



KAPPA ALPHA PSI FOUNDATION

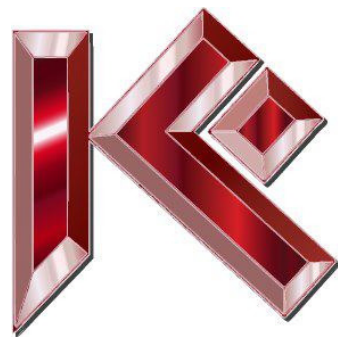
ANNUAL REPORT 2015

EMPOWERING OUR YOUTH
TRANSFORMING COMMUNITIES

2322 N. BROAD STREET
PHILADELPHIA, PA 19132

(215) 225-6566

THEKAPPAFOUNDATION.ORG



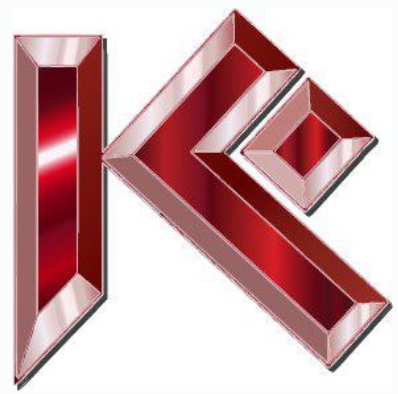


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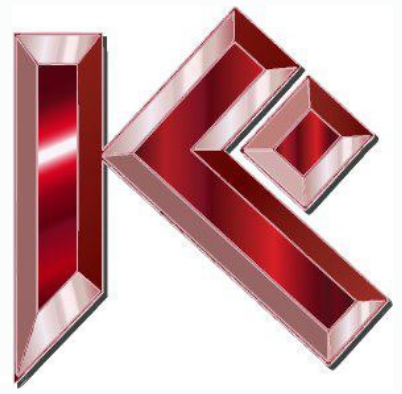
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2014-2015 YEAR IN REVIEW



This period proved to be a time of rededication to our programs serving youth. In collaboration with our partners, we were able to introduce the idea of a college education to some youth for the first time. To many others, resources were made available for college readiness, application strategy and scholarships.

From a different perspective, the Kappa Foundation supported efforts that also focused on the character of our youth through summer enrichment programs that target young men in their early teens as well as leadership development for those of college age. Follow our youth development story in the narrative that follows.



YOUTH DEVELOPMENT



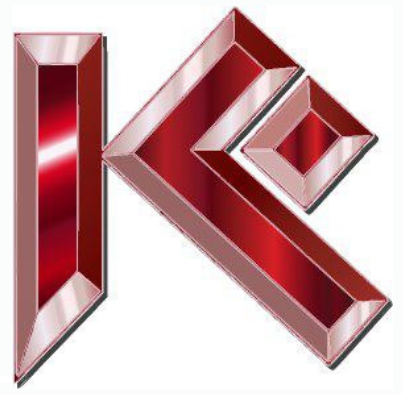
In the area of education and youth development, the national Guide Right program is one of our key initiatives delivering national impact. Created in 1922, it is one of the nation's largest and longest initiatives focused on college readiness.

The Kappa League, one of the core programs under Guide Right, was established in 1969, and its purpose is to train young men of color in grades 6-12 for leadership, academic achievement and service in their communities. Currently, 150 Kappa League programs have been chartered across the country, with more than 3,000 enrolled youth. Ninety-eight percent of Kappa League seniors graduate from high school and 85% go on to attend a four-year post-secondary institution. Three Kappa Leaguers have been awarded the Gates Millennium scholarship and 20,000 hours of community service have been logged by Kappa Leaguers.

Another core program under Guide Right is Diamonds In The Rough, established in 2011. This program was launched on a national scale to address the challenges of post-secondary access and affordability for young men of color in inner city and underserved communities throughout the country. The program supports young men who have the potential to achieve even in the most adverse environments. Currently, more than 3,000 youth are enrolled in the Diamonds In The Rough college initiative. To date, 4,500 students and parents have been provided with college and financial aid advisement, with \$15 million dollars in academic scholarships awarded.

