

**THE ENDOWMENT FUND OF THE
PHI KAPPA PSI FRATERNITY
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023 AND 2022

CPAs / ADVISORS



THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

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REPORT OF INDEPENDENT AUDITORS

Board of Trustees
The Endowment Fund of the Phi Kappa Psi Fraternity
Indianapolis, Indiana

Opinion

We have audited the accompanying consolidated financial statements of The Endowment Fund of the Phi Kappa Psi Fraternity (d/b/a/Phi Kappa Psi Foundation; Phi Psi Foundation) and Subsidiaries (collectively, the Foundation), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

REPORT OF INDEPENDENT AUDITORS (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 32 through 41 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

REPORT OF INDEPENDENT AUDITORS (Continued)

the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Blue & Co., LLC

Carmel, Indiana

May 21, 2024

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Cash	\$ 1,258,317	\$ 1,070,420
Contributions receivable, net	710,765	932,535
Related party receivable	26,662	12,514
Notes receivable	2,513,683	2,488,864
Other receivables	257,755	226,053
Investments	70,628,593	20,544,391
Cash surrender value of life insurance	138,702	136,876
Property held as an investment, net	-0-	344,851
Property and equipment, net	1,235,654	1,289,009
Beneficial interest in perpetual trusts	348,928	417,439
Prepaid expenses and other assets	97,023	140,553
	\$ 77,216,082	\$ 27,603,505

LIABILITIES AND NET ASSETS

Liabilities		
Line of credit	\$ -0-	\$ 9,100,000
Accounts payable, other payables and accrued expense:	269,114	325,519
Deferred revenue	505,725	422,950
Mortgage payable	-0-	295,362
Customer deposits	66,120	65,470
Total liabilities	840,959	10,209,301
Net assets		
Without donor restrictions		
Undesignated	1,675,227	936,786
Board designated - endowment	22,697,018	-0-
Board designated - capital improvement fund	1,000,000	-0-
Board designated - Finance Engine	14,399,210	(8,071,275)
	39,771,455	(7,134,489)
With donor restrictions		
Time and purpose	35,139,812	23,058,608
Perpetual	1,463,856	1,470,085
	36,603,668	24,528,693
Total net assets	76,375,123	17,394,204
	\$ 77,216,082	\$ 27,603,505

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

(With Comparative Total for the Year Ended December 31, 2022)

	2023				2022
	Without Donor Restrictions	With Donor Restrictions		Total	Total
		Time and Purpose	Perpetual		
Support and revenues					
Member support and other contributions	\$ 1,200,575	\$ 1,458,481	\$ 547	\$ 2,659,603	\$ 6,409,065
Proceeds from maturity of life insurance policies	46,000,000	10,000,000	-0-	56,000,000	-0-
Endowed operating fund grant	18,083	-0-	-0-	18,083	21,319
Investment return, net	1,433,909	3,148,989	70,065	4,652,963	(1,660,743)
Change in beneficial interest in perpetual trusts	-0-	-0-	(68,511)	(68,511)	(57,365)
Change in value of gift annuity	2,326	-0-	-0-	2,326	(6,590)
Interest income on notes receivable	8,599	87,380	37,734	133,713	131,267
Rental income	164,929	-0-	-0-	164,929	149,905
Increase (decrease) in cash value of life insurance	1,826	-0-	-0-	1,826	(1,222)
Events revenue	482,745	-0-	-0-	482,745	552,353
Gain on sale of property and equipment	166,129	-0-	-0-	166,129	-0-
Net assets released from restrictions	<u>2,659,710</u>	<u>(2,613,646)</u>	<u>(46,064)</u>	<u>-0-</u>	<u>-0-</u>
Total support and revenues	52,138,831	12,081,204	(6,229)	64,213,806	5,537,989
Expenses					
Programs	2,289,251	-0-	-0-	2,289,251	2,597,446
Management and general	2,092,712	-0-	-0-	2,092,712	2,693,404
Fundraising	<u>850,924</u>	<u>-0-</u>	<u>-0-</u>	<u>850,924</u>	<u>907,273</u>
Total expenses	<u>5,232,887</u>	<u>-0-</u>	<u>-0-</u>	<u>5,232,887</u>	<u>6,198,123</u>
Change in net assets	46,905,944	12,081,204	(6,229)	58,980,919	(660,134)
Net assets, beginning of year	<u>(7,134,489)</u>	<u>23,058,608</u>	<u>1,470,085</u>	<u>17,394,204</u>	<u>18,054,338</u>
Net assets, end of year	<u>\$ 39,771,455</u>	<u>\$ 35,139,812</u>	<u>\$ 1,463,856</u>	<u>\$ 76,375,123</u>	<u>\$ 17,394,204</u>

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

	Without	With Donor Restrictions		Total
	Donor Restrictions	Time and Purpose	Perpetual	
Support and revenues				
Member support and other contributions	\$ 1,137,010	\$ 5,271,831	\$ 224	\$ 6,409,065
Endowed operating fund grant	21,319	-0-	-0-	21,319
Investment return, net	(7,511)	(1,609,026)	(44,206)	(1,660,743)
Change in beneficial interest in perpetual trusts	-0-	-0-	(57,365)	(57,365)
Change in value of gift annuity	(6,590)	-0-	-0-	(6,590)
Interest income on notes receivable	9,294	89,796	32,177	131,267
Rental income	149,905	-0-	-0-	149,905
Decrease in cash value of life insurance	(1,222)	-0-	-0-	(1,222)
Events revenue	552,353	-0-	-0-	552,353
Net assets released from restrictions	<u>1,537,311</u>	<u>(1,513,846)</u>	<u>(23,465)</u>	<u>-0-</u>
Total support and revenues	3,391,869	2,238,755	(92,635)	5,537,989
Expenses				
Programs	2,597,446	-0-	-0-	2,597,446
Management and general	2,693,404	-0-	-0-	2,693,404
Fundraising	<u>907,273</u>	<u>-0-</u>	<u>-0-</u>	<u>907,273</u>
Total expenses	<u>6,198,123</u>	<u>-0-</u>	<u>-0-</u>	<u>6,198,123</u>
Change in net assets	(2,806,254)	2,238,755	(92,635)	(660,134)
Net assets, beginning of year	<u>(4,328,235)</u>	<u>20,819,853</u>	<u>1,562,720</u>	<u>18,054,338</u>
Net assets, end of year	<u><u>\$ (7,134,489)</u></u>	<u><u>\$ 23,058,608</u></u>	<u><u>\$ 1,470,085</u></u>	<u><u>\$ 17,394,204</u></u>

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

(With Comparative Total for the Year Ended December 31, 2022)

	2023			2022	
	Programs	Management and General	Fundraising	Total	Total
Grants, fellowships, and scholarships	\$ 369,428	\$ -0-	\$ -0-	\$ 369,428	\$ 328,921
Educational area grants	488,194	-0-	-0-	488,194	328,336
Endowed operating fund grant	-0-	18,083	-0-	18,083	21,319
Salaries, wages, taxes, and benefits	616,012	422,199	434,931	1,473,142	1,428,484
Travel, lodging, meals and entertainment	70,020	54,112	65,912	190,044	137,708
Conferences and professional development	1,691	2,822	9,360	13,873	2,238
Professional services (accounting, legal, consulting, etc.)	77,243	99,182	27,536	203,961	217,118
Supplies	3,146	5,215	4,054	12,415	14,604
Dues, licenses and subscriptions	3,808	13,561	44,902	62,271	68,624
Postage and delivery	2,022	7,306	23,104	32,432	35,040
Advertising, creative, printing, and reproduction	6,146	14,746	106,262	127,154	150,145
Depreciation	81,572	54,074	21,252	156,898	156,888
Mortgage interest, banking and financial fees	18,784	639,875	-0-	658,659	331,940
Property and liability insurance	28,747	33,009	-0-	61,756	47,295
Utilities	27,621	18,060	7,436	53,117	54,349
Maintenance and repairs	60,703	39,691	16,343	116,737	52,093
Facility services	58,540	38,276	15,761	112,577	116,186
Equipment rental	2,394	6,662	5,047	14,103	12,256
Vehicle insurance, maintenance and repairs	237	16	699	952	7,994
Bad debt expense	21,000	-0-	68,325	89,325	40,600
Taxes on investment income/loss	-0-	67,043	-0-	67,043	(98,105)
Chapter development services expenses	76,723	-0-	-0-	76,723	198,892
Miscellaneous	-0-	-0-	-0-	-0-	12,429
Total expenses before gifted policy insurance premiums	2,014,031	1,533,932	850,924	4,398,887	3,665,354
Gifted policy insurance premiums	275,220	558,780	-0-	834,000	2,532,769
Total expenses	\$ 2,289,251	\$ 2,092,712	\$ 850,924	\$ 5,232,887	\$ 6,198,123

