



KAPPA ALPHA PSI FOUNDATION

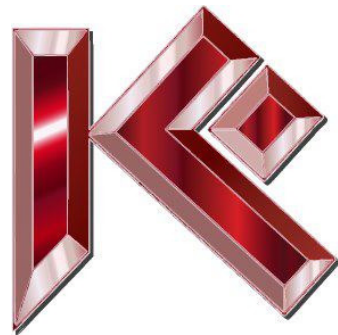
ANNUAL REPORT 2016

EMPOWERING OUR YOUTH
TRANSFORMING COMMUNITIES

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THEKAPPAFOUNDATION.ORG



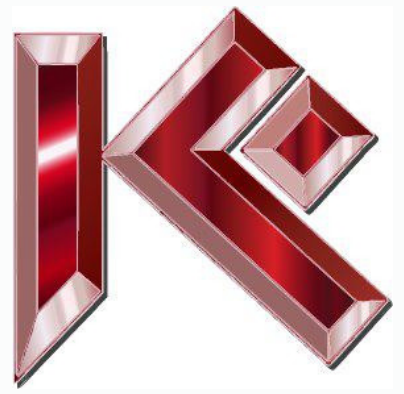


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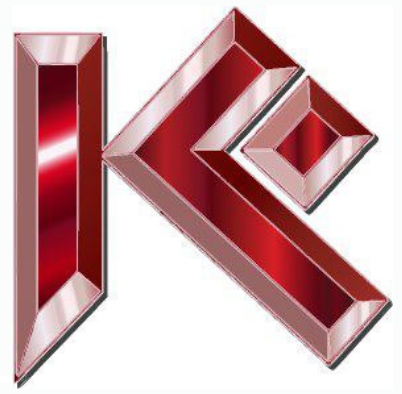
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2015-2016 YEAR IN REVIEW



In January of 2016 the Kappa Alpha Psi Foundation unveiled its New Way Forward agenda. The approach and purpose was to develop the operational infrastructure to increase the Kappa Foundation's endowment and giving power. The objective in increasing the endowment is for providing greater funding support to the community programs and initiatives including, but not limited to, Guide Right, ULI, LEAD Kappa, Kappa Kamp and Healthy Communities. In order to develop the Infrastructure, the Foundation moved to elect a highly influential Board of Directors. Over of the past two years the Board has brought on (2016) Rodney Adkins (former Vice President at IBM), Donald Bland (former President at Walmart), Cain Hayes, and Kinnis Wilkins; in 2017, Pierre Le Veaux, Steve Pemberton and Gregory Thomas. In addition the Foundation revamped its website, joined several philanthropic boards including the Association of Black Foundation Executives, Board Source and most recently, the Executive Alliance for Boys and Men of Color. Currently the Foundation is in the process of completing its strategic plan, the revamping of its gifting/donor program and the K-100 Network.

Major in 2016, was the planning kick-off of two signature events scheduled to debut in 2017. The first Annual "Building the Dream Klassic," led by Kappa Foundation Vice-President Rodney Adkins, was held at the PGA National Golf Resort in Palm Beach Gardens, Florida. The Foundation Luncheon was re-tooled and will be known as "The Celebration of Achievement" and led by Board Member Donald Bland. Both events are intended to bring social awareness to the educational needs of our youth and to celebrate the achievements of Kappa Alpha Psi, our youth and community based organizations that align with the purpose and mission of the Foundation.

Programmatically, the Kappa Foundation has continued to provide funding for the undergraduate and Guide Right initiatives. Currently, the Foundation has completed its second year of supporting Kappa League programs as part of the "Diamonds In the Rough" initiative through a \$150,000 grant from the Kellogg Foundation. In addition, we received a \$5,000 grant for a youth trade education initiative from Grainger, Inc. that was awarded to the Birmingham Alumni's Kappa League program and \$50,000 from the American Psychological Association for Smoking Cessation Grants that we awarded to ten Kappa Alpha Psi chapters across the country, at \$5,000 each. We also funded the IKARE Disaster Relief program to support Flint, Michigan and Baton Rouge, Louisiana through donations from W.W. Grainger, Inc. The Kappa Foundation has also continued its funding of the Hillary H. Holloway Scholarship, Undergraduate Leadership Institute and Kappa Kamp. As part of its agenda to increase funding to support communities, the Kappa Foundation has increased its efforts to identify, solicit and acquire grants from the federal, philanthropic and corporate sector.