The Undergraduate Leadership Institute, established in 2004, is another key initiative focused on career opportunities. We have trained more than 500 men for leadership roles in their communities, while attaining a high degree of excellence in their academic pursuits.

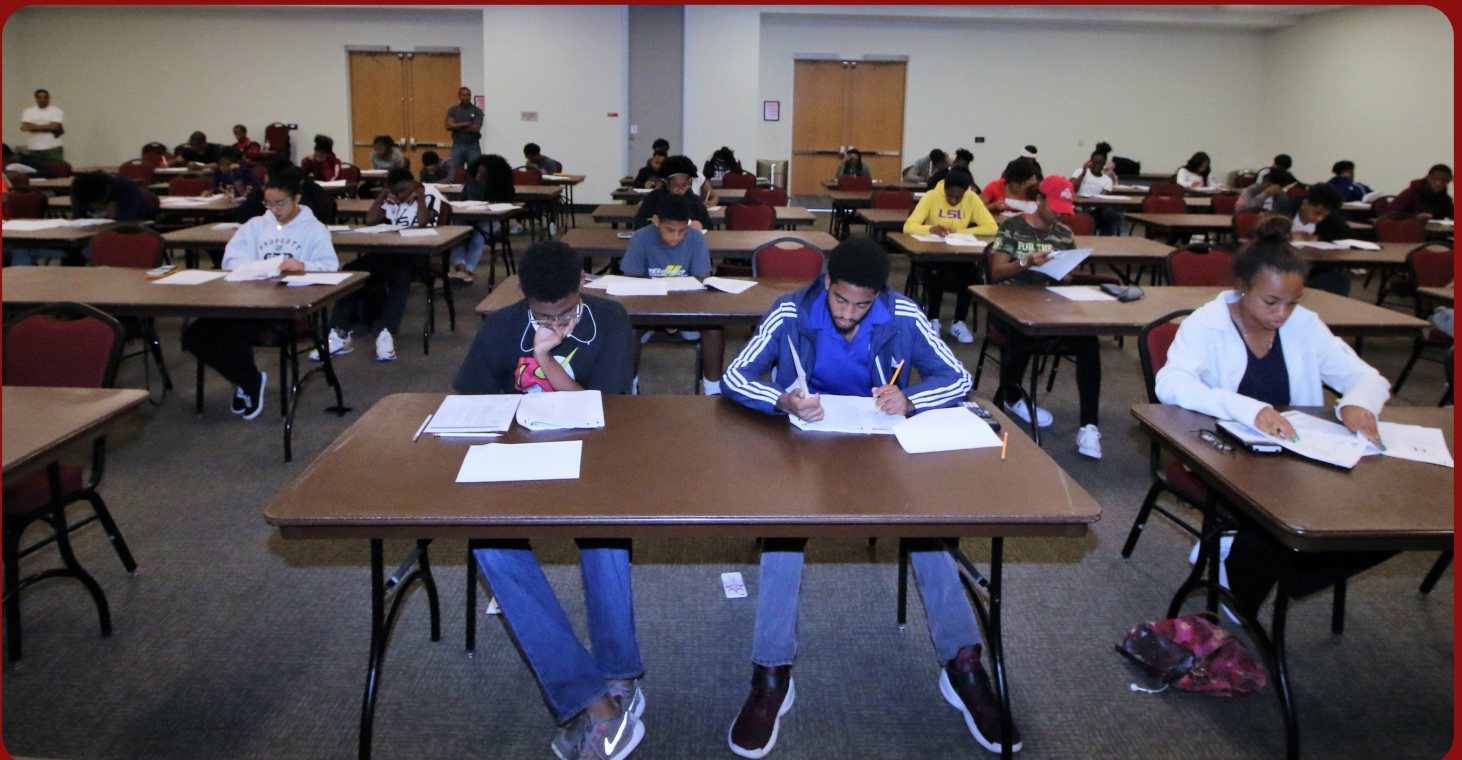
GUIDE RIGHT



Guide Right is a program for the educational and occupational guidance of youth, primarily inspirational and informational in character. Its reach extends to high schools and colleges alike. In the latter, the program addresses the needs of undergraduate members of Kappa Alpha Psi Fraternity, Inc.