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2022

	Programs	Management and General	Fundraising	Total
Grants, fellowships, and scholarships	\$ 328,921	\$ -0-	\$ -0-	\$ 328,921
Educational area grants	328,336	-0-	-0-	328,336
Endowed operating fund grant	-0-	21,319	-0-	21,319
Salaries, wages, taxes, and benefits	526,976	395,767	505,741	1,428,484
Travel, lodging, meals and entertainment	33,164	34,628	69,916	137,708
Conferences and professional development	43	845	1,350	2,238
Professional services (accounting, legal, consulting, etc.)	90,864	88,023	38,231	217,118
Supplies	2,989	9,314	2,301	14,604
Dues, licenses and subscriptions	2,270	13,598	52,756	68,624
Postage and delivery	2,958	7,138	24,944	35,040
Advertising, creative, printing, and reproduction	29,676	19,589	100,880	150,145
Depreciation	81,642	54,124	21,122	156,888
Mortgage interest, banking and financial fees	20,103	311,440	397	331,940
Property and liability insurance	17,441	29,854	-0-	47,295
Utilities	23,370	22,283	8,696	54,349
Maintenance and repairs	22,400	21,358	8,335	52,093
Facility services	49,960	47,636	18,590	116,186
Equipment rental	2,564	7,128	2,564	12,256
Vehicle insurance, maintenance and repairs	79	144	7,771	7,994
Bad debt expense	-0-	-0-	40,600	40,600
Taxes on investment income/loss	-0-	(98,105)	-0-	(98,105)
Chapter development services expenses	198,892	-0-	-0-	198,892
Miscellaneous	-0-	12,429	-0-	12,429
Total expenses before gifted policy insurance premiums	<u>1,762,648</u>	<u>998,512</u>	<u>904,194</u>	<u>3,665,354</u>
Gifted policy insurance premiums	<u>834,798</u>	<u>1,694,892</u>	<u>3,079</u>	<u>2,532,769</u>
Total expenses	<u>\$ 2,597,446</u>	<u>\$ 2,693,404</u>	<u>\$ 907,273</u>	<u>\$ 6,198,123</u>

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Operating activities		
Change in net assets	\$ 58,980,919	\$ (660,134)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Realized and unrealized (gains) losses on investments, net	(2,593,006)	2,969,158
Bad debt expense	89,325	40,600
Depreciation	156,898	156,888
(Gain)/loss on disposals of property and equipment	(166,129)	12,429
Change in cash surrender value of life insurance	(1,826)	1,222
Change in beneficial interest in perpetual trusts	68,511	57,365
Investment in life insurance premium	834,000	2,532,769
Changes in assets and liabilities:		
Contributions receivable	132,445	(275,514)
Related party receivable	(14,148)	5,180
Other receivables	(31,702)	49,253
Prepaid expenses and other assets	43,530	(54,437)
Accounts payable, other payables and accrued expenses	(56,405)	(35,350)
Deferred revenue	82,775	(21,925)
Customer deposits	650	(7,951)
Net cash flows from operating activities	57,525,837	4,769,553
Investing activities		
Purchase of investments	(48,735,684)	(7,141,851)
Proceeds from sales and maturities of investments	1,244,488	2,743,025
Life insurance premium paid on investment contracts	(834,000)	(2,532,769)
Purchase of property and equipment	(102,563)	(62,712)
Proceeds from property held for sale	229,806	-0-
Payments received on notes receivable	143,181	83,684
Advance on notes receivable	(168,000)	-0-
Net cash flows from investing activities	(48,222,772)	(6,910,623)
Financing activities		
Net borrowings (repayments) under line of credit	(9,100,000)	2,100,000
Payments on mortgage	(15,168)	(14,215)
Net cash flows from financing activities	(9,115,168)	2,085,785
Net change in cash	187,897	(55,285)
Cash, beginning of year	1,070,420	1,125,705
Cash, end of year	\$ 1,258,317	\$ 1,070,420
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 635,682	\$ 315,186
Cash paid for income taxes, net	\$ 36,540	\$ 43,240
Repayment of mortgage payable from building sale proceeds	\$ 280,194	\$ -0-

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND PRINCIPLES OF CONSOLIDATION

The Endowment Fund of the Phi Kappa Psi Fraternity (d/b/a Phi Kappa Psi Foundation; Phi Psi Foundation) (individually and collectively referred to as the Foundation) is a not-for-profit organization whose mission and principal activities are to foster the development of leaders and to promote academic excellence in higher education by providing students with scholarships and awards and by supporting educational projects and programs for their benefit. The Foundation's support and revenues are derived principally from contributions and investment returns.

These consolidated financial statements include the accounts of the Foundation and its subsidiaries, PKP McMahan Finance Engine, LLC, Property Preservation LLC, Hammer Street Properties, LLC, and Nelson Leadership Institute, LLC.

PKP McMahan Finance Engine, LLC (the Finance Engine) is a single member LLC owned by the Foundation. The Finance Engine was formed to receive and maintain gifts of life insurance.

Property Preservation, LLC is a single member LLC owned by the Foundation. Hammer Street Properties, LLC is a single member LLC owned by Property Preservation, LLC. This limited liability company owned a property occupied by a house corporation of the Phi Kappa Psi Fraternity, Inc. (the Fraternity) and was held as an investment. As of December 31, 2023, this property has been sold.

Nelson Leadership Institute, LLC (the Institute) is a single member LLC owned by the Foundation. The Institute was formed to provide dynamic leadership training and education to empower, develop and affirm undergraduate members of the Fraternity in their quest to become ethical, mission-driven leaders of influence and high moral character.

All intercompany transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements report net assets and changes in net assets based upon the existence or absence of restrictions on use that are placed by the Foundation's donors, as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Net assets with donor restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Included in this classification are endowment funds, which are subject to the restrictions of gift instruments requiring that the principal be maintained in perpetuity and invested for the purpose of producing present and future income, with investment return available for operations or specific purposes.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated statements of activities by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or the contribution of those assets directly) are reported as net assets with donor restrictions until the funds have been expended on the specified asset and the asset has been placed in service unless the donor provides more specific directions about the period of its use.

Estimates

The preparation of consolidated 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, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions Receivable

Contributions receivable consist of amounts that have been unconditionally promised to the Foundation. Contributions receivable are initially recorded at fair value based on estimated future cash flows of the unconditional pledges and are reported net of an allowance for uncollectible amounts and net of the discount to present value.

Contributions receivable were discounted to present value using the United States Treasury Bill rates with maturities commensurate to the time period of expected collection of the contributions. During the years ended December 31, 2023 and 2022, rates used ranged from 4.01% to 4.05%. Amortization of the resulting discount is recognized as additional contribution income.

Management estimates an allowance for uncollectible contributions receivable based on an evaluation of current economic conditions, historical trends, and current and past experience with their donor base.

