service	<u>\$ 8,230,788</u>	<u>\$ 8,080,147</u>
Debt Service Coverage Ratio	<u>1.17</u>	<u>1.20</u>

* One time operating expenses include repairs, maintenance and legal fees that were incurred due to unexpected circumstances and not budgeted in the current year.

Microfilm Number

9859-874

Filed with the Department of State on AUG - 5 1998

Entity Number

2830303

Secretary of the Commonwealth

ARTICLES OF INCORPORATION-DOMESTIC NONPROFIT CORPORATION

DSCB: 15-5306 (Rev 91)

In compliance with the requirements of 15 Pa.C.S. § 5306 (relating to articles of incorporation), the undersigned desiring to incorporate a nonprofit corporation, hereby state(s) that:

1. The name of the corporation is: Edinboro University Foundation

2. The (a) address of this corporation's initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) 139 Meadville Street Edinboro PA 16444 Erie
Number and Street City State Zip County

(b) c/o: Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

The corporation is incorporated under the Nonprofit Corporation Law of 1988 for the following purpose or purposes:

See attached.

4. The corporation is one which does not contemplate pecuniary gain or profit, incidental or otherwise.

5. The corporation is organized upon a nonstock basis.

6. (Strike out if inapplicable): The corporation shall have no members.

7. (Strike out if inapplicable): The incorporators constitute a majority of the members of the committee authorized to incorporate:

by the requisite vote required by the organic law of the association for the amendment of such organic law.

8. The name and address, including street and number, if any, of each incorporator is:

Name Address
David M. Mosier 120 West 10th Street, Erie, PA 16501

9. The specified effective date, if any, is: month day year hour, if any

Additional provisions of the articles, if any, attach an 8 1/2 x 11 sheet. See Attached.

PA DEPT. OF STATE

AUG 05 1998

IN TESTIMONY WHEREOF, the incorporator has signed these Articles of Incorporation this 3rd day of August, 1998.

David M. Mosier

David M. Mosier

#212571

Attachment to Articles of Incorporation
Edinboro University Foundation

3. The corporation is incorporated under the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania for the following purposes:

The corporation is organized to qualify as a public charity within the meaning of Internal Revenue Code Section 501(c)(3) for the benefit of the students of Edinboro University of Pennsylvania, to receive and maintain a fund or funds of real or personal property, or both, and, subject to the restrictions and limitations set forth in these articles, to use and apply the whole or any part of the income from these funds and the principal of these funds exclusively for charitable, religious, scientific, literary, or educational purposes either directly or by contributions to Edinboro University of Pennsylvania.

10. No part of the earnings of this corporation shall inure to the benefit of any director, member, trustee or officer of this corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes); and no such person shall be entitled to share in the distribution of any of the corporate assets of this corporation upon dissolution.

11. This corporation shall not engage in any act which would: (i) be construed as propaganda or an attempt to influence legislation or to intervene in any political campaign on behalf of any candidate for public office; (ii) not be permitted to be carried on by a corporation exempt from Federal income tax under Section 1(c)(3) of the Internal Revenue Code of 1986 as amended, or by a corporation, contributions to which are deductible under Section 170(c)(1) or Section 170(c)(2) of the Internal Revenue Code of 1986 as amended.

12. Upon dissolution of this corporation, its remaining assets shall be distributed to such organizations organized and operated exclusively for charitable, religious, scientific, literary or educational purposes as shall at that time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended, as the Board of Directors shall determine.

13. This corporation shall not discriminate on the basis of gender, race, color and national or ethnic origin. All rights, privileges, programs and activities generally accorded or made available to beneficiaries shall be administered in a non-discriminatory fashion.

REC'D JAN 25 1999

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JAN 21 1999

EDINBORO UNIVERSITY FOUNDATION
C/O DAVID M MOSIER
120 W 10TH ST
ERIE, PA 16501-1461

Employer Identification Number:
25-1819940

DLN:
17053343044048

Contact Person:
D. A. DOWNING

Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
June 30

Foundation Status Classification:
509(a)(1)

Advance Ruling Period Begins:
August 5, 1998

Advance Ruling Period Ends:
June 30, 2003

Addendum Applies:
No

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we

Letter 1045 (DO/CG)

EDINBORO UNIVERSITY FOUNDATION

will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

Letter 1045 (DO/CG)

EDINBORO UNIVERSITY FOUNDATION

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

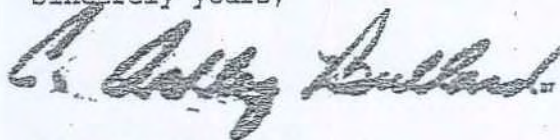
Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

EDINBORO UNIVERSITY FOUNDATION

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "A. Betty Bullard".

District Director

Enclosure(s):
Form 872-C

Letter 1045 (DO/CG)

BYLAWS

OF

EDINBORO UNIVERSITY FOUNDATION

Revised: February 16, 2015

Edinboro University Foundation

BYLAWS

Revised and Approved: February 16, 2015

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**BYLAWS
OF
EDINBORO UNIVERSITY FOUNDATION
(The "Foundation")**

**ARTICLE ONE
PURPOSES, OFFICES, FISCAL YEAR, AND NON-DISCRIMINATION**

Section 1.01 Purposes

(a) Public Charity. The Foundation is incorporated under the Pennsylvania Nonprofit Corporation Law of 1988 (the "Corporation Law") for the following purposes: to raise funds for and to support Edinboro University of Pennsylvania (the "University"); to receive, maintain, and/or borrow funds and to acquire, lease, construct, develop, and/or manage real or personal property, or both, and, subject to the restrictions and limitations set forth in the Articles of Incorporation (the "Articles"), to use and apply the whole or any part of such property and the income from these funds and the principal of these funds for charitable, scientific, or educational purposes, either directly or by contributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the "Code") and its regulations as they now exist or as they may be amended; and to advance the objectives of the University.

(b) No Private Inurement. No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to, any Foundation officer, Director, or employee thereof, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Foundation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

Section 1.02 Governing Authority. The Foundation shall be governed and operated in accordance with the Corporation Law, the Articles, these Bylaws, and by the Board of Directors (the "Board") with such policies as deemed prudent by the Board.

Section 1.03 Registered Office. The registered office of the Foundation in Pennsylvania shall be 210 Meadville Street, Alumni House, Edinboro, Pennsylvania 16412, until otherwise established by an amendment of the Articles or by the Board and a record of such change is filed with the Department of State in the manner provided by law.

Section 1.04 Other Offices. The Foundation may also have offices at such other places within or without Pennsylvania as the Board may from time to time appoint or the business of the Foundation may require.

Section 1.05 Fiscal Year. The fiscal year of the Foundation shall begin on the first day of July of each year.

Section 1.06 Non-Discrimination. The Foundation endorses a non-discriminatory policy as to its operations such that the Foundation shall operate without regard to national origin, sex, color, age, religion, disability, organizational affiliation, or sexual orientation.

ARTICLE TWO

NOTICE, WAIVERS, AND MEETINGS GENERALLY

Section 2.01 Manner of Giving Notice. Whenever written notice is required to be given to any person under the provisions of the Corporation Law or by the Articles or these Bylaws, it may be given to the person either personally or by sending a copy thereof by first class or express mail, postage prepaid, supplied by the Director of the Foundation for the purpose of notice, by facsimile, or by electronic (email) mail. If the notice is sent by mail, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or, in the case of facsimile or electronic mail, when received. A notice of the meeting shall specify the place, day, and hour of the meeting and any other information required by any other provision of the Corporation Law, the Articles, or these Bylaws.

Section 2.02 Notice Of Meetings of Board.

(a) General Rule. Notice of a regular meeting of the Board need not be given. Notice of every special meeting of the Board shall be given to each Director by telephone or in writing at least twenty-four (24) hours (in the case of notice by telephone, facsimile, or electronic mail) or forty-eight (48) hours (in the case of notice by express mail) or five (5) days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in a notice of the meeting.

(b) Notice of Action by Directors on Articles and/or Bylaws. In the case of a meeting of the Board that has as one (1) of its purposes an action on the Foundation's Articles of Incorporation ("Articles") and/or the Foundation's Bylaws (including but not limited to an amendment, adoption, restatement, and/or repeal of the Articles and/or Bylaws), written notice shall be given to each Director at least ten (10) business days before the time at which the meeting is to be held. There shall be included in, or enclosed with the notice, a copy of the proposed amendment and/or a summary of the changes to be effected thereby.

Section 2.03 Waiver of Notice.

(a) Written Waiver. Whenever any written notice is required to be given under the provisions of the Corporation Law, the Articles, or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time

stated therein, shall be deemed equivalent to the giving of the notice. Except as otherwise required by this subsection, neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

(b) Waiver by Attendance. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.04 Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the provisions of the Corporation Law or the Articles or these Bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 2.05 Exception to Requirement of Notice. Whenever any notice or communication is required to be given to any person under the provisions of the Corporation Law or by the Articles or these Bylaws or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action and communication with that person is then unlawful, the giving of the notice or communication to that person shall not be required.

Section 2.06 Use of Conference Telephone and Similar Equipment. One or more persons may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at the meeting.

Section 2.07 Parliamentary Procedure. Except to the extent inconsistent with the provisions of these Bylaws or any special rules which may from time to time be adopted by the Board, the rules contained in the then current edition of Roberts Rules of Order shall govern the meetings of the Board in all cases to which they are applicable

ARTICLE THREE **BOARD OF DIRECTORS**

Section 3.01 Powers; Personal Liability.

(a) General Rule. Unless otherwise provided by statute, all powers vested by law in the Foundation shall be exercised by or under the authority of, and the business and affairs of the Foundation shall be managed under the direction of, the Board. The Foundation shall have no members.

(b) Standard of Care: Justifiable Reliance. A Director shall stand in a fiduciary relation to the Foundation and shall perform his or her duties as a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the Foundation and with such care, including reasonable inquiry, skill, and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One (1) or more officers or employees of the Foundation whom the Director reasonably believes to be reliable and competent in the matters presented.

(2) Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person.

(3) A committee of the Board upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(c) Consideration of Factors. In discharging the duties of their respective positions, the Board, committees of the Board, and individual Directors may, in considering the best interests of the Foundation, consider the effects of any action upon employees and trainees of the Foundation and upon communities in which offices or other establishments of the Foundation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (b).

(d) Presumption. Absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken as a Director, or any failure to take any action, shall be presumed to be in the best interests of the Foundation.

(e) Personal Liability of Directors.

(1) A Director shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, unless:

(i) the Director has breached or failed to perform the duties of his or her office under this section; and

(ii) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

(2) The provisions of paragraph (1) shall not apply to the responsibility or liability of a Director pursuant to any criminal statute, or the liability of a Director for the payment of taxes pursuant to local, state, or federal law.

(3) The Foundation will enter into a transaction with an interested person only if at least two-thirds (2/3) of the Directors then serving approve the transaction as being fair to and in the best interests of the Foundation.

(f) Notation of Dissent. A Director who is present at a meeting of the Board, or of a committee of the Board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary of the Foundation immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of the action. Nothing in this section shall bar a Director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the Director notifies the Secretary of the Foundation, in writing, of the asserted omission or inaccuracy.

Section 3.02 Election of Directors. The initial Directors shall be elected by the Incorporators. Thereafter, the Directors shall be elected by the current Board at its annual meeting following the presentation of a report by the Governance Committee and nominations for election having been made by current members of the Board.

Section 3.03 Number, Term of Office, and Resignation.

(a) Number. The Board shall consist of no less than five (5) voting Directors and no more than twenty (20) voting Directors.

(b) Qualifications. Each Director of the Foundation shall be a natural person at least eighteen (18) years of age who need not be a resident of Pennsylvania. In addition, at least three (3) members of the Board shall be citizens at large who are not affiliated by reason of employment with either a governmental agency or educational institution. One (1) non-voting Director shall be nominated by the Council of Trustees of the University and one (1) voting Director shall be nominated from a slate of three (3) individuals proposed by the Edinboro University of Pennsylvania Alumni Association, each to serve as liaison between the appointing body and the Foundation.

(c) Term of Office. Except as otherwise provided herein, each Director may hold office for a maximum of three (3) sequential three (3) year terms or until his or her earlier death, resignation, or removal; provided, further, that the appointed Directors nominated by the Council of Trustees and the Alumni Association shall not be subject to such limitation but shall serve at the pleasure of the appointing body; and provided, further, that any Director may be invited to rejoin the Board after at least one (1) year's absence from the Board, and may

thereafter hold office again for a maximum of three (3) sequential three (3) year terms; and provided, further, that, by majority vote of the remaining members of the Board, the requirement of one (1) year's absence may be waived in the case of a Director whose absence would, in the judgment of such remaining members, be detrimental to the interests of the Foundation by reason of such Director's leadership role in one or more ongoing projects of the Foundation. A decrease in the number of Directors shall not have the effect of shortening the term of any incumbent Director.

(d) Resignation. Any Director may resign at any time upon written notice to the Foundation. The resignation shall be effective upon receipt thereof by the Foundation or at such subsequent time as shall be specified in the notice of resignation.

(e) Leaves of Absence. Any Director may request a leave of absence. At the discretion of the other Directors of the Board, the Board may grant the leave and permit the Director to return to Board service if the leave of absence expires before completion of his or her term on the Board. If the leave will extend beyond the expiration date of the Director's term, the Board may treat the Director's position as vacant and replace the Director pursuant to Section 3.04. The Board may consider the Director for a subsequent term in accordance with Section 3.03(c) above.

Section 3.04 Vacancies.

(a) General Rule. Vacancies in the Board, including vacancies resulting from an increase in the number of Directors, may be filled by a majority vote of the remaining members of the Board though less than a quorum, or by a sole remaining Director, and each person so selected shall be a Director to serve for the balance of the unexpired term, and until a successor has been selected and qualified or until his or her earlier death, resignation, or removal.

(b) Action by Resigned Directors. When one (1) or more Directors resign from the Board effective at a future date, the Directors then in office, including those who have so resigned, shall have power by the applicable vote to fill the vacancies, the vote thereon to take effect when the resignations become effective.

Section 3.05 Removal of Directors. Any Director may be removed with or without cause by the affirmative vote of three-quarters (3/4) of the Directors then in office. Such vote shall be taken at a meeting called for such purpose. All Directors shall be given written notice of the time and place of the meeting at which the removal vote will be taken at least ten (10) days before such meeting, and the Director whose removal has been proposed shall be given an opportunity to present information to the Board before or at such meeting.

Section 3.06 Place of Meetings. Meetings of the Board may be held at such place within or without Pennsylvania as the Board may from time to time appoint or as may be designated in the notice of the meeting.

Section 3.07 Organization of Meetings. At every meeting of the Board, the Chair, or, in the case of a vacancy in the office or absence of the Chair, the Vice Chair, or, in the case of a vacancy in the office or absence of both the Chair and the Vice Chair, the Secretary, shall act as Chair of the meeting.

Section 3.08 Regular Meetings. At least four (4) regular meetings of the Board shall be held at such time during each fiscal year and at such place as shall be designated from time to time by resolution of the Board. One (1) of such regular meetings shall be designated by resolution of the Board as the Foundation's annual meeting.

Section 3.09 Special Meetings. Special meetings of the Board shall be held whenever called by the Chair or by two (2) or more of the Directors.

Section 3.10 Quorum of and Action by Directors.

(a) **General Rule.** A majority of the voting Directors in office of the Foundation shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board.

(b) **Action by Written Consent.** Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if, prior or subsequent to the action, consent or consents thereto by all of the Directors in office is filed with the Secretary of the Foundation.

Section 3.11 Compensation. The Board shall serve as Directors without compensation, although a Director may be reimbursed for expenses, which have been approved by the Board. In addition, a Director may be a salaried officer of the Foundation.

Section 3.12 Attendance. Prior to a meeting of the Board, a Director shall notify the Chair, or his or her designee, if he or she is unable to attend. Failure to notify the Chair of his or her absence a reasonable time prior to a meeting will be an unreported absence for purposes of this Section 3.12. If a Director has two (2) unreported absences of a regularly scheduled meeting of the Board during the span of the fiscal year, he or she shall be deemed to have resigned from the Board and shall be so notified in writing, unless the Board in its sole and absolute discretion determines this Section 3.12 should not apply.

ARTICLE FOUR **OFFICERS**

Section 4.01 Officers Generally.

(a) Number, Qualifications, and Designation. The officers of the Foundation shall be a Chair, Vice Chair, Secretary, Treasurer, and such other officers as may be elected in accordance with the provisions of Section 4.03. The Chair, Vice Chair, Secretary, and Treasurer shall be voting Directors of the Foundation. Any number of offices may be held by the same person. Employees of the University may not violate the Commonwealth of Pennsylvania Adverse Interest Laws and, therefore, may not serve as a voting Director and may not execute/sign checks or legal contracts on behalf of the Foundation and its Board.

(b) Resignations. Any officer may resign at any time upon written notice to the Foundation. The resignation shall be effective upon receipt thereof by the Foundation or at such subsequent time as may be specified in the notice of resignation.

(c) Bonding. The Foundation may secure the fidelity of any or all of its officers by bond or otherwise.

(d) Standard of Care. Except as otherwise provided in the Articles, an officer shall perform his or her duties as an officer in good faith in a manner he or she reasonably believes to be in the best interests of the Foundation and with such care, including reasonable inquiry, skill, and diligence, as a person of ordinary prudence would use under similar circumstances. A person who so performs his or her duties shall not be liable by reason of having been an officer of the Foundation.

Section 4.02 Election and Term of Office. The officers of the Foundation, except the Chair and those elected by delegated authority pursuant to Section 4.03, shall be elected every other year by the Board, and each such officer shall hold office for a term of two (2) years and until a successor has been elected and qualified or until his or her earlier death, resignation, or removal.

Section 4.03 Subordinate Officers, Committees, and Agents. The Board may from time to time elect such other officers and appoint such committees, employees, or other agents as the business of the Foundation may require, including one or more assistant secretaries and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to time determine. The Board may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents or committees thereof and to prescribe the authority and duties of such subordinate officers, committees, employees, or other agents.

Section 4.04 Removal of Officers and Agents. Any officer or agent of the Foundation may be removed by the Board with or without cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.05 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 4.03, as the case may be, and if the office is one for which these Bylaws prescribe a term shall be filled for the unexpired portion of the term.

Section 4.06 Authority. All officers of the Foundation, as between themselves and the Foundation, shall have such authority and perform such duties in the management of the Foundation as may be provided by or pursuant to resolutions or orders of the Board or in the absence of controlling provisions in the resolutions or orders of the Board, as may be determined by or pursuant to these Bylaws.

Section 4.07 The Chair. The Chair of the Board shall preside at all meetings of the Board, serve as Chair of the Executive Committee, and perform such other duties as may from time to time be requested by the Board.

Section 4.08 The Vice Chair. The Vice Chair also shall be the Chair-Elect. The Vice Chair shall assume the office of the Chair of the Board at the expiration of the term of the incumbent Chair. In addition, in the absence of the Chair, the Vice Chair shall preside at all meetings of the Board, serve as Chair of the Executive Committee, and perform such other duties as may from time to time be requested by the Board.

Section 4.09 The Secretary. The Secretary or an Assistant Secretary shall record (i) all the votes of the Directors; (ii) the minutes of the meetings of the Board; and (iii) the minutes generated by the committees of the Board, in a book or books to be kept for that purpose. The Secretary shall see that notices are given and records and reports properly kept and filed by the Foundation as required by law. Further, the Secretary shall perform all duties incident to the Office of Secretary and such other duties as may from time to time be assigned by the Board.

Section 4.10 The Treasurer. The Treasurer or an Assistant Treasurer shall have or provide for the custody of the funds or other property of the Foundation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the Foundation; shall deposit or provide for the deposit of all funds in his or her custody as Treasurer in such banks or other places of deposit as the Board may from time to time designate; shall, whenever so required by the Board, render an account showing all transactions as Treasurer and the financial condition of the Foundation; and, in general, shall discharge such other duties as may from time to time be assigned by the Board.

ARTICLE FIVE **COMMITTEES**

Section 5.01 Committees Generally.

(a) Establishment and Powers. The Board may, by resolution adopted by a majority of the Directors in office, establish one (1) or more committees to consist of one (1) or more Directors of the Foundation. Each committee may include non-Directors as voting committee members who may be appointed by the Foundation Chair, the Board, and/or by the committee Chair. Any committee, to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority of the Board, except that a committee shall not have any power or authority as to the following:

- (1) The creation or filling vacancies in the Board.
- (2) The adoption, amendment, or repeal of these Bylaws.
- (3) The amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board.
- (4) Action on matters committed by a resolution of the Board to another committee of the Board.

(b) Alternate Committee Members. The Board Chair may designate one (1) or more persons as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee for the purposes of any written action by the committee. In the absence or disqualification of a member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another person to act at the meeting in the place of the absent or disqualified member.

(c) Term. Each committee of the Board shall serve at the pleasure of the Board.

(d) Committee Procedures. The term "Board of Directors" or "Board" when used in any provision of these Bylaws relating to the organization or procedures of or the manner of taking action by the Board shall be construed to include and refer to the Executive Committee or any other committee of the Board.

(e) Appointment of Committee Chairs and Committee Members. Except for the Executive Committee, the Board Chair shall appoint committee Chairs and, in consultation with the committee Chair, the members of each committee. Committee Chairs must be Directors of the Foundation. Committee Chairs and members shall serve concurrent terms with Board officers.

(f) Minutes. Each committee of the Board shall generate its own minutes and records and deliver them to the Secretary or Assistant Secretary.

Section 5.02 Executive Committee. The Foundation shall have an Executive Committee consisting of the following persons: Chair, Vice Chair, Secretary, Treasurer, Chairs of all standing committees, and the prior Board Chair. The Executive Committee shall supervise and annually review the performance of the Foundation's Executive Director, and shall make recommendations to the Board concerning salary. The Executive Committee shall have the power to act for the Board on matters arising in the regular course of business and between regular meetings of the Board, in accordance with these Bylaws; provided, however, that such authority shall not extend to those matters described in Section 5.01(a). At least four (4) regular meetings of the Executive Committee shall be held at such time during each fiscal year and at such place as shall be designated from time to time by the Executive Committee.

Section 5.03 Finance Committee. The Foundation shall have a Finance Committee consisting of a Treasurer and other persons having experience in financial, budgeting, and/or audit functions. The Finance Committee shall function as the fact-finding committee to advise the Board on the Foundation's finances and expenditures. The Finance Committee shall present financial reports to the Board and shall be responsible for the initial preparation of the Foundation's annual budget for presentation to the Board for consideration. The Finance Committee shall also arrange for an annual audit of the Foundation's books and accounts by an independent accountant.

Section 5.04 Investment Committee. The Foundation shall have an Investment Committee consisting of persons having experience in investment matters. The Investment Committee shall oversee the management of the Foundation's investment portfolio and shall make recommendations to the Board concerning the spending rate on the Foundation's invested funds.

Section 5.05 Development Committee. The Foundation shall have a Development Committee consisting of persons interested in establishing positive relationships with donors and friends of the Foundation and University. The Committee shall: (i) assist the University in making contribution and grant proposals; (ii) identify prospective donors and friends of the Foundation and University; (iii) develop endowment building and planned gifting strategies for the Foundation; and (iv) increase community awareness of the Foundation and University.

Section 5.06 Housing Committee. The Foundation shall have a Housing Committee consisting of individuals interested and knowledgeable in the oversight of real property and improvements that may be owned, developed, and/or managed by the Foundation. Such property includes, but is not limited to, student housing (dormitories), office space, storage space, commercial and non-commercial real estate, and the tangible personal property devoted to real estate-related assets. The Housing Committee shall oversee the management of such property interests and shall make recommendations to the Board concerning the properties.

Section 5.07 Governance Committee. The Foundation shall have a Governance Committee which shall be responsible for the following:

(a) The Governance Committee shall cultivate, recruit and orient new Board members and evaluate the operations of the Board to ensure that the Board is operating in an effective manner and fulfilling its fiduciary responsibility. The Governance Committee shall research prospective new Directors and Officers, and make recommendations to the Board of a slate of Officers and/or Directors whenever vacancies may occur.

(b) The Governance Committee shall be responsible for the review of the Foundation's Articles and/or Bylaws. In accordance with the notification provisions of Section 2.2(b) of Article Two, the Governance Committee shall make recommendations to the Board for any proposed amendment to the Foundation's Article and/or Bylaws. The Committee shall also review and respond to any questions and suggested changes to the Articles and/or Bylaws made by the Board or by any of the Foundation's other committees.

Section 5.08 Other Committees. The Chair may from time to time appoint such other committees of the Board as the Chair deems appropriate. Such committees shall be strictly advisory in nature and shall have no power or authority to act on behalf of the Foundation, except to the extent that such powers and authority have been specifically delegated to the committee by resolution of the Board.

ARTICLE SIX
INDEMNIFICATION OF DIRECTORS, OFFICERS,
AND OTHER AUTHORIZED REPRESENTATIVES

Section 6.01 Scope of Indemnification.

(a) General Rule. The Foundation shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative 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 statement, negligence, gross negligence, or act giving rise to strict liability or products liability, except:

(1) where such indemnification is expressly prohibited by applicable law;

(2) where the conduct of the indemnified representative has been finally determined by a court:

(i) to constitute willful misconduct or recklessness within the meaning of 15 Pa. C.S. Sections 13(b) and 1746(b) and 42 Pa.

C.S. Section 8365(b) or any superseding provision of law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or

(ii) to be based upon or attributable to the receipt by the indemnified representative from the Foundation of a personal benefit to which the indemnified representative is not legally entitled; or

(3) to the extent such indemnification has been finally determined in a final adjudication to be otherwise unlawful.

(b) Partial Payment. If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the Foundation shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

(c) Presumption. The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of *nolo contendere* shall not of itself create a presumption that the indemnified representative is not entitled to indemnification.

(d) Definitions. For purposes of this Article:

(1) "indemnified capacity" means any and all past, present, and future service by an indemnified representative in one or more capacities as a Director, officer, employee, or agent of the Foundation, or, at the request of the Foundation, as a Director, officer, employee, agent, fiduciary, or trustee of another corporation, partnership, joint venture, trust, employee benefit plan, or other entity or enterprise;

(2) "indemnified representative" means any and all Directors and officers of the Foundation and any other person designated as an indemnified representative by the Board (which may, but need not, include any person serving at the request of the Foundation as a Director, officer, employee, agent, fiduciary, or trustee of another corporation, partnership, joint venture, trust, employee benefit plan, or other entity or enterprise);

(3) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense of any nature (including, without limitation, attorney fees and disbursements); and

(4) "proceeding" means any threatened, pending or completed action, suit, appeal, or other proceeding of any nature, whether civil, criminal, administrative, or investigative, whether formal or informal, and whether brought by or in the right of the Foundation, a class of its security holders, or otherwise.

Section 6.02 Power to Purchase Insurance. The Foundation shall have the power to purchase and maintain insurance on behalf of any person who is or was a representative of the corporation against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him against that liability.

Section 6.03 Proceedings Initiated by Indemnified Representatives. Notwithstanding any other provision of this Article, the Foundation shall not indemnify under this Article an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervener or *amicus curiae* by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the Directors in office. This section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

Section 6.04 Advancing Expenses. The Foundation shall pay the expenses (including attorney fees and disbursements; subject, however, to Section 6.06) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 6.01 or the initiation of or participation in which is authorized pursuant to Section 6.02 upon receipt of an undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined by a court that such person is not entitled to be indemnified by the Foundation pursuant to this Article. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 6.05 Payment of Indemnification. An indemnified representative shall be entitled to indemnification within thirty (30) days after a written request for indemnification has been delivered to the Secretary of the Foundation; subject, however, to Section 6.06.

Section 6.06 Procedure. As soon as practicable after receipt by an indemnified representative of notice of the commencement of any action, suit, or proceeding specified in this Article, the indemnified representative shall, if a claim with respect thereto may be made against the Foundation under this Article, notify the Foundation in writing of the commencement or threat thereof; however, the omission so to notify the Foundation shall not relieve the Foundation from any liability under this Article unless the Foundation shall have been prejudiced thereby or from any other liability which it may have to the indemnified representative other than under this Article. With respect to any such action as to which the indemnified representative notifies the Foundation of the commencement or threat thereof, the Foundation may participate therein at its own expense and, except as otherwise provided below, to the extent that it desires, the Foundation, jointly with any other indemnifying party similarly notified, shall be entitled to assume the defense thereof with counsel selected by the Foundation to the reasonable satisfaction of the indemnified representative. After notice from the Foundation to the indemnified representative of its election to assume the defense thereof, the Foundation shall not be liable to the indemnified representative under this Article for any legal or other expenses subsequently

incurred by the indemnified representative in connection with the defense thereof other than as otherwise provided below. The indemnified representative shall have the right to employ his or her own counsel in such action, but the fees and expenses of such counsel incurred after notice from the Foundation of its assumption of the defense thereof shall be at the expense of the indemnified representative unless: (i) the employment of counsel by the indemnified representative shall have been authorized by the Foundation; (ii) the indemnified representative shall have reasonably concluded that there may be a conflict of interest between the Foundation and the indemnified representative in the conduct of the defense of such proceeding; or (iii) the Foundation shall not in fact have employed counsel to assume the defense of such action. The Foundation shall not be entitled to assume the defense of any proceeding brought by or on behalf of the Foundation or as to which the indemnified representative shall have reasonably concluded that there may be a conflict of interest.

Section 6.07 Contribution. If the indemnification provided for in this Article or otherwise is unavailable for any reason in respect of any liability or portion thereof, the Foundation shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article or otherwise.

Section 6.08 Mandatory Indemnification of Directors, Officers, etc. To the extent that an authorized representative of the Foundation has been successful on the merits or otherwise in defense of any action or proceeding referred to in 15 Pa. C.S. Sections 1741 or 1742 or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorney fees and disbursements) actually and reasonably incurred by such person in connection therewith.

Section 6.09 Contract Rights; Amendment or Repeal. All rights under this Article shall be deemed a contract between the Foundation and the indemnified representative pursuant to which the Foundation and each indemnified representative intend to be legally bound. Any repeal, amendment, or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 6.10 Scope of Article. The rights granted by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution, or advancement of expenses may be entitled under any statute, agreement, vote of shareholders or disinterested Directors or otherwise both as to action in an indemnified capacity and as to action in any other capacity. The indemnification, contribution, and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators, and personal representatives of such a person.

Section 6.11 Reliance on Provisions. Each person who shall act as an indemnified representative of the Foundation shall be deemed to be doing so in reliance upon the rights provided by this Article.

Section 6.12 Interpretation. The provisions of this Article are intended to constitute bylaws authorized by 15 Pa. C.S. Sections 513 and 1746 and 42 Pa. C.S. Section 8365.

ARTICLE SEVEN **MISCELLANEOUS**

Section 7.01 Checks. All checks, notes, bills of exchange, or other orders in writing shall be signed by such person or persons as the Board may from time to time designate.

Section 7.02 Contracts.

(a) **General Rule.** The Board may authorize the delivery of any instrument on behalf of the Foundation, and such authority may be general or confined to specific instances.

(b) **Statutory Form of Execution of Instruments.** Any note, mortgage, evidence of indebtedness, contract or other document, or any assignment or endorsement thereof, executed or entered into between the Foundation and any other person, when signed by one or more officers or agents having actual or apparent authority to sign it, or by the Chair or Vice Chair and Secretary or Treasurer of the Foundation, shall be held to have been properly executed for and on behalf of the Foundation, without prejudice to the rights of the Foundation against any person who shall have executed the instrument in excess of his or her actual authority.

Section 7.03 Interested Party Transactions. The Foundation recognizes that the skills, talents, and relationships of its officers and members of its Board are among its richest assets. The Foundation also is aware that acquiring goods or services from, or engaging in transactions with, its officers, Directors, members of their families or entities in which they have a financial interest or with which they are affiliated (such persons and entities are referred to collectively as “Interested Parties”) may create an appearance of impropriety. In order to protect the Foundation against any improper appearance, the Foundation will restrict its business dealings with Interested Parties as follows:

(a) The Foundation may acquire goods or services from, or otherwise transact business with, an Interested Party if the Board determines in its judgment that the goods or services provided to the Foundation are, or the transaction is, on terms no less advantageous to the Foundation than the terms that are available to the Foundation from third parties. Moreover, the Foundation anticipates that any such acquisition may be on terms that are more advantageous to the Foundation than those generally extended by third parties. If an Interested Party offers terms which are as advantageous to the Foundation as terms offered by another vendor, the Foundation may, but shall not be required to, consider other benefits derived by it from the Interested Party (e.g., past or anticipated services rendered or financial support) in selecting between otherwise equally desirable vendors.

(b) Whenever the Foundation is considering acquiring goods or services from, or entering into a transaction with, an Interested Party, the details that create the Interested Party relationship shall be disclosed to the Foundation in writing to the Board.

(c) The Foundation shall enter into a transaction with an Interested Party (an “Interested Party Transaction”) only if the Board is made aware of the information referred to in Subsection 7.03 (b) and the majority of the Directors then serving approve the transaction as being fair to and in the best interests of the Foundation. Additionally, the Executive Committee shall have the authority to act for the Board in granting the approval contemplated by this paragraph. For purposes of the preceding two sentences, any Director or Executive Committee member who is (or has an interest in or is related to) the Interested Party that is a party to a proposed transaction shall not be considered a Director or Executive Committee member then serving (including, without limitation, for the purpose of determining a quorum), shall not participate in the vote on the transaction, and shall not attend any meeting while approval of the transaction is considered. Notwithstanding the foregoing, however, prior approval by the Board shall not be required if (a) emergency circumstances make such approval impractical (in which event the transaction shall be reported to the Board promptly after the fact), or (b) if the transaction falls below a *de minimis* threshold established by the Board.

(d) The Board (or a committee established by the Board) may:

(1) Develop procedures and guidelines (collectively called “Policies”) regarding Interested Party Transactions;

(2) Monitor transactions with Interested Parties; and

(3) Establish such criteria as it may deem appropriate for *de minimis* transactions that need not be approved hereunder.

Section 7.04 Deposits. All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the Board shall from time to time determine.

Section 7.05 Corporate Records. The Foundation shall keep complete and accurate books and records of account and minutes of the proceedings of the Directors. Any books, minutes, or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

Section 7.06 Financial Reports. The Foundation shall prepare annual financial statements, which may be consolidated, including at least a balance sheet as of the end of each fiscal year and a statement of income and expenses for the fiscal year. The financial statements shall be prepared on the basis of generally accepted accounting principles, shall be audited by a public accountant, and shall be accompanied by the report of the accountant.

Section 7.07 Incidental Profits. Whenever the lawful activities of the Foundation involve among other things the charging of fees or prices for its services or products, it shall have the right to receive such income, and, in so doing, may make in incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the Foundation, and in no case shall be divided or distributed in any manner whatsoever among the Directors or Officers of the Foundation, except as otherwise permitted by law.

Section 7.08 Amendment of Bylaws. These Bylaws may be amended or repealed, or new Bylaws may be adopted, by vote of a majority of the Board at any duly organized annual or special meeting of the Board called in accordance with the notification requirements as set forth in Section 2.02(b) of these Bylaws. Any change to the Foundation's Bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

Section 7.09 Dissolution. Upon dissolution of the Foundation or the winding up of its affairs, the assets of the Foundation shall be distributed exclusively to the University unless the University has been closed. If the University is closed, then Foundation assets shall be distributed to charitable, religious, scientific, testing for public safety, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or may be amended.

ARTICLE EIGHT

DONORS' GIFTS AND DIRECTIONS

Section 8.01 General Rule. Donors may make gifts to or for the use of the Foundation by naming or otherwise identifying the Foundation as a recipient or as trustee. The Board may, as necessary, designate one or more financial institutions to hold and administer all donor gifts. The Board shall also establish the appropriate gift acceptance policies and coordination with University policies.

Section 8.02 Governing Instruments. Each donor, by making a gift to or for the use of the Foundation, accepts and agrees to all the terms of these Bylaws and Articles of Incorporation and provides that the gift shall be subject to the provisions for presumption of donors' intent, for variance from donors' direction and for amendments and termination, and to all other terms of the Articles of Incorporation and Bylaws.

Section 8.03 Remainder Interests. If a gift is made to the Foundation in trust to make income or other payments for a period of a life or lives or other period to any individuals or for non-charitable purposes, followed by payments to or for the use of the Foundation, or in trust to make income or other payments to or for the use of the Foundation, followed by payments to any individuals or for non-charitable purposes, only the payments to or for the use of the Foundation shall be regarded as Foundation funds subject to these Bylaws and only when the Foundation becomes entitled to their use, but the Board may take such actions as it from time to time deems necessary to protect the Foundation's rights to receive such payments.

Section 8.04 Donor Direction. Any donor may, with respect to any gift of Ten Thousand Dollars (\$10,000) or more, give directions to: (a) particular purposes of the University to be supported, (b) manner of distribution including amounts, times, and conditions of payments and whether from principal or income, (c) a name as a memorial or otherwise for a fund given, or addition to a fund previously held, or anonymity for the gift, and (d) reasonable limits on or additions to investment or administrative powers of the Foundation. All such directions by donors shall be followed except as may be contrary to these Bylaws, Board policies, and the charitable purposes of the Foundation.

Section 8.05 Commingle Funds Memorials. No gift shall be required to be separately invested or held unless it is necessary in order to follow any other direction by the donor as to purpose, investment, or administration, or in order to prevent tax disqualification, or is required by law. Directions for naming a fund as a memorial or otherwise may be satisfied by keeping under such name accounts reflecting appropriately the interest of such fund in each common investment.

Section 8.06 Rejection of Gifts. Each fund of the Foundation shall be presumed to be intended: (a) to be used only for charitable purposes, (b) to be productive of a reasonable return of net income which is to be distributed at least annually or if accumulated is to be accumulated only in a reasonable amount and for a reasonable period for a charitable purpose or purposes, and (c) to be used only for such of those purposes and in such manner as not to disqualify the gift from deduction as a charitable contribution, gift, or bequest in computing any federal income, gift, or estate tax of the donor or the donor's estate and not to disqualify the Foundation from exemption from federal income tax as a qualified charitable organization and shall not be otherwise applied. If a direction by the donor, however expressed, would, if followed, result in use contrary to the intent so presumed, or if the Board is advised by counsel that there is a substantial risk of such result, the direction shall not be followed, but shall be varied by the Board so far as necessary to avoid such result, except that if the donor has clearly stated that compliance with the direction is a condition of such gift, then the gift shall not be accepted in case of such advice unless an appropriate judicial or administrative body first determines that the condition and direction need not be followed. Reasonable charges and expenses of counsel for such advice and proceedings shall be proper expenses of the Foundation.

Section 8.07 Changed Circumstances. Whenever the Board decides that conditions or circumstances are such or have so changed since a direction by the donor as to purpose, or as to manner of distribution or use, that literal compliance with the direction is unnecessary, undesirable, impractical, or impossible, or the direction is not consistent with the Foundation primarily serving effectively the needs of the University, it may, by affirmative vote of at least two-thirds (2/3) of its Directors order such variance from the direction and such application of the whole or any part of the principal or income of the fund to other charitable purposes as in its judgment will then more effectively serve such needs (subject to such approvals, if any, as may be required under law). Whenever the Board decides that a donor's direction as to investment or administration has, because of changed circumstances or conditions or experience, proved impractical or unreasonably onerous and impedes effectual serving of such needs, the Board may

order variance from such direction to such extent as in its judgment is necessary, subject to such approval, if any, as may be required under law.

ARTICLE NINE **FUND ADMINISTRATION - POWERS AND DUTIES**

Section 9.01 General Rule. Gifts to or for the use of the Foundation shall, upon acceptance and receipt, vest in the Foundation. The investment, reinvestment, and disposition of such gifts shall be subject to the direction and control of the Board as set forth in these Bylaws and the Foundation's policies as same may be amended from time to time.