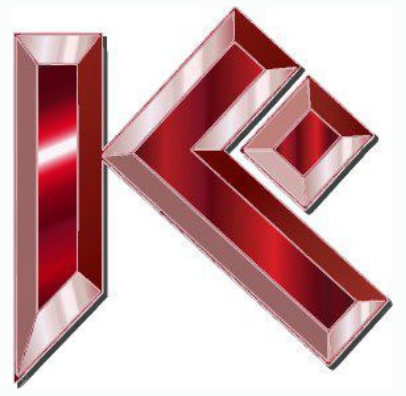
YEAR IN REVIEW (CONTINUED)



Ultimately, the Kappa Foundation remains focused on increasing its endowment in order to better fund programs and initiatives to provide greater support to communities of color. The first step was the hiring of L-Mani S. Viney, past National Guide Right Chairman of Kappa Alpha Psi Fraternity, Inc. and member of the Executive Alliance for Boys and Men of Color, to serve as Executive Director. He is currently leading the charge in the development of the strategic plan, the implementation of a professional donor management system and fund development strategy in anticipation of launching the Kappa Foundation's first ever capital campaign. The Foundation has also made efforts to streamline parts of its operations, seek to identify and fill other critical staffing needs as it continues to expand its services and operations.

In the second year of the New Way Forward agenda, the Kappa Alpha Psi Foundation has made great strides in the development of its organizational identity, programmatic approach and expansion of its operational infrastructure. As we enter the 2017 fiscal year, these advancements have placed the Kappa Foundation on track to not only better serve the donors and the programs & initiatives of the community, but also increase its stature, prominence, impact and influence as an African American philanthropic organization dealing with issues and initiative on the national level that affect and impact communities of color.