Notes Receivable

Notes receivable represent outstanding mortgages receivable from various house corporations. These notes can be borrowed from the Foundation's undesignated fund or from restricted chapter funds in accordance with signed fund agreement terms, as applicable. Notes receivable

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

are reported at their carrying value. No allowance for credit losses has been recorded against these loans based on their collateralization and prior collection history. Interest income related to notes receivable is recorded as an increase in net assets without donor restrictions unless funds were borrowed from donor restricted funds, in which case income is recorded as an increase in net assets with donor restrictions.

Investments and Investment Return

Investments are reported at fair value for financial reporting purposes. Investment return includes interest, dividends, and realized and unrealized gains and losses. Changes in unrealized appreciation or depreciation of investments are recorded in the period such changes occur. Realized gains and losses are recorded based on the cost of the specific securities sold. Interest and dividend income is recorded when earned.

Investment return is recorded as increases and decreases in net assets without donor restrictions unless its use is restricted by donors to a specified purpose or future period. Investment return is allocated to funds (endowment and non-endowment) based upon the percentage relationship of each fund's monthly investment balance to the aggregate investment balances for all funds.

Cash Surrender Value of Life Insurance

Donated life insurance policies that are owned by the Foundation have been presented at their realizable value, net of surrender charges.

Property and Equipment (and Property Held as an Investment)

The Foundation capitalizes at cost all significant purchases of property and equipment, including expenditures that substantially increase the useful lives of existing assets. Costs of ordinary maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives, which range from 3 to 25 years.

Accounting for Member Support and Other Contributions and Revenue Recognition

Contributions (member support), which include contributions receivable, are recognized as support in the period when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributed investments are recorded at the fair value of each investment on the date it is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

contribution is clearly intended to support activities of the current fiscal year. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Events revenue related to Laurel Hall rentals is deferred (contract liabilities) and included in deferred revenue until the period in which the event is conducted. These contract liabilities had a balance at December 31, 2023 and 2022 and January 1, 2022 of \$505,725, \$422,950 and \$444,875, respectively.

Customer deposits represent damage deposits related to Laurel Hall event revenue and are expected to be returned at the completion of an event.

Functional Allocation of Expenses

The costs of providing the programs and services of the Foundation have been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Certain costs have been allocated among the programs and supporting services categories based on actual direct expenditures and cost allocations based upon estimates of time spent by Foundation personnel. Expenses allocated include salaries, wages, taxes, and benefits, depreciation and facility services, travel, lodging, meals and entertainment, and other overhead expenses. Although the method used was appropriate, other methods could produce different results.

Income Taxes

The Foundation is organized as a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code and similar state law. The single member LLCs are exempt as programs under the Foundation's not-for-profit exemption and are included in the income tax filings of the Foundation. The exemption is on all income except unrelated business income. An unrelated trade or business of an exempt organization is any trade or business which is not substantially related to the exercise or performance of its exempt purpose. Certain investment income is considered unrelated business income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of December 31, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Foundation has filed its federal and state income tax returns for periods through December 31, 2022. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on the change in net assets for 2022.

Subsequent Events

The Foundation evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through May 21, 2024, which is the date the consolidated financial statements were available to be issued.

3. CHANGE IN ACCOUNTING PRINCIPLE

On January 1, 2023, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, utilizing the modified retrospective approach. This ASU replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to estimate credit losses. The new guidance requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. The Foundation applied the guidance to financial assets measured at amortized cost (primarily notes receivable) that existed as of January 1, 2023 (the date of initial application). The adoption of this ASU had no impact on the Foundation's consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at December 31:

	2023	2022
Time and purpose	\$ 852,061	\$ 1,173,999
Endowment	4,500	4,500
	856,561	1,178,499
Less unamortized discount	(60,140)	(128,114)
Less allowance for uncollectible contributions	(85,656)	(117,850)
Contributions receivable, net	\$ 710,765	\$ 932,535
Amounts due in:		
Due within one year	\$ 486,490	\$ 553,819
Due in one to five years	307,147	556,654
Due in more than five years	62,924	68,026
	\$ 856,561	\$ 1,178,499

5. NOTES RECEIVABLE

Notes receivable have an outstanding balance of \$2,513,683 and \$2,488,864 at December 31, 2023 and 2022, respectively. The notes accrue interest at rates ranging from 4.50% to 7.50% and have terms ranging from 20 to 33 years.

6. INVESTMENTS

Investments consist of the following at December 31:

	2023	2022
Money market mutual funds	\$ 35,280,827	\$ 750,181
U.S. Treasury obligations	1,576,720	915,372
Mutual funds	32,046,447	18,283,499
Cash	260,299	248,783
Certificates of deposit	1,464,300	346,556
	\$ 70,628,593	\$ 20,544,391

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

At December 31, 2022, one investment account with a balance of \$16,586,806 served as collateral for the Foundation's line of credit (Note 10). This line of credit was paid in full during 2023 and all collateral requirements were released.

The Foundation received life insurance proceeds of \$33,000,000 in late December 2023. At December 31, 2023, these funds were temporarily held in money market mutual funds; the investment portfolio was rebalanced in January 2024 in accordance with the approved investment policy.

The following schedule summarizes investment return for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and dividends (includes bank and other interest)	\$ 2,100,601	\$ 1,342,027
Realized gains (losses) on sale of investments, net	(43,508)	762,325
Unrealized gains (losses) on investments, net	2,636,514	(3,731,483)
Investment fees	(40,644)	(33,612)
	<u>\$ 4,652,963</u>	<u>\$ (1,660,743)</u>

7. PROPERTY HELD AS AN INVESTMENT

Property held as an investment consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Land, buildings and improvements	\$ -0-	\$ 559,000
Accumulated depreciation	-0-	(214,149)
	<u>\$ -0-</u>	<u>\$ 344,851</u>

Property Preservation, LLC is the sole member of one limited liability company that owned and actively rented properties. Property Preservation, LLC held one property occupied by a house corporation. The property had a mortgage payable (Note 11) and was being depreciated using the straight-line method over 25 years. During the year ended December 31, 2023, the building was sold to a local Phi Kappa Psi Fraternity chapter. Proceeds of \$510,000 were received from the sale and certain proceeds were used to repay the mortgage payable during 2023.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Land, buildings and improvements	\$ 3,342,591	\$ 3,291,901
Furnishings and equipment	443,290	470,944
Antiques and works of art	<u>113,951</u>	<u>113,951</u>
	3,899,832	3,876,796
Accumulated depreciation	<u>(2,664,178)</u>	<u>(2,587,787)</u>
	<u>\$ 1,235,654</u>	<u>\$ 1,289,009</u>

During 2023, the Foundation entered into a commitment with a vendor to complete improvements to Laurel Hall. This contract is estimated to cost \$1,100,000 and is anticipated to be completed during 2024.

9. BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Foundation is the irrevocable beneficiary of a portion of the income earned on the assets held by two perpetual trusts. The estimated present value of future cash flows of one trust is \$333,000 and \$402,000 at December 31, 2023 and 2022, respectively. The other trust is valued at the fair market value of the underlying assets as reported by the trustee, which is \$15,928 and \$15,439 at December 31, 2023 and 2022, respectively.

10. LINE OF CREDIT

The Finance Engine had a line of credit facility with a bank. During 2022, this line of credit provided maximum borrowings of \$10,000,000 at an interest rate of prime minus 1.75% through August 2023. On January 4, 2023, the line of credit facility was renewed to increase the maximum available borrowings to \$12,000,000. Under terms of this agreement, the line of credit bore interest at a rate of prime minus 1.75% (5.75% at December 31, 2022) and required interest only payments through July 2024. The line of credit was secured by an investment account held by the Foundation, with a balance of \$16,586,806 at December 31, 2022. At December 31, 2022, the outstanding balance on the line of credit was \$9,100,000. This line of credit facility was repaid in full and closed during 2023.

