

large fraternity. Loss prevention training and management are major components of all of our chapter member education and conference programs. Insurance revenue and expense comprises the largest single category of cash flow of fraternity management.

INVESTMENT IN BUILDING BETTER MEN

The core purpose of Delta Upsilon is *Building Better Men*. In support of this purpose our professional staff continues to execute exciting programming that meets the challenge of developing leaders within Delta Upsilon for the 21st Century. Programming dollars were again directed to our exemplary educational conferences. Undergraduate member fees as well as chapter based fees cover only a portion of these costs. During the past year grants of \$88,173 from the Delta Upsilon Educational Foundation as well \$123,913 from the Permanent Trust Fund were used to subsidize programming costs.

FUNDING PROGRAMMING

GROWTH - To support *Building Better Men* at our chapters it is essential to cover the cost of our membership education programming by revenue growth. Revenue growth has come and will continue to come from three sources:

1. Undergraduate Fees — in 2004-05, individual member fees were held at \$100 per man per year. Future revenue growth will come from efforts to increase average chapter size, as well as normal inflationary fee increases. Research shows that chapters must maintain an average membership size of 40 men to maintain financial viability. I encourage all alumni to help your chapters meet this challenge of expanding membership.

2. Permanent Trust Fund - with assets of \$1.66 million this fund provides additional support to the Fraternity's operations. During 2004-05, \$123,913 was transferred from the Permanent Trust Fund to the General Operating Fund of the Fraternity for educational programming. It is the policy of the Board of Directors to restrict withdrawals from the Permanent Trust Fund to 7% of year-end assets.

3. Delta Upsilon Educational Foundation - Alumni financial support is received in the form of grants from the Foundation. This year grants amounted to \$88,000, down from \$96,000 the prior year. The Fraternity is very grateful for the support of the alumni base that contributes to the Foundation to support the educational initiatives of the Fraternity. We are looking forward to increases in the amounts available for grants as investment returns improve and fundraising efforts continue to expand.

Delta Upsilon International Fraternity, Inc. Condensed Statement of Financial Condition - June 30th

	2005	2004
Assets		
Cash & Cash Equivalents	\$ 242,233	\$ 202,733
Accounts Receivable & accrued income	\$ 126,223	\$ 258,033
Inventories & prepaid expenses	\$ 62,425	\$ 76,658
Investments in marketable securities at market value	\$ 1,971,565	\$ 1,971,541
Property & equipment net of depreciation	\$ 54,450	\$ 33,963
Total Assets	\$ 2,456,896	\$ 2,542,928
Liabilities & Net Assets		
Accounts payable & accrued expenses	\$ 42,102	\$ 50,553
Deferred revenue	\$ 88,945	\$ 74,095
Accrued loss prevention claims	\$ 4,986	\$ 6,897
Total Liabilities	\$ 136,033	\$ 131,545
General Fraternity net assets	\$ (49,736)	\$ (27,723)
Permanent Trust fund	\$ 1,659,735	\$ 1,770,186
Loss prevention fund	\$ 710,864	\$ 668,920
Total Net Assets	\$ 2,320,863	\$ 2,411,383
Total Liabilities & Net Assets	\$ 2,456,896	\$ 2,542,928

Condensed Statement of Activities - June 30, 2005

Revenue		
Membership fees	\$ 585,373	\$ 551,886
Loss prevention fees	\$ 456,039	\$ 434,277
Conference fees	\$ 152,004	\$ 159,491
Delta Upsilon Educational Foundation Grant	\$ 88,173	\$ 96,024
Investment & Interest income	\$ 72,288	\$ 60,816
Net Realized Gain(loss) on sale of Securities	\$ 68,658	\$ (5,453)
Net Unrealized Gain(loss) on Securities	\$ (89,916)	\$ 236,970
Other Revenue	\$ 29,627	\$ 35,426
Total Revenue	\$ 1,362,246	\$ 1,569,437
Expenses		
Chapter Services	\$ 237,983	\$ 303,608
Alumni Services	\$ 36,241	\$ 46,140
Loss prevention programming & expenses	\$ 437,820	\$ 386,021
Publications & Communications	\$ 83,199	\$ 62,401
Conferences	\$ 207,405	\$ 186,229
Management & General	\$ 450,118	\$ 463,900
Total Expenses	\$ 1,452,766	\$ 1,448,299
Change in Net Assets	\$ (90,520)	\$ 167,278

THE BOTTOM-LINE: Delta Upsilon is dedicated to achieving its core purpose of *Building Better Men*. The Fraternity has been successful in developing leading edge programs and curriculum to further this purpose. We focus on this objective with everything we do. Your support, whether financial through gifts to the Delta Upsilon Educational

Foundation, or personal through volunteer service to a local chapter, is essential to our success.

The Fraternity owes a debt of gratitude to our entire IHQ staff for their effective management of the organization, and those who put in many long hours throughout the year to ensure that a DU man is "the best man he can be."