Section 9.02 Validity of Gift. The Foundation shall not be responsible for the validity of any gift received. If a donor's direction would, if followed, result in use contrary to the intent presumed by these Bylaws, or if the Foundation is advised by counsel that there is a substantial risk of such result, the Foundation may decline to accept the gift until a determination is obtained as provided in these Bylaws or the direction is varied as provided herein.

Section 9.03 Powers. Solely for the purpose of carrying out the charitable purposes of the Foundation, the Foundation and the Board shall have, in addition to all nonprofit corporate powers under the Corporation Law and other powers granted by the Articles or these Bylaws or by donors' directions, but subject to limitations expressly provided by donors' directions and provisions or other provisions hereof, the following discretionary powers with respect to property received and/or each fund held or established by or for the Foundation:

(a) **Investment and Reinvestment.** To retain property in the form and condition in which it is received, to invest and reinvest from time to time in any securities, obligations, or other property of any kind it may deem advisable, including any common fund, trust, or account(s) maintained by it;

(b) **Disposition of Property.** To sell, lease for any period, convey, transfer, exchange, deliver, and dispose of all or any part of the assets of any fund, and make contracts concerning any such assets, all at such prices, for such terms as to credit and otherwise, and whether by public auction or private negotiation, as it deems best;

(c) **Voting.** To vote or refrain from voting any corporate or other securities; to give proxies; to exercise or sell subscription rights and pay security assessments; to consent to extension or renewal or refunding of obligations and liens or security therefore; to hold property in its name or the name of a nominee without disclosing the interest of the Foundation except in its accounting; to participate in reorganizations, mergers, consolidations, foreclosures, and liquidations, and to join with other security holders in delegating authority to, depositing securities with, and acting through committees, depositories, voting trustees, and the like and receive and hold securities or property thereby received; and to settle, compromise, contest, prosecute, or abandon claims in favor of or against any Foundation assets, all as it deems best;

(d) Allocation. To allocate receipts and disbursements to principal or income in accordance with reasonable accounting principles;

(e) Management. To execute and deliver receipts, bills of sale, conveyances, assignments, transfers, powers of attorney, contracts, releases, deeds of trust, mortgages, and other instruments incident to any transaction; and

(f) Selection of Agents. To employ attorneys and agents and special assistance as needed, and retain and pay reasonable compensation for services and expenses thereof, and to pay such compensation as is fair, reasonable, and customary at the time, and as may be established from time to time by advance written agreements with the Board, and to charge all such amounts in equitable proportions to the funds held by the Foundation.

Section 9.04 Third Party Reliance. No one dealing with the Foundation need inquire concerning the validity of anything the Foundation purports to do, nor see to the application of anything paid or transferred to or upon order of the Foundation and anyone dealing with the Foundation with respect to any asset of any fund may rely without inquiry upon the authority of the Foundation in any action it purports to take, and upon a certificate by any executive officer of the Foundation with respect to any fact pertinent to any fund or funds, asset, or administration.

Section 9.05 Board as Fiduciary. The Foundation and its Board shall serve in a fiduciary capacity and shall refrain from exercising any powers in such manner as to disqualify the Foundation from federal income tax exemption as a qualified charitable organization or any gift from deduction as a charitable contribution, gift, or bequest in computing federal income, gift, or estate tax of the donor or an estate.

ARTICLE TEN

DISTRIBUTIONS AND DISBURSEMENTS

Section 10.01 Distribution Determination. The Board shall from time to time, but not less frequently than annually, (a) determine all distributions to be made from net income and principal pursuant to provisions of these Bylaws and donors' directions from time to time applicable, and make, or authorize and direct the payments to organizations or persons to whom payments are to be made, in such amount and at such times and with such accompanying restrictions, if any, it deems necessary to assure use for the charitable purposes and in the manner intended, and (b) determine all disbursements to be made for administrative expenses incurred by the Board and direct the payment thereof and funds to be charged.

Section 10.02 Board Vote. All determinations shall be by affirmative vote of a majority of the Board, unless otherwise expressly provided herein or by direction of the donor as a condition of the gift (which is nevertheless subject to variance as provided in these Bylaws).

Section 10.03 Principal Distributions. Determinations may be made to distribute capital from funds given without directions as to principal or income as well as pursuant to

directions expressly permitting use of principal, but the Board shall make such determinations as far in advance as the Board deems practicable so as to adjust its investment policies accordingly, and may, upon investment advice as to how the desired distribution and any necessary liquidation of investments can most economically be accomplished, adjust its directions for distribution so far as it deems practicable accordingly.

Section 10.04 University Needs. The Board shall gather and analyze and conduct investigation and research as the Board from time to time deems necessary or desirable in order to determine the most effective agencies and means for meeting the needs of the University through distribution of funds given for charitable purposes, and may direct disbursements for such fact gathering in an analysis, investigation, and research from funds given for such purposes or from funds given without direction as to purpose. Disbursements for administrative expenses incurred by the Board shall be paid first from any funds directed by a donor to be used for such purposes and to the extent such funds do not cover the cost of such administrative expenses, then the difference shall be paid from the Foundation's general funds.

CERTIFICATE

I, _____, certify that the foregoing Bylaws are as last amended and approved by the Board on February 16, 2015.

Secretary

Edinboro University Foundation Board of Directors February 2016

Board Member	Home Address	Employment	Term Information	Board Office	Committee
Executive Director					
Christopher J. Cuzzola DECEASED 12/1/16	ccuzzola@eupfoundation.org 4334 Prestwick Dr Erie, Pa 16506				
Campbell, Dr. Mary Jo	maryjocampbell1@verizon.net 5431 Linden Avenue Edinboro, PA 16412 (814) 734-7649 814-881-0962	Retired Edinboro University Professor of Elementary Education	Appointment Date: June 13' Term Expires: Oct 2016	Chair	Governance Executive
Frampton, Mr. Dennis **non-voting	drf1248@zoominternet.net 246 DeVore Drive Meadville, PA 16335 (814) 333-9771	President C & J Industries 760 Water Street, P. O. Box 499D Meadville, PA 16335 (814) 724-4950 Ext. 7500	Council of Trustees Liaison Appointment Date: Sept. 11'		Housing
Herbe, Mr. David Spouse: Theresa	dherbe@skmco.com 2933 Madeira Drive Erie, PA 16506 (814) 838-9371	Schaffner Knight & Minnaugh 1001 State Street, Suite 1300 Erie, PA 16501 (814) 454-1997 Ext. 217	Appointment Date: June 13' Term Expires: Oct 2016	Treasurer Chair Chair	Executive Finance
Howard, Mr. Dennis Spouse: Dianne	denhoward@aol.com 7634 Francis Road Girard, PA 16417 (814) 734-1456	Lord Corporation-Retired Lord Corporation	Appointment Date: Dec. 10' Term Expires: Oct 2016 <small>*1st full term begins Dec. 2011</small>		Executive Finance Housing
Kirk, Mr. James Spouse: Deborah Jean Kirk	kirkj2814@gmail.com 12814 Forrest Drive Edinboro, PA 16412 home: (814) 734-7556 cell: (814) 392-8534	First National Bank- Retired Building 44 of terrace XVII 10390 Washington Palm Way Fort Myers, FL 33966	Appointment Date: June 12 Term Expires: Oct 2016		Executive Finance Investment
Rinn, Mr. Steven Spouse: Angie Rinn	srinn@hbkswealth.com 521 Seminole Drive Erie, PA 16505	HBK Wealth Advisors 5121 Zuck Road Erie, PA 16506 work: (814) 490-7102	Appointment Date: June 13 Term Expires: Oct 2016	Chair Chair	Executive Finance Investment Governance
Santelli, Mr. Patrick Spouse: Patricia Santelli	psantelli@verizon.net 2913 Swansea Crescent E. Allison Park, PA 15101 home: (412) 487-2338 cell: (412) 780-3680	Retired Pfizer, Inc.	Appointment Date: June 12 Term Expires: Oct 2016	Vice Chair	Executive Finance Investment
Scalise, Mr. Charles G.	cscalise@hands-erie.org HANDS 7 E 7th Street Erie, PA 16501	President/CEO	Appointment Date: Dec 2011 Term Expires: Oct 2017	Secretary Chair	Housing Executive

Edinboro University Services, Inc.

- **Memorandum of Understanding (expires June 17, 2019)**
- **Financial Statements and Accompanying Information – June 30, 2016 and 2015**
- **Articles of Incorporation (previously circulated – no changes)**
- **ByLaws**
- **Board of Directors**

**Pennsylvania State System of Higher Education
Memorandum of Understanding
Between Edinboro University of Pennsylvania
and
Edinboro University Services, Inc.**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into this day of June 17, 2014, by and between EDINBORO UNIVERSITY OF PENNSYLVANIA, part of the Pennsylvania State System of Higher Education (PASSHE), a body corporate and politic constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania, created by Act 188 of 1982, 24 P.S. §20-2001-A et seq., hereinafter referred to as "UNIVERSITY" and EDINBORO UNIVERSITY SERVICES, INC, hereinafter referred to as "AFFILIATED ENTITY" a nonprofit tax-exempt entity organized under the laws of the Commonwealth of Pennsylvania and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

WITNESSETH:

WHEREAS, The AFFILIATED ENTITY is an independent nonprofit corporation, that was formed on September 30, 1963, existing solely for the purpose of supporting the University by providing student scholarships, financial support of various university and Presidential initiatives, and general philanthropy to support the mission of the University; and

WHEREAS, the purpose of the AFFILIATED ENTITY, as stated in its Articles of Incorporation, is "to initiate, regulate and operate at Edinboro University of Pennsylvania, such group student activities and other enterprises as are not provided for or regulated by the decisions of the Council of Trustees. Such activities would include but not be limited to providing for a student supply store, for lunch counters and snack bars in recreation rooms or dormitories, for vending machines, for building, financing and administering privatized housing for students, together, with any activities or enterprises with the Board of Directors of the Corporation may deem desirable for student welfare. This is a corporation which does not contemplate pecuniary gain or profit, incident or otherwise, to its members"; and

WHEREAS, PASSHE Board of Governors' Policy 1985-04-A: *University External Financial Support*, stipulates that the UNIVERSITY must utilize an MOU to outline the respective roles between universities and affiliated entities.

NOW, THEREFORE, based upon the mutual promises, covenants and conditions set forth herein and intending to be legally bound, the UNIVERSITY and the AFFILIATED ENTITY agree as follows.

- A. In terms of role, scope and mission, some of the major contributions of the AFFILIATED ENTITY to the UNIVERSITY have been and continue to be:

1. Managing the UNIVERSITY's bookstore, commercially known as Campus Bookstore, which is located in The Frank G. Pogue Student Center at 405 Scotland Road, Edinboro, PA 16444
 2. Managing the UNIVERSITY's document center, commercially known as Piper Press, which is located in Earley Hall at 200 Scotland Road, Edinboro, PA 16444
 3. Maintaining a facility located at 301 Darrow Road, Edinboro, PA 16412, commercially known as Early Learning University, and contracting services for the purpose of offering child care services to UNIVERSITY students, faculty and staff.
 4. Review funding requests and recommendations from the UNIVERSITY President to support UNIVERSITY programs and institutional advancement efforts.
 5. Provide annual funding for student scholarships. (See Appendix A for list of scholarships.)
- B. In order to assist the AFFILIATED ENTITY in serving as a vehicle for volunteer involvement in the life of the UNIVERSITY, the following coordination and review mechanisms will be implemented.
1. The UNIVERSITY may, if desired, have a nonvoting liaison to the AFFILIATED ENTITY's Board of Directors.
 2. In addition to the functions previously outlined, the AFFILIATED ENTITY may undertake other programs deemed appropriate, after consultation with the UNIVERSITY's president or designee.
 3. To ensure that efficient coordination is maintained, the UNIVERSITY and the AFFILIATED ENTITY will consult on matters pertaining to the activities outlined in this MOU. To ensure proper coordination is maintained, the UNIVERSITY president or designee will meet periodically with a designee of the AFFILIATED ENTITY.
- C. In compliance with PASSHE Board of Governors' Policy 1985-04-A regarding fundraising and affiliated entities, it is the UNIVERSITY's desire to enhance the ability of the AFFILIATED ENTITY to function by providing to the AFFILIATED ENTITY certain staff, facilities and services as described below, at a cost to be

agreed to by the parties in separate agreements, such as facility use agreements, in accordance with applicable procurement law and regulations and requisite legal approval.

1. Operational services to include, but not be limited to, telephone services (excluding long distance charges), electrical service, maintenance & housekeeping services, and mailroom services excluding postage.
 2. Facilities to include, but not be limited to, general office space, retail space for bookstore operations, retail space for duplication services, utilities, maintenance and other UNIVERSITY physical facilities for conducting AFFILIATED ENTITY functions and activities.
- D. No UNIVERSITY employee who provides support or staff services to the AFFILIATED ENTITY may serve as a voting member of the board of the AFFILIATED ENTITY, or otherwise risk adverse interest through such service. UNIVERSITY officials and employees are bound by the provisions of the Ethics Act.
- E. The parties to this MOU agree and acknowledge that the name "Edinboro University" or any facsimile or approximation thereof is the property of the UNIVERSITY and shall remain so under all circumstances and conditions. The AFFILIATED ENTITY shall not use or permit any other party to use the name "Edinboro University" or any facsimile or approximation thereof without the express prior written approval of the UNIVERSITY and the chancellor of PASSHE.
1. The UNIVERSITY provides authorization for the AFFILIATED ENTITY to enter into licensing agreements or similar arrangements to generate royalty revenues or other agreed-upon benefits from the use of the UNIVERSITY name and logo.
 2. The UNIVERSITY previously authorized the AFFILIATED ENTITY to use "Edinboro University" in its legally registered corporate name: "Edinboro University Services, Inc.". This name was registered with the Commonwealth of Pennsylvania Department of State Corporation Bureau, and has been in use since, December 13, 1983.
- F. The UNIVERSITY's council of trustees will review the MOU annually, in conjunction with its certification of External University Financial Support.
- G. As part of this MOU, the AFFILIATED ENTITY agrees to comply with the following requirements.
1. The AFFILIATED ENTITY shall be responsible for and agrees to indemnify and hold harmless the UNIVERSITY, PASSHE and the Commonwealth and its officers, employees, representatives and agents, from any and all liability,

claims, demands and actions based upon and arising out of any activities performed by the AFFILIATED ENTITY under this MOU. Upon receipt of written notice of any matter for which indemnification might be claimed by the UNIVERSITY or its officers, employees, representatives and agents, the AFFILIATED ENTITY shall promptly defend, contest or otherwise protect against any such suit, action, investigation, claim or proceeding, at its own cost and expense. The UNIVERSITY may, but will not be obligated to, participate at its own expense in the proceeding, with counsel of its own choosing. Representation of the UNIVERSITY shall be in compliance with the *Commonwealth Attorneys Act*.

2. The AFFILIATED ENTITY will carry Comprehensive, Commercial/General Liability, Property Damage Insurance and Automobile Liability Insurance in such amounts that meet the prescribed minimums of Two Hundred Fifty Thousand (\$250,000) Dollars per person, and One Million (\$1,000,000) Dollars in the aggregate for each occurrence for bodily injury and property damage. The UNIVERSITY must be listed as "additionally insured". This must all appear in the description of operational/locations/vehicles/special items section at the bottom of the Certificate of Insurance. "Additionally Insured Endorsements" must also be provided along with the Certificates of Insurance. It must be stated on the Certificate of Insurance Form that the issuing company must notify the UNIVERSITY in writing (a minimum of 30 days in advance) if the insurance coverage is canceled or the indicated coverage limits are reduced prior to the expiration date.
3. The AFFILIATED ENTITY will carry sufficient Workers' Compensation Insurance to cover all employees of its organization.
4. The AFFILIATED ENTITY will carry director's and officer's liability insurance at its expense in the amount of Two Million (\$2,000,000) Dollars.
5. A designee of the AFFILIATED ENTITY shall meet with the UNIVERSITY council of trustees' designee and UNIVERSITY president on at least an annual basis to review the performance of the AFFILIATED ENTITY's obligations under this MOU.
6. The AFFILIATED ENTITY will provide the UNIVERSITY with an annual report summarizing the contributions and include the following items.
 - a. A reconciliation of the AFFILIATED ENTITY's revenues, expenses and financial contributions made by the AFFILIATED ENTITY to the UNIVERSITY.
 - b. An annual external financial audit performed by PASSHE's independent auditing firm or another independent external certified public accounting firm that meets minimum criteria established by the UNIVERSITY. As part of the fiscal year-end financial reporting process,

the vice chancellor for administration and finance will notify the UNIVERSITY and the AFFILIATED ENTITY of the deadlines for submission of the PASSHE component unit financial reporting template (typically in mid-August), comprising the audited Balance Sheet and audited Statement of Activities; and the complete audited financial statements (typically in early September), comprising the auditor's opinion, financial statements, and required disclosures.

- c. Certificates of Liability Insurance and Workers' Compensation Insurance.
 - d. A listing of the board of directors including indication of the officers.
 - e. Certification that the AFFILIATED ENTITY did not undertake any credit-bearing instruction; or other programs or activities that are properly part of the UNIVERSITY's academic mission, unless expressly authorized by the university president.
- H. The UNIVERSITY has the right to terminate this MOU as follows:
- 1. TERMINATION FOR CAUSE: The UNIVERSITY shall have the right to terminate the MOU for cause, including but not limited to malfeasance. Such termination for cause shall be effective 30 days from the date notice is provided in writing to the AFFILIATED ENTITY.
 - 2. TERMINATION FOR CONVENIENCE: The UNIVERSITY shall have the right to terminate the MOU for its convenience if the UNIVERSITY determines termination to be in its best interest. Such termination for convenience shall be effective within six months from the date notice is provided in writing to the AFFILIATED ENTITY.
- I. This MOU documents the relationship between the UNIVERSITY and the AFFILIATED ENTITY and represents the complete agreement between the parties, superseding any other prior or contemporaneous written or oral agreements. Any changed, corrections or additions to this MOU shall be in writing in the form of a supplemental agreement signed by all necessary parties, including approval by APSSHE's University Legal Counsel and the Commonwealth's Office of Attorney General.
- J. The parties to the MOU are independent contractors. The AFFILIATED ENTITY shall not enter into any transactions or agreements on behalf of the UNIVERSITY or PASSHE. Similarly, neither the UNIVERSITY nor PASSHE shall be responsible for the payment of any debts or satisfaction of any obligations incurred by the AFFILIATED ENTITY.
- K. Any notice required to be given hereunder shall be made by United States Registered Mail, return receipt requested, postage prepaid, and shall be

deemed to have been received on the date noted on the receipt returned to sender. Such notice shall be addressed as follows:

UNIVERSITY: Edinboro University, 219 Meadville Street, Edinboro, PA 16444

AFFILIATED ENTITY: Edinboro University Services, Inc., 300 Scotland Road, RM 237, McEnerney Hall, Edinboro, PA 16444

L. This MOU is executed pursuant to, and shall be construed under, the laws of the Commonwealth of Pennsylvania. Should any term of this MOU be rendered unlawful by a court of competent jurisdiction or any legislative act, then the parties shall give effect to the balance of the agreement to the extent possible.

M. This MOU will commence on _____, 2014, and will expire on _____, and is subject to renewal for successive terms, subject to mutual agreement of the parties with the same formalities as required to execute this Memorandum. [Original and successive terms are not to exceed a combined period of five years.]

IN WITNESS WHEREOF, this MOU has been executed and delivered as of the date set forth in the caption above.

FOR THE AFFILIATED ENTITY:

[Signature]

President of Affiliated Entity

David R. Peck

Printed Name

Angela Orderko

Secretary/Treasurer of Affiliated Entity

Angela Orderko

Printed Name

EFFECTIVE DATE

JUN 17 2014

FOR THE UNIVERSITY:

[Signature]

President or Designee

Julie E. Wollman

Printed Name

APPROVED FOR FISCAL RESPONSIBILITY AND AVAILABILITY OF FUNDS:

[Signature]

Controller

APPROVED FOR FORM AND LEGALITY:

[Signature] 5/29/14

University Legal Counsel

[Signature] 6/16/14

Deputy Attorney General

APPENDIX A

Annual funding for scholarships is set, per resolution, by the Edinboro University Services, Inc. (USI) Board of Directors on a yearly basis. USI's fiscal year runs July 1st – June 30th and funding for the next fiscal year is usually set by the end of the current fiscal year. The USI Board of Directors may amend funding, per resolution, at its discretion at any time.

Funded Scholarships for fiscal 2014 – 2015:

USI Student Hardship Grant: \$200,000
Academic Excellence Scholarship: \$100,000
Porreco Promise: \$30,000

EDINBORO UNIVERSITY SERVICES, INC.

**FINANCIAL STATEMENTS
AND ACCOMPANYING INFORMATION**

June 30, 2016 and 2015

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August 2, 2016

Board of Directors
Edinboro University Services, Inc.
Edinboro, Pennsylvania

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Edinboro University Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Edinboro University Services, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Accompanying Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information included on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hill, Barth & King LLC
Certified Public Accountants

EDINBORO UNIVERSITY SERVICES, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,493,289	\$ 1,771,128
Accounts receivable	82,549	170,940
Commissions and due from vendors	23,583	50,777
Inventories	644,951	696,308
Prepaid expenses	30,954	35,351
TOTAL CURRENT ASSETS	<u>2,275,326</u>	<u>2,724,504</u>
 <u>NET PROPERTY AND EQUIPMENT - NOTE B</u>	 <u>689,312</u>	 <u>722,937</u>
	<u>\$ 2,964,638</u>	<u>\$ 3,447,441</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 181,287	\$ 197,043
 <u>UNRESTRICTED NET ASSETS</u>	 <u>2,783,351</u>	 <u>3,250,398</u>
	<u>\$ 2,964,638</u>	<u>\$ 3,447,441</u>

See accompanying notes to financial statements

EDINBORO UNIVERSITY SERVICES, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended June 30, 2016 and 2015

	2016		2015	
	AMOUNT	PERCENT OF NET REVENUES AND OTHER SUPPORT	AMOUNT	PERCENT OF NET REVENUES AND OTHER SUPPORT
<u>UNRESTRICTED NET ASSETS</u>				
<u>REVENUES AND OTHER SUPPORT</u>				
Net sales:				
Books and supplies	\$ 3,336,098	94.48	\$ 3,575,377	94.04
Copy center	155,848	4.41	176,942	4.65
Vending	39,354	1.11	49,911	1.31
TOTAL NET REVENUES AND OTHER SUPPORT	3,531,300	100.00	3,802,230	100.00
Cost of goods sold	2,497,490	70.72	2,653,974	69.80
INCREASE IN UNRESTRICTED NET ASSETS BEFORE OPERATING EXPENSES	1,033,810	29.28	1,148,256	30.20
<u>OPERATING EXPENSES</u>				
Salaries and wages	567,291	16.06	494,451	13.00
Payroll taxes and benefits	261,963	7.42	237,400	6.24
Change in accrued benefits	(13,360)	(0.38)	12,641	0.33
Maintenance and repair	42,827	1.21	45,362	1.19
Supplies	22,901	0.65	31,922	0.84
Professional services	19,761	0.56	16,545	0.44
Insurance	31,876	0.90	30,235	0.80
Depreciation	47,107	1.33	65,234	1.72
Advertising	4,835	0.14	1,892	0.05
Credit card discount fees	29,469	0.83	30,646	0.81
Other expenses	57,801	1.64	44,450	1.17
TOTAL OPERATING EXPENSES	1,072,471	30.36	1,010,778	26.59
	(38,661)	(1.08)	137,478	3.61
<u>OTHER INCOME (DEDUCTIONS)</u>				
Philanthropic activities - NOTE C	(433,823)	(12.29)	(404,569)	(10.64)
Interest income	5,095	0.14	5,092	0.13
Gain (loss) on sale of assets	342	0.01	(133)	0.00
	(428,386)	(12.14)	(399,610)	(10.51)
DECREASE IN UNRESTRICTED NET ASSETS	(467,047)	(13.22)	(262,132)	(6.90)
<u>UNRESTRICTED NET ASSETS</u>				
Beginning of year	3,250,398		3,512,530	
End of year	\$ 2,783,351		\$ 3,250,398	

See accompanying notes to financial statements

EDINBORO UNIVERSITY SERVICES, INC.

STATEMENTS OF CASH FLOWS

Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 3,646,885	\$ 3,808,215
Cash paid to suppliers and employees	(3,916,679)	(3,966,375)
Interest received	5,095	5,092
NET CASH USED IN OPERATING ACTIVITIES	<u>(264,699)</u>	<u>(153,068)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sale of assets	342	500
Purchase of property and equipment	(13,482)	(34,940)
NET CASH USED IN INVESTING ACTIVITIES	<u>(13,140)</u>	<u>(34,440)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 (277,839)	 (187,508)
 <u>CASH AND CASH EQUIVALENTS</u>		
Beginning of year	<u>1,771,128</u>	<u>1,958,636</u>
End of year	<u>\$ 1,493,289</u>	<u>\$ 1,771,128</u>
 <u>RECONCILIATION OF DECREASE IN UNRESTRICTED NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES</u>		
Decrease in unrestricted net assets	\$ (467,047)	\$ (262,132)
Adjustments to reconcile decrease in unrestricted net assets to net cash used in operating activities:		
Depreciation	47,107	65,234
(Gain) loss on sale of assets	(342)	133
Decrease in accounts receivable	88,391	19,631
(Increase) decrease in commissions and due from vendors	27,194	(13,646)
Decrease in inventories	51,357	50,164
(Increase) decrease in prepaid expenses	4,397	(3,046)
Decrease in accounts payable and accrued expenses	(15,756)	(9,406)
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (264,699)</u>	<u>\$ (153,068)</u>

See accompanying notes to financial statements

EDINBORO UNIVERSITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization Activity:

Edinboro University Services, Inc. (the organization) is a corporation organized under the Non-Profit Corporation Law of the Commonwealth of Pennsylvania. The organization renders a variety of services (e.g. text book and supplies sales, vending, and printing services), which supplement services provided by Edinboro University of Pennsylvania (University).

Basis of Accounting:

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation:

The organization 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.

Unrestricted net assets are not subject to donor restrictions.

Temporarily restricted net assets result from contributions, grants or other inflows of assets whose use by the organization is limited by donor- or grantor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations, from other asset enhancements and diminishment subject to the same kinds of stipulations and from reclassifications to or from other classes of net assets as a consequence of donor- or grantor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the organization pursuant to those stipulations.

Permanently restricted net assets result from contributions, grants, and other inflows of assets whose use by the organization is limited to donor- or grantor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization, from other asset enhancements and diminishment subject to the same kind of restrictions and from reclassifications from or to other classes of net assets as a consequence of donor- or grantor-imposed stipulations.

EDINBORO UNIVERSITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016 and 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued):

The organization has no temporarily or permanently restricted net assets at June 30, 2016 and 2015.

The organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The organization did not solicit contributions during 2016 and 2015, and has no plans to do so in the near term.

Revenue Recognition:

Revenue is recognized at the point of sale and reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets are reported as net assets released from restrictions between applicable classes of net assets.

Cash and Cash Equivalents:

Cash and cash equivalents consist of cash. For purposes of the statement of cash flows, the organization considers all instruments with an original maturity at date of purchase of three months or less to be cash equivalents.

Concentration of Credit Risk:

The organization maintained cash and cash equivalents with a financial institution in excess of the amount insured by the Federal Deposit Insurance Corporation.

Accounts Receivable, Commissions and Due From Vendors:

Receivables consist of trade receivables, commissions on vending sales and amounts due from certain suppliers. Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that no allowance for doubtful accounts at June 30, 2016 and 2015 is necessary. The potential risk is limited to the amount recorded in the financial statements.

EDINBORO UNIVERSITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016 and 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory:

Inventory is reported at the lower of cost (first-in, first-out) or market determined through the point of sale system. The major classes of inventory are new and used books and supplies.

Prepaid Expenses:

Prepaid expenses consist primarily of prepaid premiums on various insurance policies and software maintenance contracts.

Property and Equipment:

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Accounts Payable and Accrued Expenses:

Accounts payable consists of trade payables. Accrued expenses consist principally of payroll tax withholdings, accrued payroll and benefits, and compensated absences.

Income Taxes:

The organization has received a federal income tax exemption under 501(c)(3) of the Internal Revenue Code. As such, no provision for income taxes is reflected in the accompanying financial statements.

Impairment of Long-Lived Assets:

Long-lived assets held and used by the organization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

Advertising:

The organization expenses the production costs of advertising as incurred. Advertising expense for the years ended June 30, 2016 and 2015 totaled \$4,835 and \$1,892, respectively.

EDINBORO UNIVERSITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016 and 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Subsequent Events:

Management evaluated all activity of the organization through August 2, 2016, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and depreciation is calculated on the straight-line method, based on the estimated useful lives of the related property and equipment. Assets with an economic useful life of greater than one year and not acquired for resale are capitalized. Buildings are depreciated over 30 years and equipment and fixtures over 5 years.

Property and equipment is comprised of the following at June 30:

	<u>2016</u>	<u>2015</u>
Land	\$ 123,000	\$ 123,000
Buildings	931,203	931,203
Equipment and fixtures	<u>782,119</u>	<u>771,559</u>
	1,836,322	1,825,762
Less accumulated depreciation	<u>1,147,010</u>	<u>1,102,825</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 689,312</u>	<u>\$ 722,937</u>

EDINBORO UNIVERSITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016 and 2015

NOTE C – RELATED PARTY TRANSACTIONS AND PHILANTHROPIC ACTIVITIES

The organization makes annual contributions to University related activities, which represents a portion of the organization's net income that is returned to the campus community in the form of contributions to various activities and programs.

Amounts contributed by the organization to University related activities were as follows for the years ended June 30:

	<u>2016</u>	<u>2015</u>
University Services, Inc. Academic Achievers Awards	\$ 60,000	\$ 60,000
General campus contributions (University)	115,010	95,800
Student Hardship Grant (University)	200,000	200,000
Student Government Association contributions	17,000	17,000
Homecoming donations	10,000	0
Porreco Promise endowment	30,000	30,000
Other	1,813	1,769
TOTALS	<u>\$ 433,823</u>	<u>\$ 404,569</u>

The University provides direct support service (utilities, maintenance, etc.) to the facilities owned by both the University and the organization. These costs approximated the amount of philanthropic activities and totaled \$233,823 for 2016 and \$204,569 for 2015.

NOTE D – RETIREMENT PLAN

All permanent employees of the organization are covered under a cost-sharing multiple-employer defined benefit retirement plan operated by the Pennsylvania State Employee's Retirement System (System). Generally, benefits vest after five years of credited service. The System's funding policy, as set by the System's Board, provides for periodic active participant contributions at statutory rates. The System's funding policy also provides for periodic employer contributions at actuarially determined rates, expressed as a percentage of annual covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return are adequate to accumulate assets to pay benefits when due. The organization recorded \$110,124 and \$81,401 in retirement plan expenses for the years ended June 30, 2016 and 2015, respectively.

EDINBORO UNIVERSITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016 and 2015

NOTE E – OPERATING LEASES

The organization leases office equipment under operating lease agreements expiring at various dates through 2021. Rental expense charged to operations totaled \$30,977 and \$24,817 for 2016 and 2015, respectively. Following is a summary of future minimum lease payments under operating leases that have initial or remaining noncancellable terms in excess of one year as of June 30, 2016:

<u>Year ending</u>	
2017	\$ 28,474
2018	24,442
2019	24,442
2020	18,572
2021	963
TOTAL	<u>\$ 96,893</u>

NOTE F – CONCENTRATIONS

The organization operates entirely in and around Edinboro, Pennsylvania and is entirely dependent on the students enrolled at the University. The organization would experience a severe negative financial impact if enrollment declined dramatically.

EDINBORO UNIVERSITY SERVICES, INC.

DEPARTMENTAL SCHEDULES OF OPERATIONS INFORMATION

Year ended June 30, 2016

	BOOK STORE	COPY CENTER	VENDING	DAY CARE CENTER	ADMIN. OFFICE	TOTAL
Net sales	\$ 3,336,098	\$ 155,848	\$ 39,354	\$ 0	\$ 0	\$ 3,531,300
Cost of sales	2,414,767	82,723	0	0	0	2,497,490
CHANGE IN UNRESTRICTED NET ASSETS BEFORE OPERATING EXPENSES	921,331	73,125	39,354	0	0	1,033,810
<u>OPERATING EXPENSES</u>						
Salaries and wages	445,283	51,531	0	0	70,477	567,291
Payroll taxes and benefits	206,992	14,434	0	0	40,537	261,963
Change in accrued benefits	(19,799)	2,128	0	0	4,311	(13,360)
Maintenance and repair	42,827	0	0	0	0	42,827
Supplies	20,843	0	0	0	2,058	22,901
Professional services	11,916	1,660	0	0	6,185	19,761
Insurance	27,288	726	0	0	3,862	31,876
Depreciation	8,905	2,399	0	34,192	1,611	47,107
Advertising	4,835	0	0	0	0	4,835
Credit card discount fees	29,469	0	0	0	0	29,469
Other expenses	30,340	12,505	0	6,129	8,827	57,801
TOTAL OPERATING EXPENSES	808,899	85,383	0	40,321	137,868	1,072,471
	112,432	(12,258)	39,354	(40,321)	(137,868)	(38,661)
<u>OTHER INCOME (DEDUCTIONS)</u>						
Philanthropic activities	0	0	0	0	(433,823)	(433,823)
Interest income	0	0	0	0	5,095	5,095
Gain on sale of assets	0	0	0	0	342	342
CHANGE IN UNRESTRICTED NET ASSETS	\$ 112,432	\$ (12,258)	\$ 39,354	\$ (40,321)	\$ (566,254)	\$ (467,047)

EDINBORO UNIVERSITY SERVICES, INC.

DEPARTMENTAL SCHEDULES OF OPERATIONS INFORMATION (CONTINUED)

Year ended June 30, 2015

	BOOK STORE	COPY CENTER	VENDING	DAY CARE CENTER	ADMIN. OFFICE	TOTAL
Net sales	\$ 3,575,377	\$ 176,942	\$ 49,911	\$ 0	\$ 0	\$ 3,802,230
Cost of sales	2,567,200	86,774	0	0	0	2,653,974
CHANGE IN UNRESTRICTED NET ASSETS BEFORE OPERATING EXPENSES	1,008,177	90,168	49,911	0	0	1,148,256
<u>OPERATING EXPENSES</u>						
Salaries and wages	383,173	45,919	0	0	65,359	494,451
Payroll taxes and benefits	183,000	18,153	0	0	36,247	237,400
Change in accrued benefits	8,700	1,824	0	0	2,117	12,641
Maintenance and repair	45,362	0	0	0	0	45,362
Supplies	30,589	0	0	0	1,333	31,922
Professional services	10,025	1,630	0	0	4,890	16,545
Insurance	25,608	641	0	0	3,986	30,235
Depreciation	28,864	1,921	0	32,546	1,903	65,234
Advertising	1,892	0	0	0	0	1,892
Credit card discount fees	30,646	0	0	0	0	30,646
Other expenses	22,347	8,365	0	7,575	6,163	44,450
TOTAL OPERATING EXPENSES	770,206	78,453	0	40,121	121,998	1,010,778
	237,971	11,715	49,911	(40,121)	(121,998)	137,478
<u>OTHER INCOME (DEDUCTIONS)</u>						
Philanthropic activities	0	0	0	0	(404,569)	(404,569)
Interest income	0	0	0	0	5,092	5,092
Loss on sale of assets	0	0	0	0	(133)	(133)
	0	0	0	0	(399,610)	(399,610)
CHANGE IN UNRESTRICTED NET ASSETS	\$ 237,971	\$ 11,715	\$ 49,911	\$ (40,121)	\$ (521,608)	\$ (262,132)

IN THE MATTER OF THE APPLICATION OF : IN THE COURT OF COMMON PLEAS
: :
EDINBORO STATE COLLEGE STUDENT SERVICES, INC.: OF ERIE COUNTY, PENNSYLVANIA
: :
A NONPROFIT CORPORATION : No. 53 November Term, 1963

DECREE OF INCORPORATION

AND NOW, to wit, this 30 day of September , 1963, an application for a Charter and the Articles of Incorporation for the EDINBORO STATE COLLEGE STUDENT SERVICES, INC., under the "Non Profit Corporation Law", approved May 5, 1933, as amended, having been presented for approval to me, a Judge of the said County, accompanied by proof of the publication of the notice of such application and a Certificate from the Department of State showing registration of the proposed corporate name as required by Law, I do hereby certify that I have perused and examined the said instruments and I find the same to be in the proper form and within the provisions and requirements of the Act of the General Assembly of the Commonwealth of Pennsylvania known as the "Non Profit Corporation Law", approved May 5, 1933, as amended, and that the purposes of the proposed corporation appear to be lawful and not injurious to the community.

IT IS THEREFORE ORDERED AND DECREED, that the Articles of Incorporation of the EDINBORO STATE COLLEGE STUDENT SERVICE, INC., be, and the same are, hereby approved, and that upon the recording of the said Articles and this Order, the subscribers thereto and their associates and successors shall be a body politic incorporate in deed and law by the name of EDINBORO STATE COLLEGE STUDENT SERVICES, INC., which shall exist perpetually and shall be invested with and have and enjoy all the powers, privileges and franchises incident to a non profit corporation and be subject to all the duties, requirements and restrictions specified and enjoyed in and by the "Non Profit Corporation Law" and all other applicable laws in this Commonwealth.

WITNESS MY HAND AND THE SEAL OF THE SAID COURT.

Evans

Judge

Recorded in the Office of the
Recorder of Deeds in the County of Erie
in Charter Book , Page .

WITNESS MY HAND AND SEAL OF OFFICE THIS

DAY OF

, 1963.

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, all of whom are of full age, having associated themselves together for the purpose of organizing Edinboro State College Student Services, Inc., 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 Edinboro State College Student Services, Inc., and that said name has been registered with the Department of State within six months of the date of the application of this charter.
2. That the location and post office address of its initial registered office in this Commonwealth is Edinboro State College, Edinboro, Erie County, Pennsylvania.
3. The purpose or purposes of the corporation are: to initiate, regulate, and operate at Edinboro State College, Edinboro, Pennsylvania, such group student activities and other enterprises as are not provided for or regulated by the decisions of the Board of Presidents of the Pennsylvania State Colleges or by regulations of the Department of Public Instruction. Such activities would include providing for a student supply store, for lunch counters and snack bars in recreation rooms or dormitories, for vending machines, for administering a student activity fund, for administering a student union, together with any activities or enterprises which the Board of Directors of the Corporation may deem desirable for student welfare, including all

activities consonant with the foregoing and requisite to effectuate the same, and this is a corporation which does not contemplate pecuniary gain or profit, incident or otherwise, to its members.

4. The term of its existence is perpetual.

5. That the names and addresses of the incorporators are:

<u>Name</u>	<u>Address</u>
Thomas R. Miller	Edinboro, Pennsylvania
Vaughn E. Herbel	Edinboro, Pennsylvania
William A. Cornell	Edinboro, Pennsylvania
Harry Earley	Edinboro, Pennsylvania
James Harrison	Edinboro, Pennsylvania

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

<u>Name</u>	<u>Address</u>
Thomas R. Miller	Edinboro, Pennsylvania
Vaughn E. Herbel	Edinboro, Pennsylvania
William A. Cornell	Edinboro, Pennsylvania
Harry Earley	Edinboro, Pennsylvania
James Harrison	Edinboro, Pennsylvania

7. That this corporation is organized upon a nonstock basis.

<u>Thomas R. Miller</u> (SEAL)	<u>Harry Earley</u> (SEAL)
<u>Vaughn E. Herbel</u> (SEAL)	<u>James Harrison</u> (SEAL)
<u>William A. Cornell</u> (SEAL)	_____ (SEAL)

COMMONWEALTH OF PENNSYLVANIA :
: ss:
COUNTY OF ERIE :

Before me, a Notary Public in and for the said state and county, personally appeared William A. Cornell, Vaughn E. Herbel, and James Harrison,

three of 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.