The purposes of the Guide Right Service Program are to place the training, experience and friendly interest of successful men, at the disposal of youth needing inspiration and counsel regarding their choice of a life's career. In addition, the program makes the community aware of the problems that may be encountered as these youths seek to realize lives of usefulness.

Guide Right encompasses many of our youth-oriented programs such as mentoring, college preparatory programs and tutoring. However, the Flagship Initiative of the Guide Right Service Program is the Kappa Leadership Development League.



KAPPA LEAGUE

The Kappa Leadership & Development League is a program designed to aid young men of high school age in growing and developing their leadership talents in every phase of human endeavor. Kappa League provides both challenging and rewarding experiences to enhance their lives.

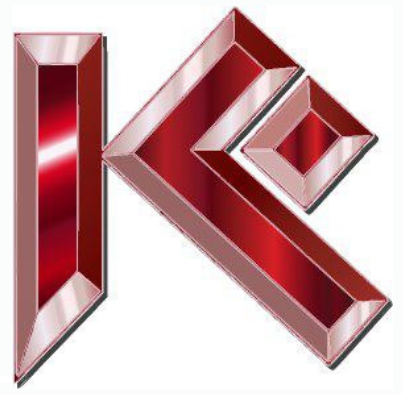
Since the fundamental purpose of Kappa Alpha Psi is ACHIEVEMENT, it is therefore the Fraternity's primary purpose to help these young men achieve worthy goals for themselves and make constructive contributions to their community when they assume leadership roles.

The basic objectives of the Kappa Leadership Development League are as follows:

- To help youth, especially those of high school graduating classes, in their selection of courses leading to vocations compatible with their aptitudes and personalities.
- To assist students, while they are training, to get started in the workforce, and to progress successfully in their chosen fields.
- To aide parents by giving them the opportunities to talk over their problems with those who are knowledgeable and are successful in their chosen vocations.
- To afford the less fortunate youth a respite from the drudgery of the streets, through sponsored trips to ball games, zoological garden, museums, theater and other activities.
- To inform youth of the values of higher education, assistance available for continued pursuits, scholarship, loans, professional opportunities, and current labor demands and trends which may impact the labor market.



KAPPA KAMP



Kappa Kamp is a summer enrichment camp that provides students, ages 12-16, with the opportunity to acquire productive life-skills through intensive workshops and learning through structured play activities. Students may choose from a number of enrichment camps and classes, as well as attend a variety of cultural and recreational activities, field trips, and educational lectures. Work, fun and more all take place within a safe, professionally designed and supervised setting.

Objectives

- Motivate students to seek higher levels of achievement.
- Expose students to activities rich in cultural information and experiences.
- Develop students' reading, writing and speaking skills while involved in each camp.
- Provide experiences that focus on science technology and survival.
- Allow campers to make friends from around the world in a structured, safe environment.
- Provide a spiritual faith-based atmosphere for human growth and development.
- Provide character education and citizenship in an ethical environment.

About Kappa Kamp

- 148 Kampers attending from an average of 23 states during the past four years
- 2014: 100% of high school graduates are attending college
- 2015: 90% of high school graduates are attending college. Several are working and others are active military
- We have helped more than 100 students complete college admissions applications and apply for external scholarships.
- We have maintained a return rate above 38% annually for attendees.
- We have had more than 300 volunteers who have served Kappa Kamp with an average of 20 per day to assist in the program operations and youth development.



Kappa Kampers meet Deputy Chief Hale and Officers of the Dallas Police Department

KAPPA KAMP (continued)



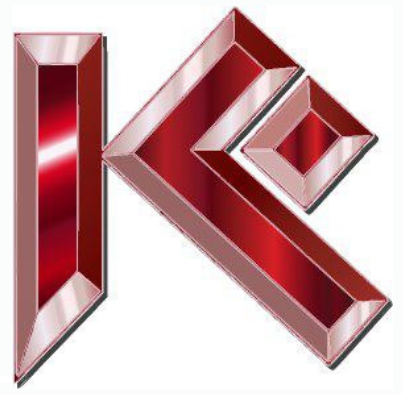
The Dallas Symphony Orchestra performs during its summer concert series at Paul Quinn College

Golf Instruction with First Tee Golf



Kappa Kamp 2014

DIAMONDS IN THE ROUGH



The Diamonds In The Rough College Preparation and Achievement Initiative was developed in the spirit of establishing a new and bold agenda of increasing Black Male Achievement within the underserved communities of color throughout America. It is based on the fundamental belief that within every young man lies the potential to achieve greatness... when they are provided the proper tools, resources and support to prosper.