Cumulatively, the Finance Engine has gifted \$5,500,000 of proceeds from the line of credit to the Foundation and loaned \$1,000,000 to the Institute. This loan was repaid in full by the Institute to the Finance Engine during 2023. This activity is eliminated in consolidation.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

11. MORTGAGE PAYABLE

Hammer Street Properties, LLC had a mortgage payable requiring monthly payments of \$2,827 including interest at 6.5% through March 2036. The balance outstanding on the mortgage at December 31, 2022 was \$295,362. The net book value of the property securing the mortgage was \$344,851 at December 31, 2022. The mortgage was repaid in full during 2023 with proceeds from the sale of the related property.

12. NET ASSETS

Net Assets Without Donor Restrictions - Board Designated

Board designated net assets are net assets without donor restrictions subject to self-imposed limits determined by action of the Board of Trustees (the Board). The designations are as follows at December 31:

	<u>2023</u>	<u>2022</u>
Board designated - endowment	\$ 22,697,018	\$ -0-
Board designated - capital improvements fund	1,000,000	-0-
Finance Engine	<u>14,399,210</u>	<u>(8,071,275)</u>
	<u>\$ 38,096,228</u>	<u>\$ (8,071,275)</u>

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods at December 31:

	2023	2022
Time restricted		
Contributions receivable	\$ 75,455	\$ 101,287
Purpose restricted		
Chapter specific funds, donor named funds and other educational and housing funds	34,629,253	22,555,468
Ruth Lilly Fund (Laurel Hall Operating Fund)	435,104	401,853
	35,064,357	22,957,321
Total time and purpose restricted	35,139,812	23,058,608
Perpetual		
Beneficial interest in perpetual trusts	348,928	417,439
Endowment		
Scholarships and grants	1,114,928	1,052,646
Total perpetual	1,463,856	1,470,085
	\$ 36,603,668	\$ 24,528,693

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by appropriation by the Board related to the following for the years ended December 31:

	2023	2022
Scholarships, grants and program expenses	\$ 2,228,862	\$ 1,138,742
Administrative fees	430,848	398,569
	\$ 2,659,710	\$ 1,537,311

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

13. ENDOWMENT

The Foundation's endowment consists of net assets without donor restrictions that have been designated by the Board to function as an endowment for various purposes, as well as donor-restricted funds and one donor-restricted fund that has been further designated by the Board to function as an endowment for educational housing spaces (Note 12). The donor-restricted endowment funds have been established to support scholarships and grants. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board appropriates such amounts for expenditure. Those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board has interpreted SPMIFA as not requiring the preservation of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of the interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measure required under the law. Additionally, in accordance with SPMIFA, 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 ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Underwater Endowment Funds

From time to time, due to unfavorable market conditions, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies at December 31, 2023 and 2022.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for assets held for endowment 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. Under this policy, as approved by the Board, the endowment investments are invested in a manner that is intended to produce a total return which protects the purchasing power of the endowment investments and which allows spending under the terms of each endowment fund.

Strategies Employed for Achieving Objectives

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, as it relates to its endowment investments, targets a diversified asset allocation that places emphasis on equity and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy for its endowment funds of appropriating for distribution each year 4.5% of the endowment fund's rolling five-year quarterly market value average for scholarships, grants and other allowable expenses with the exception of endowed funds governed by specific gift agreements. In addition, one fund further designated by the Board to function as endowment is charged 2% annually in management fees. In establishing this policy, the Foundation considered the long-term expected return on its assets held for endowment. The Foundation's objective is to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

The composition of endowment net assets is as follows at December 31:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 22,697,018	\$ -0-	\$ 22,697,018
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -0-	\$ 761,113	\$ 761,113
Accumulated investment gains	-0-	353,815	353,815
Donor-restricted funds designated by the Board to function as endowments	-0-	2,000,828	2,000,828
	\$ 22,697,018	\$ 3,115,756	\$ 25,812,774

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -0-	\$ 794,394	\$ 794,394
Accumulated investment gains	-0-	258,252	258,252
	\$ -0-	\$ 1,052,646	\$ 1,052,646

The change in endowment net assets is as follows for the years ended December 31:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -0-	\$ 1,052,646	\$ 1,052,646
Contributions	21,871,111	2,000,547	23,871,658
Investment return, net	819,362	108,627	927,989
Distributions and transfers	6,545	(46,064)	(39,519)
Endowment net assets, end of year	\$ 22,697,018	\$ 3,115,756	\$ 25,812,774

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning			
of year	\$ -0-	\$ 1,087,916	\$ 1,087,916
Contributions	-0-	224	224
Investment return, net	-0-	(12,029)	(12,029)
Distributions	-0-	(23,465)	(23,465)
Endowment net assets, end of year	<u>\$ -0-</u>	<u>\$ 1,052,646</u>	<u>\$ 1,052,646</u>

14. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

- *Money market mutual funds:* Generally transact subscription and redemption activity at a \$1 stable net asset value (NAV), however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.
- *U.S. Treasury obligations:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- *Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end and closed-end mutual funds that are registered with the Securities and Exchange Commission. Open-end mutual funds are required to publish their daily NAV and to transact at that price. The NAV of a closed-end mutual fund is calculated by subtracting fund liabilities from the current market value of its assets and dividing by the total number of shares outstanding. The NAV changes as the total value of the underlying portfolio securities rise or fall, or the fund's liabilities change. Because an exchange-listed closed-end fund's shares trade in the stock market based on investor demand, the fund may trade at a price higher (premium) or lower (discount) than its NAV based on market perceptions or investor sentiment. The mutual funds held by the Foundation are deemed to be actively traded.
- *Beneficial interest in perpetual trusts:* The Foundation has an interest in two trusts. One is valued based on the estimated present value of the future cash flows of the interest. For the second, the fair value determination is based on the underlying assets, as reported by the trustee, held within the trust, substantially all of which are valued on a mark-to-market basis.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

The following tables segregate all financial assets measured at fair value into the most appropriate level within the fair value hierarchy as of December 31:

	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market mutual funds	\$ -0-	\$ 35,280,827	\$ -0-	\$ 35,280,827
U.S. Treasury obligations	-0-	1,576,720	-0-	1,576,720
Mutual funds				
Equity				
Large value	2,667,546	-0-	-0-	2,667,546
Large blend	11,595,099	-0-	-0-	11,595,099
Mid cap	880,128	-0-	-0-	880,128
Small cap	8,847,128	-0-	-0-	8,847,128
Fixed income	2,839,750	-0-	-0-	2,839,750
Non traditional assets	5,216,796	-0-	-0-	5,216,796
	<u>32,046,447</u>	<u>-0-</u>	<u>-0-</u>	<u>32,046,447</u>
Total investments in the fair value hierarchy	<u>\$ 32,046,447</u>	<u>\$ 36,857,547</u>	<u>\$ -0-</u>	68,903,994
Cash				260,299
Certificates of deposit				<u>1,464,300</u>
Total investments				<u>\$ 70,628,593</u>
Beneficial interest in perpetual trusts	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 348,928</u>	<u>\$ 348,928</u>