William A. Cornell
Vaughn E. Herbel
James Harrison

WITNESS my hand and seal of office the 15 day of SEPT. A.D., 1963.

File Us

Special Corporate - name change
not seal changed

APPLICANT'S ACCT NO

8376 83

DSCB 15-7905 (Rev 11-72)

Filing Fee: \$40
AN-11

(Line for numbering)

Articles of
Amendment—
Domestic Nonprofit Corporation

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
CORPORATION BUREAU

Filed this _____ day of
~~DEC 27 1988~~ 19____
Commonwealth of Pennsylvania
Department of State

William R. Davis
Secretary of the Commonwealth

106831

(Box for Certification)

In compliance with the requirements of 15 Pa. S. §7905 (relating to articles of amendment), the undersigned nonprofit corporation, desiring to amend its Articles, does hereby certify that:

1. The name of the corporation is:

Edinboro State College Student Services, Inc

2. The address of its registered office in this Commonwealth is (the Department of State is hereby authorized to correct the following statement to conform to the records of the Department):

Edinboro University of Pennsylvania
(NUMBER) (STREET)

Edinboro Pennsylvania 16444
(CITY) (ZIP CODE)

3. The statute by or under which it was incorporated is:

15&7001 et. seq.

4. The date of its incorporation is: September 30, 1963

5. (Check, and if appropriate, complete one of the following):

The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

The amendment shall be effective on:
_____ at _____
(DATE) (HOUR)

6. (Check one of the following):

The amendment was adopted by the members pursuant to 15 Pa. S. §7904(a).

The amendment was adopted by the board of directors pursuant to 15 Pa. S. §7904(b).

7. The amendment adopted by the corporation, set forth in full, is as follows:

cc: R. Straubach ✓
B. Johnson
J. Waterstripe

IN TESTIMONY WHEREOF, the undersigned corporation, has caused these Articles of Amendment to be signed by a duly authorized officer and its corporate seal, duly attested by another such officer, to be hereunto affixed this 13th day of December, 1983.

By:

Edinboro University Services, Inc.
(NAME OF CORPORATION)
[Signature]
(SIGNATURE)
President
(TITLE PRESIDENT VICE PRESIDENT ETC)

Attest:

[Signature]
(SIGNATURE)
Secretary
(TITLE SECRETARY ASSISTANT SECRETARY, ETC)
(CORPORATE SEAL)

INSTRUCTIONS FOR COMPLETION OF FORM:

- A. Any necessary copies of Form DSCB:17.2 (Consent to Appropriation of Name) or Form DSCB:17.3 (Consent to Use of Similar Name) shall accompany Articles of Amendment effecting a change of name.
- B. Any necessary governmental approvals shall accompany this form.
- C. If the action was authorized by a body other than the board of directors Paragraph 6 should be modified accordingly.
- D. 15 Pa. S. §7906(c) requires that the corporation shall advertise its intention to file or the filing of Articles of Amendment. Proofs of publication of such advertising should not be delivered to the Department, but should be filed with the minutes of the corporation.

RECEIVED
DEPT. OF STATE
1983 DEC 27 AM 10:28

BOARD MEETING MINUTES

Bookstore: Mrs. Johnson is continuing to familiarize herself with the present bookstore policies and procedures. Also discussed was Mr. Graves' productivity, job effectiveness and capabilities.

Darrow Apartments: Dr. Strausbaugh and Mrs. Johnson will be meeting with the Huffs concerning the renewal of their employment contract. They will report the outcome to the Board at the next meeting.

CONTRACT STATUS

Mrs. Johnson reported Mr. Miller's verbal assurance of his cooperation towards a smooth transition from his services to Canteen's, which will begin on August 8, 1983 and end no later than August 24th.

An income statement from Custom Management for the College Union Grill was submitted and reviewed. The Board is still unsatisfied with the rate of response on the part of Custom Foods in this area. Several ideas were discussed concerning general improvements in the food service operation in the Union.

SUPPORT OPERATIONS

Mrs. Johnson reported that of the vendors approached approximately ten weeks ago, there has been only one reply (which was one of non-interest) concerning an insurance plan. Subpackages will be acquired until an overall satisfactory package can be purchased. Miss Rugh, seconded by Mr. Leffler, moved that "Mrs. Johnson do what is necessary to get immediate coverage and also take steps to get a package proposal and bring it back for approval of the Board at the October or November meeting. Mrs. Johnson will, in the meantime, contact and thank the vendors already approached." The motion carried.

The Commonwealth is willing to accept two vans from SSI. The final procedures are being carried out to complete the transfer of ownership.

VAUGHN HERBEL

Mr. Herbel has verbally agreed to pay his outstanding obligation to SSI upon receipt of validation from the probation office. The validation is presently being secured by Mr. Devine.

NAME CHANGE: EDINBORO UNIVERSITY SERVICES, INC.

Mr. Trotta, seconded by Mr. Pelletier, moved that "the name 'Student Services, Incorporated' be changed to 'Edinboro University Services, Incorporated'." The motion carried.

PURCHASE OF A "STEAM CLEANER" - DARROW PLACE

Mr. Long, seconded by Mr. Pelletier, moved that "a maximum of \$3,000.00 will be allotted for the purchase of a steam cleaner and accessories for use at Darrow Place." The motion carried.

BYLAWS OF EDINBORO UNIVERSITY SERVICES, INC.
(A Non-Profit Corporation Organized and Existing
Under and by Virtue of the Laws of the
Commonwealth of Pennsylvania)

ARTICLE I
OFFICES AND FISCAL YEAR

SECTION 1.01. Registered Office. The registered office of the corporation in the Commonwealth of Pennsylvania will be at 237 McNerney Hall, Edinboro, Pennsylvania 16444, until otherwise established by a vote of majority of the Board of Directors in office ("the Board"), and a statement of such change is filed in the Department of State, or until changed by an appropriate amendment of the Articles of Incorporation.

SECTION 1.02. Other Offices. The corporation may also have offices at such other places within or without the United States of America as the Board may from time to time appoint or the business of the corporation requires.

SECTION 1.03. Fiscal Year. The fiscal year of the corporation will begin on the 1st day of July in each year.

ARTICLE II
BOARD OF DIRECTORS

SECTION 2.01. Number. The Board of Directors will consist of not less than seven (7) nor more than eleven (11) regular directors.

SECTION 2.02. Powers. The Board will have full power to conduct, manage and direct the business and affairs of the corporation. All powers of the corporation are hereby granted to and vested in the Board.

SECTION 2.03. Qualification and Selection. Qualifications of classes of the several directors will be as follows:

Class I - One member of the Council of Trustees will be appointed by the Chairperson of the Council of Trustees of Edinboro University of Pennsylvania by notification in writing to the Secretary of the Corporation.

Class II - Not less than Four (4) nor more than seven (7) members who will be non employees of Edinboro University of Pennsylvania will be nominated and approved by the Board of Directors by notification in writing to the Secretary of the Corporation.

Class III - Two (2) members will be appointed by the President of the Student Government Association of Edinboro University of Pennsylvania by notification in writing to the members so appointed and to the Secretary of the Corporation.

SECTION 2.04. Terms. The terms of all Directors will be for one (1) year, or until their successors qualify. Directors may succeed themselves.

SECTION 2.05. Organization. At every meeting of the Board, the President, or in case of the absence of the President, one of the following officers present in the following order: Vice-President, Secretary and Treasurer in their order of rank and seniority, or a chairman chosen by a majority of the directors present, will preside; and the secretary, or in his/her absence, any person appointed by the chairman of the meeting, will act as Secretary.

SECTION 2.06. Resignations. Any director of the corporation may resign at any time by giving written notice to the President or the Secretary of the corporation. Such resignation will take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective.

SECTION 2.07. Vacancies. The Board may declare vacant the office of a director if he or she is declared of unsound mind by an order of court, or convicted of a felony, or for any other proper cause, or if within sixth (60) days after notice of his/her selection, he or she does not accept such office either in writing or by attending a meeting of the Board.

Any vacancy or vacancies in the Board because of death, resignation, removal in any manner, disqualification, an increase in the number of directors, or any other cause, may be filled by a majority of the remaining members of the Board though less than a quorum, at any regular or special meeting. Each person so elected will be a director to serve for the balance of the unexpired term.

SECTION 2.08. Place of Meeting. Meetings of the Board may be held at such place as the Board may from time to time appoint, or as may be designated in the notice of the meeting.

SECTION 2.09. Regular Meetings. Regular meetings of the Board will be held at such time and place as will be designated from time to time by the President of the Corporation. If the date fixed for any such regular meeting be a legal holiday under the laws of the State where such meeting is to be held, then the same will be held on the next succeeding business day, not a Saturday, or at such other time as may be determined by the President of the Corporation. At such meetings,

the Board will transact such business as may properly be brought before the meeting.

SECTION 2.10. Special Meetings. Special meetings of the Board will be held whenever called by the President or by two or more of the directors. Notice of each meeting will be given to each director by telephone or in writing at least twenty-four (24) hours (in the case of notice by telephone or facsimile) or five (5) days (in the case of notice by mail) before the time at which the meeting is to be held. Every such notice will state the time and place of the meeting.

Notice of any meeting of the Board during any emergency resulting from warlike damage or an attack on the United States or any nuclear or atomic disaster will be given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio. To the extent required to constitute a quorum at any meeting of the Board during such an emergency, the officers of the corporation who are present will be deemed, in order of rank and within the same rank in order of seniority, director for such meeting.

SECTION 2.11. Quorum, Manner of Acting and Adjournment. Except as otherwise provided in Section 2.09 of this Article, a majority of the directors in office will be present at each meeting in order to constitute a quorum for the transaction of business. Every director will be entitled to one vote. Except as otherwise specified in the articles or by these bylaws or provided by statute, the acts of a majority of the directors present at a meeting at which a quorum is present will be the acts of the Board. In the absence of a quorum a majority of the directors present and voting may adjourn the meeting from time to time until a quorum is present. The directors will act only as a board and the individual directors will have no power as such except that any action which may be taken at a meeting of the Board may be taken without a meeting, if a consent or consents in writing setting forth the action so taken will be signed by all of the directors in office and will be filed with the secretary of the corporation.

SECTION 2.12. Executive and Other Committees. The Board may, by resolution adopted by a majority of the directors in office, establish an Executive Committee and one or more other committees, each committee to consist of two or more directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member, and the alternate or alternates, if any, designated for such members, or any committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member. Each committee of the Board will serve at the pleasure of the Board.

The Executive Committee will have and exercise all of the powers and authority of the Board in the management of the business and affairs of the corporation, except that the Executive Committee will not have any power or authority as to the following:

- (1) The filing of vacancies in the Board.
- (2) The adoption, amendment or repeal of the bylaws.
- (3) The amendment or repeal of any resolution of the Board.

No Committee of the Board other than the Executive Committee, will, pursuant to resolution of the Board or otherwise, exercise any of the powers or authority vested by these bylaws or the Nonprofit Corporation Law of 1988 in the Board as such, by any other committee of the Board may make recommendations to the Board or Executive Committee concerning the exercise of such powers and authority.

The establishment of any committee of the Board and the delegation thereto of power and authority will not alone relieve any director of his fiduciary duty to the corporation.

A majority of the directors in office designated to a committee, or directors designated to replace them as provided in this section, will be present at each meeting to constitute a quorum for the transaction of business and acts of a majority of the directors in office designated to a committee or their replacements will be the acts of the committee.

Each committee will keep regular minutes of its proceedings and report such proceedings periodically to the Board.

Section 2.08, 2.09, and 2.10 will be applicable to committees of the Board.

SECTION 2.13. Interested Directors or Officers; Quorum. No contract or transaction between the corporation and one or more of its directors or officers or between the corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, will be void or voidable solely for such reason, or solely because the director or officer is present at or participates in the meeting of the Board which authorizes the contract or transaction, or solely because of his or their votes are counted for such purposes, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board and the Board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(2) The contract or transaction is fair as to the corporation as the time it is authorized, approved or ratified, by the Board.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes a contract or transaction specified in this section.

ARTICLE III

NOTICE - WAIVERS - MEETINGS

SECTION 3.01. Notice, What Constitutes. Whenever written notice is required to be given to any person under the provisions of the articles, these bylaws or the Nonprofit Corporation Law of 1988, it may be given to such people, either personally or by sending a copy thereof by first class mail, postage prepaid or by facsimile to his/her address supplied by him to the corporation for the purpose of notice. If the notice is sent by mail or by facsimile, it will be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a facsimile to such people. A notice of meeting will specify the place, day and hour of the meeting and any other information required by law or these bylaws.

When a meeting is adjourned, it will 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.

SECTION 3.02. Waivers and Notice. Whenever written notice is required to be given under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, will be deemed equivalent to the giving of such notice. Except as otherwise required by Section 6.06 of these bylaws, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting.

Attendance of a person at any meeting will constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE IV

OFFICERS

SECTION 4.01. Number, Qualifications and Designation. The officers of the corporation will be a president, secretary, and treasurer and other offices as may be elected in accordance with the provisions of Section 4.03 of this Article. The offices of the corporation will be not less than three (3) nor more than six (6). Any number of offices may be held by the same person. Officers may but need not be directors of the corporation. The president and secretary will be natural persons of full age; the treasurer may be a corporation, but if a natural person will be of full age.

SECTION 4.02. Election and Term of Office. The officers of the corporation, except those elected by delegated authority pursuant to Section 4.03 of this Article, will be elected

annually by the Board and each such officer will hold his office until the next annual organization meeting of the Board and until his successor will have been elected and qualified, or until his earlier death, resignation or removal.

SECTION 4.03. Subordinate Officers, Committees and Agents. The Board may from time to time elect other officers and appoint such committees, employees or other agents as the business of the corporation may require, including one or more assistant secretaries, and one or more assistant treasurers, each of whom will hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the Board may from time to time determine. The Board may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

SECTION 4.04. Resignations. Any officer or agent may resign at any time by giving written notice to the Board, or to the president or the secretary of the corporation. Any such resignation will take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective.

SECTION 4.05. Removal. Any officer, committee, employee or other agent of the corporation may be removed, either for or without cause, by the Board or other authority which elected, retained or appointed such officer, committee or other agent whenever in the judgment of such authority the best interests of the corporation will be served thereby, but such removal will be without prejudice to the contract rights of any person so removed.

SECTION 4.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, will be filled by the Board by the officer or committee to which the power to fill such office has been delegated pursuant to Section 4.03 of this Article, as the case may be, and if the office is one for which these bylaws prescribe a term, will be filled for the unexpired portion of the term.

SECTION 4.07. General Powers. All officers of the corporation, as between themselves and the corporation, will respectively have such authority and perform such duties in the management of the property and affairs of the corporation as may be determined by resolutions or orders of the Board, or, in the absence of controlling provisions in resolutions or orders of the Board, as may be provided in these bylaws.

SECTION 4.08. The President. The president will be the chief executive officer of the corporation and will have general supervision over the activities and operations of the corporation, subject, however, to the control of the Board. The President will preside at all meetings of the members of the Board, and will perform other duties as may from time to time be requested of him by the Board. The president will sign, execute and acknowledge, in the name of the

corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the Board accept in cases where the signing and execution thereof will be expressly delegated by the Board, or by these bylaws, to some other officer or agent of the corporation. In general, will perform all duties incident to the office of president, and other duties as from time to time may be assigned to him by the Board.

SECTION 4.09. The Secretary. The secretary or an assistant secretary will attend all meetings of the Board and will record all the votes of the directors and the minutes of the meetings of the Board and of the committees of the Board in a book or books to be kept for that purpose; will see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal. In general, will perform all duties incident to the office of secretary, and other duties as may from time to time be assigned to him/her by the Board, the chairman or the president.

SECTION 4.10. Treasurer. The treasurer or an assistant treasurer will have or provide for the custody of the funds or other property of the corporation and will keep a separate bank account of the same to his/her credit as treasurer; will collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; will deposit all funds in his/her custody as treasurer in such banks or other places of deposit as the Board may from time to time designate; will, whenever so required by the Board, render an account showing his transactions as treasurer, and the financial condition of the corporation; and, in general, will discharge other duties as may from time to time be assigned to him/her by the Board or the President.

ARTICLE V
LIMITATION OF PERSONAL LIABILITY OF DIRECTORS;
INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER
AUTHORIZED REPRESENTATIVES

SECTION 5.01. Limitation of Personal Liability of Directors. A director of the corporation will not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(a) the director has breached or failed to perform the duties of his or her office as defined in Section 5.02 below; and

(b) the breach or failure to perform constitutes self dealing, willful misconduct or recklessness.

The provisions of this Section will not apply to (a) the responsibility or liability of a director pursuant to any criminal statute, or (b) the liability of a director for the payment

of taxes pursuant to local, state or federal law.

SECTION 5.02. Standard of Care and Justifiable Reliance.

(A) A director of the corporation will stand in a fiduciary relationship to the corporation, and will perform his or her duties as a director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a director will be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(i) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(ii) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such people;

(iii) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to the matters within its designated authority, which committees the director reasonably believes to merit confidence.

A director will not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(B) In discharging the duties of their respective positions, the Board, committees of the Board and individual director may, in considering the best interests of the corporation, consider the effects of any action upon employees, upon persons with whom the corporation has business and other relations and upon communities which the offices or other establishments of or related to the corporation are located, and all other pertinent factors. The consideration of those factors will not constitute a violation of subsection (A) of this Section.

(C) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action will be presumed to be in the best interests of the corporation.

SECTION 5.03. Indemnification in Third Party Proceedings. The corporation will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a representative of the corporation, or is or was serving at the

request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgement, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not have itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION 5.04. Indemnification in Derivative Actions. The corporation will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and accept that no indemnification will be made in respect of any claim, issue or matter as to which such person will have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation unless and only to the extent that the Court of Common Pleas of Philadelphia County of the court in which such action or suit was brought will determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Common Pleas or other court will deem proper.

SECTION 5.05. Mandatory Indemnification. Notwithstanding any contrary provision of the articles or these bylaws, to the extent that a representative of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either Section 5.03 or Section 5.04 above, he or she will be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection therewith.

SECTION 5.06. Determination of Entitlement to Indemnification. Unless ordered by a court, any indemnification under Section 5.03 or 5.04 above will be made by the corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination will be made:

(A) by the Board by a majority vote of a quorum consisting of directors, who were not parties to such action, suit or proceeding; or

(B) if such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

SECTION 5.07. Advancing Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amounts unless it will ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in Paragraphs 1 through 3 above.

SECTION 5.08. Indemnification of Former Representatives. Each such indemnity may continue as to a person who has ceased to be a representative of the corporation and may inure to the benefit of the heirs, executors and administrators of such people.

SECTION 5.09. Insurance. The corporation will have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such people and incurred by such people in any capacity or arising out of such person's status as such, whether or not the corporation would otherwise have the power to indemnify such people against such liability.

SECTION 5.10. Reliance on Provisions. Each person who will act as an authorized representative of the corporation will be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

ARTICLE VI MISCELLANEOUS

SECTION 6.01. Corporate Seal. The corporation will have a corporate seal in the form of a circle containing the name of the corporation. The year of incorporation and such other details as may be approved by the Board.

SECTION 6.02. Checks. All checks, notes, bills of exchange or other orders in writing will be signed by such one or more officers, agents or employees as the Board may from time to time determine.

SECTION 6.03. Contracts. Except as otherwise provided in these bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 6.04. Deposits. All funds of the corporation will be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board may approve or designate.

SECTION 6.05. Annual Report of the Board. The Board will direct the president and treasurer to present at the annual meeting of the Board a report showing in appropriate detail the following:

(1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year immediately preceding the date of the report.

(2) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.

(3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate dates with respect to each trust fund held by or for the corporation.

(4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation. The annual report of the Board will be filed with the minutes of the annual meeting of the Board.

SECTION 6.06. Amendment of By-Laws. These bylaws may be amended or repealed, or new bylaws may be adopted, by vote of a majority of the Board of the corporation in office at any regular or special meeting. Such proposed amendment, repeal or new bylaws, or a summary thereof, will be set forth in any notice of such meeting, whether regular or special.

The foregoing By-Laws, comprising of eleven (11) pages, were adopted as the By-Laws of Edinboro University Services, Inc., on 2/16/00. The By-Laws in effect at present are the same as those adopted on such dates by the Corporation.

Dated: 2/16/2000

Angela M. Ambrose
Secretary

CORPORATE RESOLUTION

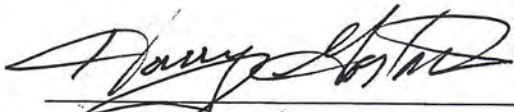
June 29, 2012

BE IT RESOLVED that the Board of Edinboro University Services, Inc., authorize and approve a change to the BYLAWS of Edinboro University Services, Inc. to read as follows:

SECTION 2.03. Qualification and Selection. (3rd paragraph)

*Class II- **Not less than Four (4) nor more than eight (8) members** who will be non employees of Edinboro University of Pennsylvania will be nominated and approved by the Board of Directors by notification in writing to the Secretary of the Corporation."*

This language will supplant the previous stipulation that "**Not less than Four (4) nor more than (7) members**" be class II members.



Harry Gorton, President



Corporate Officer

CORPORATE RESOLUTION

June 26, 2013

BE IT RESOLVED that the Board of Edinboro University Services, Inc., authorize and approve to change the BYLAWS of the Corporation, SECTION 2.03, to read:

"Class I – One member of the Council of Trustees will be appointed by the Chairperson of the Council of Trustees of Edinboro University of Pennsylvania by notification in writing to the Secretary of the Corporation. This is an ex-officio position with non-voting rights and the Class I member shall not be permitted to serve as an Officer of the Corporation."



Mr. David Poor, President



Corporate Officer

USI Board of Directors 2016-2017

Director..... Mr. Harry “Sparky” Gorton
317 Meadville Street
Edinboro, PA 16412
gorton2@verizon.net

Director..... Ms. Antoinette Jackson
Student Government Association
University Center
president@edinborosga.com

President..... Mr. David Poor
10907 Village Circle S.
North East, PA 16428
dpooraaa@aol.com

Director..... TBD

Director..... Dr. M. Roy Strausbaugh
2121 South Shore Drive
Erie, PA 16505
mstrausbaugh1@neo.rr.com

Treasurer..... Mr. Paul Dean
105 Granada Drive
Edinboro, PA 16412
pddean@velocity.net

Director..... Ms. Vicki Hopkins
122 Terrace Drive
Edinboro, PA 16412
Ghop2005@gmail.com

Secretary..... Ms. Angela Onderko
219 Roslyn Ave
Erie, PA 16505
Angie.underko@gmail.com

Director Mr. Richard Scaletta, Superintendent
Walter Education Center
11771 Edinboro Road
Edinboro, PA 16412
richardscaletta@generalmcclane.org

Director (ex-officio, non-voting).....Mr. John A. Pulice
3789 Timbercrest Court
Erie, PA 16506
jpul1@aol.com

Mr. John A. Pulice
1490 Oakhill Drive, Bldg. 14 Apt.#104
Dunedin, FL 34698

Legal Counsel..... Mr. David R. Devine
201 Erie Street
Edinboro, PA 16412
734-5032
attydevine@aol.com

Edinboro University Student Government Association

- **Memorandum of Understanding – expires August 15, 2019**
- **Financial Statements and Independent Auditor's Report – June 30, 2016**
- **Articles of Incorporation (previously circulated – no changes)**
- **ByLaws**
- **Executive Board – Fall 2016**

Pennsylvania State System of Higher Education
Memorandum of Understanding
Between
Edinboro University of Pennsylvania
and
The Edinboro University Student Government Association

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into this 15th day of August, 2014, by and between EDINBORO UNIVERSITY OF PENNSYLVANIA, part of the Pennsylvania State System of Higher Education (PASSHE), a body corporate and politic constituting a public corporation and government instrumentality of the Commonwealth of Pennsylvania, created by Act 188 of 1982, 24 P.S. §20-2001-A et seq., hereinafter referred to as "UNIVERSITY" and Edinboro University Student Government Association, hereinafter referred to as the "EUSGA", a nonprofit corporation organized and existing under the laws of the Commonwealth of Pennsylvania.

WITNESSETH:

WHEREAS, the purpose of the EUSGA, as stated in its constitution, is an independent nonprofit corporation existing solely for the purpose of supporting the University through the services it provides to the University, its students and general philanthropy for the benefit of both; and

WHEREAS, PASSHE Board of Governors' Policy 1985-04-A: *University External Financial Support*, stipulates that the UNIVERSITY must utilize an MOU to outline the respective roles between universities and affiliated entities; and

WHEREAS, the University has determined it to be in the best interests of the University to designate the EUSGA as an affiliated organization.

NOW, THEREFORE, based upon the mutual promises, covenants and conditions set forth herein and intending to be legally bound, the UNIVERSITY and the EUSGA agree as follows:

A. In terms of role, scope and mission, some of the major contributions of the EUSGA to the UNIVERSITY have been and will continue to be:

1. STUDENT SERVICES: Services to support student activities including, but not limited to, transportation for clubs and activities via transportation contracts and the maintenance of a fleet of vehicles owned by EUSGA.
2. STUDENT PROGRAMS: Managing and coordinating selected student programs and services of the UNIVERSITY and the officially recognized student government association as set forth in Section 20-2010-A(3) of Act 188 of 1982, 24 P.S. Section 20-2010-A(3).
3. STUDENT FEES: Administering all monies received as fees and revenues subject to the provisions set forth in Section 20-2010-A(6) of Act 188 of 1982, 24 P.S. Section 20-2010-A(6), and Board of Governors' Policy 1983-03-A: *Student Activity Fees*.
4. FUNDRAISING: Serving as the repository for private financial support given directly to the EUSGA in order to support the mission of the UNIVERSITY.
5. FUNDRAISING: Serving as a coordinating organization for restricted and unrestricted fundraising.
6. FUNDRAISING: Providing fundraising and development services that promote the educational purposes of the UNIVERSITY, such as the purchase of equipment and supplies for the UNIVERSITY; support for travel and in the hiring of faculty; support of research by selected faculty, staff and students; support for funding faculty chairs, student scholarships and other educational, research, cultural, scientific, public service and charitable activities; and other lawful purposes of the UNIVERSITY.
7. JOINT FUNDRAISING: In accordance with applicable statutes and Board of Governors' policies and procedures/standards, engaging either jointly or in coordination with the UNIVERSITY fundraising activities to benefit the EUSGA. Such fundraising shall not be done solely through the efforts and resources of the UNIVERSITY and UNIVERSITY employees.
8. FISCAL MANAGEMENT: Serving as a managing organization for private funds given directly to the UNIVERSITY (e.g., fund management, investments and interest earnings), with such management activity to be under the terms of a properly executed Fiduciary Agreement and in accordance with all applicable contractual, accounting and regulatory requirements, and restrictions specified by the external party and applicable to such gifts. Title to such gifts shall remain with the UNIVERSITY, and control over the expenditure of the funds shall rest with the UNIVERSITY president or his/her designee.
9. FISCAL MANAGEMENT: Serving as the managing organization for UNIVERSITY funds; these funds must be titled to the UNIVERSITY and are public funds. As such, all UNIVERSITY funds must be managed in adherence to PASSHE

Procedure/Standard Number 2011-07: *Expenditure of Public Funds Guidelines, Standards, and Limits.*

10. CAMPS AND CONFERENCES: Supporting the UNIVERSITY's summer camps program, including administrative and accounting services.

11. FUNDING: Reviewing funding requests and recommendations from the UNIVERSITY president and making regular allocations of available unrestricted funds to support UNIVERSITY programs and institutional advancement efforts. These activities shall be conducted by the Board of Directors of the EUSGA.

12. Conducting activities to promote the educational purposes of the UNIVERSITY.

B. In order to assist the EUSGA in serving as a vehicle for volunteer involvement in the life of the UNIVERSITY, the following coordination and review mechanisms will be implemented.

1. The UNIVERSITY may, if desired, have a nonvoting liaison to the EUSGA's Board of Directors.

2. In addition to the functions previously outlined, the EUSGA may operate programs and serve in matters of development, planned deferred giving, gift processing and recording, gift stewardship, donor/development records and other fundraising function as appropriate, in consultation with the UNIVERSITY's president.

3. The UNIVERSITY's president or designee may serve as a liaison to the governing board and/or committees of EUSGA.

4. To ensure that efficient coordination is maintained, the UNIVERSITY and the EUSGA will consult on matters pertaining to the activities outlined in this MOU. To ensure proper coordination is maintained, the UNIVERSITY president or designee will meet periodically with a designee of the EUSGA.

C. In compliance with PASSHE Board of Governors' Policy 1985-04-A regarding fundraising and affiliated entities, it is the UNIVERSITY's desire to enhance the ability of the EUSGA to function by providing to the EUSGA certain staff, facilities and services as described below, at a cost to be agreed to by the parties in separate agreements, such as service purchase agreements, in accordance with applicable procurement law and regulations and requisite legal approval.

1. The UNIVERSITY will provide office space for the EUSGA consisting of offices within the Pogue Student Center based on availability and needs of all who utilize space in the building. This arrangement will be further defined by a facility use agreement between the parties executed within 60 days of this MOU.

2. Space will be provided by the UNIVERSITY for the operation of the EUSGA Convenience Store within the Pogue Student Center based on availability and needs of all who utilize space in the building. This arrangement will be further defined by a facility use agreement between the parties executed within 60 days of this MOU.

3. Operational services to include purchasing services, network connectivity, ongoing maintenance and support of computer systems, mail and delivery services and maintenance agreements to which the UNIVERSITY is a party.

4. In exchange for EUSGA services and goods received by the UNIVERSITY, the UNIVERSITY will provide use of its event facilities for EUSGA to include utilities, maintenance, housekeeping, and upkeep. In the event that additional security is required in the sole discretion of the UNIVERSITY, the cost will be paid by EUSGA pursuant to a facility use agreement.

D. No UNIVERSITY employee who provides support or staff services to the EUSGA may serve as a voting member of the board of the EUSGA, or otherwise risk adverse interest through such service. UNIVERSITY officials and employees are bound by the provisions of the Ethics Act.

E. The parties to this MOU agree and acknowledge that the name "EDINBORO UNIVERSITY" or any facsimile or approximation thereof is the property of the UNIVERSITY and shall remain so under all circumstances and conditions. The EUSGA shall not use or permit any other party to use the name "EDINBORO UNIVERSITY" or any facsimile or approximation thereof without the express prior written approval of the UNIVERSITY and the chancellor of PASSHE.

1. The UNIVERSITY provides authorization for the EUSGA to enter into licensing agreements or similar arrangements to generate royalty revenues or other agreed-upon benefits from the use of the UNIVERSITY name and logo.

F. The UNIVERSITY's Council of Trustees will review this MOU annually, in conjunction with its certification of External University Financial Support.

G. As part of this MOU, the EUSGA agrees to comply with the following requirements.

1. The EUSGA shall be responsible for and agrees to indemnify and hold harmless the UNIVERSITY, PASSHE and the Commonwealth and its officers, employees, representatives and agents, from any and all liability, claims, demands and actions based upon and arising out of any activities performed by the EUSGA under this MOU. Upon receipt of written notice of any matter for which indemnification might be claimed by the UNIVERSITY or its officers, employees, representatives and agents, the EUSGA shall promptly defend, contest or otherwise protect against any such suit, action, investigation, claim or proceeding, at its own cost and expense. The UNIVERSITY may, but will not be obligated to, participate at its own expense in the proceeding, with counsel of its

own choosing. Representation of the UNIVERSITY shall be in compliance with the *Commonwealth Attorneys Act*.

2. The EUSGA will carry Comprehensive, Commercial/General Liability, Property Damage Insurance and Automobile Liability Insurance in such amounts that meet the prescribed minimums of \$1,000,000 for injury or death of one person in a single occurrence, \$2,000,000 for injury or death of more than one person in a single occurrence and \$1,000,000 for a single occurrence of property damage. The UNIVERSITY must be listed as "additionally insured." This must all appear in the description of operational/locations/vehicles/special items section at the bottom of the Certificate of Insurance. "Additionally Insured Endorsements" must also be provided along with the Certificates of Insurance. It must be stated on the Certificate of Insurance Form that the issuing company must notify the UNIVERSITY in writing (a minimum of thirty (30) days in advance) if the insurance coverage is canceled or the indicated coverage limits are reduced prior to the expiration date.

3. The EUSGA will carry sufficient Workers' Compensation Insurance to cover all employees of its organization.

4. A designee of the EUSGA shall meet with the UNIVERSITY Council of Trustees' designee and UNIVERSITY president on at least an annual basis to review the performance of the EUSGA's obligations under this MOU.

5. The EUSGA will provide the UNIVERSITY with an annual report summarizing the contributions and include the following items.

a. A reconciliation of the EUSGA's revenues, expenses and financial contributions made by the EUSGA to the UNIVERSITY.

b. An annual external financial audit performed by PASSHE's independent auditing firm or another independent external certified public accounting firm that meets minimum criteria established by the UNIVERSITY. As part of the fiscal year-end financial reporting process, the vice chancellor for administration and finance will notify the UNIVERSITY and the EUSGA of the deadlines for submission of the PASSHE component unit financial reporting template (typically in mid-August), comprising the audited Balance Sheet and audited Statement of Activities; and the complete audited financial statements (typically in early September), comprising the auditor's opinion, financial statements, and required disclosures.

c. Certificates of Liability Insurance and Workers' Compensation Insurance.

d. A listing of the board of directors including indication of the officers.

Memorandum. [Original and successive terms are not to exceed a combined period of five years.]

IN WITNESS WHEREOF, this MOU has been executed and delivered as of the date set forth in the caption above.

FOR THE EUSGA:

[Signature]
President/Vice President of EUSGA (circle title)
Steven Bressler
Printed Name

FOR THE UNIVERSITY:

[Signature]
President or Designee
Julie E. Wolman, Ph.D.
Printed Name

APPROVED FOR FISCAL RESPONSIBILITY AND AVAILABILITY OF FUNDS:

[Signature]
Secretary/Treasurer of EUSGA (circle title) Dir. of operations
LISA Englert
Printed Name

[Signature]
Controller
Wade T. ...
Printed Name

APPROVED FOR FORM AND LEGALITY:

[Signature] 7-29-14
University Legal Counsel
Jill C. Fluck
Printed Name

[Signature] 8/15/14
Deputy Attorney General
R. Malle
Printed Name

EFFECTIVE DATE
AUG 15 2014
OF CONTRACT

**EDINBORO UNIVERSITY OF PENNSYLVANIA
STUDENT GOVERNMENT ASSOCIATION
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2016**

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MALONEY, REED, SCARPITTI & COMPANY, LLP

Certified Public Accountants and Business Advisors

ERIE • EDINBORO • CORRY

Joseph P. Maloney, CPA, CFE
Michael J. Reed, CPA
James R. Scarpitti, CPA
Rick L. Clayton, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Edinboro University of Pennsylvania
Student Government Association
Edinboro, Pennsylvania

We have audited the accompanying financial statements of the Edinboro University of Pennsylvania Student Government Association, a nonprofit organization and component unit of Edinboro University of Pennsylvania, which comprise the statement of financial position as of June 30, 2016, and the related statement of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
Edinboro University of Pennsylvania
Student Government Association
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Edinboro University of Pennsylvania Student Government Association as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Maloney, Reed, Scarpitti & Company, LLP

Edinboro, Pennsylvania
August 25, 2016

**EDINBORO UNIVERSITY OF PENNSYLVANIA
STUDENT GOVERNMENT ASSOCIATION
STATEMENT OF FINANCIAL POSITION
June 30, 2016**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,137,240
Accounts receivable	50
Due from Edinboro University	78,871
Prepaid expenses	<u>9,483</u>

TOTAL CURRENT ASSETS \$ 1,225,644

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment	\$ 690,879
Less: Accumulated depreciation	<u>(524,042)</u>

TOTAL PROPERTY, PLANT, AND EQUIPMENT, net \$ 166,837

TOTAL ASSETS \$ 1,392,481

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 1,525
Accrued payroll wages	3,555
Accrued payroll taxes	338
Accrued compensated absences	<u>15,374</u>

TOTAL CURRENT LIABILITIES \$ 20,792

NET ASSETS

Unrestricted	\$ 695,071
Unrestricted-board designated	543,699
Temporarily restricted	<u>132,919</u>

TOTAL NET ASSETS \$ 1,371,689

TOTAL LIABILITIES AND NET ASSETS \$ 1,392,481

EDINBORO UNIVERSITY OF PENNSYLVANIA
STUDENT GOVERNMENT ASSOCIATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
SUPPORT			
Contributions	\$ <u> -</u>	\$ <u> 368,340</u>	\$ <u> 368,340</u>
TOTAL SUPPORT	\$ <u> -</u>	\$ <u> 368,340</u>	\$ <u> 368,340</u>
REVENUE			
Student activity fees	\$ <u> 943,716</u>	\$ <u> -</u>	\$ <u> 943,716</u>
Shuttle bus fees	<u> 141,015</u>	<u> -</u>	<u> 141,015</u>
Convenience store income	<u> 13,714</u>	<u> -</u>	<u> 13,714</u>
Athletics income	<u> 54,000</u>	<u> -</u>	<u> 54,000</u>
Concerts/dramas	<u> 109,656</u>	<u> -</u>	<u> 109,656</u>
Interest income	<u> 3,871</u>	<u> -</u>	<u> 3,871</u>
Other revenues	<u> 36,752</u>	<u> -</u>	<u> 36,752</u>
TOTAL REVENUE	\$ <u> 1,302,724</u>	\$ <u> -</u>	\$ <u> 1,302,724</u>
ASSETS RELEASED FROM RESTRICTIONS	\$ <u> 385,650</u>	\$ <u> (385,650)</u>	\$ <u> -</u>
TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS	\$ <u> 1,688,374</u>	\$ <u> (17,310)</u>	\$ <u> 1,671,064</u>
EXPENSES			
Program services	\$ <u> 1,437,149</u>	\$ <u> -</u>	\$ <u> 1,437,149</u>
Management and general	<u> 343,256</u>	<u> -</u>	<u> 343,256</u>
TOTAL EXPENSES	\$ <u> 1,780,405</u>	\$ <u> -</u>	\$ <u> 1,780,405</u>
CHANGE IN NET ASSETS	\$ <u> (92,031)</u>	\$ <u> (17,310)</u>	\$ <u> (109,341)</u>
BEGINNING NET ASSETS	\$ <u> 1,330,801</u>	\$ <u> 150,229</u>	\$ <u> 1,481,030</u>
ENDING NET ASSETS	\$ <u> 1,238,770</u>	\$ <u> 132,919</u>	\$ <u> 1,371,689</u>

EDINBORO UNIVERSITY OF PENNSYLVANIA
STUDENT GOVERNMENT ASSOCIATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
SUPPORT			
Contributions	\$ -	\$ 368,340	\$ 368,340
TOTAL SUPPORT	\$ -	\$ 368,340	\$ 368,340
REVENUE			
Student activity fees	\$ 943,716	\$ -	\$ 943,716
Shuttle bus fees	141,015	-	141,015
Convenience store income	13,714	-	13,714
Athletics income	54,000	-	54,000
Concerts/dramas	109,656	-	109,656
Interest income	3,871	-	3,871
Other revenues	36,752	-	36,752
TOTAL REVENUE	\$ 1,302,724	\$ -	\$ 1,302,724
ASSETS RELEASED FROM RESTRICTIONS	\$ 385,650	\$ (385,650)	\$ -
TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS	\$ 1,688,374	\$ (17,310)	\$ 1,671,064
EXPENSES			
Program services	\$ 1,513,450	\$ -	\$ 1,513,450
Management and general	266,955	-	266,955
TOTAL EXPENSES	\$ 1,780,405	\$ -	\$ 1,780,405
CHANGE IN NET ASSETS	\$ (92,031)	\$ (17,310)	\$ (109,341)
BEGINNING NET ASSETS	\$ 1,330,801	\$ 150,229	\$ 1,481,030
ENDING NET ASSETS	\$ 1,238,770	\$ 132,919	\$ 1,371,689

EDINBORO UNIVERSITY OF PENNSYLVANIA
STUDENT GOVERNMENT ASSOCIATION
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets		\$ (109,341)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation		54,386
Loss on disposal of assets		4,070
(Increase) decrease in:		
Accounts receivable		-
Due from Edinboro University		61,819
Prepaid expenses		1,970
Increase (decrease) in:		
Accounts payable		(716)
Accrued payroll wages		753
Accrued payroll taxes		(4,016)
Accrued compensated absences		<u>10,259</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u>19,184</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 \$	 19,184
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 \$	 <u>1,118,056</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 \$	 <u><u>1,137,240</u></u>

EDINBORO UNIVERSITY OF PENNSYLVANIA
STUDENT GOVERNMENT ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES			
Operational and programs	\$ 332,014	\$ -	\$ 332,014
Travel, entry fees and speakers	203,313	-	203,313
Concerts and Convenience store	197,153	-	197,153
Depreciation	54,386	-	54,386
Athletic insurance	32,000	-	32,000
Director of operations wages	-	56,964	56,964
Student employment	21,583	-	21,583
Operational - SGA	-	22,504	22,504
Special projects	11,680	-	11,680
Fiscal assistant wages	-	59,054	59,054
Legal and professional	-	33,192	33,192
Donations-EUP projects	76,301	0	76,301
Employee benefits	-	13,335	13,335
Officers' salaries	-	15,588	15,588
Insurance	-	34,635	34,635
Payroll tax expenses	-	18,733	18,733
Campus club activities	385,650	-	385,650
Shuttle bus	195,300	-	195,300
Interest and finance charges	-	950	950
Loss on disposal of assets	4,070	-	4,070
Occupancy expenses	-	12,000	12,000
	<u>-</u>	<u>12,000</u>	<u>12,000</u>
TOTAL FUNCTIONAL EXPENSES	\$ <u>1,513,450</u>	\$ <u>266,955</u>	\$ <u>1,780,405</u>

EDINBORO UNIVERSITY OF PENNSYLVANIA
STUDENT GOVERNMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Edinboro University of Pennsylvania Student Government Association's purpose is to consider and enact campus legislation in connection with campus problems and activities; to support social, cultural and other events; to regulate student organizations; to budget the finances of the Student Activity Funds; and to attempt to enhance the Edinboro University of Pennsylvania's purpose. The Association is included in the University's financial statements as a component unit due to the University having oversight responsibility for the Association.