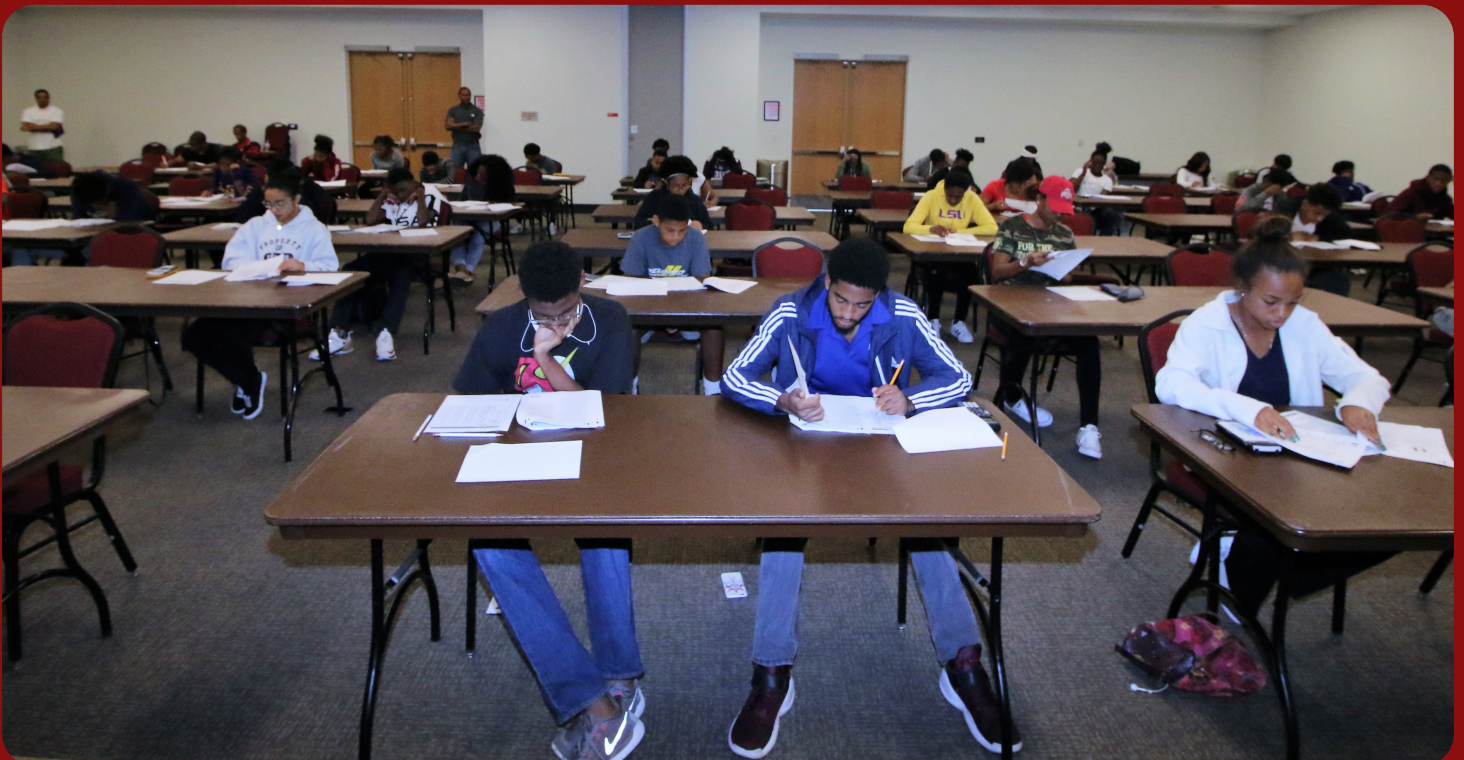
GUIDE RIGHT



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, giving due attention to the needs of undergraduate Brothers.

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, while the community is made 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

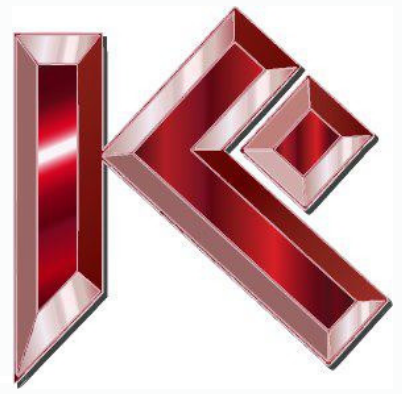
The Kappa Leadership & Development League is a program designed to aid young men of high school age to grow and develop their leadership talents in every phase of human endeavor. Kappa League provides both challenging and rewarding experiences to enhance their lives. Since the fundamental purpose of 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 may be summarized 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 assist 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 conceived as a summer enrichment camp providing 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 the 2016 Kappa Kamp

- 125 Kampers attending, on average, from 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 44% 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.



Kampers during Welcome Ceremony and Business Plan Presentation

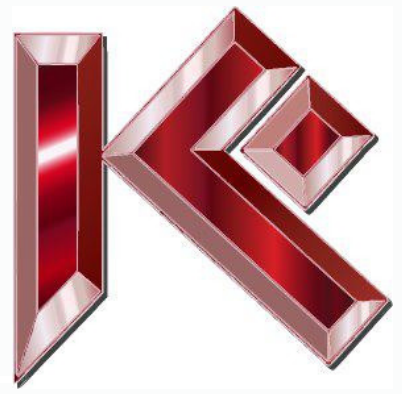
KAPPA KAMP (continued)



Kappa Kamper enjoy Olympic Day in Dallas



STEM Classes are always exciting!!!



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



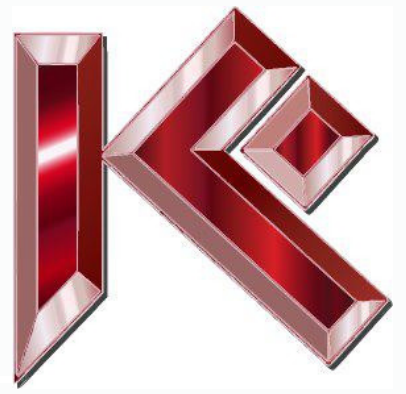
The Undergraduate Leadership Institute is a highly structured and intense leadership experience designed to increase undergraduates' capacity to lead in multiple contexts – on campus and/or in their communities. As an Undergraduate Leadership Institute participant, undergraduates will:

- 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 2016, the ULI was held in Stone Mountain, Georgia. This was one of the most impactful of all the annual leadership programs in the past. There were 65 participants and several of them received job offers. General Electric remains a major sponsor of the project. The campus day was held at Morehouse College in Atlanta. The rich history was well received. Over the last 14 years, ULI graduates have gone on to serve as executives at the nation's top businesses, non-profit organizations, and institutions of higher education. In many ways, the ULI is the proving ground for ordinary young men to become extraordinary leaders.