Currently, the Diamonds In The Rough College Preparation and Achievement Initiative has been implemented in over 80 Kappa League and Guide Right programs throughout the country servicing areas such as Detroit, Chicago, Los Angeles, Trenton, Charlotte, St Louis, Denver, Memphis, etc.



UNDERGRADUATE LEADERSHIP INSTITUTE



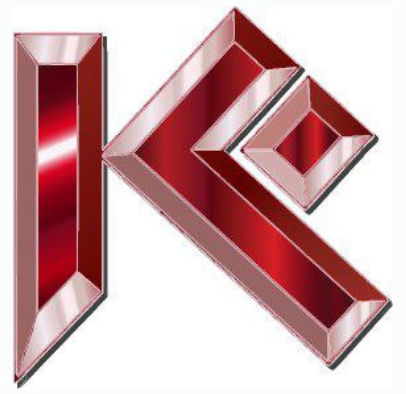
The Undergraduate Leadership Institute is a highly structured and intense leadership experience designed to increase undergraduates' capacity to lead in multiple contexts – on campus and/or in their communities. As an Undergraduate Leadership Institute participant, undergraduates:

- Learn ways to improve his chapter,
- Network and fellowship with fraternity leaders and undergraduate members,
- Understand and appreciate leadership styles similar to and different from his own,
- Engage in meaningful dialogue about the concept of leadership in the 21st century,
- Develop skills related to managing one's "brand" and career, and
- Learn about career opportunities.

In 2014, the ULI was held in Cincinnati, Ohio. This was one of the most impactful of all the annual leadership programs in the past. There were more than 100 participants and over 20 of them received job offers. General Electric was the host sponsor along with Nationwide, Wal-Mart, Sam's Club and the Armed Forces. The campus day was held at Indiana University, which is the founding campus for Kappa Alpha Psi. The rich history was well received. Also, we partnered with Matthew 25 Ministries for our community service activity. This disaster relief program enabled hands-on immersion into the importance of humanitarian aid.

Year	Program	Location	# of Participants	# of Universities Represented
2014	ULI	Cincinnati, OH	101	79
2015	LEAD	New Orleans, LA	42	40

UNDERGRADUATE LEADERSHIP INSTITUTE



"My time spent at ULI during the summer of 2014 was an immense period of transition for me as I began to realize my place in corporate America. Spending an entire week with representatives from various corporations while developing my brand, my vision and my ability to lead, was invaluable. I am now almost three years into my career at GE Aviation and I fully contribute my smooth transition from college to career to my experience at the ULI."

George Jones, ULI 2014

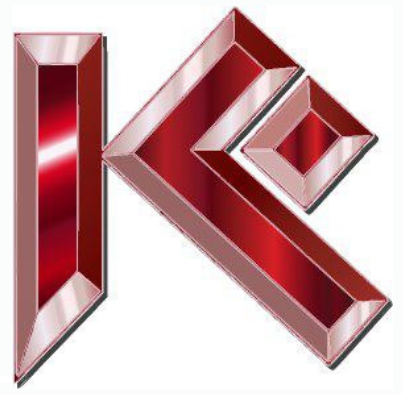


PROGRAM IMPACT



- Since 1981, the Kappa Alpha Psi Foundation has provided over \$3 million for programs and initiatives supporting communities and young men of color.
- Our annual Summer Camps, supported by grants, provides programs for 1,500 middle and high school children of color
- Grants support 200 youth mentoring programs and initiatives impacting more than 500,000 young men of color
- \$400,000 in scholarships to more than 2,000 undergraduate students
- 300 undergraduate men of color supported for leadership and professional development
- Disaster Relief funding provided to Haiti, Japan, Detroit, Flint
- Funding support to over 100 schools to close the educational achievement gap
- 99% of young men of color graduated from high school through the Diamonds In the Rough College Preparation and Achievement Initiative
- Since 2011, high school seniors were awarded \$35 million in college scholarships and grants
- 84% of all high school students attend a post-secondary institution
- 85% of all undergraduates complete college in four years; 95% in five years
- 98% of youth and undergraduate mentors are professional African-American males
- Average mentoring time for boys of color is seven hours monthly
- Three hours higher than the monthly national average

A NEW WAY FORWARD



VISION:

The Kappa Alpha Psi Foundation is built upon the fundamental premise that a world which celebrates individual achievement and strong communities of color can only be realized when human kind makes an unwavering commitment to the promotion of equality and ending poverty for all.