Concentration of Risk

The Association receives the majority of its funding from student activity fees. These fees are assessed and collected by the University based on student enrollment and are subsequently remitted to the Association. These fees are required for the Association to maintain its existence.

Income Tax Status

The Edinboro University of Pennsylvania Student Government Association is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania. The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and is not classified as a private foundation. The Association files a Form 990-T when necessary and reports income subject to unrelated business income tax. Management believes that it has not taken any tax positions that would jeopardize their tax exempt status under examination.

Basis of Accounting

The Association's policy is to prepare its financial statements on the accrual basis of accounting. Income is recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Association includes all cash accounts which are not subject to withdrawal restrictions or penalties and all highly liquid debt instruments purchased with maturity of three months or less as cash and cash equivalents on the accompanying financial statements.

Accounts Receivable/Due from Edinboro University

Accounts receivable consist of amounts due for services rendered by the Association. All of these service fees are considered collectable and are not collateralized. No allowance for doubtful accounts has been established for these receivables.

The amounts due from the Edinboro University of Pennsylvania are for student activity fees billed and collected by the University but not yet remitted to the Association. All of these activity fees are considered collectable and are not collateralized. No allowance for doubtful accounts has been established for these activity fees.

Property, Plant, and Equipment

Property, plant, and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. The Association follows a capitalization policy of \$5,000 per item.

The estimated useful lives of assets are as follows:

Equipment	7 years
Vehicles	5 years

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. Contributions are solicited by the various campus clubs and then deposited with the Association for management of the funds. The Association does not directly solicit contributions.

Risk Management

The Association carries insurance for all risks of loss, including workers compensation, general liability, athletic insurance and employee health insurance. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

Financial Statement Presentation

The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Association is required to present a statement of cash flows. Net assets of the Association and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions 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 restrictions.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that the Association maintains them permanently. 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. The Association has no permanently restricted net assets.

Donated Services

Edinboro University provides occupancy space and utilities to the Association at no cost. No formal lease agreement exists for this usage. The usage of the facilities is determined on a year to year basis by the University. For the year ended June 30, 2016 the fair value of these services of \$12,000 was determined based on comparable occupancy costs of similar sized facilities in the geographical area of the Association.

Use of Estimates

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

NOTE 2 – CONCENTRATION OF RISK - CASH AND CASH EQUIVALENTS

At June 30, 2016, the carrying value of the Association's deposits including cash and cash equivalents were \$1,137,240 and the related bank balances were \$1,206,746. The bank balances are covered by Federal Deposit Insurance coverage (FDIC) up to a maximum of \$250,000 per banking institute in 2016. The Association exceeded the insured limit by \$706,746.

NOTE 3 - RELATED PARTY

The Association is related to the Edinboro University of Pennsylvania due to the University's significant advisory oversight of the Association. The University also provides occupancy space to the Association at no cost and collects the student activity fees and remits them to the Association.

NOTE 4 – PENSION PLAN

The Association offers a qualified Simplified Employee Pension plan to all eligible employees. The Association contributes 10% per year of the qualifying employee's gross wages. The Association's contributions for the year ending June 30, 2016 were \$13,335.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Club Activity Funds	\$ <u>132,919</u>
Total Temporarily Restricted Net Assets	\$ <u><u>132,919</u></u>

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

At June 30, 2016 the costs and related accumulated depreciation of property, plant and equipment consisted of the following:

Office Equipment	\$ 178,245
Vehicles	151,664
Equipment	<u>360,970</u>
Total Property, Plant, and Equipment	\$ 690,879
Less: Accumulated depreciation	\$ <u>(524,042)</u>
Total Property, Plant, and Equipment, net	\$ <u>166,837</u>

Depreciation expense for the year ended June 30, 2016 was \$54,386.

NOTE 7 – SUBSEQUENT EVENTS

In preparing these financial statements the Association has evaluated events and transactions for potential recognition or disclosure through the date of the report which is the date the financial statements were available to be issued. The Association has recognized no subsequent events required to be disclosed.

ARTICLES OF INCORPORATION

In compliance with the provisions of the Non-profit Corporation Law of 1972, Act No. 271, approved November 15, 1972, 15 P. S. 7316, the undersigned, all of whom are of full age, at least eight of whom are citizens of the United States and residents of the Commonwealth of Pennsylvania, desiring that they may be incorporated as a non-profit corporation, do hereby certify:

1. The name of the corporation is the Student Government Association of Edinboro State College.
2. The location and post office address of its initial registered office in this Commonwealth is Edinboro State College, Room 204, New Student Union Building, Edinboro, Pennsylvania.
3. The purpose or purposes of the corporation which shall be organized under this Act are as follows: To consider and enact legislation in connection with campus problems and activities and to support social, cultural and other events, to regulate student organizations, budget the finances of the Student Activity Fund, attempt to enhance college progress, and do all things the laws of the Commonwealth of Pennsylvania permit Corporations to do.
4. 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 corporation is organized upon a non stock basis.

7. The names and addresses of those persons who are to act as directors until the election of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Larry E. Hill	Angus 39, Darrow Road, Edinboro, Pa. 16412
John Francis Spataro	240 Darrow Road, Apt. 531, Edinboro, Pa. 16412
Louis T. Bucelli	Orkney 44, Darrow Rd., Edinboro, Pa. 16412
Jerry A. Smith	234 Darrow Rd., Apt. 231, Edinboro, Pa. 16412

8. The name and place of residence of each of the incorporators are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Larry E. Hill	Angus 39, Darrow Rd., Edinboro, Pa. 16412
John Francis Spataro	240 Darrow Rd., Apt. 531, Edinboro, Pa. 16412
Louis T. Bucelli	Orkney 44, Darrow Rd., Edinboro, Pa. 16412
Jerry A. Smith	234 Darrow Rd., Apt. 231, Edinboro, Pa. 16412
Daniel D. Pipitone	305 Washington St., Edinboro, Pa. 16412
Debra L. McDonald	P.O. Box 754, Birkdale Apts., Edinboro, Pa.
Virginia L. Yost	Stewart 11, Darrow Rd., Edinboro, Pa. 16412
Michael T. Nicholson	Buchanan 19, Darrow Rd., Edinboro, Pa. 16412

IN TESTIMONY WHEREOF, the incorporators have signed and sealed these Articles of Incorporation this twenty-first day of May, 1973.

<u>Larry E. Hill</u>	SEAL:	<u>Daniel D. Pipitone</u>	SEAL:
<u>John Francis Spataro</u>	SEAL:	<u>Debra L. McDonald</u>	SEAL:
<u>Louis T. Bucelli</u>	SEAL:	<u>Virginia L. Yost</u>	SEAL:
<u>Jerry A. Smith</u>	SEAL:	<u>Michael T. Nicholson</u>	SEAL:

Approved and filed in the Department of State of the 11th day of June 1973.

C. McLaren Tucker

Secretary of the Commonwealth

MM/MS

Erie County Legal Journal

Proof of Publication of Notice

STATE OF PENNSYLVANIA } SS:
COUNTY OF ERIE }

A. P. Arduini, Editor of the Erie County Legal Journal, being duly sworn according to law, deposes and says that the Erie County Legal Journal is the duly designated legal newspaper for Erie County, Pennsylvania, which legal newspaper was established in 1945, and is published at Court House, Erie, Erie County, Pennsylvania; and that a copy of the printed notice or publication is attached hereto exactly as printed or published in the issue or issues of said legal newspaper on the following date or dates:

COPY OF NOTICE

NON-PROFIT CORPORATION
In compliance with Article Two of the Pennsylvania Non-Profit Corporation Law in Act of May 5, 1933 as amended, notice is hereby given as follows:
1. The name of the proposed corporation is the Student Government Association of Edinboro State College.
2. The corporation is to be organized under the provisions of the Pennsylvania Non-Profit Act of May 5, 1933, P.L. 289 as amended.
3. The purposes of the proposed corporation are as follows: To consider and enact legislation in connection with campus problems and activities and to support social, cultural and other events, to regulate student organizations, budget the finances of the Student Activity Fund, attempt to enhance college progress, and do all things the laws of the Commonwealth of Pennsylvania permit Corporations to do. This is a corporation which does not contemplate pecuniary gain or profits, incidentally or otherwise, to its members.
4. The Articles of Incorporation will be submitted to the Department of State, Harrisburg, Pennsylvania, on June 7, 1973.
Shamp, Arduini and Hahn
Attorneys at Law
By: Angelo P. Arduini
323 West 6 Street
Erie, Pennsylvania 16512
June 1

Friday June 1

A. D. 1973

The affiant further states that he is the designated agent of Erie County Bar Association, the owner of said legal newspaper, that he is not interested in the subject matter of the aforesaid notice or advertising, and that all the allegations of the aforesaid statement as to time, place and character of publication are true.

[Signature], Editor

Sworn to and subscribed before me this

4 day of June

A. D., 19 73

[Signature] Notary Public

MY COMMISSION EXPIRES:

RUTH G. MEYER, NOTARY PUBLIC
ERIE, ERIE COUNTY, PENNSYLVANIA
MY COMMISSION EXPIRES MAR. 24, 1977

Student Government Association : Filed this 23 day of November
: :
: : 1983, Commonwealth of Pennsylvania
: :
of Edinboro State College : Department of State

ARTICLES OF AMENDMENT

In compliance with the provisions of the Non-profit Corporation Law of 1972, Act No. 271, approved November 15, 1972, 15 P.S. 7316 and specifically 15 P.S. Section 7905 and 7906, the undersigned Non-profit Corporation desiring to amend its Articles, does hereby certify that:

1. The name of the Corporation is the Student Government Association of Edinboro State College.
2. The location of its registered office is Edinboro University of Pennsylvania, Room 210, New Student Union Building, Edinboro, Pennsylvania, 16444.
3. The statute by or under which it was incorporated, is the Non-profit Corporate Law of 1972, Act No. 271, approved November 15, 1972, (15 P.S. 7316).
4. The date of its incorporation was the 11th day of June, 1973.
5. The nature and character of the Amendment is as follows: The name of the corporation shall be changed to Student Government Association of Edinboro University of Pennsylvania. The effective date of the Amendment shall be November 23, 1983.
6. The Articles of Amendment will be submitted to the Department of State, Harrisburg, Pennsylvania on November 23, 1983. The Amendment was adopted by the Corporation at a meeting held on November 14, 1983, at 7:30

P. M. The place of the meeting was Room 101, Cooper Hall, Edinboro University of Pennsylvania, Edinboro, Pennsylvania, 16144. Notice of said meeting was given prior through written notice delivered by U.S. Mail.

7. The nature and character of the Amendment is as follows: The name of the non-profit corporation shall be changed from Student Government Association of Edinboro State College, to Student Government Association of Edinboro University of Pennsylvania.

IN TESTIMONY WHEREOF, the corporation has caused this application to be signed by its president or vice president and its corporate seal, duly attested by its secretary or treasurer, to be hereunto affixed this 11th day of October, 1983.

Student Government Association of
Edinboro State College

By

Eward A. Honyak
(President)

Attest:

Lori Schottlin
(Secretary)

By-Laws of the Student Government Association of Edinboro University of Pennsylvania

Section A: Duties/Responsibilities of the Executive Board Officers, Congressmen, and House of Representatives

The President will:

1. Preside at all meetings of Congress.
2. Present a calendar of regularly scheduled meetings and events to Congress by the first meeting of each semester.
3. Be recognized and act as the official representative of the SGA.
4. Have the power to appoint and remove all Executive Officers and House of Representatives members with a 2/3 approval of Congress.
5. Supervise all employees of EUSGA, INC.
6. Call special meetings of the Congress with due notice.
7. Have the power to appoint all chairpersons for special committees as needed with a 2/3 approval of Congress.
8. Act as a liaison between the SGA and the Vice President of Student Affairs and the President of Edinboro University on a regular basis and/or as needed.
9. Present to Congress, for its consideration, all matters deemed worthy and relevant to the welfare of the student body.
10. Have the power to veto all or part of any legislation passed by Congress. S/he must do so within seven business days of such passage, stating his/her reasons for the veto in writing to each member of Congress within 48 hours. This item of business must be included in the agenda for the next Congress meeting. A 2/3 vote of Congress is necessary to override a presidential veto.
11. Serve as a board member of University Services Incorporated (USI) or appoint another Executive Officer to be a representative.
12. Preside at all meetings of the Executive Board.
13. Have the power to vote only in such circumstances where his/her vote will break a tie, and if s/he has stepped down from his/her chair for the remainder of the meeting.
14. Have the power to remove any Executive Officer and/or Congressman who has not fulfilled his/her obligation with a ¾ approval of Congress.
15. Attend all PASSHE Board of Student Government Presidents' meetings (BSGP) when practical.
16. Maintain those privileges afforded to the President under the current edition of *Robert's Rules of Order, Newly Revised*.
17. Meet with the Edinboro University Student Trustee on a regular basis and/or as needed.
18. Be a non-voting member of all standing and special committees and will advise those committee chairpersons as to their duties and will solicit regular reports to them.
19. Be available to the campus community during summer and winter breaks in order to plan upcoming events.
20. Sign checks, expenditure requests, contracts, etc.
21. Have the power to delegate the signing of contracts to the SGA Director of Operations, SGA Administrative Assistant, and/or any member of the Executive Board.
22. Assists all Executive Officers with his/her positions.
23. Develop a relationship with the attorney in order to consult him about the legal matters of the SGA and other student issues.

24. Present a report summarizing the accomplishments of the SGA during the fiscal year, and his/her proposals for future actions.
25. Be responsible for the transfer of information and training of the newly elected President.
26. Vacate this office if s/he fails to maintain a 2.5 QPA, and/or be in good standing concerning discipline, as determined by the University.

The Vice President will:

1. Assume all duties of the President in his/her absence, including presiding over Congress.
2. Serve as the chairperson of the SGA Student Interest Committee.
3. Assume all duties and responsibilities delegated to him/her by the President.
4. Sign checks and expenditure requests.
5. Regularly coordinate events and programs pertaining to relevant interests and concerns of the student body
6. Be responsible for the transfer of information and training the newly elected Vice President.
7. The Vice President will vacate the office if s/he does not maintain a 2.5 QPA, and/or is not in good standing concerning discipline, as determined by the University.

The Director of Finance will:

1. Serve as the chairperson for the Budget Committee.
2. Present an oral report on the financial status of the SGA at every Congress meeting.
3. Keep an accurate record of all of the SGA's funds.
4. Prepare and submit to Congress and the University President, a budget for the succeeding year for the disbursement of the student activity fee.
5. In consultation with the Budget Committee, periodically review and recommend changes to the SGA Financial Policies and Procedures.
6. Have the power to appoint an Assistant Finance Director. Will sign checks and expenditure requests.
7. Preside at Congress meetings in the absence of the President and Vice President.
8. Be responsible for the transfer of information and training of the newly appointed Director of Finance.
9. The Director of Finance will vacate this office if s/he does not maintain a 2.5 QPA and/or has a disciplinary record that is deemed unacceptable by the President.

The Parliamentarian will:

1. Serve as the chairperson for the Constitutional Review Committee.
2. Uphold and maintain the rules contained in the current edition of *Robert's Rules of Order, Newly Revised*.
3. Review constitutions and mission statements of potential new organizations and programs for the approval of the SGA.
4. Be sure all SGA recognized organizations and programs uphold and maintain the rules and regulations set forth by their constitution and SGA's Code of Conduct.
5. Preside over regularly scheduled meetings with all SGA recognized organizations and programs.
6. Head investigations in regards to any allegations related to any/all candidates of Congressional and Presidential elections.
7. Revise and maintain election campaigning rules and procedures.

8. Preside over Congress in the absence of the President, Vice President, and Director of Finance.
9. Be responsible for the transfer of information and training of the newly appointed Parliamentarian
10. The Parliamentarian will vacate this office if s/he does not maintain a 2.5 QPA and/or has a disciplinary record that is deemed unacceptable by the President.

The Public Relations Director will:

1. Serve as the chairperson of the Public Relations Committee.
2. Make all necessary announcements to the Spectator, E-TV, WFSE, and any other news sources.
3. Make announcements for any standing committees.
4. Be an active administrator over all social media accounts related to SGA.
5. Assist any/all organizations and/or programs pertaining to the advertisement of any events and programs on campus.
6. Preside over Congress in the absence of the President, Vice President, Director of Finance, and the Parliamentarian.
7. Be responsible for the transfer of information and training of the newly appointed Public Relations Director.
8. The Public Relations Director will vacate this office if s/he does not maintain a 2.5 QPA and/or has a disciplinary record that is deemed unacceptable by the President.

The Campus Programming Director will:

1. Serve as the chairperson for the Campus Programming Committee.
2. Work with the designated administrator for help in planning the social events and activities for Edinboro students.
3. Make all necessary arrangements for those social activities sponsored by the SGA and will supervise the work of all student who conduct those activities.
4. Preside over Congress in the absence of the President, Vice President, Director of Finance, Parliamentarian, and Public Relations Director.
5. Be responsible for the transfer of information and training of the newly appointed Campus Programming Director.
6. The Campus Programming Director will vacate this office if s/he does not maintain a 2.5 QPA and/or has a disciplinary record that is deemed unacceptable by the President.

The Secretary will:

1. Keep an official record of the meetings for the SGA including all Executive Board, Congress, and Budget Committee meetings.
2. Take minutes at all official meetings of the Executive Board and Congress.
3. Issue a copy of the minutes and meetings to SGA, the SGA advisor(s), the SGA Administrative Assistant, Congressmen, appropriate University official s, and the SGA Executive Board.
4. Be responsible for all attendance records of Congress, and will notify each member of attendance status, as requested.
5. Assist an Executive Board member with his/her committee as needed.
6. Preside over Congress in the absence of the President, Vice President, Director of Finance, Parliamentarian, Public Relations Director, and Campus Programming Director.
7. Be responsible for the transfer of information and training of the newly appointed Secretary.

8. The Secretary will vacate this office if s/he does not maintain a 2.5 QPA and/or has a disciplinary record that is deemed unacceptable by the President.

Congressman will:

1. Be an active voting member of the Congress.
2. Serve from the date that he/she is sworn in until they graduate from Edinboro University, resign, or removed for a cause.
3. Attend all scheduled and special meetings of the Congress called by the President.
 1. Congressmen who cannot attend Congress meetings due to a legitimate work, school, or personal obligations, as determined on a case by case basis by Executive Board, will be allowed to attend the meetings of an additional committee, for a total of two committees, in place of attending Congress meetings.
 2. Once a Congressman misses three Congress meetings, s/he must present in front of the Executive Board, either in person or electronically, explaining his/her absences.
 3. Congressmen that can attend Congress meetings, two committee meetings is the equivalent of one Congress meeting.
 4. Congressmen that cannot attend Congress meetings, four missed committee meetings are the equivalent to three missed Congress meetings.
 5. Any mandatory special meeting scheduled by the President will be the equivalent to a Congress meeting if missed.
4. Be required to serve on an SGA standing committee. Congressman will be required to attend all meetings for the standing committee of which they are a member of under the same guidelines as required for all scheduled and special meetings called by the President.
5. All Congressmen will be required to attend seven university sanctioned events per semester, two of which must be events hosted by SGA. A list of all SGA events will be provided by either the President or Public Relations Director. An event that is being hosted or co-hosted by another organization that a Congressman is a part of will not count towards his/her total events. Congressmen failing to complete the event attendance requirement will be removed from Congress, unless determined otherwise, on a case by case basis, by the Executive Board.

The House of Representatives will:

1. Fulfill all requirements and duties of an SGA Congressman alongside the requirements and duties associated with his/her position.
2. Voice concerns from students to the appropriate office, department, or administrator.
3. Be a liaison between the SGA and the specific group, or in the case of the Speaker of the House between the Executive Board, House of Representatives, and Congress, they are signed to represent.
4. Assist with advertising and/facilitating events with the specific group they are assigned to represent. Meet/communicate with their assigned group appropriately.
5. Attend any and all appropriate meetings associated with their assigned group.
6. Vacate the position if s/he does not maintain a 2.33 QPA and/or has a disciplinary record that is deemed unacceptable by the President.

Section B: Elections and Successions

Part 1: General Procedures for Elections and Successions

1. The SGA Congressman application process will take place during the months of September and January. The President must decide on the specific dates when applications are due.
2. The Parliamentarian and President must inform the student body of the procedure for elections at least two weeks prior to the beginning of the elections process.
3. The Parliamentarian will announce the results within 24 hours after the polls close on the final day of voting.
 - a. If the winner of the election fails to accept the position immediately following the election, the runner-up will be offered the position.
4. No Congressman or Executive Board member that is running in any election may assist the Elections/Research Director in any way with the elections.

Part II: Requirements for Candidacy for Presidential Elections

1. Candidates for President must have successfully completed three semester of college as a full time student at Edinboro University. A summer will only count as a semester if the student took at least 12 credits.
2. Candidates for President must have served on Congress for at least two semesters preceding their election to office or serving as a member of the Executive Board for at least one semester prior to elections. A semester will be considered starting:
 - a. After the application process for new Congressmen, the start of the semester will begin as soon as the person is sworn into Congress and will end at the last SGA Congress meeting when the Congress is dismissed. This will be considered their first semester of service.
 - b. Second semester will begin when the first SGA Congress meeting begins during the fall or spring semester when the President calls the meeting to order. The semester will end the last SGA Congress meeting when the Congress is dismissed.
3. Candidates for President must have served on at least two different standing committees for two consecutive semesters directly preceding their election to office.
4. All candidates for President must have at least a 2.5 QPA and good judicial standing.

Part III: Method of Nomination

1. Any candidate applying for Congress must nominate himself/herself by submitting a petition signed by fifty (50) Edinboro University students to the President.
2. Any presidential candidate must nominate himself/herself by submitting a petition by at least one hundred (100) Edinboro University students.

Section C: Transaction of Business:

Part I: Regularly Scheduled Congress Meetings:

1. Congress and Standing Committees will meet every week, while classes are in session.
 - a. The President can cancel Congress meetings with one week's notice.
 - b. Committee Chairs can cancel committee meetings with one week's notice.
2. The President will determine the day, time, and location of Congress meetings.
3. A quorum will consist of a simple majority of active Congressmen.

Part II: Special Meetings:

1. The President has the power to call special meetings of Congress as s/he deems necessary.
2. A quorum for a special meeting will consist of 40% of active Congressmen.
3. Notice of a special meeting must be transmitted to all Congressmen at least two days in advance of its occurrence. The business to be discussed at the meeting will be sent in this notice.

Part III: Procedures within Meetings:

1. All meetings will be open to the public, with the exception of Executive Board meetings.
2. The Parliamentarian will conduct all meetings according to the current edition of *Robert's Rules of Order, Newly Revised* as s/he interprets them.
3. If the President so desires, s/he may remove any non-Congress member from a Congress meeting who presents a proposal on which to be voted by Congress, once his/her presentation is complete.
4. All Executive Officers and Committee Chairs are required to give a report at each Congress and Executive Board meeting pertaining to what is being done in their position.
 - a. If an Executive Officer or Committee Chair is unable to make it to any meeting, they must submit their report(s) to another officer to be read during said meeting.
5. Censure:
 - a. If at any time a Congressman or the Parliamentarian feels that another member is violating the SGA or University Code of Conduct, or otherwise being disrespectful, they may move to censure.
 - b. Grounds for censure include but are not limited to:
 - i. Lying
 - ii. Disrespect to any/all members of the student body
 - iii. Frequently leaving/re-entering Congress meetings
 - iv. Violating University/SGA Codes of Conduct
 - c. A simple majority vote affirmation of the motion to censure will send the accused to the University's Judicial Review Committee where the circumstances will be reviewed, and, if appropriate, a punishment will be levied.
 - d. Should a member who is censured speak out of line, or is disrespectful again, a motion to vacate the seat will be considered in order by the Parliamentarian.
 - e. A 2/3 approval of the motion to vacate will require the accused to recuse themselves from the general assembly.
 - f. Should the Presiding Officer/President be vacated, the next succeeding position will assume his/her duties.
 - g. Three censures shall be considered as grounds for permanent removal from SGA.
 - h. Offenses will be cumulative per term served.

Part IV: Financial Procedures:

1. All transactions involving SGA funds must be handled through the SGA budget office and requires the approval of two of the following: President, Vice President, Director of Finance, or one presidential designee. During winter and summer breaks, the SGA Director of Operations may sign, in lieu of one Executive Officer, for transactions involving SGA funds.
2. All other financial procedures for SGA will be enumerated in the SGA Financial Policies and Procedures By-Laws, which will be the final word on financial matters of SGA when not covered in SGA's Constitution or By-Laws.

3. When the final budget has been presented to SGA for its approval, 2/3 of active Congressmen must vote in favor in order for it to pass.
4. If there is a case where there is a financial referendum presented to SGA for approval, a simple majority vote is all that is necessary in order for it to pass.

Part V: Business during Vacation Periods:

1. During vacation times (ex. between sessions) the Executive Board members have the power to act in lieu of Congress.
2. Any action taken by the above measure is subject to approval from the SGA advisor(s).

Section D: Standing Committees and Special Appointments:

Part I: Duties of Standing Committees:

1. The Budget Committee
 - a. Assist the Director of Finance in the preparation of the SGA budget for the following year.
 - b. Uphold the SGA Financial Procedures
 - c. Make recommendations to Congress with all requests exceeding \$1,999.99.
 - d. Collect records and update the Financial Procedures of all SGA recognized organizations and programs.
 - e. Conduct a seminar of SGA Financial Procedures during the Organizational Fair for all newly elected organization treasurers, if requested.
2. The Constitutional Review Committee
 - a. Review the SGA Constitution for the purpose of recommending all necessary changes needed to be made to this constitution.
 - b. Review all constitutions of prospective new organizations for the purpose of possibly recognizing them as an official student organization.
 - c. Review any major changes in the current constitutions of organizations.
 - d. Review any proposed amendments to the SGA Constitution and/or By-Laws.
 - e. Assist the Parliamentarian with planning any events pertaining to the Presidential Elections.
 - f. Publicize SGA Presidential Elections.
 - g. Maintain and staff the polling sites.
 - h. Be impartial and decide by a majority vote when deductions are appropriate for each Presidential candidate related to breeches in campaign rules.
 - i. Be impartial and have the power to disqualify any Presidential candidate that fails to follow election rules and procedures.
 - j. Conduct a seminar on SGA parliamentary procedures during the Organizational Fair for all newly elected student organization parliamentarians, if requested.
3. The Student Interests Committee
 - a. Represent the interests of Edinboro University students on all student issues.
 - b. Make their recommendations to the appropriate SGA and/or University officials.
 - c. Assist the Vice President with regularly scheduled events and programs pertaining to relevant interests and concerns of the student body.
4. The Public Relations Committee

- a. Assist the Public Relations Director in any/all forms of advertising pertaining to SGA and/or SGA recognized organizations and programs.
- 5. The Campus Programming Committee
 - a. Schedule all SGA sponsored events with the designated administrator for programming.
 - b. Make all necessary arrangements for all SGA sponsored social activities and work at these activities.

**Edinboro University
Student Government Association
Constitution**

Effective July 1, 2016

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PREAMBLE

The Edinboro University Student Government Association, in order to effectively fulfill the expectations set forth in the Memorandum of Understanding between Edinboro University of Pennsylvania and the Edinboro University Student Government Association, hereby adopts the following Constitution.

ARTICLE I: NAME

The name of this organization shall be the Edinboro University Student Government Association, hereinafter referred to as EUSGA.

ARTICLE II: ESTABLISHMENT AND AUTHORITY

1. The EUSGA is a nonprofit corporation, created by Act 188 of 1982, 24 P.S. §20-2001-A et seq, that exists for the purpose of supporting the University through the services it provides to the University, its students and general philanthropy for the benefit of both.
2. The EUSGA is an affiliated organization within Edinboro University of Pennsylvania, and shall continue to operate as an affiliate, so long as continued approval is given by the Council of Trustees.
3. The EUSGA operates in accordance with the most current Memorandum of Understanding between the EUSGA and Edinboro University of Pennsylvania and in accordance with the mission statement outlined below.

ARTICLE III: MISSION

The EUSGA shall provide a voice for the student body, serve as the liaison between students and the university, encourage co-curricular involvement for all students, and foster social and cultural learning outside of the classroom. The EUSGA commits to these objectives for the purpose of aiding the university in achieving its mission, vision, and goals.

ARTICLE IV: STATEMENT OF NON-DISCRIMINATION

The EUSGA is an equal opportunity organization. The EUSGA does not discriminate on the basis of race, age, sex, gender, national origin, religion, political orientation, sexual orientation, or disability.

ARTICLE V: EXECUTIVE BRANCH

Section 1: Name

1. The Executive Branch of the EUSGA shall be known as the Cabinet and shall oversee any and all executive functions of the EUSGA.

Section 2: Membership

1. The Cabinet shall consist of the following positions, in order of succession:
 - a. President
 - b. Vice President of Student Interests
 - c. Vice President of Procedure
 - d. Vice President of Finance
 - e. Director of Public Relations
 - f. Secretary
 - g. Speaker of the House (Ex-Officio)
 - h. Advisor(s) (Ex-Officio)

Section 3: Selection of Cabinet

1. The President shall be elected by a simple majority vote of the Edinboro University of Pennsylvania student body. A simple majority is defined as more than half of the votes cast by currently enrolled students, excluding blanks and abstentions.
 - a. If three or more candidates are running for office, the President shall be elected by a plurality vote of the Edinboro University of Pennsylvania student body. A plurality is defined as the largest number of votes given to any candidate when three or more choices are possible.
 - b. If no eligible candidates enter in the election, the current EUSGA President will notify the University President within one week of the due date of presidential candidate applications.
2. The remaining Cabinet positions shall be appointed by the President Elect and approved by a simple majority vote of Congress.
3. Each Cabinet position must first be offered to current Congressmen before members of the greater student body are eligible to apply.

Section 4: Term of Office

1. The members of the Cabinet shall take office during the second to last Congress meeting of the spring semester, following approval of Cabinet appointees by Congress, and shall serve until the next President Elect appoints his/her Cabinet.

Section 5: Meetings

1. The Cabinet shall meet at least once per week during the fall and spring semesters while classes are in session, unless otherwise specified by the President.
2. Special meetings shall be convened whenever it is deemed necessary by the President, or upon the written or oral request of two other Cabinet members submitted to the President.
3. For any voting to occur during a Cabinet meeting, a quorum of the Cabinet members must be present. A quorum consists of 50 percent of the Cabinet members plus one.
4. Each Cabinet member, excluding the President, shall have one vote. In the event of a tie, the President shall make the final decision.

ARTICLE VI: LEGISLATIVE BRANCH

Section 1: Congress

1. Name
 - a. The legislative branch of the EUSGA shall consist of two bodies: the Senate and the House of Representatives. These houses shall collectively be referred to as Congress.
2. Meetings
 - a. Congress meetings shall be held weekly while classes are in session, unless otherwise specified by the President. The Congress shall be notified of date and time of the meetings prior to the beginning of the next semester.
 - b. Congress meetings shall be presided over by the EUSGA President.
 - c. Formal Congress meetings shall be run according to the latest edition of Robert's Rules of Order, as enforced by the Vice President of Procedure.
 - d. Special meetings may be called with due notice at the discretion of the President, the Cabinet, or by written petition calling for a special meeting signed by 50 percent of the current Congressmen. Due notice shall be defined as 24 hours'

notice when classes are in session. The purpose of the meeting shall be stated in an email notification of the meeting.

- e. Congress meetings shall be open to the public. Students and community members at large shall be free to voice their opinion on any issue during public forum.

3. Authority and Duties

- a. The authority and duties of the Congress shall be outlined in the EUSGA Bylaws.

Section 2: Senate

1. Membership

- a. Any currently enrolled student may apply to become an EUSGA Senator if he/she completes the following requirements:
 - i. Submit a completed EUSGA application packet;
 - ii. Be in good judicial standing as defined by Edinboro University of Pennsylvania;
 - iii. Maintain a cumulative grade point average of 2.0 or higher;
 - iv. Complete an interview with at least two Cabinet members.
- b. Upon completion of the application process, a simple majority vote by the Cabinet shall determine whether the applicant is selected to serve as an EUSGA Senator.

2. Term of Office

- a. Upon approval by the Cabinet, prospective Senators shall sign the EUSGA Code of Ethics and Values and take the Oath of Office at the next regularly scheduled meeting of Congress.
- b. Senatorial terms shall begin on the date Senators are sworn into office and end upon graduation from Edinboro University of Pennsylvania or upon resignation from office.

3. Authority and Duties

- a. The authority and duties of the Senate shall be outlined in the EUSGA Bylaws.

Section 3: House of Representatives

1. Membership

- a. The House of Representatives shall be composed of the following positions:
 - i. 1 Speaker of the House
 - ii. 2 College of Arts, Humanities and Social Sciences Representatives
 - iii. 2 College of Science and Health Professions Representatives
 - iv. 2 School of Business Representatives
 - v. 2 School of Education Representatives
 - vi. 2 School of Graduate Studies and Research Representatives
 - vii. 2 Academic Affairs Representatives
 - viii. 2 Campus Life and Greek Life Office Representatives
 - ix. 2 Office of Students with Disabilities and Campus Safety Representatives
 - x. 2 Residence Life and Housing Representatives
 - xi. 2 Multicultural Affairs Office Representatives
 - xii. 2 International Student Office Representatives
 - xiii. 2 Athletics Department Representatives
 - xiv. 2 Non-Traditional Student Representatives

2. Term of Office

- a. The Speaker of the House shall be appointed by the President Elect and approved by a simple majority vote of Congress. The position must be offered to current

Senators and Representatives before currently enrolled students who meet the Congress membership requirements, are able to apply.

- b. The Speaker appointee shall sign the EUSGA Code of Ethics and Values and take the Oath of Office at the next regularly scheduled meeting of Congress.
 - c. The Speaker's term shall begin on the date in which the Oath of Office is taken and end upon graduation from Edinboro University of Pennsylvania, resignation from office, or revocation of position by the Judicial Board.
 - d. Each Representative shall be appointed by the party which he/she is representing. The names of the appointees shall be submitted to the EUSGA President by the final day of classes during the spring semester each year.
 - e. Representative appointees shall sign the EUSGA Code of Ethics and Values and take the Oath of Office at the next regularly scheduled meeting of Congress.
 - f. Representative terms shall begin on the date in which the Oath of Office is taken and end upon graduation from Edinboro University of Pennsylvania, resignation from office, or revocation of position by the appointing party or the EUSGA Judicial Board.
3. Authority and Duties
- a. The authority and duties of the Senate shall be outlined in the EUSGA Bylaws.

ARTICLE VII: JUDICIAL BRANCH

Section 1: Name

1. The Judicial Branch of the EUSGA shall be known as the Judicial Board and shall oversee any and all judicial functions of the EUSGA.

Section 2: Membership

1. The Judicial Board shall consist of the following individuals:
 - a. EUSGA Vice President of Procedure (Chair of the Board)
 - b. EUSGA Speaker of the House
 - c. 6 Senators
 - d. Edinboro University Director of Campus Life, or designee (Ex Officio)

Section 3: Selection of Members

1. The four senators and two alternates shall be chosen through a simple random selection by the EUSGA President or Vice President of Procedure and approved by a simple majority vote of Congress. If the President and/or Vice President of Procedure are under review, he/she will be prohibited from the selection process.
2. The Edinboro University Judicial Affairs Office retains the right to select and replace their representative who will serve as an ex-officio member of the Judicial Board.

Section 4: Term of Office

1. The Vice President of Procedure and Speaker of the House shall remain members of the Judicial Board for the duration of their term of office for their original positions.
2. The four Senators and two alternates shall remain members of the Judicial Board for the duration of the current issue under review. Once the issue is resolved, the Senators shall be dismissed from membership on the Judicial Board. If/when a new issue is called for review, a new selection of Senators shall be named by the EUSGA President or Vice President of Procedure.

Section 5: Meetings

1. Judicial Board meetings shall be called as needed.
2. Meetings of the Judicial Board shall be closed to the public, unless otherwise stated by the Chair of the Judicial Board and the Director of Campus Life.
3. For any voting to occur during a Judicial Board meeting, a quorum of Board members must be present. A quorum consists of 50 percent of the Board members plus one.
4. Each Judicial Board member, excluding the Chair of the Board, shall have one vote. In the event of a tie, the Vice President of Procedure shall make the final decision.

Section 6: Authority and Duties

1. The authority and duties of the Judicial Board shall be outlined in the EUSGA Bylaws.

ARTICLE VIII: IMPEACHMENTS AND VACANCIES

Section 1: Impeachments

1. A position in the Cabinet, Senate, or House of Representatives may be revoked if the individual:
 - a. Violates the EUSGA Constitution, Bylaws, Fiscal Procedures, or Code of Ethics and Values;
 - b. No longer meets the EUSGA membership requirements;
 - c. Violates any laws, acts, and regulations of Edinboro University of Pennsylvania, the Board of Student Government Presidents, the Board of Governors, the borough of Edinboro, the Commonwealth of Pennsylvania, or the United States.
2. A position in the House of Representatives may also be revoked by the appointing party.
 - a. The representative's position may be revoked immediately if the appointing party so chooses.
 - b. The appointing party shall notify the EUSGA President and the appointed individual in question of the revocation of the position via electronic or written mail.
 - c. A decision made by the appointing party to revoke its appointee's position may not be appealed by the appointee to the EUSGA Cabinet or Congress.