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

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	2022			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market mutual funds	\$ -0-	\$ 750,181	\$ -0-	\$ 750,181
U.S. Treasury obligations	-0-	915,372	-0-	915,372
Mutual funds				
Equity				
Large value	1,253,141	-0-	-0-	1,253,141
Large blend	4,687,834	-0-	-0-	4,687,834
Mid cap	1,362,109	-0-	-0-	1,362,109
Small cap	5,117,334	-0-	-0-	5,117,334
International	1,641,968	-0-	-0-	1,641,968
Fixed income	1,634,436	-0-	-0-	1,634,436
Non traditional assets	2,586,677	-0-	-0-	2,586,677
	<u>18,283,499</u>	<u>-0-</u>	<u>-0-</u>	<u>18,283,499</u>
Total investments in the fair value hierarchy	<u>\$ 18,283,499</u>	<u>\$ 1,665,553</u>	<u>\$ -0-</u>	19,949,052
Cash				248,783
Certificates of deposit				<u>346,556</u>
Total investments				<u>\$ 20,544,391</u>
Beneficial interest in perpetual trusts	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 417,439</u>	<u>\$ 417,439</u>

The following table sets forth the change in beneficial interest in perpetual trusts measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31:

	2023	2022
Balance, beginning of year	\$ 417,439	\$ 474,804
Change in value for the year	<u>(68,511)</u>	<u>(57,365)</u>
Balance, end of year	<u>\$ 348,928</u>	<u>\$ 417,439</u>

15. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

to fund specific purposes. In addition, the Foundation receives significant support without donor restrictions that is available to fund general expenditures as well as program services costs.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide flexibility to respond to changing needs, as well as to provide reasonable assurance that long-term grant commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The following table reflects the Foundation's financial assets, reduced by amounts that are not available to meet general expenditures within one year of the consolidated statement of financial position date; that is, amounts that are without board designations or other restrictions limiting their use at December 31:

	2023	2022
Cash	\$ 1,258,317	\$ 1,070,420
Contributions receivable, net	710,765	932,535
Related party receivable	26,662	12,514
Notes receivable	2,513,683	2,488,864
Other receivables	257,755	226,053
Investments	70,628,593	20,544,391
Cash surrender value of life insurance	138,702	136,876
Beneficial interest in perpetual trusts	348,928	417,439
Total financial assets	75,883,405	25,829,092
Notes receivable issued from undesignated funds		
due beyond one year	(159,874)	(178,880)
Cash surrender value of life insurance	(138,702)	(136,876)
Board designated net assets	(38,096,228)	-0-
Net assets with donor restrictions		
Time and purpose restricted	(35,139,812)	(23,058,608)
Perpetual	(1,463,856)	(1,470,085)
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 884,933</u>	<u>\$ 984,643</u>

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

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Net assets with donor restrictions are not available for general expenditure. Board designated net assets have been designated by the Board for specific purposes. As described in Note 13, the endowment funds have specific spending policies based on the balances of the endowment funds. Although the Foundation does not intend to spend board designated net assets to meet general expenditures, the amounts could be made available by Board approval, if necessary.

As part of the Foundation's liquidity management plan, amounts remain in investments until they are required to be transferred to the Foundation's operating bank account to meet operating expenses.

16. LEASES AS LESSOR

The Foundation leases office space to the Phi Kappa Psi Fraternity, Inc. (the Fraternity) under an agreement which began January 1, 2006 and was extended through December 31, 2025. The Foundation recognized rental income for the years ended December 31, 2023 and 2022 from the Fraternity of \$111,766 and \$110,305, respectively. The Foundation also leased a property to an unrelated housing corporation on a month to month basis and recognized rental income of \$53,163 and \$39,600, respectively, at December 31, 2023 and 2022.

In evaluating contracts to determine if they qualify as a lease, the Foundation considers factors such as if it has obtained substantially all the rights to the underlying assets through exclusivity, if the Foundation can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. Furthermore, the Foundation assesses all relevant factors related to options to extend or terminate a lease. The Foundation has made a policy election to not separate the lease and non-lease components related to tenant lease agreements, where applicable.

Total rental income under operating leases was \$164,929 and \$149,905 for the years ended December 31, 2023 and 2022, respectively.

Future minimum lease payments due under its lease agreement are as follows as of December 31, 2023:

Year Ending December 31,	
2024	\$ 113,227
2025	114,687
	<u>\$ 227,914</u>

17. AFFILIATED AND SUBSIDIARY ORGANIZATION TRANSACTIONS

The Foundation and the Fraternity are related parties that are not financially interrelated organizations. Because the organizations have separate boards, funding, goals and objectives,

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

the accounts of the Fraternity have not been consolidated with the Foundation in the accompanying financial statements.

The significant transactions and balances between the affiliated and subsidiary organizations are as follows for the years ended December 31, 2023 and 2022.

The Foundation and the Fraternity share office space in the national headquarters building owned by the Foundation and each is responsible for their proportionate share of certain operating costs.

As mentioned in Note 16, the Foundation leases office space to the Fraternity under an agreement which began January 1, 2006 and was extended through December 31, 2025. The Foundation recognized rental income for the years ended December 31, 2023 and 2022 from the Fraternity of \$111,766 and \$110,305, respectively.

Future minimum lease payments due from the Fraternity under its lease agreement are as follows as of December 31, 2023:

Year Ending December 31,	
2024	\$ 113,227
2025	<u>114,687</u>
	<u>\$ 227,914</u>

Annually, both the Fraternity and the Foundation reimburse each other for their proportionate share of personnel costs, janitorial services, voice and data usage, IT services, and other operating expenses, as well as any direct expenses incurred on behalf of the other entity.

Accounts receivable of \$26,662 and \$12,514 are due from the Fraternity at December 31, 2023 and 2022, respectively.

The Finance Engine was owner and beneficiary of a \$33,000,000 life insurance policy on a board trustee which was received in 2023 and recognized as proceeds from the maturity of life insurance policies in the consolidated statement of activities. The funds were allocated based on donor agreement as follows: \$6 million to the Institute, \$2 million among all existing Foundation Chapter Scholarship Funds, \$2 million for educational spaces within Phi Kappa Psi facilities, \$9.9 million retained by the Finance Engine and the remaining \$13.1 million to the McMahan Board Designated Operating Endowment. There was no cash surrender value associated with this policy at December 31, 2022.

The Finance Engine was the owner and beneficiary of a \$23,000,000 life insurance policy on two board trustees which was received in 2023 and recognized as proceeds from the maturity of life insurance policies in the consolidated statement of activities. The funds were disbursed based on policy as follows: \$13.3 million retained by the Finance Engine and the remaining \$9.7 million to the McMahan Board Designated Operating Endowment. This policy required fluctuating

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

annual premium payments, which amounted to \$834,000 and \$2,529,690 for the years ended December 31, 2023 and 2022, respectively. The policy had no cash surrender value at December 31, 2022.

18. RETIREMENT PLAN

The Foundation offers a 401(k)-retirement plan for all eligible employees who have satisfied the conditions for participation. Employee contributions may be made to the plan up to statutory limits. The Foundation matches employee contributions 100% up to 6% of pay and also offers discretionary profit-sharing contributions. The Foundation's contributions for 2023 and 2022 were \$57,430 and \$58,894, respectively.

19. INCOME TAXES

The Foundation is generally exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and similar state law. However, income generated from certain activities not directly related to the Foundation's tax-exempt purposes is subject to taxation as unrelated business income. In 2023 and 2022, the Foundation had investment income that is subject to federal and state income tax. The Foundation is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Deferred income taxes arise from temporary differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. The principal temporary differences relate to unrealized gains and losses on debt-financed investments.

Income tax expense (benefit) is as follows for the years ended December 31:

	2023	2022
Federal	\$ 26,044	\$ 38,621
State	6,126	9,089
	32,170	47,710
Deferred tax	34,873	(145,815)
	<u>\$ 67,043</u>	<u>\$ (98,105)</u>

20. RISKS AND UNCERTAINTIES

The Foundation's investments (Note 6) and beneficial interest in perpetual trusts (Note 9) are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with these assets and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying consolidated financial statements.

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21. CONTINGENCY

Various claims could arise against the Foundation in the normal course of business. However, management believes their insurance coverage is sufficient to pay liabilities, if any. No amounts related to legal issues, litigation or contingencies were recorded in these consolidated financial statements.

