

# Delta Upsilon International Fraternity Treasurer's Annual Report for 2004-05

By David G. Herzer, *Wisconsin '54*  
International Treasurer

Delta Upsilon completed its 2004-05 fiscal year in a strong financial position with net assets of \$2.32 million, including cash and equivalents of \$2.21 million.

The fiscal year began by the Board of Directors, at the Leadership Institute in Portland, Oregon, announcing the appointment of Dave Maguire, *Southern Illinois '73*, as Executive Director of the Fraternity. Earlier in the calendar year Dave had received the D.U. Distinguished Alumni Award in recognition of his extraordinary contributions to Delta Upsilon Fraternity. The year progressed in a less than smooth manner, challenging Dave and his staff with numerous accounting and operational situations. Installation of new financial systems, software, hardware, and personnel demanded smart, hard work and that was put forth successfully by all, ending the year as a much stronger and improved operation. These changes and upgrades are the keystone in providing the service center mentality and excellence in chapter support.

Net assets declined during the year by approximately \$90,000 as investment returns were unable to keep pace with the prior year's exemplary results; and, our operating deficit was unable to be offset by other earnings. The operating deficit was on-target with our approved budget and nevertheless does reflect disciplined expense control. Budget adjustments in subsequent years will need to be considered should we anticipate continued lower investment returns. However to keep things in perspective, this year's normal transfer of \$123,913 from the Permanent Trust Fund to the General Operating Fund was adequate to fully cover the entire operating deficit.

**THE PERMANENT TRUST FUND** is a Board designated fund supporting the Fraternity with an annual allocation of investment revenue and principal. As mentioned earlier, that

support was \$123,913 in this fiscal period. The Fund held its own without market decline in the face of lower and mixed markets. Net assets amounted to \$1,659,735 at year end. This Fund continues to be managed by Brother Maury Mandel, *Chicago '55*, and we thank him for his continued dedication and highly valued service to our Fraternity.

**THE LOSS PREVENTION FUND** is the other designated fund within our Fraternity and it supports our efforts to maintain reasonable insurance rates for our members. At the end of the year net assets stand at \$710,864 and are available as insurance reserves for the future. It is noteworthy that our Fraternity has had excellent claim experience over the past five years and chapter insurance premiums are among the lowest charged to any