Section 2: Revocation Process

1. Any member of the Cabinet may recommend that a Senator or Representative be removed from office by making a formal motion at an official Cabinet meeting.
2. Any member of the Cabinet or Congress may recommend the impeachment of a Cabinet member by making a formal motion at an official Congress meeting to begin the impeachment proceedings.
3. Once the motion for removal from office is made, the Secretary shall notify the individual under review of the motion via electronic or written mail within 72 hours of the adjournment of the meeting in which the motion was made.
 - a. If the individual under review is a member of the House of Representatives, the Secretary shall also notify the individual's appointing party of the motion via electronic or written mail within 72 hours of the adjournment of the Cabinet meeting. The Secretary shall continue to notify the appointing party of any relevant meeting dates or other information throughout the review process.
4. The President or Vice President of Procedure shall convene the Judicial Board to review the allegations against the individual.

5. The Judicial Board shall review the allegations, deliberate, and vote upon the revocation of the individual's position. The investigation shall include testimony, written or oral, by the individual under review.
6. If a $\frac{2}{3}$ vote by the Judicial Board is reached in favor of revoking the position of the individual in question, the Secretary shall correspond with the individual via electronic or written mail within 72 hours of the adjournment of the Judicial Board meeting. The individual's term of office shall cease immediately upon notification of the revocation decision.
 - a. If the individual under review is a member of the House of Representatives, the Secretary shall also notify the appointing party of the individual's loss of position via electronic or written mail within 72 hours of the adjournment of the Judicial Board meeting.
7. If a $\frac{2}{3}$ vote by the Judicial Board is not reached in favor of revoking the position of the individual in question, the individual shall maintain his/her position and cannot be reviewed again for the same allegation.

Section 3: Vacancies

1. If the position of President becomes vacant for any reason, the next succeeding position shall temporarily serve as President until a new President is elected by the student body.
2. If any other Cabinet position becomes vacant for any reason, the next succeeding position or temporary appointee of the President shall serve both roles until a new individual is appointed by the President and approved by a simple majority vote of Congress.
3. If a Representative position becomes vacant, the appointing party shall name a new appointee to fill the position.

ARTICLE IX: COMMITTEES

Section 1: Membership

1. All EUSGA committees shall be comprised of EUSGA Senators and Representatives.
2. Each Senator and Representative must join at least one standing committee.

Section 2: Meetings

1. All committee meetings shall be open to the public, unless otherwise designated by this Constitution, the EUSGA Bylaws, or the committee chair.
2. Minutes shall be recorded and shall be available upon request in the EUSGA office.
3. Scheduled committee meetings shall be mandatory for all committee members. If a committee member misses three or more meetings, he/she shall be reviewed by the Judicial Board.

Section 3: Organizational Review Committee

1. The Organizational Review Committee shall be chaired by the Vice President of Procedure.
2. The Organizational Review Committee shall review new group recognition requests, coordinate EUSGA presidential elections, evaluate EUSGA documents, and recommend constitutional amendments to Congress as needed.

Section 4: Finance Committee

1. The Finance Committee shall be chaired by the Vice President of Finance.

2. The Finance Committee shall hear general funds requests, conduct the annual budget process, and evaluate EUSGA fiscal procedures as needed.

Section 5: Public Relations Committee

1. The Public Relations Committee shall be chaired by the Director of Public Relations.
2. The Public Relations Committee shall recruit students to join the EUSGA Senate, advertise for EUSGA initiatives and events, and manage all EUSGA marketing and branding functions.

Section 6: Ad Hoc Committees

1. Ad Hoc Committees may be established at any time, following a proposal by any Congressman or Cabinet member and following a vote of approval by Congress.
2. Ad Hoc Committees shall be chaired by the calling Congressman, his/her designee, or a Cabinet member.
3. Ad Hoc Committees shall report their progress each week at the Congress meetings.
4. In the event that an Ad Hoc Committee requires any amount of funds, the committee chair shall request the funds to the greater Congress. A simple majority vote by Congress in favor of funding shall be required to allot funds.

ARTICLE X: EUSGA RECOGNIZED GROUPS

Section 1: Recognition of Groups

1. To become an EUSGA recognized group, or to regain recognition for an inactive group, the following process must be completed:
 - a. Complete the New Group Recognition form.
 - b. Present the suggested group during an Organizational Review Committee meeting, as scheduled by the Vice President of Procedure. A simple majority vote in favor of granting recognition is required by the Organizational Review Committee for the group to receive EUSGA-recognition.

Section 2: Requirements of Recognized Groups

1. To maintain EUSGA-recognition, all organizations must:
 - a. Be in compliance with the standards established in the organization's constitution; the EUSGA Constitution, Bylaws, and Fiscal Procedures; and all relevant Edinboro University policies and guidelines;
 - b. Maintain an active membership of at least two current Edinboro University students;
 - c. Have an Edinboro University faculty/staff member as an advisor;
 - d. Submit a valid constitution, roster of executive officers, and Advisor(s) Consent Form to the EUSGA Vice President of Procedure by the first Monday in October each year;
 - e. Have at least one student member present at all Recognized Group Meetings.
2. To maintain EUSGA-recognition, all club sports must:
 - a. Be in compliance with the standards established in the organization's constitution; the EUSGA Constitution, Bylaws, and Fiscal Procedures; and all relevant Edinboro University policies and guidelines;
 - b. Maintain an active membership of at least two current Edinboro University students;
 - c. Have an Edinboro University faculty/staff member as an advisor;

- d. Submit a valid constitution, roster of captains, roster of student members, and Advisor(s) Consent Form to the EUSGA Vice President of Procedure by the first Monday in October each year.
 - e. Have at least one student member present at all Recognized Group Meetings, when required by the Vice President of Procedure.
 - f. Maintain a current list of the group's events (both home and away) on BoroSync
 - g. Complete an online hazing form and participation release form for each member
 - h. Purchase and submit verification of insurance, if the group does not fall under EUSGA liability insurance
 - i. Follow all travel procedures as mandated by the Campus Life Office, in addition to University travel policies
 - j. Ensure that EMTs or athletic trainers are on site for home games, if required
 - k. Complete all additional requirements mandated by the Campus Life Office
3. To maintain EUSGA-recognition, all graduate organizations must:
- a. Be in compliance with the standards established in the organization's constitution; the EUSGA Constitution, Bylaws, and Fiscal Procedures; and all relevant Edinboro University policies and guidelines;
 - b. Maintain an active membership of at least two current Edinboro University students;
 - c. Have an Edinboro University faculty/staff member as an advisor;
 - d. Submit a valid constitution, roster of executive officers, and Advisor(s) Consent Form to the EUSGA Vice President of Procedure by the first Monday in October each year.
 - e. Have at least one student member present at all Recognized Group Meetings, when required by the Vice President of Procedure.
4. To maintain EUSGA-recognition, all programs must:
- a. Be in compliance with the standards established in the program's mission statement; the EUSGA Constitution, Bylaws, and Fiscal Procedures; and all relevant Edinboro University policies and guidelines;
 - b. Maintain two student committee members who are current Edinboro University students;
 - c. Have an Edinboro University faculty/staff member as an advisor;
 - d. Submit a valid mission statement; roster of members; and Advisor(s) Consent Form to the EUSGA Vice President of Procedure by the first Monday in October each year;
 - e. Have at least one student member present at all Recognized Group Meetings.
5. To maintain EUSGA-recognition, all events must:
- a. Be in compliance with the standards established in the program's mission statement; the EUSGA Constitution, Bylaws, and Fiscal Procedures; and all relevant Edinboro University policies and guidelines;
 - b. Maintain two student committee members who are current Edinboro University students;
 - c. Have an Edinboro University faculty/staff member as an advisor;
 - d. Submit a valid mission statement; roster of student members; and Advisor(s) Consent Form to the EUSGA Vice President of Procedure by the first Monday in October each year;
 - e. Have at least one student member present at all Recognized Group Meetings, when required by the Vice President of Procedure.

Section 3: Revocation of EUSGA-Recognition

1. Any group which fails to adhere to these requirements is subject to a period of probation at the discretion of the EUSGA Vice President of Procedure and with approval of the Organizational Review Committee by a $\frac{2}{3}$ majority vote.
2. The group shall be notified of the terms of the probationary period via electronic or written mail within 48 hours of the meeting in which the motion was made.
3. Any group that is placed on probation shall be required to complete all unfulfilled requirements within the period of time stated in the notification.
 - a. Any group which fails to fulfill these requirements will be subject to review by the Judicial Board, which may result in a loss of recognition.
4. Any remaining assets of groups that have lost recognition, including funds held in the group's EUSGA accounts, shall be held by EUSGA for a period of one year from the date of recognition loss.
 - a. If a group does not regain EUSGA recognition by the end of this period, its assets shall be forfeited to the EUSGA, unless written notification that the assets shall be distributed otherwise has been received from the advisor of the group.

ARTICLE XI: AMENDMENTS

1. Any member of the EUSGA may propose an amendment to this Constitution by submitting the amendment in writing to the EUSGA Vice President of Procedure.
2. All proposed amendments shall be reviewed by the Organizational Review Committee at the next regularly scheduled Organizational Review Committee meeting.
3. Once reviewed by the Organizational Review Committee, the proposal shall be presented by the Vice President of Procedure at the next two regularly scheduled Congress meetings.
4. Immediately following the second presentation of the proposed amendment, the proposal shall be voted upon by the Congress. A $\frac{2}{3}$ vote in favor of the proposed amendment is required for ratification of that amendment.
5. To amend the entire document and endure the existence of the EUSGA, one motion shall be made abolishing the existing Constitution and establishing the new Constitution.

ARTICLE XII: APPROVAL

This Constitution was approved by a $\frac{2}{3}$ vote of all present EUSGA Congress members on April 11, 2016. To be adopted on July 1, 2016.

SGA Executive Board Fall 2016

Name
Antoinette Jackson President president@edinborosga.com (814) 732-1476
Kyle Hurysz Vice President of Procedure procedure@edinborosga.com (814) 732-1477
Adam Amann Vice President of Finance finance@edinborosga.com (814) 732-1478
Christina Brendlinger Vice President of Student Interest studentinterest@edinborosga.com (814) 732-2910
Caleb Richardson III Director of Public Relations publicrelations@edinborosga.com (814) 732-2910
Leslie Colonello Secretary secretary@edinborosga.com (814) 732-2910



EDINBORO UNIVERSITY

RESOLUTION

Demolition of Chicken Coop at Porreco College (Erie campus)

To approve the demolition of the Chicken Coop located at Porreco College, 2951 West 38th Street, Erie, PA 16506.

WHEREAS, the condition of the Chicken Coop has deteriorated to an unsafe condition for occupancy and has become an attractive nuisance.

NOW, THEREFORE, BE IT RESOLVED, that we, the Council of Trustees, approve the undertaking of the demolition of the Chicken Coop at Porreco College.

As approved by action of the Council of Trustees during the quarterly meeting held on December 16, 2016, at Edinboro, Pennsylvania.

Dennis R. Frampton, Chairperson
Council of Trustees

Barbara C. Chaffee, Vice Chair
Council of Trustees

Daniel E. Higham, Secretary
Council of Trustees

Justification for the Demolition of the Chicken Coop at Porreco College

December 16, 2016

Background

The Chicken Coop is located at Porreco College and was acquired in 1987. Although the exact year of construction is not known, the building was likely used for many years as a working chicken coop, prior to Edinboro's ownership. The building is a single-story wood structure and has only been used by Edinboro University for miscellaneous storage. The building is currently unoccupied with a no entry order from the University's Office of Environmental Health and Safety. The total gross square footage of the building is 613 square feet.

Building Condition

The building has fallen into disrepair over the years, due to the lack of building maintenance, causing major structural deficiencies that render it unsafe. The deficiencies include the crumbling of the foundation, the partial collapse of the exterior wall, and a sagging roof. The building's door and windows have also become broken making it an attractive nuisance to neighborhood children (See attached pictures).

The University Office of Environmental Health and Safety has closed the building due to the unsafe structural conditions and ordered a fence installed. A fence has been installed around the perimeter of the building to restrict entry and to prevent future injury from the collapsing structural materials.

Renovation or Repairs

No renovations or repairs have been approved for this building.

Approval Process

If the Council of Trustees approves a Resolution, the Board of Governors will be informed at their January meeting of Edinboro University's intent to dispose of the Chicken Coop at Porreco College. Subsequently, an application will be made to the Department of General Services and the Pennsylvania Historical Commission according to the requirements of the PASSHE Facilities Manual.

Cost of Demolition and Timeline

The estimated cost of the demolition of the Chicken Coop is estimated at approximately \$3,000. This demolition would be completed in house by the Facilities Department. The Office of Environmental Health and Safety is also currently working with Millcreek Township to explore using the structure for exterior firefighting training, by the local fire department. This would result in the structure being burned to the ground and reducing the overall cost of the demolition.

The projected timeline for demolition after approval of the Department of General Services and the Pennsylvania Historical Commission would be the summer of 2017. The Office of Environmental Health and Safety has inquired about an emergency demolition permit due to the unsafe condition of the building and has been advised by PASSHE that no such provision exists. The demolition of this building will have to follow the Commonwealth's demolition and approval process.

Dilapidated Chicken Coop at Porreco College



Figure 1 - Overview of the crumbling foundation, sagging roof, and collapsing wall



Figure 2 – Additional view of the crumbling foundation, sagging roof, and collapsing wall



Figure 3 - Close-up view of the crumbling foundation and partially collapsed wall



Figure 4 - View of the dilapidated roof



Figure 5 - Overview of the Chicken Coop with fence installed



Figure 6 - Interior view showing the damaged structural supports and partially collapsed wall



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

- **New Business**
 - Finance and Administration** (Mr. Gil Brown, Vice President for Finance and Administration)
 - Information – Finance and Administration**
 - Finance and Administration Report**
 - EU Financial Statements and Supplementary Information for Years Ended June 30, 2016 and 2015**
 - Personnel transactions since October 24, 2016**

**Finance and Administration – Report
Edinboro University Council of Trustees
December 16, 2016**

Accounting and Finance

- ❖ CliftonAllenLarson (CLA) completion of audit of Athletic Department operations. Provided assessment of revenue and expenses to determine deficiencies.
- ❖ Completion of annual NCAA audit.
- ❖ PASSHE review and summary of External Grant/Contract Expenditures Report. PASSHE to prepare master report.
- ❖ Receipt of audited financial statements for years ended June 30, 2016 and 2015 for Edinboro University by CliftonLarsonAllen.
- ❖ Continued monitoring of SAP purchasing approvers to keep apprised of changes with financial managers. Enables current authorized financial managers to acquire and approve goods and services for their areas.
- ❖ Banner approving authority - working with the new Bursar to maintain the approval authorities needed for office operations.
- ❖ Increase in accounts payable processing since the initiation of SAP function of Goods Receipt which allows for electronic acknowledgement of delivered goods
- ❖ Provided Travel Management training to academic departments and fully implemented use of electronic request system for travel and reimbursement.

Budget

- ❖ Completed the 2015-2016 Porreco College Analysis. Worked with CliftonLarsonAllen (CLA) auditors to complete the Athletic audit.
- ❖ Working with ITS to streamline the Fiscal Year 2018 Budget Process for financial managers.
- ❖ Interviewed candidates for the analyst position to be shared between the Institutional Research and Budget Office.
- ❖ Planning a visit from PASSHE on the new Instructional Cost Model that is being developed by PASSHE. Edinboro is one of the first schools to have a demo of this new feature in Business Intelligence (BI).

Bursar

- ❖ Bursar's office has developed and automated process for placing financial holds to include an e-mail to the student at the time the hold is placed. Students will utilize the online E-bill process more to pay their bill and be more accustomed to e-mails from the Bursar's Office. Ultimate goal, more timely payments and reduced accounts receivable.
- ❖ Also automated process for the removal of financial holds when balances are paid in full. Process runs three (3) times per day and e-mails the student that the hold has been removed. Students will receive an e-mail, know that their payment was posted and schedule for the subsequent term.
- ❖ Over \$600,000 in aged receivables from Spring 2016 were sent to the Attorney General (AG) for collection. Over \$200,000 receivables from Summer 2016 are in aging process.
- ❖ \$2.9 million in aged receivables at outside collection agencies is being reviewed and referred for one last collection effort. Any money collected from this population is a bonus. After these accounts are returned from the AG the balances are written off.
- ❖ E-mails and phone calls to the Bursar area are reviewed and responses remitted daily. Students and families will obtain accurate and efficient information, bills will be paid and accounts receivable will decrease.

Environment, Health and Safety (EHS)

- ❖ Automated External Defibrillators (AED)
 - AED in every occupied building.
 - AEDs are designed to be used by the public. They provide pictograms and verbal instructions regarding how to use.
 - EHS is offering free hands-only CPR (CardioPulmonary Resuscitation) training for anyone interested in learning CPR and how to use the AED.
- ❖ University Safety Committee
 - Establishment of committee brings union personnel and management together in a non-adversarial, cooperative effort to promote safety and health at the University.
 - The committee will assist the Office of Environmental Health and Safety in routinely identifying health and safety related issues and recommend solutions.
- ❖ Safety Inspection conducted in Pogue Student Center, Zafirovski Sports Dome and Van Houten Dining Hall
 - 94 hazards identified; 31 corrected
- ❖ Hazardous Waste
 - Currently conducting hazardous waste cleanup of old paint and chemicals that are no longer used in the Facilities department. This is done to prevent spills, chemical exposure, and fires.

Human Resources/Faculty Relations/Payroll

- ❖ New Clerk Typist II to begin in January, 2017
- ❖ 2017 Deferred Holiday Schedule has been finalized and has been disseminated to all employees.
- ❖ Administrative Office closing will take place December 23, 2016 through January 2, 2017.
- ❖ Temporary Faculty Continuation Contracts – With the spring 2017 semester, the handling of temporary faculty continuations has changed to reduce contract creation and processing by Human Resources Office and other stakeholders. This process provides earlier notification to temporary faculty member of their continuation; reduces paper handling in the dean's offices, provost office and human resources office; earlier awareness of separations to minimize impact of summer non-eligible health benefit contributions; and potentially reducing unemployment compensation paid with earlier notification of reasonable assurance of continuation.
- ❖ Streamlining Student Clearance Process – With the fall 2016 semester, Human Resources instituted a process to notify student worker supervisors monthly of unfinished clearances for students under their supervision. This formal process is proving to be beneficial to ensure compliance with Edinboro University Policy G021, Criminal Background Screening Procedures.

Information Technology Services (ITS)

- ❖ Center for Faculty Excellence (CFE) & ITS Professors Integrating Technology Event held on October 26. Several ITS Learning Technology Systems team members presented sessions; all assisted with the development and facilitation of the event.
- ❖ Hosted the annual regional C-CUE (Consortium for Computing in Undergraduate Education) Meeting with representatives from 15 universities on October 14. C-CUE is a regional

**Finance and Administration – Report
Edinboro University Council of Trustees
December 16, 2016**

association of colleges and universities committed to developing and expanding the appropriate use of computing and other information technologies.

- ❖ Piloting new “Casting” solution in Cooper that will allow any device to wirelessly connect to the screen/projector. Proliferation of mobile devices from which content may be displayed to students.
- ❖ MAC updates/operational efficiencies: Installed Munki to assist with managing Mac OS X software installs. Implemented Autopkg which allows for automatic downloads of 3rd party software such as Adobe flash, MS Office, and Chrome for client deployment. Configured caching server to store all Apple/Mac, iPad/iPhone software updates for clients on our network. Munki and Autopkg are open source software that allows for remote updating and installation of Mac software across campus. It allows for remote patch management and Apple Software updates. Also installed add-on reporting module for enhanced monitoring and management capabilities.
- ❖ Low cost windows tablet deployment experiment in progress. Ghering Health Center needed seven low cost tablets to use in office. Nextbooks, available for under \$200 were purchased. Creating/deploying images for these unique devices over the network has been challenging, but so far successful. There are 7 of these Win 10 tablets going to Ghering and 10 that have been already deployed to the Library.
- ❖ In the Pogue Center, moved all ITS equipment to new Business Continuity closet. The new location is much more secure and has better electrical and HVAC capabilities. Re-wired and re-engineered connectivity.
- ❖ Pogue Center WiFi Upgrade. SGA funded project. Modernize WiFi network in response to student demand.

Institutional Research (IR)

- ❖ Using predictive analytics, provided data for informed decision regarding admissions standards.
- ❖ Initiated discussion of assessment plans for Finance and Administration and Student Affairs using appreciative inquiry.
- ❖ Matthew Cettin attended the state IR conference as well as a meeting of the alumni survey working group.
- ❖ Completed and submitted state files and also performed some assessment work.

Purchasing

- ❖ Successfully bid out and awarded contract for printing and mailing services for Undergraduate Admissions office. Services will afford the Admissions office to contact potential students on a continual and timely basis.
- ❖ Purchase of new state-of-the art birthing simulator for the Nursing Department. This purchase will equip the EU Nursing Department with the most life-like birthing simulator to be used in baccalaureate, masters and doctoral programs
- ❖ The Purchasing and Accounting departments held a training session with the Facilities department. This training session provided facilities personnel with the information needed regarding purchasing rules and regulations.
- ❖ Purchase of taser equipment for use by the EU Police department. The purchase of this equipment provides the department with an additional option within their already established use of force continuum.

**Finance and Administration – Report
Edinboro University Council of Trustees
December 16, 2016**

University Police

- Implemented the on-line Campus Security Authority (CSA) training for those designated by Clery Act and University policy to hold this role. Federal law requires that CSA's are trained regarding their responsibilities.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2016 AND 2015

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
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INDEPENDENT AUDITORS' REPORT

Council of Trustees
Edinboro University of Pennsylvania
of the State System of Higher Education
Edinboro, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Edinboro University of Pennsylvania of the State System of Higher Education (the University), as of June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the discretely presented component units, Edinboro University Foundation, Edinboro University of Pennsylvania Student Government Association, Edinboro University Services, Inc., and Edinboro University of Pennsylvania Alumni Association, which collectively represent 100% of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the discretely presented component units is based solely on the report of other auditors. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

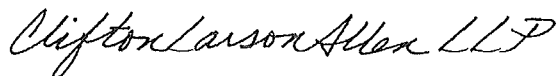
Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress for the System Plan and the REHP (OPEB) and the Schedules of Proportionate Share of Pension Liability and Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 31, 2016

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015**

Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of financial results of Edinboro University of Pennsylvania of the State System of Higher Education (the University) for the years ended June 30, 2016, 2015, and 2014. The University's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow and should be read in conjunction with the financial statements and accompanying notes.

Edinboro University is a public university of the Commonwealth of Pennsylvania (Commonwealth). The University is one of fourteen member institutions comprising the Pennsylvania State System of Higher Education (State System) the purpose of which is to provide high quality education at the lowest possible cost to its students. With 6,550 students enrolled in fall 2015 the University ranked 10th in size within the State System in fiscal year 2015-16. The University had 6,837 students enrolled in the fall of 2014 and ranked 9th in size within the State System.

Like all State System institutions the University functions independently, but being part of the State System enables the University to benefit from economies of scale for shared services and key central systems and administrative support.

Following is an overview of the University's financial activities for the years ended June 30, 2016, 2015, and 2014.

Financial Highlights

- As a public institution of higher education the University receives state appropriations to support its operations. These appropriations are allocated by the State System out of the total Commonwealth appropriation for all State System member institutions. In fiscal year 2011-12 the Commonwealth appropriation to the State System was reduced by \$90.6 million or 18.0% and held constant at \$412.8 million per year for four fiscal years. In fiscal year 2015-16 the total Commonwealth base allocation to the State System was increased by 5% to \$433.4 million.
- State appropriations by the Commonwealth to the University increased by 3.4% in fiscal year 2015-16. Appropriation levels are determined by two primary means:
 - The majority of Commonwealth funding to the University is based on an allocation formula established by the State System's Board of Governors. In fiscal year 2015-16, the University received approximately \$24.45 million in funding through the allocation formula, which was a 3.3% increase from the \$23.68 million received in fiscal year 2014-15.
 - The University also receives an allocation of Commonwealth funding based on achieving performance targets. This performance funding is part of the State System's continuing commitment to ensure the high quality of university programs, and financially rewards universities based on performance in such areas as student achievement, diversity, and stewardship. In fiscal 2015-16 the University received \$2.10 million in performance funding, which was a 5.5% increase from fiscal year 2014-15 when the University received \$2.00 million in performance funding.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015**

- The State System Board approved a tuition rate increase of 2.5% for resident and 2.5% out-of-state students at the undergraduate level for fiscal year 2015-16; the increase for 2014-15 was 3.0%.
- Total operating revenues were \$69.1 million in fiscal year 2015-16 representing a 7.4% increase compared to \$70.2 million in fiscal year 2014-15. Of this total, tuition and fee revenue (net of discounts) was \$43.5 million for fiscal year 2015-16 and \$42.9 million for fiscal year 2014-15. Revenue from auxiliary operations was \$15.2 million for fiscal year 2015-16 and \$16.1 million for fiscal year 2014-15, a decrease of 5.3%. Auxiliary enterprise revenues are generated primarily from room and food service charges.

The Financial Statements

Balance Sheet (Statement of Net Position)

This statement reports the balances of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the net position of the University as of fiscal year end. Assets include cash; investments reported at fair market value; the value of outstanding receivables due from students and other parties; and land, buildings, and equipment reported at cost, less accumulated depreciation. Deferred outflows of resources, which is defined as a consumption of net position that applies to future periods, includes deferred losses on refunding of debt and certain items associated with the net pension liability and annual pension expense. Liabilities include payments due to vendors and students; the balance of bonds payable; and liabilities such as worker's compensation (the University is self-insured), compensated absences (the value of sick and annual leave earned by employees), and postretirement benefits (health and tuition benefits expected to be paid to current and future retirees). Deferred inflows of resources, which is defined as an acquisition of net position that applies to future periods, includes deferred gains on refunding of debt and certain items associated with the net pension liability and annual pension expense. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as net position.

In FY 2014-15 the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the University to report its share of the pension liability that the Commonwealth of Pennsylvania State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS) must record. The liability recorded in FY 14/15 amounted to \$50.5 million for SERS and \$3.4 million for PSERS. In FY 2015-16 these liabilities were \$60.4 million for SERS and \$2.6 million for PSERS.

The net position of the University decreased by \$9.39 million in fiscal year 2015-16, much of it due to declining enrollment. Unrestricted net position, including both the current and plant funds – assets that can be used to finance day to day operations without constraints and restrictions – decreased from (\$92.2 million) at the end of fiscal year 2014-15 to (\$100.7 million) at the end of fiscal year 2015-16.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015**

Edinboro University of Pennsylvania of the State System of Higher Education

Balance Sheet - Primary Institution

June 30, 2016, 2015, and 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets	\$ 57,297,161	\$ 58,519,687	\$ 57,476,696
Noncurrent Assets			
Capital Assets, Net	51,106,026	54,479,040	59,123,743
Other Noncurrent Assets	<u>14,907,461</u>	<u>15,312,084</u>	<u>14,881,143</u>
Total Assets	123,310,648	128,310,811	131,481,582
Deferred Outflows of Resources	<u>12,940,088</u>	<u>4,815,031</u>	<u>-</u>
Total Assets and Deferred			
Outflows of Resources	<u>\$ 136,250,736</u>	<u>\$ 133,125,842</u>	<u>\$ 131,481,582</u>
LIABILITIES, DEFERRED INFLOWS			
OF RESOURCES, AND NET POSITION			
Current Liabilities	\$ 15,132,609	\$ 14,382,522	\$ 18,729,145
Noncurrent Liabilities:			
Long-Term Debt	25,198,655	28,178,882	29,096,713
OPEB and Compensated Absences	88,633,636	83,724,036	75,732,819
Pension Liability	63,009,604	53,844,370	-
Other Noncurrent Liabilities	<u>4,183,382</u>	<u>4,646,573</u>	<u>5,072,112</u>
Total Liabilities	196,157,886	184,776,383	128,630,789
Deferred Inflows of Resources	2,226,376	1,089,063	18,348
NET POSITION			
Net Investment In Capital Assets	21,839,281	22,847,929	24,919,961
Restricted	16,810,622	16,632,137	15,419,130
Unrestricted	<u>(100,783,429)</u>	<u>(92,219,670)</u>	<u>(37,506,646)</u>
Total Net Position	<u>(62,133,526)</u>	<u>(52,739,604)</u>	<u>2,832,445</u>
Total Liabilities, Deferred Inflows			
of Resources, and Net Position	<u>\$ 136,250,736</u>	<u>\$ 133,125,842</u>	<u>\$ 131,481,582</u>

- Net investment in capital assets is the cost of land, buildings, improvements, equipment, furnishings, and library books, net of accumulated depreciation and less any associated debt such as bonds payable. This balance is not available for the University's use in ongoing operations, since the underlying assets would have to be sold in order to use the balance to pay current or long-term obligations. The Commonwealth prohibits the State System from selling university land and buildings without prior approval.
- Restricted net position represents the balances of funds received from the Commonwealth, donors, or grantors who have placed restrictions on the purpose for which the funds must be spent. Nonexpendable restricted net position represents corpuses of endowments and similar arrangements in which only the associated investment income can be spent. Expendable restricted net position is available for expenditure as long as any external purpose and time restrictions are met.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015**

- Unrestricted net position includes all other funds not appropriately classified as restricted or invested in capital assets. Unrestricted net position has been reduced primarily by three unfunded liabilities:
 1. The liability for postretirement benefits is realized gradually over time, and because of its size, the University funds it only as it becomes due.
 2. The liability for compensated absences is similar to the postretirement benefits liability as cash payouts to employees upon termination or retirement for annual and sick leave balances are realized gradually over time, and because of its size, the University funds it only as it become due.
 3. The net pension liability is similar to the liabilities for postretirement benefits and compensated absences in that the University funds this liability on a "pay-as-you-go" basis with annual contractually required contributions to the State Employees Retirement System (SERS) and the Public School Employees Retirement System (PSERS).

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015**

Edinboro University of Pennsylvania of the State System of Higher Education
Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution
Years Ended June 30, 2016, 2015, and 2014

	2016	2015	2014
OPERATING REVENUES			
Tuition and Fees, Net	\$ 43,515,871	\$ 42,932,668	\$ 38,551,945
Governmental Grants and Contracts:	8,291,174	9,262,576	9,529,676
Sales and Services of Educational Departments, Net	1,541,485	1,394,838	1,214,686
Auxiliary Enterprises	15,203,838	16,056,755	16,771,280
Other Revenues	542,199	571,038	990,752
Total Operating Revenues	<u>69,094,567</u>	<u>70,217,875</u>	<u>67,058,339</u>
NONOPERATING REVENUES			
State Appropriations, General and Restricted	26,562,695	25,681,805	24,963,085
Pell Grants	10,097,259	11,463,115	11,247,724
Gifts for Other than Capital Purposes	3,923,340	3,961,741	3,218,948
Investment Income, Net	358,366	1,463,486	2,439,464
Other Nonoperating Revenue	268,713	455,314	145,035
Total Nonoperating Revenues	<u>41,210,373</u>	<u>43,025,461</u>	<u>42,014,256</u>
OTHER REVENUES			
Capital Gifts and Grants	125,530	114,894	2,000
State Appropriations, Capital	991,708	846,912	884,857
Total Other Revenues	<u>1,117,238</u>	<u>961,806</u>	<u>886,857</u>
Total Revenues	<u>111,422,178</u>	<u>114,205,142</u>	<u>109,959,452</u>
OPERATING EXPENSES			
Instruction	47,102,715	47,462,749	46,812,129
Academic Support	11,894,187	11,019,782	10,188,458
Student Services	12,523,070	12,042,214	11,616,756
Institutional Support	14,357,640	13,627,522	14,054,339
Operations and Maintenance of Plant	9,917,930	8,516,296	9,747,964
Depreciation	5,064,896	6,062,470	6,640,513
Auxiliary Enterprises	12,601,256	14,843,485	14,963,698
Other Operating Expenses	6,650,521	6,760,979	992,495
Total Operating Expenses	<u>120,112,215</u>	<u>120,335,497</u>	<u>115,016,352</u>
NONOPERATING EXPENSES			
Interest Expense on Capital Asset-Related Debt	703,885	956,633	1,359,372
Total Expenses	<u>120,816,100</u>	<u>121,292,130</u>	<u>116,375,724</u>
CHANGE IN NET POSITION	(9,393,922)	(7,086,988)	(6,416,272)
Net Position - Beginning of Year	(52,739,604)	2,832,445	9,248,717
Restatement for July 1, 2014, Pension Liability and Related Expense	-	(48,485,061)	-
Net Position - Beginning of Year, as Restated, See Note 1	<u>(52,739,604)</u>	<u>(45,652,616)</u>	<u>9,248,717</u>
NET POSITION - END OF YEAR	<u><u>\$ (62,133,526)</u></u>	<u><u>\$ (52,739,604)</u></u>	<u><u>\$ 2,832,445</u></u>

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015**

Statement of Revenues, Expenses, and Changes in Net Position

This statement reports the revenues earned and the expenses incurred in the fiscal year. The result is reported as an increase or decrease in net position. In accordance with Governmental Accounting Standards Board (GASB) requirements, the University has classified revenues and expenses as either operating or non-operating. GASB has determined that all public colleges' and universities' state appropriations are non-operating revenues. In addition, GASB requires classification of Pell grants, gifts, investments income and expenses, and losses on disposals of assets as non-operating. The University classifies all of its remaining activities as operating.

Utilizing these definitions, the University realized operating losses of \$51.0 million in fiscal year 2015-16, \$50.1 million in fiscal year 2014-15, and \$47.9 million in fiscal year 2013-14. In fiscal year 2015-16 compared to the prior year, operating revenues decreased by \$1.1 million and program expenses decreased by \$223k.

Non-operating revenues decreased in fiscal year 2015-16 due largely to decreases in Pell Grants (\$1.36 million) and Investment income (\$1.105 million). The reduction to investment income was mostly due to an unrealized loss on investments of \$478k.

The combination of operating and non-operating activity resulted in Income (Loss) Before Other Revenues of (\$10.5) million in fiscal year 2015-16 and (\$8.0 million) in fiscal year 2014-15. Capital revenues of \$1.1K in fiscal year 2015-16 and \$962K in fiscal year 2014-15 yielded Changes in Net Position (losses) of (\$9.4 million) and (\$7.1 million), respectively. The University's net position across all fund categories at the end of fiscal year 2015-16 was (\$62.1 million).

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015**

Edinboro University of Pennsylvania of the State System of Higher Education

Statement of Cash Flows - Primary Institution

Years Ended June 30, 2016, 2015, and 2014

	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES	\$ (38,574,694)	\$ (37,636,310)	\$ (34,272,612)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	40,646,483	41,168,696	39,525,408
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	(3,782,289)	(3,906,857)	(5,480,064)
CASH FLOWS FROM INVESTING ACTIVITIES	(95,269)	940,012	573,184
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,805,769)	565,541	345,916
Cash and Cash Equivalents - Beginning	53,361,714	52,796,173	52,450,257
CASH AND CASH EQUIVALENTS - ENDING	\$ 51,555,945	\$ 53,361,714	\$ 52,796,173

Statement of Cash Flows

This statement's primary purpose is to provide relevant information about the cash receipts and cash payments of the University. It may be used to determine the University's ability to generate future net cash flows and meet its obligations as they come due, as well as its possible need for external financing.

GASB defines four major sources of cash flows:

- Cash flows from operating activities (student related revenues, payments to suppliers, employees, etc.)
- Cash flows from non-capital financing activities (state appropriations, gifts, non-operating grants, student loan processing, etc.)
- Cash flows from capital financing activities (capital appropriations, leases, debt, purchases and sales of assets, etc.)
- Cash flows from investing activities (proceeds from sales of investments, interest on investments, purchase of investments, etc.)

Cash decreased by \$1.806 million in fiscal year 2015-16 after an increase of \$566K in fiscal year 2014-15. Cash used by operating activities (\$38.6 million), and cash used by capital financing activities (\$3.8 million), were offset by inflows from noncapital financing activities of \$40.6 million. Investing activities consumed \$95K in cash.

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015

Future Economic Factors

Several conditions could limit the University's financial flexibility in fiscal year 2016-2017 and beyond:

1. State Appropriations – Given ongoing economic pressures in Pennsylvania, it is possible that Commonwealth appropriations to the State System will be flat or declining on a real (inflation-adjusted, and per student) basis for the next several years.
2. Increasing competition for traditional student enrollments – After several years of annual declines, the region served by Edinboro University is projected to experience increases in the numbers of high school graduates beginning in fiscal year 2016-17. Adjacent states and other areas of Pennsylvania expect continuing declines in the number of high school graduates. Competition among both public and private colleges and universities to maintain or increase enrollment levels will continue to grow under these circumstances, requiring the University to make significant marketing, scholarship and program investments to maintain or build enrollment levels.
3. New business models – Like an increasing number of public colleges and universities, Edinboro University relies largely on tuition and fee revenues to support its operations and must compete successfully for enrollments in multiple student markets including traditional residential undergraduate, graduate, online and nontraditional student markets.
4. Facilities maintenance and upgrades – While the condition of the University's physical plant is very good, a significant portion of the University's available fund balance will be needed to support planned facility major maintenance in the future.
5. Increased costs for salaries and benefits mandated by collective bargaining agreements – Fiscal year 2014-15 was the final year of current collective bargaining agreements for University faculty, who worked without a new contract throughout fiscal year 2015-16. These multi-year contracts are negotiated by the State System or the Commonwealth; the historical financial impact has been a continuing increase in compensation levels (salaries and benefits) not tied to growth or contraction in the revenues and appropriations realized by the University. Because compensation constitutes such a significant portion of operating costs, if Edinboro University fails to increase revenues as compensation costs increase, it may be necessary to reduce staffing levels.
6. Increases in employer retirement contributions – While employer retirement contribution rates had held steady for many years, the era of low and relatively stable employer contribution rates for the State Employee Retirement System (SERS) ended starting in fiscal year 2010-11. Due to the current economic environment, retirement enhancements previously enacted by the state legislature, decisions by the SERS Board to defer funding obligations, and previous investment losses, rates are projected to rise significantly over the next several years.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016 AND 2015**

7. Increased health care costs – As has occurred at the national level, health care costs for the University have increased significantly in recent years and are projected to increase further, albeit at a slower rate. Beginning with fiscal year 2005-06, State System employees (including those of the University) began to contribute to the cost of health care. The State System also implemented a Health Care Cost containment Committee to study ways to contain costs while providing quality services to employees. During fiscal year 2015-16, nonrepresented (management) employee contributions to health care coverage increased and plans were modified to decrease costs. These plan modifications are projected to yield net cost decreases to the State System and University going forward.

8. Highlands Advanced Refunding – As the fiscal year ended, the University was in the process of an advanced refunding of the Highlands bonds and eventual assumption of the debt and assets. A transfer of the property is expected to take place resulting in a significant savings in debt service over the life of the bonds.

The factors mentioned above could reduce the University's flexibility beginning in the current fiscal year and might necessitate alternative and less costly methods of providing some support services. The University is currently exploring various options for streamlining administrative support functions and leveraging partnerships with other State System institutions to develop more cost-effective shared service delivery models.