MISSION:

The mission of the Kappa Alpha Psi Foundation is to identify and invest in opportunities that engage today's generation of young people in leading the social, economic and educational transformation of undeserved and underrepresented communities throughout the nation and global community.

Why we exist and why we are needed more than ever!

The Kappa Alpha Psi Foundation, established in 1981, is the nonprofit arm of Kappa Alpha Psi Fraternity, Incorporated, which is one of the most historic and revered Black Greek organizations in the country for men of color. The Foundation was founded to support the outreach activities of Kappa members and friends in their communities.

Over the past three decades the Foundation has evolved from having a singular focus on supporting the programs and initiatives within Kappa Alpha Psi and has sought to establish itself as a leading voice of influence and impact on African-American issues and underserved communities. In the past decade, it has sought to bring about broad social and systemic changes needed to improve the outcomes and lives of young people and communities throughout America through advocacy and program support. The Foundation believes the solutions lie in multi-faceted approaches that includes mobilizing and leveraging the public sector, effective utilization of social media, implementing innovative ideas, influencing policies that promote positive change and building alliances with like-minded organizations in all sectors of society who share the same vision and desire to make the world a greater place for all, especially for the underserved and underprivileged.

Above all, the Kappa Alpha Psi Foundation has heeded the clarion call for the need of African-American philanthropy to increase its impact in the communities it serves by providing assistance to education, empowerment, philanthropy and equality for all.

MICHAEL J. DUBOSE, BOARD PRESIDENT



Dear Supporters & Friends,

The Kappa Alpha Psi Foundation continues to chart a course for becoming a premiere organization propelling our underserved communities toward positive change. I am humbled to take the reigns of such an organization that values the potential of our youth and provides the development to empower them to lead the social, economic and educational transformation of their communities.

In 2015, we continued to support those programs that mattered and made a difference. Across the country, youth mentoring programs were developed through a “Diamonds in the Rough” Initiative that utilized a college planning platform to enhance the readiness of our youth for college; nearly 100 male youths participated in a leadership development workshop; and again, we supported a summer development camp to propel young men toward achievement, both academically and socially.

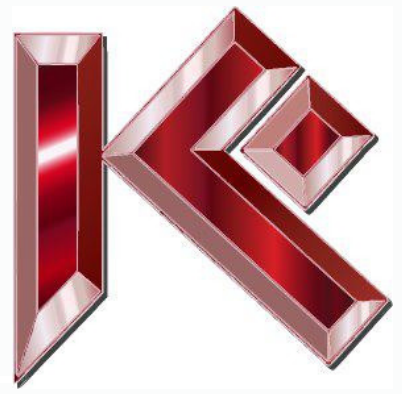
Other programs the Foundation supported are as follows, and speak to the work of impacting our young men across the country:

- The Undergraduate Leadership Institute (top 100 college men of Kappa training for Leadership)
- Kappa Kamp for young high school men with more than 100 in attendance
- IKARE disaster relief program for communities impacted by natural disasters
- Scholarships for college students to help support their education

Of course we could not accomplish these things alone. We are thankful for the support of the many donors and especially grateful for our major sponsors such as The Kellogg Foundation, W.W. Granger Inc. and the National Education Association. Their response to the call to serve the underserved, answered with a selfless, impactful force.

Equally exciting for me is our effort to reposition the Foundation for the future. Our new theme of “A New Way Forward” will be redefining, retooling and revising our operations to be bolder, more impactful and more responsive to the needs of the communities in which we live and serve. We look to adopt a stronger web presence, improved donor management systems and more contemporary communication methods. We are excited about our “New Way Forward” in the coming year and the many lives that we will touch to enhance our communities across America!