22. CONCENTRATIONS

The Foundation maintains cash in an interest-bearing account which regularly exceeds federally insured limits. The Foundation has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash.

At December 31, 2023, one donor made up 28% of gross contributions receivable. At December 31, 2022, the same donor made up 27% of gross contributions receivable.

At December 31, 2023, one donor made up 19% of total contributions. At December 31, 2022, one donor made up 47% of total contributions.

At December 31, 2023, two borrowers represent 60% of notes receivable with individual percentages of 30% each. At December 31, 2022, two borrowers represent 65% of notes receivable, with individual percentages of 32% and 33%.

The Foundation's investments (Note 6) are held with one investment manager. The Foundation has not experienced any credit losses in its accounts and believes it is not exposed to any significant credit risk. At December 31, 2023 one government money market mutual fund represents 50% of total investments. At December 31, 2022, two mutual funds represent 34% of total investments, with individual percentages of 17% each.

SUPPLEMENTARY INFORMATION

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

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Alabama Alpha Chapter Scholarship Fund	\$	44,878
Alabama Beta Chapter Scholarship Fund		2,328
Arizona Alpha Chapter Scholarship Fund		287,464
Arizona Beta Endowed Chapter OneFund		70,416
California Delta Endowed Chapter OneFund		2,197,968
California Epsilon Endowed Chapter OneFund		1,396,788
California Eta Endowed Chapter OneFund		68,471
California Gamma Endowed Chapter OneFund		127,476
California Iota Endowed Chapter OneFund		21,315
California Kappa (J. Robert Meserve) Scholarship Fund		49,520
California Lambda Endowed Chapter OneFund		297,257
California Mu Endowed Chapter OneFund		6,803
California Nu Chapter Scholarship Fund		33,358
California Theta Endowed Chapter OneFund		34,646
California Xi Endowed Chapter OneFund		25,690
California Zeta Chapter Scholarship Fund		20,428
Colorado Alpha Endowed Chapter OneFund		162,934
District of Columbia Alpha Chapter Scholarship Fund		4,900
Florida Alpha (Robert "Bob" L. Foss) Scholarship Fund		28,571
Georgia Alpha Endowed Chapter OneFund		32,178
Georgia Beta Endowed Chapter OneFund		46,202
Houston Alumni Association Chapter Scholarship Fund		45,326
Illinois Alpha Chapter Scholarship Fund		29,696
Illinois Eta Endowed Chapter OneFund		37,943
Illinois Epsilon Endowed Chapter OneFund		74,854
Illinois Iota Chapter Scholarship Fund		25,469
Illinois Theta Endowed Chapter OneFund		45,125
Illinois Zeta (Carlos Navarro) Chapter Scholarship Fund		84,978
Indiana Alpha Endowed Chapter OneFund		249,079
Indiana Beta Endowed Chapter OneFund		144,966
Indiana Delta Chapter Scholarship Fund		239,463
Indiana Epsilon Endowed Chapter OneFund		160,522
Indiana Eta Endowed Chapter OneFund		40,765
Indiana Gamma Endowed Chapter OneFund		89,433
Indiana Theta Endowed Chapter OneFund		27,867
Indiana Zeta Endowed Chapter OneFund		109,082
Iowa Alpha Endowed Chapter OneFund		89,246
Iowa Beta Endowed Chapter OneFund		100,735
Kansas Alpha Chapter Scholarship Fund		39,146

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SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS DECEMBER 31, 2023

Kentucky Beta Endowed Chapter OneFund	69,712
Louisiana Alpha Chapter Scholarship Fund	68,954
Louisiana Beta Endowed Chapter OneFund	47,702
Louisiana Gamma Chapter Scholarship Fund	21,459
Maryland Alpha Endowed Chapter OneFund	501,272
Maryland Gamma Endowed Chapter OneFund	6,297
Massachusetts Beta Endowed Chapter OneFund	45,958
Michigan Alpha (Wolverine) Endowed Chapter OneFund	95,176
Michigan Beta Endowed Chapter OneFund	104,918
Minnesota Beta Endowed Chapter OneFund	393,787
Minnesota Delta Endowed Chapter OneFund	49,354
Minnesota Gamma Endowed Chapter OneFund	32,313
Mississippi Alpha Endowed Chapter OneFund	36,829
Missouri Alpha Chapter Scholarship Fund	223,260
Nebraska Alpha Endowed Chapter OneFund	57,539
Nebraska Beta (Theodore J. Urban) Scholarship Fund	43,055
New Jersey Beta Endowed Chapter OneFund	27,455
New Jersey Delta Endowed Chapter OneFund	38,115
New Jersey Epsilon Chapter Scholarship Fund	46,003
New Jersey Gamma Endowed Chapter OneFund	25,966
New York Alpha Chapter Scholarship Fund	84,219
New York Beta Chapter Scholarship Fund	35,983
New York Eta Endowed Chapter OneFund	52,869
New York Iota Chapter Scholarship Fund	21,838
New York Kappa Endowed Chapter OneFund	130,985
New York Theta Endowed Chapter OneFund	112,560
North Carolina Beta Endowed Chapter OneFund	13,942
Ohio Alpha Endowed Chapter OneFund	43,032
Ohio Beta Endowed Chapter OneFund	380,109
Ohio Epsilon Endowed Chapter OneFund	270,387
Ohio Eta Chapter Scholarship Fund	33,599
Ohio Iota Endowed Chapter OneFund	28,410
Ohio Lambda Endowed Chapter OneFund	95,844
Ohio Mu Endowed Chapter OneFund	92,798
Ohio Nu Endowed Chapter OneFund	22,382
Ohio Theta Endowed Chapter OneFund	33,289
Ohio Xi Endowed Chapter OneFund	42,908
Ohio Zeta Endowed Chapter OneFund	44,515
Oklahoma Alpha Endowed Chapter OneFund	61,813

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SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS DECEMBER 31, 2023

Oregon Alpha Chapter Scholarship Fund	51,735
Oregon Beta Endowed Chapter OneFund	225,619
Pennsylvania Alpha Chapter Scholarship Fund	30,554
Pennsylvania Beta Endowed Chapter OneFund	142,424
Pennsylvania Epsilon Endowed Chapter OneFund	100,740
Pennsylvania Eta Chapter Scholarship Fund	55,243
Pennsylvania Gamma Endowed Chapter OneFund	70,685
Pennsylvania Iota Chapter Scholarship Fund	66,834
Pennsylvania Lambda Endowed Chapter OneFund	51,047
Pennsylvania Nu Chapter Scholarship Fund	37,105
Pennsylvania Phi Chapter Scholarship Fund	24,830
Pennsylvania Rho Endowed Chapter OneFund	29,260
Pennsylvania Sigma Chapter Scholarship Fund	24,196
Pennsylvania Upsilon Endowed Chapter OneFund	27,356
Pennsylvania Xi Endowed Chapter OneFund	2,363
Rhode Island Alpha Chapter Scholarship Fund	33,358
Rhode Island Beta Chapter Scholarship Fund	153,275
Tennessee Delta (Graham G. Stone Memorial) Scholarship Fund	44,111
Tennessee Epsilon Chapter Scholarship Fund	84,705
Texas Beta Endowed Chapter OneFund	154,760
Texas Epsilon Endowed Chapter OneFund	32,417
Texas Gamma Chapter Scholarship Fund	12,486
Texas Zeta Endowed Chapter OneFund	27,792
Virginia Alpha Endowed Chapter OneFund	34,171
Virginia Zeta Endowed Chapter OneFund	30,547
Washington Alpha Chapter Scholarship Fund	486,640
West Virginia Alpha Endowed Chapter OneFund	188,728
Wisconsin Gamma Chapter Scholarship Fund	118,836
Ohio Omicron Chapter Scholarship Fund	22,186
Virginia Eta Endowed Chapter OneFund	23,308
Indiana Iota Endowed Chapter OneFund	22,323
Delaware Alpha Chapter Scholarship Fund	26,115
Arkansas Alumni Association Chapter Scholarship Fund	78,690
Alabama Gamma Endowed Chapter OneFund	19,151
Ohio Kappa Chapter Scholarship Fund	92
Maryland Delta Endowed Chapter OneFund	19,908
Washington Alpha Endowed Chapter OneFund	142,130
South Carolina Alpha Endowed Chapter OneFund	19,048
Ohio Pi Endowed Chapter OneFund	19,048