Request for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

(Mr.) Guilbert Brown
Vice President for Administration & Finance
Reeder Hall, 2nd Floor
Edinboro University
Edinboro PA 16444

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
BALANCE SHEETS – PRIMARY INSTITUTION
JUNE 30, 2016 AND 2015**

	2016	2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 51,555,945	\$ 53,361,714
Accounts Receivable:		
Governmental Grants and Contracts	224,532	213,846
Students, Net of Allowance for Doubtful Accounts of \$4,113,082 in 2016 and \$3,671,041 in 2015	2,818,635	2,686,288
Gifts	92,319	93,137
Other	935,461	960,239
Investment Income Receivable	9,794	11,970
Inventory	55,815	55,961
Prepaid Expenses	395,037	190,011
Loans Receivable	637,947	195,407
Due from Component Units	571,676	751,114
Total Current Assets	57,297,161	58,519,687
NONCURRENT ASSETS		
Endowment Investments	13,367,711	12,911,900
Loans Receivable	1,439,986	2,103,884
Capital Assets, Net	51,106,026	54,479,040
Due from Component Units	99,764	204,989
Other Assets	-	91,311
Total Noncurrent Assets	66,013,487	69,791,124
 Total Assets	 123,310,648	 128,310,811
DEFERRED OUTFLOWS OF RESOURCES	 12,940,088	 4,815,031
 Total Assets and Deferred Outflows of Resources	 \$ 136,250,736	 \$ 133,125,842

See accompanying Notes to Financial Statements.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
BALANCE SHEETS – PRIMARY INSTITUTION (CONTINUED)
JUNE 30, 2016 AND 2015**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2016	2015
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 8,523,504	\$ 8,423,212
Unearned Revenue	2,430,516	2,537,240
Students' Deposits	183,622	137,926
Workers' Compensation	222,809	231,768
Compensated Absences and Postretirement Benefits Obligations	412,567	850,962
Current Portion of Bonds Payable, Net	2,416,095	1,357,452
Due to Component Units	172,411	178,152
Due to State System, Academic Facilities Renovation Bond Program (AFRP)	378,762	333,936
Other Current Liabilities	392,323	331,874
Total Current Liabilities	15,132,609	14,382,522
NONCURRENT LIABILITIES		
Unearned Revenue	85,347	692
Workers' Compensation	207,966	240,854
Compensated Absences and Postretirement Benefits Obligations	88,633,636	83,724,036
Net Pension Liability	63,009,604	53,844,370
Bonds Payable	25,198,655	28,178,882
Due to State System, AFRP	1,556,523	2,149,447
Other Noncurrent Liabilities	2,333,546	2,255,580
Total Noncurrent Liabilities	181,025,277	170,393,861
Total Liabilities	196,157,886	184,776,383
DEFERRED INFLOWS OF RESOURCES	2,226,376	1,089,063
NET POSITION		
Net Investment in Capital Assets	21,839,281	22,847,929
Restricted:		
Nonexpendable:		
Scholarships and Fellowships	6,739,474	6,298,138
Other	437,297	509,236
Expendable:		
Scholarships and Fellowships	6,987,201	8,193,733
Capital Projects	1,679,955	772,622
Other	966,695	858,408
Unrestricted	(100,783,429)	(92,219,670)
Total Net Position	(62,133,526)	(52,739,604)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 136,250,736	\$ 133,125,842

See accompanying Notes to Financial Statements.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
OPERATING REVENUES		
Tuition and Fees	\$ 62,090,861	\$ 61,919,955
Less: Scholarship Discounts and Allowances	18,574,990	18,987,287
Net Tuition and Fees	43,515,871	42,932,668
Governmental Grants and Contracts:		
Federal	727,821	841,559
State	7,563,353	8,421,017
Nongovernmental Grants and Contracts	114,953	113,506
Sales and Services of Educational Departments, Net	1,541,485	1,394,838
Auxiliary Enterprises	15,203,838	16,056,755
Other Revenues	427,246	457,532
Total Operating Revenues	69,094,567	70,217,875
OPERATING EXPENSES		
Instruction	47,102,715	47,462,749
Research	189,608	89,304
Public Service	63,358	43,826
Academic Support	11,894,187	11,019,782
Student Services	12,523,070	12,042,214
Institutional Support	14,357,640	13,627,522
Operations and Maintenance of Plant	9,917,930	8,516,296
Depreciation	5,064,896	6,062,470
Student Aid	6,397,555	6,627,849
Auxiliary Enterprises	12,601,256	14,843,485
Total Operating Expenses	120,112,215	120,335,497
OPERATING LOSS	(51,017,648)	(50,117,622)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations, General and Restricted	26,562,695	25,681,805
Commonwealth On-behalf Contributions to PSERS	256,617	314,445
Pell Grants	10,097,259	11,463,115
Gifts for Other than Capital Purposes	3,923,340	3,961,741
Interest Expense on Capital Asset-Related Debt	(703,885)	(956,633)
Investment Income, Net of Related Investment		
Expense of \$106,854 in 2016 and \$121,589 in 2015	358,366	1,463,486
Other Nonoperating Revenue	82,166	125,488
Gain (Loss) on Disposal of Assets	(70,070)	15,381
Nonoperating Revenues, Net	40,506,488	42,068,828
LOSS BEFORE OTHER REVENUES	(10,511,160)	(8,048,794)
OTHER REVENUES		
Capital Gifts and Grants	125,530	114,894
State Appropriations, Capital	991,708	846,912
Total Other Revenues	1,117,238	961,806
CHANGE IN NET POSITION	(9,393,922)	(7,086,988)
Net Position - Beginning of Year	(52,739,604)	2,832,445
Restatement for GASB 68, Pension Liability and Related Expense	-	(48,485,061)
Net Position - Beginning of Year, as Restated	(52,739,604)	(45,652,616)
NET POSITION - END OF YEAR	\$ (62,133,526)	\$ (52,739,604)

See accompanying Notes to Financial Statements.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Tuition and Fees	\$ 43,561,145	\$ 37,040,445
Grants and Contracts	8,260,135	9,354,309
Payments to Suppliers for Goods and Services	(24,239,539)	(23,355,444)
Payments to Employees	(77,686,038)	(77,512,144)
Loans Issued to Students	(149,675)	(288,462)
Loans Collected from Students	371,033	261,440
Student Aid	(6,397,555)	(735,117)
Auxiliary Enterprise Charges	15,136,853	16,036,225
Sales and Services of Educational Departments	1,737,249	1,267,078
Other Operating Receipts	831,698	295,360
Net Cash Used by Operating Activities	(38,574,694)	(37,636,310)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	26,562,695	25,681,805
Gifts for Other than Capital Purposes	14,021,417	15,439,856
PLUS, Stafford, and Other Loans Receipts (Non-Perkins)	56,112,699	57,988,405
PLUS, Stafford, and Other Loans Disbursements (Non-Perkins)	(56,112,699)	(57,988,405)
Agency Transactions	(19,796)	(78,453)
Other	82,167	125,488
Net Cash Provided by Noncapital Financing Activities	40,646,483	41,168,696
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from Capital Debt and Leases	-	18,301,520
Capital Appropriations	991,708	846,912
Capital Gifts and Grants Received	125,530	114,894
Proceeds from Sales of Capital Assets	12,908	15,381
Purchases of Capital Assets	(1,774,860)	(1,417,767)
Principal Paid on Debt including AFRP	(1,905,550)	(19,684,017)
Interest Paid on Debt	(1,232,025)	(2,083,780)
Net Cash Used by Capital Financing Activities	(3,782,289)	(3,906,857)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	2,174,086	10,379,508
Interest Income	839,091	1,550,102
Purchase of Investments	(3,108,446)	(10,989,598)
Net Cash Provided (Used) by Investing Activities	(95,269)	940,012
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,805,769)	565,541
Cash and Cash Equivalents - Beginning	53,361,714	52,796,173
CASH AND CASH EQUIVALENTS - ENDING	\$ 51,555,945	\$ 53,361,714

See accompanying Notes to Financial Statements.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION (CONTINUED)
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (51,017,648)	\$ (50,117,622)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	5,064,896	6,062,470
PSERS Contributions Paid by the Commonwealth	256,617	314,445
Changes in Assets and Liabilities:		
Receivables, Net	(23,915)	(610,519)
Inventories	146	18,818
Other Assets	76,608	218,806
Accounts Payable and Accrued Expenses	109,662	177,699
Unearned Revenue	(22,069)	268,817
Students' Deposits	45,696	83,883
Compensated Absences	238,840	(103,335)
Loans to Students	221,358	(27,022)
Other Liabilities including Workers' Compensation	6,475,115	6,077,250
Net Cash Used by Operating Activities	\$ (38,574,694)	\$ (37,636,310)

See accompanying Notes to Financial Statements.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF FINANCIAL POSITION – COMPONENT UNITS
JUNE 30, 2016 AND 2015**

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,942,321	\$ 4,624,370
Trustee Held Fund	168,415	168,415
Accounts Receivable	106,182	221,767
Inventory	644,951	696,308
Prepaid Expenses	48,758	54,705
Due from University	160,991	227,390
Other Current Assets	2,463,181	2,848,456
Total Current Assets	7,534,799	8,841,411
NONCURRENT ASSETS		
Endowment Investments	22,092,846	21,432,276
Trustee Held Funds	17,728,389	17,274,476
Capital Assets, Net	86,196,317	89,752,727
Deferred Financing Costs	681,745	714,091
Other Assets	1,018,925	592,867
Total Noncurrent Assets	127,718,222	129,766,437
Total Assets	\$ 135,253,021	\$ 138,607,848
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 5,452,671	\$ 5,304,491
Other Current Liabilities	228,640	305,363
Total Current Liabilities	5,681,311	5,609,854
NONCURRENT LIABILITIES		
Funds under Investment Management for Edinboro University of Pennsylvania	13,689,521	13,342,947
Other Noncurrent Liabilities	112,708,750	114,415,119
Total Noncurrent Liabilities	126,398,271	127,758,066
Total Liabilities	132,079,582	133,367,920
NET ASSETS		
Unrestricted	(7,338,426)	(5,004,234)
Temporarily Restricted	2,667,898	2,905,520
Permanently Restricted	7,843,967	7,338,642
Total Net Position	3,173,439	5,239,928
Total Liabilities and Net Assets	\$ 135,253,021	\$ 138,607,848

See accompanying Notes to Financial Statements.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF ACTIVITIES – COMPONENT UNITS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES AND OTHER ADDITIONS		
Rental Income	\$ 12,859,440	\$ 12,433,265
University Store and Services	3,531,300	3,802,230
Net Assets Released from Restrictions	1,494,974	1,457,423
Student Activity Fees	943,716	1,076,340
Other Revenues	631,422	1,125,505
Contributions	8,988	293,030
Unrealized Gain on Investments	42,876	3,155
Investment Income	153,180	63,109
Total Revenues and Other Additions	19,665,896	20,254,057
EXPENSES AND OTHER DEDUCTIONS		
Program Expenses	17,181,589	17,627,555
University Store	2,497,490	2,653,974
Supporting Services Expenses	1,539,529	1,449,713
Management and General	658,295	703,803
Special Activities	1,388	3,608
Scholarships	65,150	57,400
Other Expenses	56,647	30,098
Total Expenses and Other Deductions	22,000,088	22,526,151
Decrease in Unrestricted Net Assets	(2,334,192)	(2,272,094)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions and Support	1,478,839	972,528
Investment Income	172,898	329,812
Unrealized Gain on Investments	(373,424)	(173,727)
Other Reductions, Net	(20,961)	(20,957)
Satisfaction of Donor Restrictions	(1,494,974)	(1,181,828)
Decrease in Temporarily Restricted Net Assets	(237,622)	(74,172)
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Contributions	510,089	115,661
Other Changes, Net	(4,764)	46,878
Satisfaction of Donor Restrictions	-	(275,595)
Increase (Decrease) in Permanently Restricted Net Assets	505,325	(113,056)
DECREASE IN NET ASSETS	(2,066,489)	(2,459,322)
Net Assets - Beginning of Year	5,239,928	7,699,250
NET ASSETS - END OF YEAR	\$ 3,173,439	\$ 5,239,928

See accompanying Notes to Financial Statements.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Edinboro University of Pennsylvania of the State System of Higher Education (the University), a public four-year institution located in Edinboro, Pennsylvania, was founded in 1857. The University is one of fourteen universities of the Pennsylvania State System of Higher Education (State System). The State System was created by the State System of Higher Education Act of November 12, 1982, P.L. 660, No. 188, as amended (Act 188). The State System is a component unit of the Commonwealth of Pennsylvania (the Commonwealth).

The Commonwealth determines the State appropriation allocated to the State System. The State System determines the allocation to each University from the state appropriated amount. Tuition rates are set by the Board of Governors of the State System, for all fourteen member universities. Labor agreements are negotiated at either the State System level or Commonwealth level.

Reporting Entity

The University functions as a business-type activity, as defined by the Governmental Accounting Standards Board (GASB).

In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB 14, *The Financial Reporting Entity*, the University has determined that Edinboro University Foundation (the Foundation), Edinboro University of Pennsylvania Student Government Association (the Association), Edinboro University Services, Inc. (USI) and Edinboro University of Pennsylvania Alumni Association (Alumni) should be included in the University's financial statements as discretely presented component units. A component unit is a legally separate organization for which the primary institution is financially accountable or closely related.

The Foundation is a legally separate, tax-exempt entity that acts as a fund-raising organization to supplement the resources that are available to the University in support of its programs, and also owns and operates student housing facilities. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources or incomes thereon that the Foundation holds are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is included within the University's financial reporting entity. The financial activity of the Foundation is presented as of June 30, 2016 and 2015.

During the years ended June 30, 2016 and 2015, the Foundation paid \$541,258 and \$700,008, respectively, in indirect costs to the University as related to student housing activities, and contributed \$228,060 and \$296,147, respectively, to the University for both restricted and unrestricted purposes.

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Reporting Entity (Continued)

The Association is a legally separate, tax-exempt entity responsible for the planning and sponsoring of University social and cultural events and providing budget oversight to all student organizations. Although the University does not control the resources of the Association, the activities of the Association are solely for the benefit of the University and its students. Because these resources are held by the Association and can only be used to benefit the University and its students, the Association is considered a component unit of the University and is included within the University's financial reporting entity. The financial activity of the Association is presented as of June 30, 2016 and 2015.

USI is a legally separate, tax-exempt entity that is responsible for the University bookstore as well as the provision of a variety of other services such as recreation, vending, cable and internet, which supplement services provided by the University. Although the University does not control the resources of USI, the activities of USI are solely for the benefit of the University and its students. Because these resources are held by USI and can only be used to benefit the University and its students, USI is considered a component unit of the University and is included within the University's financial reporting entity. The financial activity of USI is presented as of June 30, 2016 and 2015.

During the years ended June 30, 2016 and 2015, USI contributed approximately \$417,000 and \$388,000, respectively, to the University for both restricted and unrestricted purposes.

Alumni is a legally separate, tax-exempt entity that serves to promote the general interests and welfare of the University by making gifts, scholarships, grants and other financial assistance available for the advancement of higher education. Although the University does not control the resources of Alumni, the activities of Alumni are solely for the benefit of the University. Because these resources are held by Alumni and can only be used to benefit the University, Alumni is considered a component unit of the University and is included within the University's financial reporting entity. The financial activity of Alumni is presented as of June 30, 2016 and 2015.

During the years ended June 30, 2016 and 2015, the Alumni contributed \$122,659 and \$114,909, respectively, to the University for both restricted and unrestricted purposes.

Complete financial statements for the component units may be obtained at the University's administrative office.

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Measurement Focus, Basis of Accounting and Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by GASB. The economic resources measurement focus reports all inflows, outflows, and balances that affect an entity's net assets. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The accompanying financial statements of the component units, which are all private nonprofit organizations, are reported in accordance with Financial Accounting Standards Board (FASB) requirements, including FASB Statement No. 117, *Financial Reporting for Not-for-profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications for these differences have been made to the component units' financial information presented herein.

Operating Revenues and Expenses

Operating revenues of the University consist of tuition; all academic, instructional, and other student fees; student financial aid (other than PELL grant revenue); auxiliary activity; corporate partnerships; and revenue from cogeneration sales as operating revenue. In addition, governmental and private grants and contracts in which the grantor receives equal value for the funds given to the University are recorded as operating revenue. All expenses, with the exception of interest expense, loss on the sale of investments, loss on the disposal of assets, and extraordinary expenses are recorded as operating expenses. Appropriations, gifts, investment income, capital grants, gains on the sale of investments, gains on the disposal of assets, parking and library fines, and governmental and private research grants and contracts in which the grantor does not receive equal value for the funds given to the University are reported as nonoperating revenue.

Scholarship Discounts and Allowance

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees and other student services, the University has recorded a scholarship discount and allowance.

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position

Net position is the residual of assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The University maintains the following classifications of net position:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair, or improvement of those assets.

Restricted – Nonexpendable: Net position subject to externally imposed conditions requiring that they be maintained by the University in perpetuity.

Restricted – Expendable: Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated for specific purposes by the University's Council of Trustees.

When both restricted and unrestricted funds are available for expenditure, the decision as to which funds are used first is left to the discretion of the University.

Cash Equivalents and Investments

The University considers all demand and time deposits and money market funds and overnight repurchase agreements to be cash equivalents. Investments purchased are stated at fair value. Investments received as gifts are recorded at their fair value as of the date of the gift.

Accounts and Loans Receivable

Accounts and loans receivable consist of tuition and fees charged to current and former students, amounts due from federal and state governments in connection with reimbursements of allowable expenditures made pursuant to grants and contracts and other miscellaneous sources.

Accounts and loans receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based upon the University's historical losses and periodic review of individual accounts.

Inventory

Inventory of the University consists mainly of housekeeping, maintenance, and office supplies and is stated at the lower of cost or market, with cost determined principally on the weighted average method.

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Capital Assets

Land and buildings at the University's campus acquired or constructed prior to the creation of the State System on July 1, 1983, are owned by the Commonwealth and made available to the University. Since the University neither owns such assets nor is responsible to service associated bond indebtedness, no value is ascribed thereto in the accompanying financial statements. Likewise, no value is ascribed to the portion of any land or buildings acquired or constructed utilizing capital funds appropriated by the Commonwealth after June 30, 1983, and made available to the University.

All assets with a purchase cost, or fair value if acquired by gift, in excess of \$5,000, with an estimated useful life of two years or greater, are capitalized. Buildings, portions of buildings, and capital improvements acquired or constructed by the University after June 30, 1983, through the expenditure of University funds or the incurring of debt are stated at cost less accumulated depreciation.

Equipment and furnishings are stated at cost less accumulated depreciation. Library books are capitalized and depreciated. The University provides for depreciation and amortization on the straight-line method over the estimated useful lives of the related assets. Buildings and improvements are depreciated over useful lives ranging from 10 to 40 years. Equipment and furnishings are depreciated over useful lives ranging from 3 to 10 years. Assets under capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. Amortization of assets under capital lease is included in depreciation. Library books are depreciated over 10 years. Normal repair and maintenance expenditures are not capitalized because they neither add to the value of the property nor materially prolong its useful life.

Impairment of Capital Assets

Management reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly. Any write-downs due to impairment are charged to operations at the time impairment is identified. No write-down of capital assets was required for the years ended June 30, 2016 and 2015.

Trustee Held Funds (Foundation)

Trustee held funds include cash equivalents held by a trustee under the terms of a loan agreement the Foundation has entered into with the Pennsylvania Higher Educational Facilities Authority (PHEFA) (Note 6).

Unearned Revenue

Unearned revenue includes amounts received for tuition and fees, grants, corporate sponsorship payments and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Compensated Absences

The estimated cost of future payouts of annual leave and sick leave that employees have earned for services rendered, and which the employees may be entitled to receive upon termination or retirement, is recorded as a liability.

Pension Plans

Employees of the State System enroll in one of three available retirement plans immediately upon employment. The Commonwealth of Pennsylvania State Employees' Retirement System (SERS) and the Public School Employees' Retirement System (PSERS) are governmental cost-sharing multiple-employer defined benefit plans. The Alternative Retirement Plan (ARP) is a defined contribution plan administered by the State System.

Deferred Outflows and Deferred Inflows of Resources

The balance sheet reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources.

Deferred Outflows of Resources, reported after Total Assets, is defined by GASB as a consumption of net position that applies to future periods. The expense is recognized in the applicable future period(s). Deferred Inflows of Resources, reported after Total Liabilities, is defined by GASB as an acquisition of net position that applies to future periods. The revenue is recognized in the applicable future period(s).

Transactions are classified as deferred outflows of resources or deferred inflows of resources only when specifically prescribed by GASB standards.

The University is required to report the following as Deferred Outflows of Resources or Deferred Inflows of Resources:

- Deferred gain or loss on bond refundings, which results when the carrying value of a refunded bond is greater or less than its reacquisition price. The difference is deferred and amortized over the remaining life of the old bond or the life of the new bond, whichever is shorter.
- For defined benefit pension plans: the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the University's proportion of expenses and liabilities to the pension as a whole, differences between the University's pension contributions and its proportionate share of contributions, and University's pension contributions subsequent to the pension valuation measurement date.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Scholarships and Waivers

In accordance with a formula prescribed by the National Association of College and University Business Officers (NACUBO), the University allocates the cost of scholarships, waivers, and other student financial aid between scholarship discounts and allowances (netted against tuition and fees) and student aid expense. Scholarships and waivers of room and board fees are reported in auxiliary enterprises. The cost of tuition waivers granted to employees is reported as employees' benefits expense.

Income Taxes

The University, as a member of the State System, is tax-exempt; accordingly, no provision for income taxes has been made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on the previously reported net position or changes therein.

New Accounting Standards

The University has implemented GASB Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. In accordance with Statement No. 72, the State System has classified its investments as Level 1, Level 2, or Level 3, to indicate the degree of certainty around the assets' underlying values (Note 3).

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

New Accounting Standards (Continued)

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements establish new accounting and financial reporting requirements for governments whose employees are provided with OPEB (other postemployment benefits), as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. These statements will require the University to record its postretirement health care liability in its entirety in its most recent actuarial valuation dated July 1, 2014, the University's accrued postretirement health care liability, as calculated by the actuaries, was \$93,669,743, but under current GASB requirements, the amount recorded on the balance sheet as a liability at June 30, 2016 was \$82,030,309. The University expects that the amount recorded on the balance sheet as a postretirement health care liability will increase when Statement No. 75 is implemented, but the amount cannot be calculated until a new actuarial valuation is performed under the new standards. Furthermore, Statement No. 75 will require that the University record the liability for its employees who participate in the Commonwealth's Retired Employees Health Plan (REHP). Under current GASB standards, the State System does not report a share of the REHP's unfunded liability since the REHP is a multiple-employer cost-sharing plan administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF). The amount that the University will have to record as its share of the liability when Statement No. 75 becomes effective is unknown; however, the amount is expected to have a material negative effect on the University's balance sheet. The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016; the provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. Statement No. 78 excludes certain pensions from the provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The University has determined that Statement No. 78 does not apply to its pension plans and has no effect on its financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. Statement No. 79 applies to arrangements that commingle the moneys of more than one legally separate entity and invest on the participants' behalf in an investment portfolio. The University has determined that Statement No. 79 does not apply to its investments and has no effect on its financial statements.

In June 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*—an amendment of GASB Statement No. 14. Statement No. 80 requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government (university) is the sole corporate member. The University has determined that Statement No. 80 does not apply to its component units and has no effect on its financial statements.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

New Accounting Standards (Continued)

In March 2016, GASB issued Statement No. 81, Irrevocable Split-Interest Agreements. Statement No. 81 provides recognition and measurement guidance for gifts received from donors who have transferred the gifts to an intermediary to hold and administer for the government (university) and at least one other beneficiary. An example of a split-interest agreement is a charitable remainder trust. The provisions in Statement No. 81 are effective for reporting periods beginning after December 15, 2016. The University has determined that Statement No. 81 does not apply to its investments and will have no effect on its financial statements.

In March 2016, GASB issued Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. Statement No. 82 addresses technical issues related to previous GASB guidance on pensions. The University has determined that Statement No. 82 will have no effect on its financial statements.

NOTE 2 CONDENSED COMPONENT UNIT INFORMATION

The following represents combining condensed statement of net asset information for the component units as of June 30:

	2016			2015		
	Foundation	Non-Major Component Units	Total	Foundation	Non-Major Component Units	Total
Due from the University	\$ 82,120	\$ 2,710,337	\$ 2,792,457	\$ 86,700	\$ 140,690	\$ 227,390
Investments	22,092,846	-	22,092,846	21,432,276	-	21,432,276
Trustee Held Funds	17,728,389	-	17,728,389	17,442,891	-	17,442,891
Capital Assets, Net	84,939,672	1,256,645	86,196,317	88,435,671	1,317,056	89,752,727
Other Assets	3,461,876	2,981,136	6,443,012	3,562,221	6,190,343	9,752,564
Total Assets	\$ 128,304,903	\$ 6,948,118	\$ 135,253,021	\$ 130,959,759	\$ 7,648,089	\$ 138,607,848
Funds under Investment						
Management for Edinboro						
University of Pennsylvania	\$ 13,689,521	\$ -	\$ 13,689,521	\$ 13,342,947	\$ -	\$ 13,342,947
Long-Term Debt	112,438,319	-	112,438,319	113,803,913	-	113,803,913
Other Liabilities	5,481,081	470,661	5,951,742	5,697,971	523,089	6,221,060
Total Liabilities	\$ 131,608,921	\$ 470,661	\$ 132,079,582	\$ 132,844,831	\$ 523,089	\$ 133,367,920
Net Assets:						
Unrestricted	\$ (11,898,772)	\$ 4,560,346	\$ (7,338,426)	\$ (10,109,575)	\$ 5,105,341	\$ (5,004,234)
Temporarily Restricted	2,028,117	639,781	2,667,898	2,143,765	761,755	2,905,520
Permanently Restricted	6,566,637	1,277,330	7,843,967	6,080,738	1,257,904	7,338,642
Total Net Assets	\$ (3,304,018)	\$ 6,477,457	\$ 3,173,439	\$ (1,885,072)	\$ 7,125,000	\$ 5,239,928

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 2 CONDENSED COMPONENT UNIT INFORMATION (CONTINUED)

The following represents combining statement of revenues, expenses, and changes in net assets for the component units for the years ended June 30:

	2016			2015		
	Foundation	Non-Major Component Units	Total	Foundation	Non-Major Component Units	Total
Changes in Unrestricted						
Net Assets						
Revenues and Other Additions:						
Rental Income	\$ 12,859,440	\$ -	\$ 12,859,440	\$ 12,433,265	\$ -	\$ 12,433,265
University Store and Services	-	3,531,300	3,531,300	-	3,802,230	3,802,230
Net Assets Released from						
Restrictions	1,044,174	450,800	1,494,974	1,119,959	337,464	1,457,423
Student Activity Fees		943,716	943,716		1,076,340	1,076,340
Other Revenues	205,961	425,461	631,422	715,926	409,579	1,125,505
Contributions	3,085	5,903	8,988	287,128	5,902	293,030
Unrealized Gain (Loss)						
on Investments	74,763	(31,887)	42,876	12,742	(9,587)	3,155
Investment Income	119,831	33,349	153,180	33,112	29,997	63,109
Total Revenues and Other Additions	14,307,254	5,358,642	19,665,896	14,602,132	5,651,925	20,254,057
Expenses and Other Deductions:						
Program Expenses	15,668,139	1,513,450	17,181,589	16,217,253	1,410,302	17,627,555
University Store	-	2,497,490	2,497,490	-	2,653,974	2,653,974
Supporting Services Expenses	-	1,539,529	1,539,529	-	1,449,713	1,449,713
Management and General	391,340	266,955	658,295	414,076	289,727	703,803
Special Activities	-	1,388	1,388	-	3,608	3,608
Scholarships	-	65,150	65,150	-	57,400	57,400
Other Expenses	36,972	19,675	56,647	4,853	25,245	30,098
Total Expenses and Other Deductions	16,096,451	5,903,637	22,000,088	16,636,182	5,889,969	22,526,151
Increase (Decrease) in Unrestricted Net Assets	(1,789,197)	(544,995)	(2,334,192)	(2,034,050)	(238,044)	(2,272,094)

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 2 CONDENSED COMPONENT UNIT INFORMATION (CONTINUED)

	2016			2015		
	Foundation	Non-Major Component Units	Total	Foundation	Non-Major Component Units	Total
Changes in Temporarily Restricted Net Assets						
Contributions and Support	1,109,549	369,290	1,478,839	723,047	249,481	972,528
Investment Income	51,555	121,343	172,898	257,260	72,552	329,812
Unrealized Gain (Loss) on Investments	(232,578)	(140,846)	(373,424)	(148,523)	(25,204)	(173,727)
Other Reductions, Net	-	(20,961)	(20,961)	-	(20,957)	(128,991)
Satisfaction of Donor Restrictions	(1,044,174)	(450,800)	(1,494,974)	(844,364)	(337,464)	(1,181,828)
Increase (Decrease) in Temporarily Restricted Net Assets	(115,648)	(121,974)	(237,622)	(12,580)	(61,592)	(74,172)
Changes in Permanently Restricted Net Assets						
Contributions	490,663	19,426	510,089	93,486	22,175	115,661
Other Reductions, Net	(4,764)	-	(4,764)	46,878	-	46,878
Satisfaction of Donor Restrictions	-	-	-	(275,595)	-	(275,595)
Increase (Decrease) in Permanently Restricted Net Assets	485,899	19,426	505,325	(135,231)	22,175	(113,056)
Increase (Decrease) in Net Assets	(1,418,946)	(647,543)	(2,066,489)	(2,181,861)	(277,461)	(2,459,322)
Net Assets - Beginning of Year	(1,885,072)	7,125,000	5,239,928	296,789	7,402,461	7,699,250
NET ASSETS - END OF YEAR	\$ (3,304,018)	\$ 6,477,457	\$ 3,173,439	\$ (1,885,072)	\$ 7,125,000	\$ 5,239,928

NOTE 3 DEPOSITS AND INVESTMENTS

The University predominantly maintains its cash balances on deposit with the State System. The State System maintains these and other State System funds on a pooled basis. Although the State System pools its funds in a manner similar to an internal investment pool, individual entities of the State System do not hold title to any assets in the fund. The State System as a whole owns title to all assets. The University does not participate in the unrealized gains or losses on the investment pool; instead, the University holds shares equal to its cash balance. Each share has a constant value of \$1, and income is allocated based on the number of shares owned. Revenue realized at the State System level is calculated on a daily basis and posted monthly to each entity's account as interest income. The University's portion of pooled funds totals \$51,191,332 and \$53,256,580 at June 30, 2016 and 2015, respectively.

EDINBORO UNIVERSITY OF PENNSYLVANIA
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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The State System invests its funds in accordance with *Board of Governors' Policy 1986-02-A, Investment*, which authorizes the University to invest in obligations of the U.S. Treasury, repurchase agreements, commercial paper, certificates of deposit, bankers' acceptances, U.S. money market funds, municipal bonds, corporate bonds, collateralized mortgage obligations (CMOs), asset-backed securities, and internal loan funds. Restricted nonexpendable funds and amounts designated by the Board may be invested in the investments described above, as well as in corporate equities and approved pooled common funds. In addition, the University may accept gifts of investments from donors as long as risk is limited to the investment itself. Restricted gifts of investments fall outside the scope of the investment policy.

In keeping with its legal status as a system of public universities, the State System recognizes a fiduciary responsibility to invest all funds prudently and in accordance with ethical and prevailing legal standards. Investment decisions are intended to minimize risk while maximizing asset value. Adequate liquidity is maintained so that assets can be held to maturity. High quality investments are preferred. Reasonable portfolio diversification is pursued to ensure that no single security or investment or class of securities or investments will have a disproportionate or significant impact on the total portfolio. Investments may be made in U.S. dollar-denominated debt of high quality U.S. and non-U.S. corporations. Investment performance is monitored on a frequent and regular basis to ensure that objectives are attained and guidelines are followed.

Safety of principal and liquidity are the top priorities for the investment of the State System's operating funds. Within those guidelines, income optimization is pursued. Speculative investment activity is not allowed; this includes investing in asset classes such as commodities, futures, short-sales, equities, real or personal property, options, venture capital investments, private placements, letter stocks, and unlisted securities.

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The State System's operating funds are invested and reinvested in the following types of instruments with qualifications as provided. (See Board Policy 1986-02-A, Investment, for a complete list of, and more details on, permissible investments and associated qualifications.)

<u>Investment Categories</u>	<u>Qualifications/Moody's Ratings Requirements</u>
United States Government Securities	Together with repurchase agreements must comprise at least 20% of the market value of the fund.
Repurchase Agreements	Underlying collateral must be direct obligations of the United States Treasury and be in the State System's or its agent's custody.
Commercial Paper	P-1 and P-2 notes only, with no more than 5% and 3%, respectively, of the market value of the fund invested in any single issuer. Total may not exceed 20% of the market value of the fund.
Municipal Bonds	Bonds must carry long-term debt rating of A or better. Total may not exceed 20% of the market value of the fund.
Corporate Bonds	15% must carry long-term debt rating of A or better; 5% may be rated Baa2 or better. Total may not exceed 20% of the market value of the fund.
Collateralized Mortgage Obligations (CMOs)	Must be rated Aaa and guaranteed by U.S. government. Total may not exceed 20% of the market value of the fund.
Asset-Backed Securities	Must be Aaa rated. Total may not exceed 20% of the market value of the fund, with no more than 5% invested in any single issuer.
System Investment Fund Loans (University Loans and Bridge Notes)	Total may not exceed 20% of the market value of the fund, and loan terms may not exceed 5 years.

CMO Risk: CMOs are sometimes based on cash flows from interest-only (IO) payments or principal-only (PO) payments and are sensitive to prepayment risks. The CMOs in the State System's portfolio do not have IO or PO structures; however, they are subject to extension or contraction risk based on movements in interest rates.

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Moody's Rating: the State System uses ratings from Moody's Investors Service, Inc., to indicate the credit risk of investments, i.e., the risk that an issuer or other counterparty to an investment will not fulfill its obligations. An Aaa rating indicates the highest quality obligations with minimal credit risk. Ratings that begin with Aa indicate high quality obligations subject to very low credit risk; ratings that begin with A indicate upper-medium-grade obligations subject to low credit risk; and ratings that begin with Baa indicate medium-grade obligations, subject to moderate credit risk, that may possess certain speculative characteristics. Moody's appends the ratings with numerical modifiers 1, 2, and 3, with 1 indicating a higher ranking and 3 indicating a lower ranking within the category. For short-term obligations, a rating of P-1 indicates that issuers have a superior ability to repay short-term debt obligations, and a rating of P-2 indicates that issuers have a strong ability to repay short-term debt obligations.

Modified Duration: the State System denotes interest rate risk, or the risk that changes in interest rates will affect the fair value of an investment, using modified duration. Duration is a measurement in years of how long it takes for the price of a bond to be repaid by its internal cash flows. Modified duration takes into account changing interest rates. The State System maintains a portfolio duration target of 1.8 years with an upper limit of 2.5 years for the intermediate-term component of the operating portion of the investment portfolio. The State System's duration targets are not applicable to its long-term investments.

Fair Value Hierarchy: GASB Statement No. 72, Fair Value Measurement and Application, requires that investments be classified according to a "fair value hierarchy." With respect to Statement No. 72's fair value hierarchy, GASB defines "inputs" as "the assumptions that market participants would use when pricing an asset or liability, including assumptions about risk." Statement No. 72 further categorizes inputs as observable or unobservable: Observable inputs are "inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability"; Unobservable inputs are "inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability."

Statement No. 72's fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three "levels":

Level 1: Investments whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market, such as stocks listed in the S&P 500 or NASDAQ. If an up-to-date price of the investment can be found on a major exchange, it is a Level 1 investment.

Level 2: Investments whose values are based on their quoted prices in inactive markets or whose values are based on models and the inputs to those models are observable either directly or indirectly for substantially the full term of the asset or liability.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
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JUNE 30, 2016 AND 2015**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Level 3: Investments that trade infrequently, and as a result do not have many reliable market prices. Valuations of Level 3 investments typically are based on management assumptions or expectations. For example, a private equity investment or complex derivative would likely be a Level 3 investment.

In addition, the fair value of certain investments that do not have a readily determinable fair value is classified as NAV, meaning Net Asset Value per share, when the fair value is calculated in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Securities classified in Level 3 of the fair value hierarchy lack an independent pricing source and so are valued using an internal fair value as provided by the investment manager.

Commonfund investments, held locally by some of the universities, are valued based upon the unit values (NAV) of the funds held by the universities at year end. Unit values are based upon the underlying assets of the funds derived from inputs principally from or corroborated by observable market data, by correlation, or other means. Redemption restrictions for the Commonfund vary, depending upon the type of fund in which the universities have invested, and are restricted to withdrawals only on a weekly basis or the last business day of the month. All withdrawals require five days' notice.

Detailed information regarding the fair value of the State System pooled deposits and investment portfolio is available in the financial statements of the State System, which can be found at www.passhe.edu.