Sincerely,
Michael J. Dubose, Board President



2014-2015 FINANCIAL SUMMARY

This summary represents the statements of financial position of Kappa Alpha Psi Foundation, Inc. as of September 30, 2015 and 2014 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements (which are not presented here).

These financial statements were audited by Alan C. Young & Associates, P.C., certified public accounts and consultants. In their opinion, the financial statements referred to on the following pages present fairly, in all material respects, the financial position of the Foundation as of the stated dates, 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.

The Kappa Foundation Leadership and management is responsible for the preparation and fair presentation of these financial statements in accordance with auditing standards 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 misstatements, whether due to fraud or error.

We pledge to maintain the highest standards of financial accountability to earn and deserve your trust.

Kappa Alpha Psi Foundation, Inc.

Statements of Financial Position September 30, 2015 and 2014

	2015	2014
ASSETS		
Current Assets		
Cash	\$ 320,813	\$ 144,032
Investments	1,254,200	1,363,170
Related Party Receivable	49,537	23,457
Total Current Assets	<u>1,624,550</u>	<u>1,530,659</u>
Fixed Assets:		
Fixed Assets, Net of Accumulated Depreciation	53,040	55,080
Total Fixed Assets	<u>53,040</u>	<u>55,080</u>
TOTAL ASSETS	<u><u>\$ 1,677,590</u></u>	<u><u>\$ 1,585,739</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Scholarships Payable	\$ 33,000	\$ 33,000
Related Party Payable	43,278	13,147
Grants Payable - Donor Advised	124,067	127,740
Total Current Liabilities	<u>200,345</u>	<u>173,887</u>
TOTAL LIABILITIES	<u>200,345</u>	<u>173,887</u>
Net Assets		
Unrestricted	\$ (75,279)	\$ (4,467)
Temporarily Restricted	515,412	359,714
Permanently Restricted	1,037,112	1,056,605
Total Net Assets	<u>1,477,245</u>	<u>1,411,852</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,677,590</u></u>	<u><u>\$ 1,585,739</u></u>

Kappa Alpha Psi Foundation, Inc.

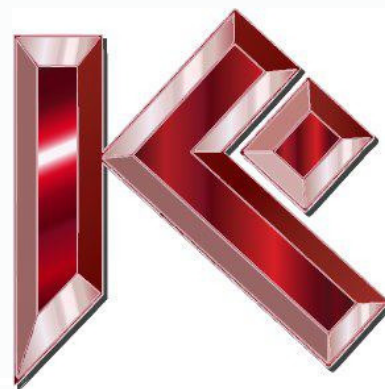
Statement of Activities Year Ended September 30, 2015 and Comparative Totals for the Year Ended September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015</u>	<u>2014</u>
UNRESTRICTED SUPPORT AND REVENUE					
Contributions and Grants	\$ 47,659	\$ 180,000	\$	\$ 227,659	\$ 114,632
Chapter Assessment	43,064	-	-	43,064	34,392
Foundation Club	101	-	-	101	200
Million Dollar Club	-	-	4,310	4,310	1,250
Interest	149	-	-	149	672
Dividends	-	16,676	11,717	28,393	27,135
Other	918	-	-	918	10,294
Realized/Unrealized Gain/(Loss) on Investments	(90)	(29,892)	(35,520)	(65,502)	85,588
Conclave Luncheon	28,400	-	-	28,400	1,500
Net Assets Released from Restrictions	11,086	-	-	-	-
Total Unrestricted Support and Revenue	<u>131,287</u>	<u>155,698</u>	<u>(19,493)</u>	<u>267,492</u>	<u>275,663</u>
EXPENSES					
Educational Activities	74,063	-	-	74,063	54,300
Management & General	128,036	-	-	128,036	102,043
Total Expenses	<u>202,099</u>	<u>-</u>	<u>-</u>	<u>202,099</u>	<u>156,343</u>
Increase/(Decrease) in Net Assets	(70,812)	155,698	(19,493)	65,393	119,320
Net Assets - Beginning of Year	<u>(4,467)</u>	<u>359,714</u>	<u>1,056,605</u>	<u>1,411,852</u>	<u>1,292,532</u>
Net Assets - End of Year	<u>\$ (75,279)</u>	<u>\$ 515,412</u>	<u>\$1,477,245</u>	<u>\$1,411,852</u>	<u>\$1,037,112</u>