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SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS DECEMBER 31, 2023

Texas Eta Endowed Chapter OneFund	19,048
Utah Alpha Endowed Chapter OneFund	19,048
Virginia Theta Endowed Chapter OneFund	19,048
Washington Beta Endowed Chapter OneFund	19,048
South Carolina Alpha Endowed Chapter OneFund	19,048
California Gamma Chapter Housing Fund	18,052
California Kappa Chapter Housing Fund	40,720
Indiana Alpha Chapter Housing Fund	161,221
Indiana Delta Chapter Housing Fund	6,397
Iowa Beta Chapter Housing Fund	1,082,319
Oregon Beta Chapter Housing Fund	12,976
Tennessee Delta Chapter Housing Fund	40,847
Virginia Beta (1855) Chapter Housing Fund	469
California Eta Chapter Housing Fund	36,004
Illinois Delta Chapter Housing Fund	15,016
Ohio Nu Chapter Housing Fund	6,958
Texas Gamma Chapter Housing Fund	24,252
Georgia Alpha Chapter Housing Fund	3,185
Indiana Epsilon Chapter Housing Fund	55,049
Ohio Lambda Chapter Housing Fund	17,745
Louisiana Alpha Chapter Housing Fund	65,500
Virginia Zeta Chapter Housing Fund	726
Mississippi Alpha Chapter Housing Fund	218,790
West Virginia Alpha Chapter Housing Fund	237,106
Oklahoma Alpha Chapter Housing Fund	6,823
Washington Alpha Housing Fund	182,254
Virginia Alpha Chapter Housing Fund	119,254
Massachusetts Beta Chapter Housing Fund	27,145
Indiana Zeta Chapter Housing Fund	619
Ohio Iota Chapter Housing Fund	252
Ohio Delta (Honors Lodge) Chapter House Operating Fund	4
Pennsylvania Theta Chapter House Operating Fund	255,881
Ohio Delta (Chapter House) Chapter House Operating Fund	15,067
Indiana Delta Chapter House Operating Fund	93,443
Virginia Beta (1855) Chapter House Operating Fund	20,909
Tennessee Delta Chapter House Operating Fund	1,024
Washington Alpha Chapter House Operating Fund	1,419
Pennsylvania Lambda Chapter House Operating Fund	178,598
Indiana Epsilon (Donald V. Fites) Endowed Chapter OneFund	86,537

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SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS DECEMBER 31, 2023

Virginia Beta (Jerry Nelson) Mentor Scholarship Fund	96,339
Indiana Beta (Reach For Excellence) Grant Fund	26,123
Excellence in Advising Grant Fund	45,569
Gordon S. Letterman Scholarship Fund	7,598
Nebraska Alpha (Walter & Virginia Henrion) Fellowship Fund	195,647
Terrence "Terry" G. Harper Fellowship Fund	52,267
William H. Blanning Scholarship Fund	169,469
Health & Wellness Fund	293
Mississippi Alpha (Christopher J. Grimaud) Scholarship Fund	29,815
Schroeder Scholarship Fund	57,571
Shane Yates Fellowship Fund	48,597
Louisiana Alpha Chapter Fellowship Fund	28,261
Nebraska Alpha (Dan Cook) Fellowship Fund	51,382
Scott Sutton Memorial Fund	1,669
California Delta (Brensike - McMahan) Scholarship Fund	35,605
Phi Kappa Psi Pride Scholarship Fund	55,514
California Epsilon (James N. Harger) Engineering Sch. Fund	41,193
Iowa Beta (Paul T. Troupe) Emerging Leaders Scholarship Fund	76,696
Michigan Alpha (Michael R. Etzioni) Scholarship Fund	34,700
California Delta (Benton H. Lamson) Scholarship Fund	52,489
California Epsilon (Scott C. Thomas) Scholarship Fund	44,320
Illinois Delta (C.F. "Dab" Williams) Scholarship Fund	96,376
Illinois Delta (Stephen W. Acheson) Scholarship Fund	79,320
Indiana Beta (Bradley L. Henninger) Scholarship Fund	119,520
Iowa Alpha (Michael D. Junker) Scholarship Fund	38,288
Kansas Alpha (Riley) Scholarship Fund	29,403
Michigan Beta (Charles & Estelle Williams) Scholarship Fund	431,275
Nebraska Alpha (Robert E. Hamilton) Scholarship Fund	49,969
Nebraska Alpha (Western Nebraska) Scholarship Fund	20,766
Ohio Delta (Howard L. Hamilton) Scholarship Fund	69,786
Ohio Delta (Manning D. Webster) Scholarship Fund	78,940
Ohio Delta (Norman "Norm" M. Spain) Scholarship Fund	46,657
Ohio Delta (William "Mil" M. Batten) Scholarship Fund	44,875
Ohio Epsilon (Medical Education) Scholarship Fund	4,762
Ohio Theta (Helen B. Smith) Scholarship Fund	11,861
Ohio Theta (Jerry & Terrie Dunlap) Scholarship Fund	36,042
Oklahoma Alpha (Wittrock) Scholarship Fund	18,198
Oregon Alpha (Hugh B. Oliphant) Scholarship Fund	53,512
Oregon Alpha (Maurice "Mo" J. Warnock) Scholarship Fund	102,549

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SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS DECEMBER 31, 2023

Oregon Alpha (Maurice O'Callaghan) Scholarship Fund	29,864
Rhode Island Alpha (Clayton C. Dovey III) Scholarship Fund	2,378
Texas Alpha (Derrick A. Eakin Memorial) Scholarship Fund	13,884
Texas Alpha (Longview) Scholarship Fund	115,543
Texas Alpha (Paul A. Cox Memorial) Scholarship Fund	15,502
Texas Alpha (St. Tacky) Scholarship Fund	86,771
Virginia Beta (C. Stephen Leonard) Scholarship Fund	125,112
Virginia Beta (George S. Lantzas) Scholarship Fund	83,571
Virginia Zeta (Willow Creek/Philpott) Scholarship Fund	1,708
Ohio Delta (George S. Frost) Scholarship Fund	1,244,457
New York Theta (Brian D. Bauer) Scholarship Fund	36,946
California Epsilon (James L. Tigner Jr.) Scholarship Fund	204,757
Pennsylvania Iota (Correia) Scholarship Fund	67,869
Iowa Beta (Bill & Lindy Good) Chapter Scholarship Fund	141,675
Washington Alpha (Douglas A. Hora) Chapter Scholarship Fund	29,719
New York Beta (Hunter Brooks Watson) Scholarship Fund	86,063
California Beta Chapter Scholarship Fund	113,995
Pennsylvania Theta Chapter Scholarship Fund	408,746
Texas Alpha (Centennial) Scholarship Fund	281,752
Pennsylvania Theta (Dr. David Veshosky Mem.) Fellowship Fund	360
Colorado Alpha (Connor Thomson) Scholarship Fund	121,234
Iowa Beta (Kyle L Goodell) Spirit Scholarship Fund	25,054
WV Alpha Seth Underwood Chapter Scholarship Fund	5,969
Tennessee Delta H. Fort Flowers Educational & Leadership Exc	3,425,878
Making Phi Psi Financially Accessible Scholarship Fund	2,808
Kentucky Beta Housing Corporation Fund	207,951
Leadership & Member Development Fund	31,101
Ohio Delta (J. Gilbert Reese) Chapter Scholarship Fund	962,905
Watkins Christian Scholarship Fund	152,023
Ohio Lambda Leadership Character Strengthening Fund	35,322
Interest in Summerfield Foundation	333,000
Indiana Beta (William E. Young Trust) Scholarship Fund	15,928
Alabama Alpha Chapter Leadership Fund	4,262
Alabama Beta Chapter Leadership Fund	838
Alabama Gamma Chapter OneFund	421
Arizona Alpha Chapter Leadership Fund	678
Arizona Beta Chapter OneFund	191
California Delta Chapter OneFund	61,574
California Epsilon Chapter OneFund	35,487