Year	Program	Location	# of Participants	# of Universities Represented
2015	LEAD	New Orleans, LA	42	40
2016	ULI	Stone Mountain, GA	65	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

“The exposure to scholars and senior leaders in academia during ULI made me realize new possibilities”

Dr. Charles H.F. Davis III, Chief Strategy Officer USC Race and Equity Center
ULI 2004 (Alpha Class)

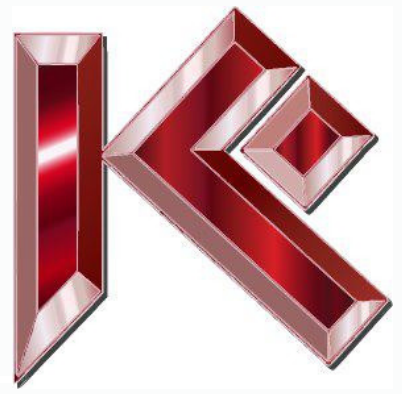


PROGRAM IMPACT



- 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 month; this is 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 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 2016, 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:

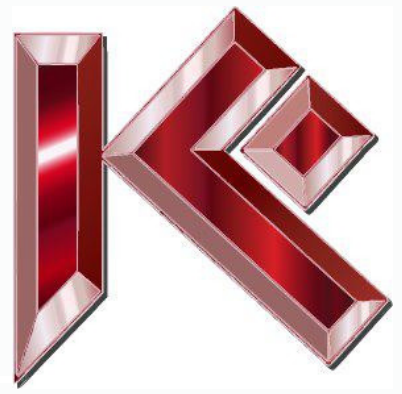
- The Undergraduate Leadership Institute (top 100 college men of Kappa training for Leadership)
- Kappa Kamp for young high school men with more than 100 in attendance
- IKARE disaster relief program for communities impacted by natural disasters
- Scholarships for college students to help support their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



2015-2016 FINANCIAL SUMMARY

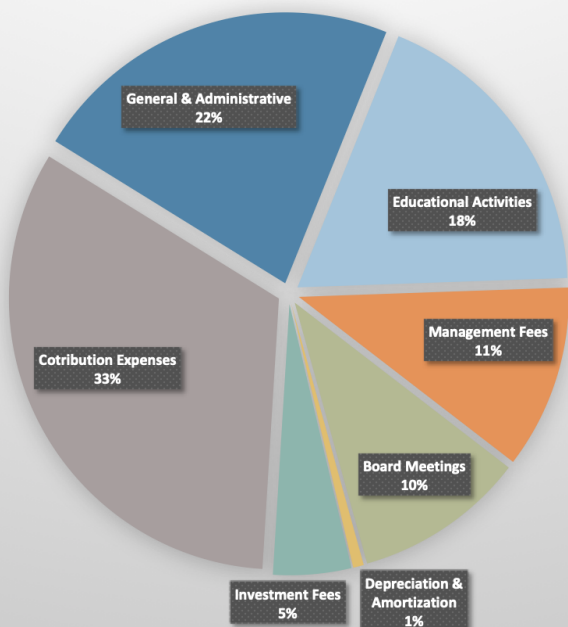
This summary represents the statements of financial position of Kappa Alpha Psi Foundation, Inc. as of September 30, 2016 and 2015 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements (which are not presented here).

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.

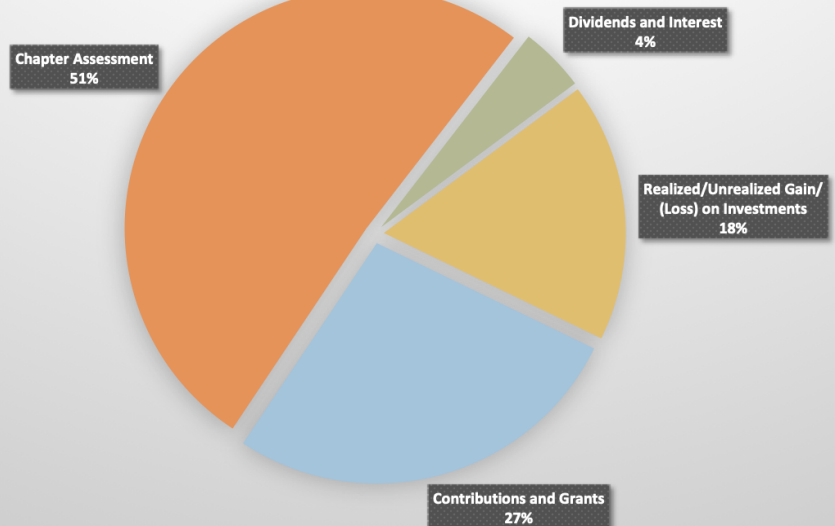
The Kappa Foundation Leadership and management is responsible for the preparation and fair presentation of these financial statements in accordance with auditing standards generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control 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.