At June 30, 2016 and 2015, the carrying amount of the University's demand and time deposits were \$364,613 and \$105,134, respectively, as compared to bank balances of \$364,013 and \$104,534, respectively. The differences are primarily caused by items in-transit and outstanding checks. All bank balances were covered by federal depository insurance or were collateralized by a pledge of United States Treasury obligations held by Federal Reserve banks in the name of the banking institutions, or uninsured and uncollateralized, but covered under the collateralization provisions of the Commonwealth of Pennsylvania Act 72 of 1971 (Act 72), as amended. Act 72 allows banking institutions to satisfy the collateralization required by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments. At June 30, 2016 and 2015, none of the University's demand and time deposits are exposed to foreign currency risk.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The carrying value (fair value) of investments for the University at June 30 is as follows:

	Fair Value Hierarchy Level	Modified Duration	2016	2015
Investments:				
Equity-Based Mutual Funds	2	N/A	\$ 8,284,332	\$ 2,709,063
Common Stocks	1	N/A	1,278,020	1,616,346
Fixed Income Mutual Funds	2	4.8	3,805,359	8,586,491
Total Investments			<u>\$ 13,367,711</u>	<u>\$ 12,911,900</u>

Major Component Unit

The fair value of investments for the Foundation at June 30 is as follows:

	2016	2015
Investments:		
Money Market Funds	\$ 621,096	\$ 194,985
Equity-Based Mutual Funds	19,318,142	18,512,122
Common Stock	2,153,608	2,725,169
Total	<u>\$ 22,092,846</u>	<u>\$ 21,432,276</u>

**EDINBORO UNIVERSITY OF PENNSYLVANIA
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 4 CAPITAL ASSETS

Capital assets acquired or constructed by the University through the expenditure of University funds or the incurrence of debt consist of the following:

	Estimated Lives (in Years)	Beginning Balance July 01, 2015	Additions	Retirements	Reclass.	Ending Balance June 30, 2016
Land		\$ 511,567	\$ -	\$ -	\$ -	\$ 511,567
Construction in Progress		339,371	1,337,922	-	(193,908)	1,483,385
Total Capital Assets Not Being Depreciated		850,938	1,337,922	-	(193,908)	1,994,952
Buildings, including Improvements	10 - 40	100,815,283	-	(3,698,162)	-	97,117,121
Furnishings and Equipment (including Cost of Capital Leases)	3 - 10	40,034,690	406,019	(1,015,416)	193,908	39,619,200
Library Books	10	6,219,948	30,919	(502,620)	-	5,748,247
Total Capital Assets Being Depreciated		147,069,921	436,938	(5,216,198)	193,908	142,484,568
Less Accumulated Depreciation:						
Buildings, including Improvements		(52,368,471)	(3,889,626)	3,624,511	-	(52,633,586)
Furnishings and Equipment		(35,413,877)	(1,060,021)	1,006,089	-	(35,467,809)
Library Books		(5,659,471)	(115,249)	502,620	-	(5,272,100)
Total Accumulated Depreciation		(93,441,819)	(5,064,896)	5,133,220	-	(93,373,494)
Total Capital Assets Being Depreciated, Net		53,628,102	(4,627,958)	(82,978)	193,908	49,111,074
Capital Assets, Net		\$ 54,479,040	\$ (3,290,036)	\$ (82,978)	\$ -	\$ 51,106,026

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Estimated Lives (in Years)	Beginning Balance July 01, 2014	Additions	Retirements	Reclass.	Ending Balance June 30, 2015
Land		\$ 511,567	\$ -	\$ -	\$ -	\$ 511,567
Construction in Progress		-	489,422	-	(150,051)	339,371
Total Capital Assets Not Being Depreciated		511,567	489,422	-	(150,051)	850,938
Buildings, including Improvements	10 - 40	100,882,250	-	(66,967)	-	100,815,283
Furnishings and Equipment (including Cost of Capital Leases)	3 - 10	41,804,007	868,679	(2,788,047)	150,051	40,034,690
Library Books	10	7,530,874	59,666	(1,370,592)	-	6,219,948
Total Capital Assets Being Depreciated		150,217,131	928,345	(4,225,606)	150,051	147,069,921
Less Accumulated Depreciation:						
Buildings, including Improvements		(48,218,285)	(4,217,153)	66,967	-	(52,368,471)
Furnishings and Equipment		(36,486,179)	(1,715,745)	2,788,047	-	(35,413,877)
Library Books		(6,900,491)	(129,572)	1,370,592	-	(5,659,471)
Total Accumulated Depreciation		(91,604,955)	(6,062,470)	4,225,606	-	(93,441,819)
Total Capital Assets Being Depreciated, Net		58,612,176	(5,134,125)	-	150,051	53,628,102
Capital Assets, Net		\$ 59,123,743	\$ (4,644,703)	\$ -	\$ -	\$ 54,479,040

Major Component Unit

Capital assets of the Foundation at June 30, 2016 and 2015 are summarized as follows:

	2016	2015
Buildings and Improvements	\$ 98,864,671	\$ 98,864,671
Furniture and Fixtures	3,400,265	3,395,653
Equipment	1,630,524	1,630,524
Land Improvements	976,956	976,956
Vehicles and Heavy Equipment	258,197	258,197
Artwork	138,034	138,034
Construction in Progress - Student Housing Facility	1,222	1,222
Total	105,269,869	105,265,257
Less: Accumulated Depreciation	(20,330,197)	(16,829,586)
Total Capital Assets, Net	\$ 84,939,672	\$ 88,435,671

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Employees	\$ 6,899,618	\$ 6,552,579
Suppliers and Services	1,567,454	1,804,831
Accrued Interest Payable	56,432	65,802
Total	<u>\$ 8,523,504</u>	<u>\$ 8,423,212</u>

NOTE 6 BONDS PAYABLE

Bonds payable consist of several tax-exempt revenue bonds issued by the State System through the Pennsylvania Higher Educational Facilities Authority (PHEFA). In connection with the bond issuances, the State System entered into a loan agreement with PHEFA on behalf of the University under which the State System has pledged its full faith and credit for the repayment of the bonds. The loans constitute an unsecured general obligation of the State System. The State System's Board of Governors has allocated portions of certain bond issuances to the University to undertake various capital projects or to advance refund certain previously issued bonds. The University is responsible for the repayment of principal and interest on its applicable portion of each obligation.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 6 BONDS PAYABLE (CONTINUED)

The various bond series allocated to the University for the year ended June 30, 2016 are as follows:

	Weighted Average Interest Rate	Balance July 1, 2015	Bonds Issued	Bonds Redeemed	Balance June 30, 2016
Series AH Used for Renovations to the University Center	4.67%	\$ 1,090,007	\$ -	\$ 62,773	\$ 1,027,234
Series AI Used for Sprinkler System	4.19%	1,571,643	-	162,719	1,408,924
Series AL Used for Renovations to McNerney Hall, Compton Hall, and Other Projects	5.00%	5,339,921	-	279,480	5,060,441
Series AN Used for Renovations to Residence Halls and the Student Union	5.00%	2,458,426	-	275,733	2,182,693
Series AQ Used for Renovations for Residence Halls and University Center and Energy Savings Projects	4.71%	15,888,035	-	-	15,311,289
Total Bonds Payable		<u>\$ 26,348,032</u>	<u>\$ -</u>	<u>\$ 780,705</u>	24,990,581
Plus Unamortized Bond Premium					<u>2,624,169</u>
Outstanding at End of Year					27,614,750
Less: Current Portion					<u>2,416,095</u>
Noncurrent Portion					<u>\$ 25,198,655</u>

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 6 BONDS PAYABLE (CONTINUED)

The various bond series allocated to the University for the year ended June 30, 2015 are as follows:

	Weighted Average Interest Rate	Balance Balance July 1, 2014	Bonds Issued	Bonds Redeemed	Balance June 30, 2015
Series AC Used for Renovations to Residence Halls and the University Center	4.89%	\$ 5,835,947	\$ -	\$ 5,835,947	\$ -
Series AE Used for Energy Savings Projects and Renovations to the University Center	4.98%	12,777,209	-	12,777,209	-
Series AH Used for Renovations to the University Center	4.67%	1,149,741	-	59,734	1,090,007
Series AI Used for Sprinkler System	4.19%	1,728,876	-	157,233	1,571,643
Series AL Used for Renovations to McNerney Hall, Compton Hall, and Other Projects	5.00%	5,605,992	-	266,071	5,339,921
Series AN Used for Renovations to Residence Halls and the Student Union	5.00%	2,722,921	-	264,495	2,458,426
Series AQ Used for Renovations for Residence Halls and University Center and Energy Savings Projects	4.71%		15,888,035		15,888,035
Total Bonds Payable		<u>\$ 29,820,686</u>	<u>\$ 15,888,035</u>	<u>\$ 19,360,689</u>	26,348,032
Plus Unamortized Bond Premium					<u>3,188,302</u>
Outstanding at End of Year					29,536,334
Less: Current Portion					<u>1,357,452</u>
Noncurrent Portion					<u>\$ 28,178,882</u>

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 6 BONDS PAYABLE (CONTINUED)

Principal and interest maturities for each of the next five years and in subsequent five-year periods ending June 30 as follow:

		2017	2018	2019	2020	2021	2022-2026	2027-2031	Total
AH	Principal	\$ 65,945	\$ 69,249	\$ 72,685	\$ 76,253	\$ 79,425	\$ 451,306	\$ 212,371	\$ 1,027,234
	Interest	47,623	44,326	40,864	37,229	34,179	116,551	14,697	335,469
	Total	113,568	113,575	113,549	113,482	113,604	567,857	227,068	1,362,703
AI	Principal	169,506	176,294	183,081	190,374	198,668	491,001	-	1,408,924
	Interest	59,067	52,287	45,235	37,912	30,059	39,426	-	263,986
	Total	228,573	228,581	228,316	228,286	228,727	530,427	-	1,672,910
AL	Principal	293,690	308,160	323,970	339,690	356,740	1,722,815	1,715,376	5,060,441
	Interest	253,022	238,338	222,930	206,731	189,747	695,635	219,645	2,026,048
	Total	546,712	546,498	546,900	546,421	546,487	2,418,450	1,935,021	7,086,489
AN	Principal	287,311	297,965	310,289	323,110	337,792	626,226	-	2,182,693
	Interest	87,794	73,452	58,602	42,990	26,615	9,984	-	299,437
	Total	375,105	371,417	368,891	366,100	364,407	636,210	-	2,482,130
AQ	Principal	1,599,642	1,779,351	1,869,307	1,962,093	2,063,488	6,037,408	-	15,311,289
	Interest	765,564	685,582	596,615	503,149	405,045	869,088	-	3,825,043
	Total	2,365,206	2,464,933	2,465,922	2,465,242	2,468,533	6,906,496	-	19,136,332
Total	Principal	2,416,094	2,631,019	2,759,332	2,891,520	3,036,113	9,328,756	1,927,747	24,990,581
	Interest	1,213,070	1,093,985	964,246	828,011	685,645	1,730,684	234,342	6,749,983
		<u>\$ 3,629,164</u>	<u>\$ 3,725,004</u>	<u>\$ 3,723,578</u>	<u>\$ 3,719,531</u>	<u>\$ 3,721,758</u>	<u>\$ 11,059,440</u>	<u>\$ 2,162,089</u>	<u>\$ 31,740,564</u>

In addition, the University participates in the State System's Academic Facilities Renovation Bond Program (AFRP), which was established for the purpose of renovating the academic facilities across the State System. This program will provide \$100,000,000 in funding over the next several years. The State System will issue bonds to provide a pool for funding for AFRP (\$21,918,513 and \$29,552,798 was outstanding as of June 30, 2016 and 2015, respectively). Universities can request funds for AFRP projects in accordance with their pre-approved amount of funding from the pool. Repayments to the pool are made annually based on the University's proportionate share of the total allocation of funds under the program.

Changes in the balance owed by the University to the AFRP pool of funding were as follows:

	2016	2015
Balance at July 1	\$ 2,483,383	\$ 2,806,711
Repayments	(548,098)	(323,328)
Balance at June 30	<u>\$ 1,935,285</u>	<u>\$ 2,483,383</u>

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 6 BONDS PAYABLE (CONTINUED)

Major Component Unit

Long-term debt of the Foundation consisted of the following at June 30, 2016 and 2015:

<u>Description</u>	<u>2016</u>	<u>2015</u>
Note payable (Series 2008 Bonds). Wells Fargo Bank, N.A., as more fully described below, due in varying annual installments through July 1, 2042, interest rates of 4.95% to 5.95%	\$ 54,530,000	\$ 55,085,000
Note payable (Series 2010 Bonds), Wells Fargo Bank N.A., as more fully described below, due in varying annual installments through July 1, 2043 interest rates of 3.63% to 6.00%	<u>58,740,000</u>	<u>59,590,000</u>
Total Long-Term Debt	113,270,000	114,675,000
Less: Unamortized Discount	<u>(831,681)</u>	<u>(871,087)</u>
Long-Term Debt, Net of Discount	112,438,319	113,803,913
Less: Current Portion	<u>(1,615,000)</u>	<u>(1,405,000)</u>
Long-Term Debt, Noncurrent Portion	<u>\$ 110,823,319</u>	<u>\$ 112,398,913</u>

Note Payable (Series 2008 Bonds)

In February 2008, PHEFA issued its Edinboro University Foundation Student Housing Project At Edinboro University of Pennsylvania Revenue Bonds - Series 2008 (the Series 2008 Bonds), the proceeds of which were loaned to the Foundation pursuant to a Loan Agreement between PHEFA and the Foundation dated February 1, 2008 (the Loan Agreement). The proceeds of the Series 2008 Bonds were used by the Foundation to provide funds to: finance the cost of acquiring, constructing, furnishing and equipping a 796-bed student housing facility (Student Housing Facility), including the buildings, furniture, fixtures and equipment therefore and the certain demolition activities related thereto to be located on the main campus of the University on land leased by the Foundation from the University; to fund a portion of the interest payments on the Series of 2008 Bonds during construction of the Student Housing Facility and for a period of up to six months thereafter; to fund a debt service reserve fund for the Series 2008 Bonds, and; to pay the costs of issuing the Series 2008 Bonds.

Following the issuance of the Series 2008 Bonds, PHEFA assigned the Loan Agreement to Wells Fargo Bank, N.A. (Trustee), as trustee, under a Trust Indenture dated February 1, 2008, as security for the Series 2008 Bonds.

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NOTE 6 BONDS PAYABLE (CONTINUED)

Note Payable (Series 2008 Bonds) (Continued)

Contemporaneously with the assignment of the Loan Agreement to the Trustee, the Trustee and the Foundation entered into an open-ended leasehold mortgage and security agreement as additional security for the Series 2008 Bonds, granting the Trustee a security interest in the premises, buildings, machinery and equipment, all rents, royalties and income, and the Ground Lease Agreement between the University (as lessor) and the Foundation (as lessee).

Under the terms of the Loan Agreement, the Foundation is required to remit interest payments to the Trustee on or before the 25th day of each calendar month in an amount equal to one-sixth of the interest due on the next succeeding interest payment date. Principal payments are due on or before the 25th day of each calendar month in amounts equal to one-twelfth of the principal amount maturing on the next succeeding July 1 (if any) commencing July 25, 2017. Payments required to effect mandatory redemption of principal amounts are due in amounts equal to one-twelfth of the Series 2008 Bonds subject to mandatory redemption on the next succeeding July 1 (if any) beginning July 25, 2010.

Note Payable (Series 2010 Bonds)

In May 2010, PHEFA issued its Edinboro University Foundation Student Housing Project At Edinboro University of Pennsylvania Revenue Bonds - Series 2010 (the Series 2010 Bonds), the proceeds of which were loaned to the Foundation pursuant to a Loan Agreement between PHEFA and the Foundation dated May 1, 2010 (the Loan Agreement). The proceeds of the Series 2010 Bonds are being used by the Foundation to provide funds to: finance the cost of acquiring, demolishing, constructing, equipping and furnishing of student housing on the campus of Edinboro University of Pennsylvania consisting of 856 beds; to fund a portion of the interest payments on the Series of 2010 Bonds during construction of the Student Housing Facility and for a period of up to six months thereafter; to fund a Debt Service Reserve Fund for the Series 2010 Bonds, and; to pay the costs of issuing the Series 2010 Bonds.

Following the issuance of the Series 2010 Bonds, PHEFA assigned the Loan Agreement to Wells Fargo Bank, N.A. (Trustee), as trustee, under a Trust Indenture dated May 1, 2010, as security for the Series 2010 Bonds.

Contemporaneously with the assignment of the Loan Agreement to the Trustee, the Trustee and the Foundation entered into an open-ended leasehold mortgage and security agreement as additional security for the Series 2010 Bonds, granting the Trustee a security interest in the premises, buildings, machinery and equipment, all rents, royalties and income, and the Ground Lease Agreement between the University (as lessor) and the Foundation (as lessee).

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NOTE 6 BONDS PAYABLE (CONTINUED)

Note Payable (Series 2010 Bonds) (Continued)

Under the terms of the Loan Agreement, the Foundation is required to remit interest payments to the Trustee on or before the 25th day of each calendar month in an amount equal to one-sixth of the interest due on the next succeeding interest payment date. Principal payments are due on or before the 25th day of each calendar month in amounts equal to one-twelfth of the principal amount maturing on the next succeeding July 1 (if any) commencing July 1, 2013. Payments required to effect mandatory redemption of principal amounts are due in amounts equal to one-twelfth of the Series 2010 bonds subject to mandatory redemption on the next succeeding July 1 (if any) beginning July 25, 2021.

Interest expense on the Foundation's notes was \$6,615,788 in 2016 and \$6,675,147 in 2015.

The aggregate future principal payments on long-term debt at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 1,615,000
2018	1,795,000
2019	2,005,000
2020	2,105,000
2021	2,215,000
Thereafter	103,535,000
Total	<u>\$ 113,270,000</u>

NOTE 7 UNEARNED REVENUE

Unearned revenue consisted of the following at June 30:

	<u>2016</u>		<u>2015</u>	
	<u>Current</u>	<u>Noncurrent</u>	<u>Current</u>	<u>Noncurrent</u>
Student Tuition and Fees	\$ 2,333,176	\$ 85,347	\$ 2,310,670	\$ 692
Grant Revenue	97,340	-	226,570	-
Total	<u>\$ 2,430,516</u>	<u>\$ 85,347</u>	<u>\$ 2,537,240</u>	<u>\$ 692</u>

**EDINBORO UNIVERSITY OF PENNSYLVANIA
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NOTE 8 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS

Compensated absences and postretirement benefits consisted of the following at June 30:

	2016		2015	
	Current	Noncurrent	Current	Noncurrent
Compensated Absences	\$ 412,567	\$ 6,603,327	\$ 850,962	\$ 5,926,092
Postretirement Benefit Obligations	-	82,030,309	-	77,797,944
Total	<u>\$ 412,567</u>	<u>\$ 88,633,636</u>	<u>\$ 850,962</u>	<u>\$ 83,724,036</u>

Compensated Absences

Compensated absences activity for the years ended June 30 is as follows:

	2016	2015
Balance - July 1	\$ 6,777,054	\$ 6,880,389
Current Change in Estimate	615,926	571,347
Payouts	(377,086)	(674,682)
Balance - June 30	<u>\$ 7,015,894</u>	<u>\$ 6,777,054</u>

Postretirement Benefits

University employees who retire after meeting specified service and age requirements become eligible for participation in one of two defined healthcare benefits plans referred to here as the "System Plan" and the "Retired Employees Health Program." These plans include hospital, medical/surgical, and major medical coverage, and provide a Medicare supplement for individuals over age 65.

System Plan

Plan Description

Employee members of the Association of Pennsylvania State College and University Faculties (APSCUF), the State College and University Professional Association (SCUPA), Security Police and Fire Professionals of America (SPFPA), Pennsylvania Nurses Association (PNA), and non-represented employees participate in a single-employer defined benefit healthcare plan administered by the State System (System Plan). The System Plan provides eligible retirees and their eligible dependents with healthcare benefits as well as tuition waivers at any of the State System's universities. Act 188 empowers the Board to establish and amend benefit provisions. The System Plan is unfunded and no financial report is prepared.

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OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 8 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

System Plan (Continued)

Funding Policy

The contribution requirements of plan members and the State System are established and may be amended by the Board. The System Plan is funded on a pay-as-you-go basis, i.e., premiums are paid to an insurance company and various health maintenance organizations to fund the health care benefits provided to current retirees. Tuition waivers are provided by the retiree's sponsoring university as they are granted. The State System paid premiums of \$40,060,000 and \$36,869,000 for the fiscal years ended June 30, 2016 and 2015, respectively. Plan members receiving benefits contribute at various rates, depending upon when they retire, whether they are eligible for Medicare, the contribution rate in effect on the day of their retirement, the contribution rate for active employees, and applicable collective bargaining agreements.

Following are the contribution rates of plan members as of June 30, 2016:

- Plan members receiving benefits who retired prior to July 1, 2005, are not required to make contributions.
- Nonfaculty coaches who retired July 1, 2005, or after pay a percentage of their final annual gross salary at the time of retirement.
- Other eligible annuitants who retired on or after July 1, 2005, and prior to January 1, 2008, and who are under age 65 pay the same dollar amount they paid as active employees on the day of retirement. When these annuitants become eligible for Medicare, they pay 18% of the current cost of their Medicare coverage and current cost of coverage for covered dependents. The rate changes annually.
- Other eligible annuitants who retire on or after July 1, 2008, pay 18% of the plan premium in for active employees on their retirement date. Future adjustments will apply if contributions increase for active employees.
- Employee members of SPFPA and SCUPA, and nonrepresented employees, hired after January 15, 2016, receive no postretirement benefits.

Total contributions made by Plan members were approximately \$4,866,000 and \$4,272,000, or approximately 10.8% and 10.4% of the total premiums, for the fiscal years ended June 30, 2016 and 2015, respectively.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
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JUNE 30, 2016 AND 2015**

NOTE 8 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

System Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation

The University's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid annually, is projected to cover normal cost plus the annual portion of unfunded actuarial liabilities amortized over thirty years.

The following shows the components of the University's annual OPEB cost for the year, the amounts actually contributed to the plan, and changes in the University's net OPEB obligation:

	<u>2016</u>	<u>2015</u>
Annual Required Contribution	\$ 7,527,846	\$ 7,527,846
Interest on Net OPEB Obligation	3,018,564	2,895,441
Adjustment to Annual Required Contribution	<u>(3,967,349)</u>	<u>(3,805,524)</u>
Annual OPEB Cost (Expense)	6,579,061	6,617,763
Contributions Made	<u>(2,346,696)</u>	<u>(2,305,406)</u>
Increase in Net OPEB Obligation	4,232,365	4,312,357
Net OPEB Obligation at July 1, 2015	<u>77,797,944</u>	<u>73,485,587</u>
Net OPEB obligation at June 30, 2016	<u>\$ 82,030,309</u>	<u>\$ 77,797,944</u>

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2016, and the two preceding years were as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 6,579,061	35.7%	\$ 82,030,309
2015	6,617,763	34.8%	77,797,944
2014	7,603,000	31.5%	73,485,587

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 8 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

System Plan (Continued)

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014, the most recent actuarial valuation date, was as follows (in thousands):

Actuarial Accrued Liability (AAL)	\$ 93,669,743
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 93,669,743</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	<u>0.0%</u>
Covered Payroll (Active Plan Members)	<u>\$ 36,309,014</u>
UAAL as a Percentage of Covered Payroll	<u>258.0%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the projected unit credit method was used with a 4.25% investment rate of return, which is the rate expected to be earned on the State System's operating portfolio. The health care cost trend rate used was 6.5% in 2014, 6.0% in 2015, and 5.5% in 2016 through 2020, with rates gradually decreasing from 5.4% in 2021 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at July 1, 2014, was 21 years.

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NOTE 8 COMPENSATED ABSENCES AND POSTRETIREMENT BENEFITS (CONTINUED)

Retired Employees Health Program

Plan Description

Employee members of the American Federation of State, County and Municipal Employees (AFSCME); Pennsylvania Doctors Alliance (PDA); and Pennsylvania Social Services Union (PSSU) participate in the Retired Employees Health Program (REHP), which is sponsored by the Commonwealth and administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF). The REHP provides eligible retirees and their eligible dependents with health care benefits. Benefit provisions are established and may be amended under pertinent statutory authority. The REHP neither issues a stand-alone financial report nor is it included in the report of a public employee retirement system or other entity.

Funding Policy

The contribution requirements of plan members covered under collective bargaining agreements are established by the collective bargaining agreements. The contribution requirements of non-represented plan members and contributing entities are established and may be amended by the Commonwealth's Office of Administration and the Governor's Budget Office. Plan members who enrolled prior to July 1, 2005 are not required to make contributions. Plan members who enrolled after July 1, 2005, contribute a percentage of their final salary, the rate of which varies based on the plan member's enrollment date. Agency member (employer) contributions are established primarily on a pay-as-you-go basis. In fiscal year 2015/16, the State System contributed \$418 for each current active employee per biweekly pay period. The State System made contributions of \$37,026,000, \$30,765,000 and \$28,584,000 for the fiscal years ended June 30, 2016, 2015 and 2014, respectively, equal to the required contributions for the year. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 9 PENSION BENEFITS

Employees of the University enroll in one of three available retirement plans immediately upon employment: the Commonwealth of Pennsylvania State Employees' Retirement System (SERS), the Public School Employees' Retirement System (PSERS), or the Alternative Retirement Plan (ARP).

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NOTE 9 PENSION BENEFITS (CONTINUED)

Following is the total of the University's pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and the pension expense and expenditures for the fiscal years ended June 30, 2016 and 2015:

	SERS		PSERS		ARP		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Net Pension Liabilities	\$ 60,420,844	\$ 50,474,298	\$ 2,588,760	\$ 3,370,072	\$ -	\$ -	\$ 63,009,604	\$ 53,844,370
Deferred Outflows of Resources:								
Difference Between Expected and Actual Experience	1,223,406	274,009	-	-	-	-	1,223,406	274,009
Net Difference Between Projected and Actual Investment Earnings and Pension Plan Investments	6,151,968	1,458,366	-	-	-	-	6,151,968	1,458,366
Changes in Assumptions	1,795,085	-	-	-	-	-	1,795,085	-
Difference Between Employer Contributions and Proportionate Share of Contributions	-	-	21,800	14,070	-	-	21,800	14,070
Changes in Proportion	-	-	114,561	80,233	-	-	114,561	80,233
Contributions after the Measurement Date	2,953,453	2,270,649	198,833	168,218	-	-	3,152,286	2,438,867
Total Deferred Outflows of Resources	12,123,912	4,003,024	335,194	262,521	-	-	12,459,106	4,265,545
Deferred Inflows of Resources:								
Difference Between Expected and Actual Experience	-	-	10,682	-	-	-	10,682	-
Net Difference Between Projected and Actual Investment Earnings Pension Plan Investments	-	-	5,228	240,937	-	-	5,228	240,937
Difference Between Employer Contributions and Proportionate Share of Contributions	168,188	151,271	-	-	-	-	168,188	151,271
Changes in Proportion	1,844,587	476,023	-	-	-	-	1,844,587	476,023
Total Deferred Inflows of Resources	2,012,775	627,294	15,910	240,937	-	-	2,028,685	868,231
Pension Expense	8,054,145	5,840,841	(623,562)	317,835	2,369,202	2,463,277	3,074,643	2,269,378
Contributions Recognized by Pension Plans	4,843,006	4,028,464	198,833	168,978	N/A	N/A	1,496,731	1,130,243

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JUNE 30, 2016 AND 2015**

NOTE 9 PENSION BENEFITS (CONTINUED)

The University will recognize the \$2,953,453 reported as 2016 SERS deferred outflows of resources resulting from pension contributions after the measurement date and the \$198,833 reported as 2016 PSERS deferred outflows of resources resulting from pension contributions after the measurement date, as reductions of the respective net pension liabilities in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended</u>	Amortization	
	SERS	PSERS
June 30, 2017	\$ 1,855,141	23,048
June 30, 2018	1,855,141	23,048
June 30, 2019	1,855,141	23,048
June 30, 2020	1,530,621	51,307
June 30, 2021	61,640	-

SERS

Plan Description

SERS is the administrator of a cost-sharing multiple-employer defined benefit plan established by the Commonwealth to provide pension benefits for employees of Pennsylvania state government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. Membership in SERS is mandatory for most state employees. Members and employees of the General Assembly, certain elected or appointed officials in the executive branch, department heads, and certain employees in the field of education are not required, but are given the option, to participate. SERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the SERS website at www.sers.state.pa.us.

Benefits Provided

SERS provides retirement, death, and disability benefits. Article II of the Commonwealth's Constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly. Cost of Living Adjustments (COLA) are provided ad hoc at the discretion of the General Assembly.

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NOTE 9 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Benefits Provided (Continued)

Employees who were hired prior to January 1, 2011, and retire at age 60 with three years of service, or with 35 years of service if under age 60, are entitled to a normal annual retirement benefit; members of the General Assembly and certain employees classified in hazardous duty positions can retire with full benefits at age 50 with at least three years of service. Act 120 of 2010 (Act 120) preserved all benefits in place for members, but mandated a number of benefit reductions for new members effective January 1, 2011. The benefit reduction included a new class of membership that accrues benefits at 2% of members' final average salary instead of the previous 2.5%. The new vesting period changed from 5 to 10 years of credited service, and the option to withdraw lump-sum accumulated deductions was eliminated. The new normal retirement age is 65 for most employees and 55 for members of the General Assembly and certain employees classified in hazardous duty positions.

According to the State Employees' Retirement Code (SERC), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Contributions

The contribution rate for both active members and the University depends upon when the active member was hired and what benefits class was selected. Section 5507 of the SERC (71 Pa. C.S. §5507) requires the Commonwealth and other employers whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. The SERS funding policy, as set by the SERS Board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS' funding valuation, expressed as a percentage of annual retirement covered payroll, such that the employer contributions, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. Act 120, however, imposed rate increase collars (limits on annual rate increases) on employer contributions. The collar Commonwealth for fiscal year 2014/15 was 4.5% and will remain at that rate until no longer needed.

The University contributed at actuarially determined rates of between 17.18% and 24.86% of active members' annual covered payroll at June 30, 2015. The University's contributions to SERS for the years ended June 30, 2016, 2015, and 2014, were \$4,843,006, \$4,028,464, and \$3,018,949, respectively, equal to the required contractual contribution.

Contribution rate for most active members is 6.25% of gross salary. The contribution rate for other members ranges between 5% and 9.3% of salary depending upon when the member was hired and what class of membership was elected.

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NOTE 9 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Assumptions

The total SERS pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of December 31, 2015 and 2014, using the following actuarial assumptions, applied to all periods included in the measurement.

- Entry age actuarial cost method.
- Straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits.
- Inflation of 2.75%.
- Investment return of 7.50%, net of expenses and including inflation.
- Salary increases based on an effective average of 5.7%, with a range of 3.85% to 9.05%, including inflation.
- Asset valuation using fair (market) value.
- Mortality rates based on the projected RP-2000 Mortality Tables, adjusted for actual plan experience and future improvement.
- Ad hoc cost of living adjustments (COLAs).

Some of the methods and assumptions mentioned above are based on the *18th Investigation of Actuarial Experience*, an actuarial experience study conducted by SERS to determine whether the assumptions used in its annual actuarial valuations remain accurate based on current and anticipated demographic trends and economic conditions. Published in March 2016, it analyzed experience from 2011 through 2016. The actuary, under oversight of the SERS Board, reviewed economic assumptions (such as the assumed future investment returns and salary increases) as well as demographic assumptions (such as employee turnover, retirement, disability, and death rates). Some assumption adjustments increased projected cost and some decreased projected cost, but the overall result was a slight increase in the net pension liability.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in SERS' current and target asset allocation as of December 31, 2015, are summarized below:

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NOTE 9 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alternative Investments	15.00%	8.50%
Global Public Equity	40.00%	5.40%
Real Assets	17.00%	4.95%
Diversifying Assets	10.00%	5.00%
Fixed Income	15.00%	1.50%
Liquidity Reserve	3.00%	0.00%
Total	<u>100.00%</u>	

The discount rate used to measure the total SERS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary and as set by statute. Based on those assumptions, SERS' fiduciary net position was projected to be available to make all projected future benefit payments of current and nonactive SERS members. The long-term expected rate of return on SERS' investments, therefore, was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the University's proportionate share of the SERS net pension liability calculated using the discount rate of 7.50%, as well as what the SERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

Sensitivity of the State System's Proportionate Share of the SERS
Net Pension Liability to Change in the Discount Rate

	<u>1% Decrease 6.50%</u>	<u>Current Rate 7.50%</u>	<u>1% Increase 8.50%</u>
2015	\$75,054,077	\$ 60,420,843	\$47,873,660
2014	\$64,605,886	\$ 50,474,298	\$38,323,420

EDINBORO UNIVERSITY OF PENNSYLVANIA
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NOTE 9 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Fiduciary Net Position

The fiduciary net positions of SERS, as well as additions to and deductions from SERS fiduciary net positions, have been determined on the same basis as they are reported in the SERS financial statements, which can be found at www.sers.state.pa.us. The plan schedules of SERS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Detailed information on investment valuation can be found in the SERS financial statements. Management of SERS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the amount recognized as the University's proportionate share of the SERS net pension liability, measured at December 31, 2015 was \$60,420,844. At June 30, 2015, the amount recognized as the University's proportionate share of the SERS net pension liability, measured at December 31, 2014 was \$50,474,298.

The allocation percentage assigned to each participating employer is based on a projected-contribution method. For the allocation of the 2015 amounts, this methodology applies the most recently calculated contribution rates for Commonwealth fiscal year 2016/17 from the December 31, 2015, funding valuation to the expected funding payroll. For the allocation of the 2014 amounts, this methodology applies the contribution rates for fiscal year 2015/16 from the December 31, 2014, funding valuation to the expected funding payroll. At December 31, 2015, the State System's proportion was 4.721%, a decrease of .018% from its proportion calculated as of December 31, 2014 measurement date.

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 9 PENSION BENEFITS (CONTINUED)

PSERS

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement, disability, and death benefits to public school employees of the Commonwealth. The members eligible to participate in PSERS include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 Pa. C.S. §§8101–9102) (the Code) is the authority by which PSERS benefits provisions and contribution requirements are established and may be amended. The Code requires contributions by active members, the employer (University), and the Commonwealth of Pennsylvania. PSERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the PSERS website at www.psers.state.pa.us.

Benefits Provided

Members who joined prior to July 1, 2011, are eligible for monthly retirement benefits upon reaching age 62 with at least one year of credited service, age 60 with 30 or more years of credited service, or any age with 35 or more years of service. Act 120 preserved the benefits of members who joined prior to July 1, 2011, and introduced benefit reductions for individuals who become new members on or after July 1, 2011, by creating two new membership classes: Class T-E and Class T-F. To qualify for normal retirement, Class T-E and Class T-F members must complete a minimum of 35 years of service with a combination of age and service that totals 92 or greater, or they must work until age 65 with a minimum of three years of service.

Depending upon membership class, benefits are generally 2% or 2.5% of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. Members who joined prior to July 1, 2011, vest after completion of five years of service and may elect early retirement benefits. Class T-E and Class T-F members vest after completion of 10 years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 9 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Benefits Provided (Continued)

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or has at least five years of credited service (10 years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Member Contributions

Active members who joined PSERS prior to July 22, 1983, contribute at 5.25% (Class T-C members) or at 6.50% (Class T-D members) of the member's qualifying compensation. Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Class T-C) or at 7.5% (Class T-D) of the member's qualifying compensation. Members who joined PSERS after June 30, 2001, and before July 1, 2011, contribute at 7.5% (Class T-D). For these hires and for members who elected Class T-D, the 7.5% contribution rate began with service rendered on or after January 1, 2002. Members who joined PSERS after June 30, 2011, contribute at the rate of 7.5% (Class T-E) or 10.3% (Class T-F) of their qualifying compensation. Class T-E and Class T-F members are subject to a "shared risk" provision in Act 120 that could cause the rate in future years to fluctuate between 7.5% and 9.5% for Class T-E and 10.3% and 12.3% for Class T-F.

Employer Contributions

The University's contractually required contribution rate for PSERS for fiscal year ended June 30, 2016, was 25% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Per §8327 of the Code, the Commonwealth is required to contribute 50% of the contribution rate directly to PSERS on behalf of the University, meaning that the amount that the University actually contributed was 12.5% of covered payroll. The University's contribution to PSERS for the year ending June 30, 2016, 2015, and 2014 was \$198,833, \$168,978 and \$187,959, respectively, equal to the required contractual contribution.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 9 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Actuarial Assumptions

The total PSERS pension liability as of June 30, 2015, was determined by rolling forward PSERS' total pension liability as of the June 30, 2014, actuarial valuation to June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

- Actuarial cost method is entry age normal, level percent of pay.
- Inflation of 3%.
- Investment return of 7.50%, including inflation.
- Salary increases based on an effective average of 5.5%, which reflects an allowance for inflation, real wage growth of 1.0%, and merit or seniority increases of 1.50%.
- Mortality rates based on the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females; for disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females.

The actuarial assumptions used in the June 30, 2014, valuation were based on the experience study that was performed for the five-year period ending June 30, 2010. The recommended assumption changes based on this experience study were adopted by the PSERS Board of Trustees at its March 11, 2011, meeting and were effective beginning with the June 30, 2011, actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

PSERS' policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board of Trustees. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. Following is the PSERS Board of Trustees' adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2015:

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 9 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Markets Global Equity	22.5%	4.8%
Private Markets (Equity)	15.0%	6.6%
Private Real Estate	12.0%	4.5%
Global Fixed Income	7.5%	2.4%
U.S. Long Treasuries	3.0%	1.4%
TIPS	12.0%	1.1%
High-Yield Bonds	6.0%	3.3%
Cash	3.0%	0.7%
Absolute Return	10.0%	4.9%
Risk Parity	10.0%	3.7%
MLPs/Infrastructure	5.0%	5.2%
Commodities	8.0%	3.1%
Financing (LIBOR)	-14.0%	1.1%
Total	<u>100.00%</u>	

The discount rate used to measure the total PSERS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, PSERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on PSERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the University's proportionate share of the PSERS net pension liability calculated using the discount rate of 7.50%, as well as what the PSERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

Sensitivity of the State System's Proportionate Share of the PSERS Net Pension Liability to Change in the Discount Rate			
	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
2015	\$ 3,190,900	\$ 2,588,760	\$ 2,082,657
2014	4,203,789	3,370,072	2,658,421

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 9 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, the fiduciary net position of PSERS and additions to or deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported in the PSERS's financial statements. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about PSERS' fiduciary net position is available in the PSERS Comprehensive Annual Financial Report, which can be found at www.psers.state.pa.us.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016 and 2015, the amount recognized as the University's proportionate share of the PSERS net pension liability, plus the related PSERS pension support provided by the Commonwealth, is as follows.

	<u>2016</u>	<u>2015</u>
Total PSERS Net Pension Liability		
Associated with the University	\$ 5,177,520	\$ 6,740,144
Commonwealth's Proportionate Share of the PSERS Net Pension Liability		
Associated with the University	<u>2,588,760</u>	<u>3,370,072</u>
University's Proportionate Share of the PSERS Net Pension Liability	<u>\$ 2,588,760</u>	<u>\$ 3,370,072</u>

PSERS measured the net pension liability as of June 30, 2015. The total PSERS pension liability used to calculate the net pension liability was determined by rolling forward the total pension liability calculated as of June 30, 2014 to June 30, 2015. PSERS calculated the employer's proportion of the net pension liability using the employer's one-year reported covered payroll in relation to all participating employers' one-year reported covered payroll. At June 30, 2015, the State System's proportion was .1852%, an increase of .0067% from its proportion calculated as of June 30, 2014.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 9 PENSION BENEFITS (CONTINUED)

ARP

The ARP is a defined contribution plan administered by the State System. Benefits equal amounts contributed to the plan plus investment earnings. Act 188 empowers the Board to establish and amend benefit provisions. The State Employees' Retirement Code establishes the employer contribution rate for the ARP, while the Board establishes the employee contribution rates. Active members contribute at a rate of 5% of their qualifying compensation. The University recognizes annual pension expenditures equal to its contractually required contributions to the plan. The University's contribution rate on June 30, 2016 and 2015 was 9.29% of qualifying compensation. The contributions to the ARP for the years ended June 30, 2016 and 2015 were approximately \$2,369,000 and \$2,463,000, respectively, from the University and \$2,527,451 and \$2,550,988, respectively, from active members. No liability is recognized for the ARP.

NOTE 10 WORKERS' COMPENSATION

The University participates in the State System's self-insured workers' compensation plan. For claims occurring prior to July 1, 1995 the University must pay up to \$100,000; for claims occurring on or after July 1, 1995 the University must pay up to \$200,000. Claims in excess of the self-insurance limits are funded through the Workers' Compensation Collective Reserve Fund (Reserve Fund), to which the University contributes an amount determined by an independent actuarial study. Based on updated actuarial studies, the University contributed \$17,493, \$68,772 and \$101,391 to the Reserve Fund in 2016, 2015 and 2014, respectively.

Changes in the aggregate liability for claims under the self-insurance limit were as follows:

	<u>2016</u>	<u>2015</u>
Balance at July 1	\$ 472,622	\$ 620,553
Projected Retained Losses	320,795	313,974
Retirements and Changes in Estimates	<u>(362,642)</u>	<u>(461,905)</u>
Balance at June 30	<u>\$ 430,775</u>	<u>\$ 472,622</u>

NOTE 11 CONTINGENCIES, COMMITMENTS AND CONCENTRATIONS

General

The nature of the educational industry is such that, from time to time, the Universities of the State System are exposed to various risks of loss related to torts; alleged negligence; acts of discrimination; breach of contract; labor disputes; disagreements arising from the interpretation of laws or regulations; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system.

EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 11 CONTINGENCIES, COMMITMENTS AND CONCENTRATIONS (CONTINUED)

General (Continued)

The University is self-insured for workers' compensation up to stated limits (see Note 10). For all other risks of loss, the University pays annual premiums to the Commonwealth to participate in its Risk Management Program. The University does not participate in any public entity risk pools, and does not retain risk related to any aforementioned exposure, except for those amounts incurred relative to policy deductibles that are not significant. The University has not significantly reduced any of its insurance coverage from the prior year. Settled claims have not significantly exceeded the University insurance coverage in any of the past three years. It is not expected that the resolution of any outstanding claims and litigation will have a material adverse effect on the accompanying financial statements.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The University's management believes disallowances, if any, will be immaterial.

Construction Commitments

Authorized expenditures for construction projects unexpended as of June 30, 2016 and 2015 were approximately \$651,349 and \$3,612,630, respectively.

NOTE 12 RATING ACTION

The State System's outstanding bonds are assigned an Aa3 rating from Moody's Investors Service, Inc. In August 2016, Moody's revised the outlook for the rating from *negative* to *stable*. Fitch Ratings reaffirmed the State System's rating of AA- with an outlook of *stable*.