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California Eta Chapter OneFund	(980)
California Gamma Chapter OneFund	1,238
California Iota Chapter OneFund	1,118
California Kappa Chapter Leadership Fund	794
California Lambda Chapter OneFund	403
California Mu Chapter OneFund	23
California Theta Chapter OneFund	1,943
California Xi Chapter OneFund	2,734
Colorado Alpha Chapter OneFund	4,910
Delaware Alpha Chapter Leadership Fund	465
District of Columbia Alpha Chapter Leadership Fund	570
Florida Alpha Chapter Leadership Fund	1,641
Georgia Alpha Chapter OneFund	8,334
Georgia Beta Chapter OneFund	4,619
Illinois Alpha Chapter Leadership Fund	531
Illinois Delta Chapter Leadership Fund	2,506
Illinois Epsilon Chapter OneFund	101
Illinois Eta Chapter OneFund	661
Illinois Iota Chapter Leadership Fund	54
Illinois Theta Chapter OneFund	196
Illinois Zeta Chapter Leadership Fund	1,748
Indiana Alpha (Dorothy "Mom" Brown) Chapter OneFund	43,240
Indiana Beta Chapter OneFund	13,353
Indiana Delta Chapter Leadership Fund	62,475
Indiana Epsilon Chapter OneFund	20,599
Indiana Eta Chapter OneFund	1,554
Indiana Gamma Chapter OneFund	7,679
Indiana Iota Chapter OneFund	1,404
Indiana Theta Chapter OneFund	1,513
Indiana Zeta Chapter OneFund	478
Iowa Alpha Chapter OneFund	896
Iowa Beta Chapter OneFund	9,064
Kansas Alpha Chapter Leadership Fund	12,577
Kentucky Beta Chapter OneFund	16,858
Louisiana Alpha Chapter Leadership Fund	2,118
Louisiana Beta Chapter OneFund	1,119
Louisiana Gamma Chapter Leadership Fund	554
Maryland Alpha Chapter OneFund	779
Maryland Gamma Chapter OneFund	310

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Massachusetts Beta Chapter OneFund	9
Michigan Alpha Chapter OneFund	31,707
Michigan Beta Chapter OneFund	7,790
Minnesota Beta Chapter OneFund	13,968
Minnesota Delta Chapter OneFund	7,983
Minnesota Gamma Chapter OneFund	476
Mississippi Alpha Chapter OneFund	2,625
Missouri Alpha Chapter Leadership Fund	1,662
Nebraska Alpha Chapter OneFund	5,458
Nebraska Beta Chapter Leadership Fund	29
New Jersey Beta Chapter OneFund	476
New Jersey Delta Chapter OneFund	2,122
New Jersey Epsilon Chapter Leadership Fund	2,906
New Jersey Gamma Chapter OneFund	1,275
New York Alpha Chapter Leadership Fund	149
New York Beta Chapter Leadership Fund	52,142
New York Eta Chapter OneFund	2,519
New York Iota Chapter Leadership Fund	67
New York Kappa Chapter OneFund	4,667
New York Theta Chapter OneFund	2,399
North Carolina Beta Chapter OneFund	612
Ohio Alpha Chapter OneFund	373
Ohio Beta Chapter OneFund	2,875
Ohio Delta Chapter Leadership Fund	60,243
Ohio Epsilon Chapter OneFund	14,702
Ohio Eta Chapter Leadership Fund	1,031
Ohio Iota Chapter OneFund	2,179
Ohio Kappa Chapter Leadership Fund	64
Ohio Lambda Chapter OneFund	1,328
Ohio Mu Chapter OneFund	492
Ohio Nu Chapter OneFund	440
Ohio Omicron Chapter Leadership Fund	422
Ohio Theta Chapter OneFund	13,629
Ohio Xi Chapter OneFund	349
Ohio Zeta Chapter OneFund	1,182
Oklahoma Alpha Chapter OneFund	478
Oregon Alpha Chapter Leadership Fund	464
Oregon Beta Chapter OneFund	15,959
Pennsylvania Alpha Chapter Leadership Fund	1,659

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Pennsylvania Beta Chapter OneFund	72,548
Pennsylvania Epsilon Chapter OneFund	624
Pennsylvania Eta Chapter Leadership Fund	1,960
Pennsylvania Iota Chapter Leadership Fund	1,069
Pennsylvania Lambda Chapter OneFund	3,913
Pennsylvania Nu Chapter Leadership Fund	346
Pennsylvania Phi Chapter Leadership Fund	413
Pennsylvania Rho Chapter OneFund	563
Pennsylvania Sigma Chapter Leadership Fund	377
Pennsylvania Upsilon Chapter OneFund	564
Pennsylvania Xi Chapter OneFund	517
Rhode Island Alpha Chapter Leadership Fund	(56)
Rhode Island Beta Chapter Leadership Fund	693
Tennessee Delta Chapter Leadership Fund	15,349
Tennessee Epsilon Chapter Leadership Fund	1,193
Texas Beta Chapter OneFund	901
Texas Epsilon Chapter OneFund	2,402
Texas Gamma Chapter Leadership Fund	113
Texas Zeta Chapter OneFund	527
Virginia Alpha Chapter OneFund	195,018
Virginia Beta Chapter Leadership Fund	7,103
Virginia Theta Chapter OneFund	834
Virginia Zeta Chapter OneFund	390
Washington Alpha Chapter Leadership Fund	3,615
West Virginia Alpha Chapter OneFund	1,177
Wisconsin Gamma Chapter Leadership Fund	1,529
California Zeta Chapter Leadership Fund	102
Maryland Delta Chapter OneFund	7,532
Ohio Pi Chapter OneFund	234
California Beta Chapter Leadership Fund	13,222
Pennsylvania Theta Non-Endowed Chapter Leadership Fund	6,254
Texas Alpha Non-Endowed Chapter Leadership Fund	458
General Chapter OneFund	45,463
California Beta Endowed Chapter Leadership Fund	46,185
Pennsylvania Theta Endowed Chapter Leadership Fund	92,582
Tennessee Delta Endowed Chapter Leadership Fund	32,036
Jerry Nelson Scholarship Fund	53,338
Philip M. Cornelius Scholarship Fund	37,557
Ralph D. Daniel Scholarship Fund	86,105

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Ruddick C. Lawrence Scholarship Fund	112,541
Ruth Lilly Operating Fund	435,104
Museum & Archives Fund	16,549
Frederick and Sharon Hegele Leadership and Service Fund	76,519
Phi Psi Friendship Fund	370
Laurel Hall Capital Improvement Fund	1,000,000
Texas Alpha Board Designated Scholarship Fund	281,908
McMahan (Board Designated) Operating Endowment	20,591,669
Neil Johnson Chapter Advisor Fellowship	49,739
Neil Johnson Ohio Undergraduate Scholarship	49,740
Marvin (Board Designated) Laurel Hall Operating Endowment	2,105,348
McMahan (Board Designated) Educational Housing Endowment	2,000,828
Nelson Leadership Institute Operating Endowment	5,002,069