Expenses
\$318,823



2016 Total Support & Revenue
\$764,070



Kappa Alpha Psi Foundation, Inc.

Statements of Financial Position September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash (Note 4)	\$ 182,074	\$ 196,746
Cash - Restricted (Note 1)	101,216	-
Custodial Funds (Note 1)	236,633	124,067
Investments (Note 2)	1,605,948	1,254,200
Related Party Receivable (Note 3)	22,952	49,537
Accounts Receivable - Other	<u>7,500</u>	<u>-</u>
Total Current Assets	<u>2,156,323</u>	<u>1,624,550</u>
Fixed Assets		
Fixed Assets, Net of Accumulated Depreciation (Note 5)	<u>51,000</u>	<u>53,040</u>
Total Fixed Assets	<u>51,000</u>	<u>53,040</u>
Total Assets	<u>\$ 2,207,323</u>	<u>\$ 1,677,590</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Scholarships Payable	\$ 15,600	\$ 33,000
Accounts Payable	9,828	-
Related Party Payable (Note 3)	22,770	43,278
Grants Payable - Donor Advised	<u>236,633</u>	<u>124,067</u>
Total Current Liabilities	<u>284,831</u>	<u>200,345</u>
Total Liabilities	<u>284,831</u>	<u>200,345</u>
Net Assets		
Unrestricted	\$ (60,443)	\$ (75,279)
Temporarily Restricted (Note 7)	524,195	515,412
Permanently Restricted (Note 7)	<u>1,458,740</u>	<u>1,037,112</u>
Total Net Assets	<u>1,922,492</u>	<u>1,477,245</u>
Total Liabilities and Net Assets	<u>\$ 2,207,323</u>	<u>\$ 1,677,590</u>

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

Kappa Alpha Psi Foundation, Inc.

Statement of Activities Year Ended September 30, 2016 and Comparative Totals for the Year Ended September 30, 2015



	Unrestricted	Temporarily Restricted	Permanently Restricted	2016	2015
UNRESTRICTED SUPPORT AND REVENUE					
Contributions and Grants	\$ 206,848	\$ -	\$ -	\$ 206,848	\$ 227,659
Chapter Assessment	54,261	-	335,624	389,885	43,064
Million Dollar Club	-	-	816	816	4,310
Dividends and Interest	33,314	-	6	33,320	28,542
Other	322	-	-	322	1,019
Realized/Unrealized Gain/(Loss) on Investments	-	47,697	85,182	132,879	(65,502)
Conclave Luncheon	-	-	-	-	28,400
Net Assets Released from Restrictions	38,914	(38,914)	-	-	-
Total Unrestricted Support and Revenue	333,659	8,783	421,628	764,070	267,492
EXPENSES					
Educational Activities	58,462	-	-	58,462	74,063
Management & General	260,361	-	-	260,361	128,036
Total Expenses	318,823	-	-	318,823	202,099
Increase in Net Assets	14,836	8,783	421,628	445,247	65,393
Net Assets - Beginning of Year	(75,279)	515,412	1,037,112	1,477,245	1,411,852
Net Assets - End of Year	\$ (60,443)	\$ 524,195	\$ 1,458,740	\$ 1,922,492	\$ 1,477,245

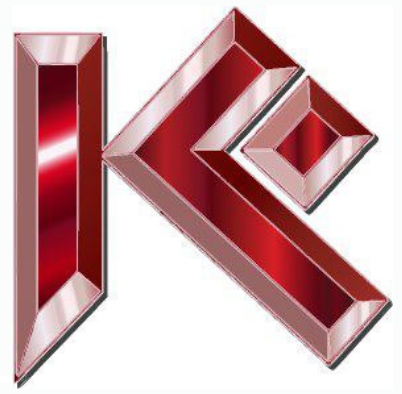
The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows
Years Ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 445,247	\$ 65,393
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities		
Unrealized Loss / (Gain) on Investment	(132,879)	65,502
Depreciation Expense	2,040	2,040
Contributions to Restricted Cash	(101,216)	-
Change in Related Party Receivable	26,585	(26,080)
Change in Accounts Receivable - Other	(7,500)	-
Change in Scholarships Payable	(17,400)	-
Change in Accounts Payable	9,828	-
Change in Related Party Payable	<u>(20,508)</u>	<u>30,131</u>
Net Cash Provided by Operating Activities	<u>204,197</u>	<u>136,986</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investments	<u>(218,869)</u>	<u>43,468</u>
Net Cash Provided by / (Used in) Investing Activities	<u>(218,869)</u>	<u>43,468</u>
Net Increase in Cash and Cash Equivalents	(14,672)	180,454
Cash and Cash Equivalents – Beginning of Year	<u>196,746</u>	<u>16,292</u>
Cash and Cash Equivalents – End of Year	<u>\$ 182,074</u>	<u>\$ 196,746</u>