NOTE 13 SUBSEQUENT EVENTS

On October 21, 2016, after more than a year of contract negotiations, the State System and the Association of Pennsylvania State College and University Faculties (APSCUF) reached tentative agreement on a new contract, ending a three day strike by faculty. Up until the strike date, APSCUF had been working under the terms of a contract that expired June 30, 2015. As of the date of these financial statements, the contract between the State System and APSCUF, which would run through June 30, 2018, had not yet been ratified by APSCUF nor approved by the State System Board of Governors. The short or long-term impact of the tentative contract terms on the University's financial statements has not yet been determined.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS FOR THE SYSTEM PLAN AND REHP (OPEB)
JUNE 30, 2016 AND 2015
(UNAUDITED)**

Schedule of Funding Progress for the System Plan (OPEB)
(in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2012	\$ -	\$ 92,399	\$ 92,399	0%	\$ 36,759	251.4%
July 1, 2013	-	95,855	95,855	0%	37,862	253.2%
July 1, 2014	-	93,670	93,670	0%	36,309	258.0%

The information above relates to the University's share of the System Plan; i.e., it does not include any other State System Institution or Chancellor's Office.

Schedule of Funding Progress for the REHP (OPEB)
(in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2012	\$ 71,630	\$ 12,843,700	\$ 12,772,070	0.56%	\$ 4,130,000	309%
July 1, 2013	82,060	13,234,040	13,151,980	0.62%	4,264,000	308%
January 1, 2015	144,744	16,134,419	15,989,675	0.90%	4,289,000	373%

The information above relates to the Commonwealth's REHP as a whole; i.e., it is inclusive of all participating Commonwealth agencies and instrumentalities. Nearly all Commonwealth agencies and instrumentalities participate in the REHP.

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF
SERS NET PENSION LIABILITY AND CONTRIBUTIONS
JUNE 30, 2016 AND 2015
(UNAUDITED)**

Schedule of Proportionate Share of SERS Net Pension Liability (NPL)
*Determined as of December 31, 2014, SERS Measurement Date
(in Thousands)*

Fiscal Year	State System's Proportion	University's Proportionate Share	University's Covered- Employee Payroll	University's Proportionate Share of NPL as a % of Covered- Employee Payroll	SERS Fiduciary Net Position as a % of Total Pension Liability
2014/15	4.9010%	\$50,474	\$ 20,587	245%	64.8%
2015/16	4.7208%	\$60,421	\$ 20,955	288%	58.9%

SERS Schedule of Contributions

Fiscal Year	Contractually Required Contributions	Contributions Recognized by SERS in FY 2014/15	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered- Employee Payroll
2014/15	\$3,996	\$3,996	\$0	\$ 20,587	19.4%
2015/16	\$4,843	\$4,843	\$0	\$ 20,420	23.7%

**EDINBORO UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF
PSERS NET PENSION LIABILITY AND CONTRIBUTIONS
JUNE 30, 2016 AND 2015
(UNAUDITED)**

Schedule of Proportionate Share of PSERS Net Pension Liability
Determined as of June 30, 2014, PSERS Measurement Date
(in Thousands)

Fiscal Year	PSERS Net Pension Liability				University's Covered- Employee Payroll	University's Proportionate Share of NPL as a % of Covered- Employee Payroll	PSERS Fiduciary Net Position as a % of Total Pension Liability
	State System's Proportion	University's Proportionate Share	Commonwealth's Proportionate Share	Total			
2014/15	0.1785%	\$3,370	\$3,370	\$6,740	\$1,086	310%	57.2%
2015/16	0.1852%	\$2,589	\$2,589	\$5,178	\$1,538	200%	54.4%

PSERS Schedule of Contributions

Fiscal Year	Contractually Required Contributions	Contributions Recognized by PSERS in FY 2014/15	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered- Employee Payroll
2014/15	\$169	\$169	\$0	\$1,086	16.0%
2015/16	\$199	\$199	\$0	\$1,684	11.8%



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Council of Trustees
and Management of Edinboro University
of Pennsylvania of the State System of Higher Education
Edinboro, Pennsylvania

In planning and performing our audit of the financial statements of the business-type activities and the aggregate discretely presented component units of Edinboro University of Pennsylvania of the State System of Higher Education as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our report on our audit of the financial statements includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting that are reported on separately by those auditors.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Council of Trustees, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 31, 2016



Council of Trustees
Edinboro University of Pennsylvania
of the State System of Higher Education
Edinboro, Pennsylvania

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Edinboro University of Pennsylvania of the State System of Higher Education (the University) as of and for the year ended June 30, 2016, and have issued our report thereon dated October 31, 2016. We did not audit the financial statements of the discretely presented component units, which statements reflect 100% of the total assets and 100% of the total net assets as of June 30, 2016 and 100% of the revenues of the discretely presented component units for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements.

As described in Note 1, the State System changed accounting policies related to the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. In accordance with Statement No. 72, the State System has classified its investments as *Level 1*, *Level 2*, or *Level 3*, to indicate the degree of certainty around the assets' underlying values.

Also described in Note 1 are several other GASB Statements that the State System will be required to adopt in future years. The most significant pending GASB Statements are Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements establish new accounting and financial reporting requirements for governments whose employees are provided with OPEB (other postemployment benefits), as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. These statements will require the State System to record its postretirement health care liability in its entirety. The State System expects that the amount recorded on the balance sheet as a postretirement health care liability will increase when Statement No. 75 is implemented, but the amount cannot be calculated until a new actuarial valuation is performed under the new standards. Furthermore, Statement No. 75 will require the State System to record the liability for its employees who participate in the Commonwealth's Retired Employees Health Plan (REHP). Under current standards, the State System does not report a share of the REHP's unfunded liability since the REHP is a multiple-employer cost-sharing plan administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF).

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of capital assets and related depreciation expense is based on the University's current and historical information available to management. We evaluated the key factors and assumptions used to develop the useful lives of capital assets and the related depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for doubtful accounts is based on historical practices, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the postretirement benefits liability and expense, the net pension liability, pension expense and the related deferred inflows and deferred outflows are based on actuarial calculations and allocations performed by third parties. We evaluated the key factors and assumptions used to develop the postretirement benefits liability, the net pension liability, pension expense and the related deferred inflows and deferred outflows in determining that these amounts are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the compensated absences liability is based on historical trends and University policy. Also management's estimate of the portion of compensated absences that is expected to vest in the future is based on historical vesting rates for the employee pool. We evaluated the key factors and assumptions used to develop the current portion of compensated absences and the portion expected to vest in the future in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- \$176,463 of interest expense was reversed in the current year related to interest that was charged in error by the System office for the previous year.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated October 31, 2016.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

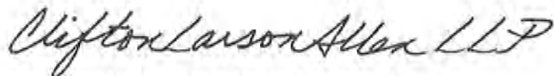
Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Council of Trustees and management of the University and is not intended to be, and should not be, used by anyone other than these specific parties.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 31, 2016

October 31, 2016

CliftonLarsonAllen LLP
610 West Germantown Pike, Suite 400
Plymouth Meeting, PA 19462

This representation letter is provided in connection with your audits of the financial statements of Edinboro University of Pennsylvania of the State System of Higher Education and its discretely presented component units as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of October 31, 2016, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 9, 2016, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates (including those measured at fair value) and the significant assumptions used in making those accounting estimates are reasonable.
- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

- Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
- The methods and significant assumptions used to determine fair values of financial instruments are as follows: financial instruments are adjusted to the current fair market value as of June 30, 2016. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- We believe that all material expenditures that have been deferred to future periods will be recoverable.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Information Provided

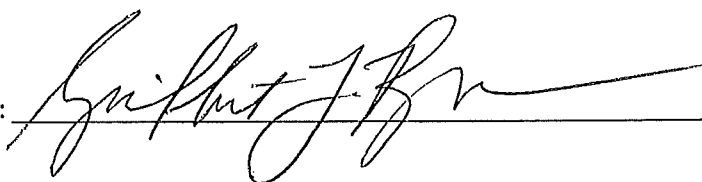
- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the University from whom you determined it necessary to obtain audit evidence.

- Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.
- All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
- Access to all audit or relevant monitoring reports, if any, received from funding sources.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the University and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the University's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
- We have disclosed to you the identity of the University's related parties and all the related party relationships and transactions of which we are aware.
- The University has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

- We have a process to track the status of audit findings and recommendations.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Edinboro University, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- The University has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
- We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
- The financial statements properly classify all funds and activities.
- All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported; and, if applicable, depreciated.
- We have appropriately disclosed the University's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- In regards to the nonattest services performed by you, we have:
 - Made all management judgments and decisions and assumed all management responsibilities.

- Designated an individual who possesses suitable skill, knowledge, or and/or experience to understand and oversee the services.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

Signature:  Title: VP Finance & Administration

Signature: Eric N. Steppane Title: AVP for Financial Operations

Edinboro University Council of Trustees

December 16, 2016

Finance and Administration – Information

Personnel transactions since October 24, 2016

NEW HIRES/REPLACEMENTS/CONTINUATIONS

Davis, Mr. Justin, temporary, full-time, Equipment Operator B, Facilities Department, at \$16.46 hourly effective December 19, 2016.

Joseph, Ms. Roseanne, part-time (up to 75%), temporary Instructor, Speech, Language and Hearing Department, Spring 2017 semester, at \$17,478.57 effective January 7, 2017.

Kahle-Simonette, Ms. Kelly, regular, full-time, Clerk Typist 2, Middle & Secondary Education and Educational Leadership Department, at \$34,660.00 effective November 26, 2016.

Marrero, Ms. Pertrina, Director of Diversity and Inclusion, Management Level 180, at \$72,000.00, effective November 28, 2016.

Matters, Mr. John, regular, full-time, Medium Voltage Electrician, Facilities Department, at \$35,364.00 effective October 31, 2016.

Myers, Ms. Diane M., temporary, full-time, Custodial Worker 1, Facilities Department, at \$12.97 hourly effective November 28, 2016.

Petrillo, Mr. Michael, regular, full-time, State University Administrator, Level 2 (exempt) Assistant Director of Campus Life for Pogue Student Center, Campus Life and Leadership Development Department, at \$45,027.00 effective December 5, 2016.

Skelton, Mr. Clay B., regular, full-time, Semi-Skilled Laborer (Groundskeeper), Facilities Department, at \$27,834.00 effective October 10, 2016.

RESIGNATION/SEPARATIONS

Berarducci, Ms. Juliana E., regular, part-time (wage), Licensed Practical Nurse, Office for Students with Disabilities, effective with the close of business October 15, 2016.

Boley, Dr. Frederick D., Assistant Professor, Counseling, School Psychology, and Special Education Department, effective with the close of business January 6, 2017.

Kohut, Dr. Paul A., part-time (wage), Staff Physician 2, Ghering Health Center, deceased, effective November 12, 2016.

CONTRACT RESCIND/FURLOUGHS/TERMINATION/POSITION ABOLISHMENT

Hilbert, Mr. Michael J., Director of Facilities Management and Planning, effective with the close of business October 28, 2016.

RETIREMENTS

Legin-Bucell, Dr. Cynthia M., Professor, Psychology Department, effective with the close of business January 20, 2017.

Molrine, Dr. Charlotte J., Professor, Speech, Language and Hearing Department, effective with the close of business January 20, 2017.

Rebar, Dr. Cynthia E., Professor, Biology and Health Services Department, effective with the close of business December 23, 2016.

Sitter, Dr. Susan E., Assistant Professor, Nursing Department, effective with the close of business January 20, 2017.

**Edinboro University Council of Trustees
Finance and Administration – Information
Personnel transactions since October 24, 2016**

COACHING CONTRACTS/RENEWALS/CHANGE IN STATUS

Bradford, Mr. Wayne, regular, full-time, Assistant Football Coach, contract extended through March 1, 2019.

SICK LEAVE

Campbell, Mrs. Caroline H., Family and Medical Leave Act (FMLA), beginning October 31, 2016 through December 9, 2016.

Covington, Dr. William G., Family and Medical Leave Act (FMLA), beginning October 18, 2016 through February 16, 2016.

Cramer, Mr. Stephen C., Family and Medical Leave Act (FMLA), beginning October 21, 2016 through October 21, 2017.

Grando, Ms. Cathy G., Family and Medical Leave Act (FMLA), beginning October 3, 2016 through October 17, 2016.

Kim, Ms. Donghwa, Family and Medical Leave Act (FMLA), beginning November 1, 2016 through January 20, 2017.

Knight, Mrs. Kitty L., Family and Medical Leave Act (FMLA), beginning November 22, 2016 through December 12, 2016.

McQuiston, Mrs. Megan L., Family and Medical Leave Act (FMLA), beginning October 12, 2016 through January 15, 2017.

Rahman, Dr. Abdur, Family and Medical Leave Act (FMLA), beginning October 13, 2016 through December 5, 2016.

Sideris, Dr. Jeremy B., Family and Medical Leave Act (FMLA), beginning November 8, 2016 through February 15, 2017.

Vegh, Dr. Deborah T., Family and Medical Leave Act (FMLA), beginning October 25, 2016 through November 26, 2016.

Wieczorek, Ms. Maria A., Family and Medical Leave Act (FMLA) revised, intermittent beginning September 23, 2016 through March 31, 2017.

CHANGE IN STATUS

Conklin, Ms. Sharon M., out-of-class pay, \$38.34 per hour for days worked as the Interim Director of Office for Students with Disabilities, beginning October 1, 2016 through May 19, 2017.

Edmonds, Dr. William A., from Associate Vice President for Enrollment Services to Vice President for Enrollment Management effective October 1, 2016.

PROMOTION - NON-FACULTY

Donikowski, Mrs. Karen P., from regular, full-time, Custodial Worker 1 to regular, full-time, Custodial Worker 2, Facilities Department, at \$33,330.00 effective October 22, 2016.

Goellner, Ms. Marilyn, from Major Gifts Officer, Management Salary Level 190, to Assistant Vice President for Advancement, Management Salary Level 210, salary increase of \$10,000.00 annually effective December 1, 2016; upon completion of degree requirements by August 31, 2017, Management Level from 210 to Management Salary Level 220, additional salary increase of \$12,000.00 annually.

**Edinboro University Council of Trustees
Finance and Administration – Information
Personnel transactions since October 24, 2016**

Higham, Mr. David P., from Administrative Coordinator, State University Administrator 2 to Administrative Coordinator, State University Administrator 3, at \$68,519.00 effective July 1, 2016.

Rand, Ms. Sarah R., from regular, full-time, Fiscal Assistant to Assistant Bursar, Management Salary Level 170, at \$48,500.00 effective October 29, 2016.



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

Student Affairs (Dr. Mary Beth Mercatoris, Interim Dean of Students and Campus Life)

Information - Student Affairs

Student Affairs Report

Student Affairs – Report
Edinboro University Council of Trustees
December 16, 2016

Ghering Health and Wellness

- Counseling and Psychological Services established evening hours to provide access to counseling services for students who are unavailable during traditional business hours or who are off-campus for internships and/or other academic reasons.
- The Student Health Services achieved accreditation by the Ambulatory Association for Ambulatory Health Care for another three-year term.
- The Attendant Care Program created a new scheduling format to decrease wait times and expedite the means of receiving assistance.
- The Attendant Care Program created a task force comprised of students enrolled in the program to improve services.
- The Attendant Care Program implemented a new on-line suggestion box.
- The Wellness Peer Educators, Student Health and Wellness Advisory Board, Student Health Services and SafeNet conducted a domestic violence awareness march on October 12.
- The Student Health and Wellness Advisory Board and the Wellness Peer Educators provided information on smoking and ways to quit during the Great American Smokeout on November 17.

Campus Life and Leadership Development

- Campus Life staff successfully planned for a possible, multi-week strike with programmatic offerings from 8 a.m. to 1 a.m. daily. Once the strike occurred, staff received very positive feedback from students regarding the diverse programming.
- Campus Life staff successfully hired a second-shift building supervisor that will assist with the function of the student center and will supervise the student staff in the evening/weekend hours. This staffing will add to efforts to support retention efforts.
- Another successful Edinboro University Homecoming weekend was celebrated. Our parade consisted of over 100 units!
- Random Acts of Kindness in Edinboro (RAKE) was held on its rain date, October 23, 2016. Student volunteers raked 46 houses (all that requested them) with 150 volunteers reporting on the make-up, rain day.
- Campus Life staff held a Community Service Day during the strike which gave students the opportunity to give back. Thanks to their efforts, 250 homemade dog toys were taken to local shelters, 50 heating and cooling rice bags were made and presented to the Edinboro Manor, and 200 thank you cards for Operation Gratitude were completed.
- On November 11, ROTC presented a full Veterans Day Celebration complete with a quilt dedication.

Office for Students with Disabilities

- The Office for Students with Disabilities staff initiated a new procedure for students to request disability accommodations. This is to replace a procedure that was not consistent or student-friendly in order to provide better and more efficient service for our students.
- The Interim Director of the Office for Students with Disabilities reviews student documentation within three working days of receiving it in order to better and more efficiently serve our students.
- The Office for Students with Disabilities staff is undergoing a reorganization of duties and responsibilities of clerical staff to highlight the strengths of our clerical staff. This results in more efficient service delivery and better and more efficient service for the staff and students.

Division of Student Affairs

- Edinboro University welcomed its new Director of Diversity and Inclusion, Ms. Pertrina “Trina” Marrero on November 28.
- A search is underway for a new Director of the Office for Students with Disabilities.
- Selected divisional staff joined the Association of Student Conduct Administrators.

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Student Affairs – Report
Edinboro University Council of Trustees
December 16, 2016

Residence Life and Housing

- During Homecoming, the Department of Residence Life and Housing afforded housing to 110 alumni and family members in Dearborn Hall.
- In response to the mid-semester grade reports, the Department of Residence Life and Housing has been engaged in planning and presenting academic success programming in the residence hall. Each hall is in process of delivering a multi-day event designed to help students be successful post mid-term.
- A collaborative effort among many University areas resulted in determining to move the Student ID office from Van Houten to Pogue (near Residence Life office). Staff from the ID office and Residence Life will be cross-trained in order to provide a continuity of service. Additionally, movement and implementation of the new Access Policy will afford students and employees streamlined services.
- The Residence Hall Association, under the advisement of Josette Skobieranda Dau, Assistant Director for Residence Life and Housing, has partnered with On Campus Marketing (OCM) to deliver products and services to residential students. This past week, a little over 110 “Out of the Blue” gift baskets were delivered to residence hall students. In addition, Josette is actively working with OCM to outfit, at their cost, a traditional residence hall “show room” for prospective students.
- The Residence Life staff facilitated nightly programs within each community every day during the faculty strike.
- An “on-call” manual has been developed for use by the professional staff in student affairs who, on a rotating basis, serve as a point of contact in emergency and crisis situations. This manual is complete with emergency telephone numbers, outlines for crisis management and template letters for students that are in situations that require immediate communication.
- Residence Life staff engaged students in a post-election dialogue and a post-election art program aimed at encouragement of civility and celebration of diversity.
- Amy Franklin-Craft engaged in American College Personnel Association leadership retreat from November 17-20, 2016.
- The Residence Hall Association, under the advisement of Department of Residence Life and Housing staff, recently joined more than 40 regional universities in attending the Central Atlantic Affiliated College and University Residence Halls (CAACURH). While there, they were awarded “Most spirited school photo” and the Edinboro University RHA president, Joey Asti was awarded “Most spirited RHA President.”
- Denita Kelly assumed the role of Edinboro University SCUPA (State College & University Professional Association) President. She has also been named one of the SCUPA representatives for the House of Delegates to PSEA.
- Amy Franklin-Craft concluded her role as committee chair for the American College Personnel Slating and Elections Committee. This committee was responsible for reviewing the credentials of more than 50 individuals and creating a slate of candidates for various elected positions.

Athletics

- The NCAA has announced that the Edinboro Men’s and Women’s Basketball teams will be featured as part of their slate of 27 regular-season Men’s and Women’s Basketball games that will be carried on either the American Sports Network or ESPN3. The Edinboro-IUP doubleheader on Saturday, February 11 has been selected to be shown on ASN (American Sports Network) as part of the NCAA’s Division II television package. The date coincides with another Make-A-Wish reveal at Edinboro University.
- Edinboro’s athletic teams continue to do a variety of community service activities. The Men’s and Women’s Tennis teams and the Men’s and Women’s Swimming teams raked leaves in several neighborhoods. The women’s lacrosse team took part in the recent Polar Plunge at Presque Isle. A number of the players served as volunteers, while two actually took the plunge into the chilly waters of Lake Erie. Proceeds raised benefited Special Olympics. The wrestling team held a kids clinic prior to the wrestling match against Pittsburgh on November 13. Assistant Coach Mitchell Port and several wrestlers instructed the kids for an hour prior to the match.

**Student Affairs – Report
Edinboro University Council of Trustees
December 16, 2016**

- The NCAA and PSAC recently released the 2016 Graduation Rate and Academic Success Rate report. The Edinboro University student athletes have an academic success rate 35% greater than the general Edinboro University student population. The Edinboro University student athletes' graduation and academic success rates are both above the PSAC average.

Athletics Fundraising Activities

Celebrating 50 Years of Women's Basketball

Celebrating the Coaches: Judy Saurer, Monica Pellman, Dr. Kathleen Lipkovich & Stan Swank

Saturday, December 10, 2016

1:00 p.m., McComb Fieldhouse: Edinboro University Fighting Scots vs. Cheyney University Wolves

4:00 p.m., Van Houten, North Dining Hall: Reception recognizing the nearly 200 alumnae basketball players

Super Bowl Raffle

One of our most successful fundraisers has been the Super Bowl Raffle. Participants can win two tickets (face value of \$6,499 per ticket) to Super Bowl LI in Houston, Texas on February 5, 2017. The package includes three nights lodging (double occupancy), and two round-trip coach airline tickets from a major airport. (Maximum airfare value \$2,000 total). The drawing will be held at halftime of the Men's Basketball game against Gannon on January 11, 2017.

Athletic Team Updates

Football (9-2)

Under first-year Head Coach Justin Lustig, Edinboro posted the biggest turnaround from one year to the next in NCAA Division II history. After finishing 0-11 a year ago, the Fighting Scots tied the school record for wins with a 9-2 record, with both losses coming to nationally-ranked teams. Edinboro was ranked in the AFCA Division II Coaches' Poll for the first time since 2011, and finished seventh in Super Region One. Lustig was named the PSAC West Coach of the Year, and Ta'Nauz Gregory was selected the PSAC West Freshman of the Year. Four players earned All-PSAC honors.

Women's Soccer (13-5-1)

Head Coach Gary Kagiavas led the Fighting Scots to their fifth NCAA playoff appearance in the last six years. Nationally-ranked for much of the season, as high as 11th at one point, the Fighting Scots entered NCAA Atlantic Region action as the sixth seed, playing third-seed Charleston (WV) in the first round. Edinboro would finish the year with a 13-5-1 record. All told, seven players earned All-PSAC accolades, and two players – Ashley Mutkus and Alex Brown – have earned All-Atlantic Region honors.

Volleyball (23-8)

The Fighting Scots rallied from a 0-4 start to win 17 straight matches, and now sit at 23-8. Coach Missy Soboleski's team finished second in the PSAC Northwest Division and qualified for the PSAC Championships. The Fighting Scots were ranked third in the latest NCAA Atlantic Region poll and may participate in the NCAA Playoffs for the third straight year. Four players were accorded All-PSAC honors. In addition, Victoria Severo was named to the CoSIDA (College Sports Information Directors of America) Academic All-America All-District team.

Women's Cross Country

While a rebuilding Women's Cross Country team failed to reach Nationals, they enjoyed success from an individual standpoint, with Emma Sullivan earning All-Region honors for the third time, and also capturing All-PSAC honors for a third straight year.

Men's Cross Country

First-year coach Ryan Foster guided his men to a third place finish in both the PSAC Championships and the Atlantic Regional to earn a berth in the NCAA Division II National Championships where they finished 28th. Five runners earned All-Region honors after a similar number ran to All-PSAC honors.

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Student Affairs – Report
Edinboro University Council of Trustees
December 16, 2016

Wrestling (0-3)

A young Edinboro team is off to a deceiving 0-3 start, with all three losses to nationally-ranked teams in sixth-ranked Virginia Tech, 22nd-ranked Pittsburgh, and 11th-ranked Lehigh. Four Fighting Scots are nationally-ranked.

Women's Basketball (3-2)

The Women's Basketball team was picked to finish third in the PSAC West. Now in his 30th season, Head Coach Stan Swank saw his team open with a pair of losses against tough opponents in Wheeling Jesuit and Glenville State. They have since run off three straight wins, opening the PSAC portion of their season with road wins at Millersville and Shippensburg.

Men's Basketball (2-2)

Edinboro opened the year with a pair of wins over Thiel and Lake Erie before opening PSAC action with losses at Millersville and Shippensburg. Jaymon Mason scored his 1,000th point at Millersville, in the process becoming the third-fastest player to 1,000 points. He did it in 56 games, his father Tyrone Mason did it in 51 games, as did Kenny Tate. Edinboro was picked to finish fifth in the PSAC West preseason poll.

Men's Swimming (0-3)

Edinboro finished second at the Westminster Relays and to date have six men have qualified for PSACs in a variety of events.

Women's Swimming (1-2)

Edinboro had an impressive win over Clarion for the fourth straight meet. They finished first at the Westminster Relays and eight women have qualified for PSACs in a variety of events.

Wheelchair Basketball (3-2)

The wheelchair basketball team opened the season the weekend of November 19-20, hosting the Boro Shootout. The Fighting Scots finished second in the two-day tournament, going 3-2.



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

- **New Business**
University Advancement (Ms. Marilyn Goellner, Assistant Vice President for Advancement)
Information – University Advancement
University Advancement Report

Gifts-in-Kind received since October 24, 2016

**University Advancement - Report
Edinboro University Council of Trustees**

December 16, 2016

For the period: October 7 – November 30, 2016

Development:

Fundraising Goal July 1, 2016 – June 30, 2017: \$4,275,000

Total Fundraised as of November 30, 2016: \$1,868,990.34

FY 2017	#	#of Asks	Total
*Expected Planned Gifts	2		\$ 455,000
Major Gifts		19	\$ 660,000
Athletic Contracts		3	\$ 15,000
Annual Fund Outstanding Pledges			\$ 13,800
Total			\$1,143,800

**New Planned Gifts (4) – values unknown at this time*

- Fundraising/Friend-raising Events
 - December 10 - Celebrating 50 Years of EU Women's Basketball

- Advancement/Prospect Meetings with President Walker
 - October 12 - Presidential Business Tour of Erie Industrial Sales and Manufacturing, James Rutkowski Sr. (Erie, Pennsylvania)
 - October 27 – Presidential Business Tour of American Tinning and Galvanizing, Robin Scheppner (Erie, Pennsylvania)
 - November 14 – Richard Walker '96, Impellia Presentation (Pittsburgh, Pennsylvania)
 - November 21 – Presidential Business Tour – Culbertson Hills Resort (Edinboro, Pennsylvania)
 - December 1 - Presidential Business Tour of Eriez Magnetics, Charles Ingram, Vice President for Sales & Marketing (Erie, Pennsylvania)
 - December 5 – Presidential Tour; Alumni Gathering at The Ritz-Carlton, Naples Beach Resort (Naples, Florida)
 - December 15 – Presidential Tour – Meadville Business Leaders, hosted by EU Trustee Dan Higham '70 and COT Chair Dennis Frampton '89 (Conneaut Lake, Pennsylvania)
 - February 16, 2017 - Presidential Tour and Afternoon Tea at Springhill Senior Living Community (Erie, Pennsylvania)

- Upcoming Alumni Events
 - Splash Lagoon Family Fun Weekend – January 13-15, 2017

**University Advancement - Report
Edinboro University Council of Trustees
December 16, 2016**

- Fall Phonathon – end of semester report (Leta Jeffers)
 - Fall Phonathon called for a total of nine weeks, employing more than 20 student callers. The total committed this fall is \$72,349.65 from 1,658 donors. Last fall the total committed was \$81,808.00 from 1,887 donors.
 - In a continued focus to grow our Annual Giving program, it will be our goal to have a greater focus on promoting monthly giving for our alumni. This effort will help free University resources from the cost of recapturing annual gifts and allowing our focus to shift to obtaining new donors.

- Fundraising Travel
 - Phoenix/Scottsdale, Arizona
 - Pittsburgh, Pennsylvania
 - Maryland/Virginia
 - North and South Carolina
 - Miami, Florida
 - Harrisburg, Pennsylvania

Edinboro University Council of Trustees - December 16, 2016
 Gifts-in-Kind received since October 24, 2016

NAME		DATE	AMOUNT	DESCRIPTION
Anonymous	Donor	10/31/2016	\$445.00	Gift-in-kind of 4' x 8' Football sign printed on 6mm DiBond for use by the Athletics Department/Football Office
Baumgartner	Bruce R.	10/31/2016	\$175.00	Donation of five (5) Rudis T-shirts, one (1) Eastern Wrestling League polo, one (1) "Road to Rio 2016" work out pack, and one (1) Greg Normal golf polo as auction items for the Curly Halmi Game Dinner or Sports Memorabilia Auction
Bucell	Michael	11/30/2016	\$9.00	Donation of nine (9) paperback books for placement in the Baron-Forness Library
Chacona	Julie A.	10/31/2016	\$20.00	Gift-in-kind re: items for assembly of a Beer Basket - included crate, pretzels, napkins and mustard as an auction item for the 2016 Study Abroad Trivia night
Charlie's	Pub & Eatery	10/31/2016	\$920.00	Donation of food and beverages for consumption by EU Football team after home football game
Compadres	Mexican Restaurant	10/31/2016	\$300.00	Donation of food (200 tacos) for consumption by EU Football team after home football game
Dick's	Sporting Goods #689	10/31/2016	\$80.00	Gift-in-kind of 40 drawstring bags and 40 water bottles for use by the Women's Lacrosse team
Edinboro	Hotel, Inc.	10/31/2016	\$465.00	Donation of food and beverages for consumption by the EU Football team after home football game
EU	Counseling, School Psychology, and Special Education	10/31/2016	\$550.00	Donation of 110 spaghetti dinners with salad, rolls and dessert for consumption by the EU football team after home football game
EU	Highlands Catering	10/31/2016	\$850.00	Donation of food (pizzas and wings) for consumption by the EU Football team after home football game
Fat	Willie's Wing House	10/31/2016	\$920.00	Donation of food and beverages for consumption by the EU Football team after home football game
Fischer	Tom	10/31/2016	\$1.00	Gift-in-kind of one (1) hardback book for placement in the Baron-Forness Library
Grant	Gary S.	11/30/2016	\$50.00	Donation of a pewter "Cup of Friendship" as an auction item for the 2016 Study Abroad Trivia Night
Heibel	Sean M.	11/30/2016	\$82.00	Gift-in-kind of 31 hardback books and 51 paperback books for placement in the Baron-Forness Library
Hoffman	Donald S.	10/31/2016	\$7.00	Donation of seven (7) hardback books for placement in the Baron-Forness Library
Jambro	Thomas A.	10/31/2016	\$940.00	Donation of an overnight stay for two (2) in Toronto at the InterContinental Hotel (included dinner for two (2) and tickets for the Toronto Symphony Orchestra performance) as an auction item for the 2016 Study Abroad Trivia Night
John's	Wildwood Pizzeria	10/31/2016	\$320.00	Donation of food (25 pizzas) for consumption by the EU Football team after home football game
Lakeside	Bagel & Deli	10/31/2016	\$100.00	Donation of bagels for consumption by the EU Football team
Lustig	Beth A.	10/31/2016	\$350.00	Donation of food (110 sloppy joes) for consumption by the EU Football team after home football game
McDonald's		10/31/2016	\$100.00	Donation of food (100 cheeseburgers) for consumption by the EU Football team after home football game
Molrine	Charlotte J.	11/30/2016	\$30.00	Gift-in-kind of a Pablo Semanario ceramic plant dish (Peruvian) and an Uros Island (Lake Titicaca) embroidered wall hanging as auction items for the Study Abroad Trivia Night
Norton	Jennifer J.	10/31/2016	\$16.42	Donation of two (2) jumbo mugs and a corkscrew/bottle opener as auction items at the 2016 Study Abroad Trivia Night.
Obringer	David C.	10/31/2016	\$3.00	Gift of one (1) hardback book and two (2) paperback books for placement in the Baron-Forness Library

Edinboro University Council of Trustees - December 16, 2016
 Gifts-in-Kind received since October 24, 2016

Pennsylvania	State Employees Credit Union	10/31/2016	\$640.00	Gift-in-kind of 500 foam spirit fingers for use and distribution to EU fans by the Athletic Department
Pulice	Jon J.	11/30/2016	\$4.99	Donation of holiday cards for use by the Advancement Office to send to top prospects and Board members
RapidMade	Inc.	11/30/2016	\$200.00	Contribution of a spin coating apparatus, 3-D printer for use by faculty and students in the EU Chemistry Department
Robbins	William P.	11/30/2016	\$520.00	Donation of two (2) tickets to the Pittsburgh Steelers vs. Cleveland Browns football game on January 1, 2017, and four (4) tickets to a Pittsburgh Pirates Game for use as auction items for the Study Abroad Trivia Night
Splash	Lagoon, Inc.	10/31/2016	\$1,658.00	200 wraps to the Football team
Straite	Lynette	10/31/2016	\$1.00	Gift of six (6) sets of cups and saucers dating from 1913; acquired from Hazel Bonzer, daughter of Dorothy Irene Coon Andrews, for display by the EU Alumni Office
Taco	Bell	10/31/2016	\$224.50	Donation of 50 meals for consumption by Residence Life & Housing staff and others re: offering of continuing education training
Taco	Bell	10/31/2016	\$225.00	Donation of food (tacos) for consumption by the EU Football team following home football game
Tim	Horton's	10/31/2016	\$200.00	Donation of food (assortment of bagels, pastries and sandwiches) for consumption by EU Football team after home football game
UTZ	Quality Foods, Inc.	10/31/2016	\$750.00	2500 Utz individual snacks for the 2016 Homecoming community picnic
Wendy's		10/31/2016	\$400.00	Donation of food (100 cheeseburgers and french fries) for consumption by EU Football team after home football game
Werner	Bernard	10/31/2016	\$1,000.00	Gift-in-kind of "Global Warming" (digital image printed on Hahnemuhle Fine Art Baryta 325 gsm using archival inks; framed ~ 42" x 29.5"; textured acrylic surface) as an auction item for the 2016 Study Abroad Trivia Night
Wyman	Andrea	10/31/2016	\$2.00	Donation of two (2) paperback books for placement in the Baron-Forness Library



**Council of Trustees
Friday, December 16, 2016**

**Public Meeting 2:00 p.m.
Crawford Center Conference Room**

A G E N D A

- **New Business**

- Information – Executive Committee/Representative Reports**

- PACT Executive Committee Report (Trustee Harold Shields)**

- ❖ **Summary** of December 6 conference call - PACT Executive Board and Council of Trustees Chairs
 - ❖ **2017 PACT Spring Conference – April 19-20, 2017**
Dixon University Center
Accommodations: Harrisburg Hilton & Towers



Summary of PACT Executive Board and Council of Trustees Conference Call Tuesday, December 6, 2016

President Shields called the meeting to order at 3:00 p.m. and opened with roll call. The following Trustees and Office of the Chancellor staff were on the call:

Harold Shields, PACT President, Edinboro University Trustee
Michele Mandell, PACT 1st Vice President, California University Trustee
Jack Wabby, PACT 2nd Vice President, Kutztown University Trustee
Mary Coploff, PACT Secretary, Lock Haven University Trustee
Marcus Lingenfelter, PACT Executive Board Member, East Stroudsburg
Gealy Wallwork, PACT Executive Board Member, Indiana University Trustee
Karen Russell, PACT Executive Board Member, Mansfield University Trustee
Jim Kifer, Council of Trustees Chair, Clarion University
Pat Ross, Council of Trustees Chair, East Stroudsburg University
Bobbi Kilmer, Council of Trustees Chair, Mansfield University
Rich Frerich, Vice Chair, Council of Trustees, Millersville University (for Chair, Mike Warfel)
Michael Schaul, Council of Trustees Chair, Shippensburg University
Peter Garland, Executive Vice Chancellor, Office of the Chancellor
Charissa Williams, Executive Assistant, Office of the Chancellor

Review of Fall Workshop Survey Results

- ❖ Michele Mandel provided an overview of the survey results from the Fall 2016 PACT Workshop that was held October 7, 2016 at the Dixon University Center in Harrisburg. Consultants from AGB presented and moderated the panel discussions that were focused on board responsibility for the oversight of college completion and campus climate, inclusion and civility.
- ❖ The first four questions were developed by AGB, followed by two additional questions from the PACT. Overall, the program content was rated highly by the attendees and of note the segment on the Getting Students to the Finish Line was found to be very helpful and many favorable comments on the panel structure.
- ❖ There is still a lot of opportunity for improvement and as the committee plans future conferences, it is important to note that every topic will be approached from a trustee's perspective and "eyes".
- ❖ Other comments offered were:
 - More participation from trustees on panels is needed
 - Have lighter topic over a working lunch
 - Shorter Program structure which may improve opportunity for networking and socializing and also improve attendance

- More need for collaborative effort and partnerships among universities
- ❖ Trustee Pat Ross from ESU commented that opportunities for Trustees to interact more with the Board of Governors should be incorporated into future conference formats.
- ❖ Pat Ross also questioned how Trustees are to manage the fiduciary responsibilities when unfunded mandates are put before them, i.e, the APSCUF CBA that will be ratified very soon. Felt the importance of addressing system issues first. A systemic change to the process is needed.
- ❖ President Shields responded that future panel discussion surrounding the topic of consequential Boards will be included in addition to taking a deeper look at Act 188 which would lead into this topic for discussion.
- ❖ In closing this part of the discussion, Ms. Mandell encouraged Trustees to utilize the PACT website more, which is updated frequently to include conference/workshop information and other details, in addition to other resources and tools for Trustees to reference.

2017 Conference Planning Discussion

- ❖ Mr. Shields initiated a discussion on possible topics to consider for the upcoming Spring 2017 meeting. Now that the Governor has appointed / re-appointed Trustees to the numerous vacancies among the universities (with the exception of the Student Trustees), it is ever so important for new Trustees to participate and become more involved with the PACT. Pat Ross, ESU Chair, commented that two out of the three vacancies were filled.
- ❖ Mr. Shields plans to send a welcome letter to the newly appointed trustees emphasizing the importance and role of a Trustee, in addition to encouraging their involvement with the educational opportunities that PACT sponsors throughout the year.
- ❖ Comments offered by other trustees stressed the importance of incorporating more interaction among trustees in addition to topics addressing system sustainability. Senator Argall is introducing legislation to review State System and it was suggested that this could be used as a workshop at the upcoming Spring meeting. A great dialogue ensued surrounding the political ramifications of the system sustainability and fiduciary responsibilities.

It was noted that the Board of Governors has also initiated a study of the System and the timeline for completion may be the middle of 2017.

Additional panels were suggested:

- ❖ Trustee Ralph Meyer provided the name of Cliff Wharton as a possible keynote speaker for the Spring conference.
- ❖ Best practices of boards
- ❖ 4 C's of leadership / What is board leadership?
- ❖ Campus climate and surveying campuses – Michele Mandell suggested surveying the campuses, as this was a great take away from a recent AGB Webinar she participated in

- ❖ Search Process
- ❖ Self-assessment of Trustees
- ❖ Marcus Lingenfelter suggested a panel discussion on BRAC as a means of staying in front of the issues pending the outcome of the audit of the State System. Possibly Houston-Davis as a guest speaker / panelist, who spoke at a previous PACT meeting.
- ❖ How to maintain health and realign assets for sustainability
- ❖ Consider a federal / legislative panel from Washington, D.C. to discuss Title funding
- ❖ Trustees who were faculty
- ❖ Legal knowledge for trustees

The meeting ended at 4:00 p.m.