Statements of Cash Flow
Years Ended September 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 65,393	\$ 119,320
Adjustments to Reconcile Change in Net Assets to Cash Provided by/(Used in) Operating Activities		
Unrealized Loss/(Gain) on Investment	65,502	(85,588)
Depreciation Expense	2,040	2,040
Change in Related Party Receivable	(26,080)	26,983
Change in Scholarships Payable	-	4,500
Change in Related Party Payable	30,131	(91,193)
Change in Deferred Revenue	(3,673)	(11,818)
Net Cash Provided by/(Used in) Operating Activities	133,313	(35,756)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investments	43,468	(11,351)
Net Cash Provided by/(Used in) Investing Activities	43,468	(11,351)
Net Increase/(Decrease) in Cash and Cash Equivalents	176,781	(47,107)
Cash and Cash Equivalents – Beginning of Year	144,032	191,139
Cash and Cash Equivalents – End of Year	\$ 320,813	\$ 144,032

KAPPA FOUNDATION CONTRIBUTORS & PARTNERS



Donors: Summary of OCT 2014-DEC 2015

Kappa Alpha Psi Contributions

ALUMNI CHAPTER ANNUAL CONTRIBUTIONS	\$ 47,150.00
UNDERGRADUATE CHAPTER ANNUAL CONTRIBUTIONS	\$ 22,000.00
INDIVIDUALS	
MILLION DOLLAR CLUB CONTRIBUTORS (subscribing & fully paid)	\$ 11,044.00
FOUNDATION CLUB CONTRIBUTORS (\$100 annually)	\$ 1,250.00
GENERAL CONTRIBUTORS	
\$5,001 AND ABOVE	\$ 6,000.00
\$500 - \$5,000	\$ 4,000.00
\$1 - \$499	\$ 2,939.49

KAPPA FOUNDATION CONTRIBUTORS & PARTNERS

Donors: Summary of OCT 2014-DEC 2015

Community Partners Contributions

\$50,000 AND ABOVE

Businesses/Organizations	\$ 50,000.00
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\$10,000 - \$49,999

Businesses/Organizations	\$ 35,500.00
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\$2,500 - \$9,999

Businesses/Organizations	\$ 12,200.00
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\$500 - \$2,499

Businesses/Organizations	\$ 5,822.41
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Individuals

\$ 500.00

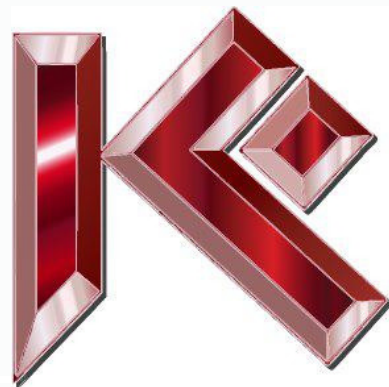
\$1 - \$499

Businesses/Organizations	\$ 1,917.65
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Individuals

\$ 1,352.90

KAPPA FOUNDATION LEADERSHIP



Board Leadership

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Vice President National Accounts
W.W. Grainger, Inc

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1st Vice President
Senior Vice President (Ret.)
IBM

Chastin Gammage
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Kappa Alpha Psi Fraternity, Inc.

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*Deceased

ABOUT THE KAPPA FOUNDATION



The Kappa Alpha Psi Foundation (the Foundation), established in 1981, was formed as the philanthropic arm of the Fraternity. The Foundation is a non-profit, tax exempt, publicly supported organization as described in Section 501 (c)(3) of the Internal Revenue Service Code.

Its mission is to identify and invest in opportunities that engage today's generation of young people in leading the social, economic and educational transformation of underserved and underrepresented communities. The Foundation makes investments in six core areas: Advocacy, Education and Youth Development, Community Development and Empowerment, Economic Advancement, Health and Wellness, and International Aid and Relief. The investments are made in promising programs and advocating for policies that have the best opportunity to bring equity to all. The funding is provided through grants, fellowships, human capital (in-kind professional service volunteers) and scholarships.