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

KAPPA FOUNDATION CONTRIBUTORS & PARTNERS



Donors: Summary of OCT 2015-DEC 2016

Kappa Alpha Psi Contributions

ALUMNI CHAPTER ANNUAL CONTRIBUTIONS	\$61,150.00
UNDERGRADUATE CHAPTER ANNUAL CONTRIBUTIONS	\$13,280.00
PROVINCE CONTRIBUTIONS	\$ 2,000.00
INDIVIDUALS	
MILLION DOLLAR CLUB CONTRIBUTORS (subscribing & fully paid)	\$ 5,810.00
FOUNDATION CLUB CONTRIBUTORS (\$100 annually)	\$ 300.00
BUILDING THE DREAM KLASSIC	\$21,000.00
GENERAL CONTRIBUTORS	\$ 5,753.00

*unaudited

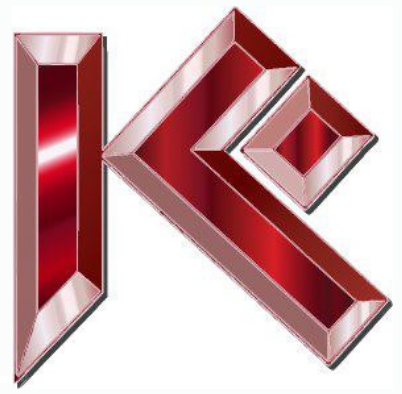
KAPPA FOUNDATION CONTRIBUTORS & PARTNERS

Donors: Summary of OCT 2014-DEC 2015

Community Partners Contributions

\$50,000 AND ABOVE Businesses/Organizations	\$50,000.00
\$10,000 - \$49,999 Businesses/Organizations	\$ 0
\$2,500 - \$9,999 Businesses/Organizations	\$ 7,500.00
\$500 - \$2,499 Businesses/Organizations	\$ 5,822.41
\$1 - \$499 Businesses/Organizations/Individuals	\$ 3,435.00

*unaudited



KAPPA FOUNDATION LEADERSHIP

Board Leadership

Michael J. DuBose
President
Vice President National Accounts
W.W. Grainger, Inc

Rodney C. Adkins
1st Vice President
Senior Vice President (Ret.)
IBM

Chastin Gammage
2nd Vice President
Jr. Grand Vice Polemarch
Kappa Alpha Psi Fraternity, Inc.

Michael M. Adkinson, P.E.
Secretary
Lt. Col. US Air Force (Ret.)
Reliability & Maint. Engr, LyondellBasell

A. Ronald Berryman
Treasurer
CEO/Owner, Berryman and Associates

BOARD OF DIRECTORS

Thomas L. Battles, Jr.
33rd Grand Polemarch, Kappa Alpha Psi Fraternity, Inc.

Donald Bland
President CEO (Ret.), Wal-Mart Argentina

Reuben A. Shelton, III Esq.
Sr. Grand Vice Polemarch, Kappa Alpha Psi Fraternity, Inc.

Cain A. Hayes
President of National Accounts, Aetna

Chester Leaks
Grand Keeper of Records & Exchequer
Kappa Alpha Psi Fraternity, Inc.

Adolphus M. Pruitt
Owner, Pruitt & Associates

Jacqueline Sharp-Messey
President National Kappa Silhouettes

Margie Southard
Vice President-Operations, State Farm, Inc.

Linnes Finney, Jr., Esq.
Partner, Greenspoon Marder Law, P.A.

Kennis E. Wilkins
CEO/Owner Wilkins Insurance

EXECUTIVE DIRECTOR

L'Mani S. Viney

DIRECTOR EMERTI

Randall C. Bacon * Elva J. Edwards* Robert L. Harris, Esq.
Hon. Thomas A. Bradley* Authur L. Carter * Melvin C. Hopson
Williams B. Croom Williams G. Mays* Earnest H. Davenport*

*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.