

**ALPHA KAPPA ALPHA SORORITY, INC.**

(a non-profit organization)

**CHICAGO, ILLINOIS**

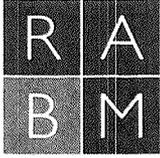
**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

(TOGETHER WITH INDEPENDENT AUDITORS' REPORT)

**FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
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RAGLAND, ARNOLD, BUCHANAN,  
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Certified Public Accountants and Management Consultants

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## INDEPENDENT AUDITORS' REPORT

To the Directorate  
Alpha Kappa Alpha Sorority, Inc.  
Chicago, Illinois

### Opinion

We have audited the accompanying financial statements of Alpha Kappa Alpha Sorority, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alpha Kappa Alpha Sorority, Inc. as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are required to be independent of Alpha Kappa Alpha Sorority, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Alpha Kappa Alpha Sorority, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about Alpha Kappa Alpha Sorority, Inc.'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.

### **Report on Summarized Comparative Information**

We have previously audited the Alpha Kappa Alpha Sorority, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 3, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### ***Other***

We are auditing the financial statements of Alpha Kappa Alpha Sorority, Inc.'s Educational Advancement Foundation (AKA-EAF), a local affiliate which statements reflect total assets of \$29,762,947 as of December 31, 2024 and total support and revenue of \$7,196,721 for the year then ended. Those statements are currently under audit by our firm. We have not included the amounts in the financial statements. As far as EAF relates to Alpha Kappa Alpha Sorority, Inc.'s, we have disclosed this as a related party transaction (see Note B-3).

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedules of financial position by fund, revenue by fund, activities by fund, financial position by regions and activities by regions, are presented for purposes of additional analysis and is not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ragland, Arnold, Buchanan, Morris & Associates, LLC*

**RAGLAND, ARNOLD, BUCHANAN, MORRIS & ASSOCIATES, LLC**  
**Certified Public Accountants**

**Evergreen Park, Illinois**  
**June 25, 2025**

**ALPHA KAPPA ALPHA SORORITY, INC.**

**STATEMENT OF FINANCIAL POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

|   | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| <b>CURRENT ASSETS:</b>  |                      |                      |
| Cash and Cash Equivalents (Notes A-4, A-5 and A-6)  | \$ 34,445,081        | \$ 39,249,297        |
| Accounts Receivables, net of doubtful accounts (Note A-19)  | 2,383,881            | 1,918,114            |
| IRS Receivable (Note A-11)  | -                    | 19,367               |
| Inventory (Note A-16)   | 5,904,643            | 4,609,415            |
| Prepaid Expenses  | 1,513,815            | 1,806,371            |
|   | <u>44,247,420</u>    | <u>47,602,564</u>    |
| <b>Total Current Assets</b>   |                      |                      |
| <b>OTHER ASSETS:</b>  |                      |                      |
| Corporate Receivables (Note A-18)   | 11,482,578           | 11,304,038           |
| Right-of-use lease asset - copier machine finance lease,<br>(net of accumulated amortization) (Notes A-20 and B-4)  | 109,570              | 272,610              |
| Right-of-use lease asset - postage machine finance lease,<br>(net of accumulated amortization) (Notes A-20 and B-4) | 15,006               | 29,102               |
| Investments (Notes A-14, A-15, and B-2)   | 14,679,467           | 13,510,552           |
|   | <u>26,286,621</u>    | <u>25,116,302</u>    |
| <b>Total Other Assets</b>   |                      |                      |
| <b>PROPERTY &amp; EQUIPMENT</b>   |                      |                      |
| Property, Furniture and Equipment, net of<br>accumulated depreciation (Note A-10)                                   | 6,134,952            | 5,985,546            |
|   | <u>6,134,952</u>     | <u>5,985,546</u>     |
| <b>Total Property &amp; Equipment</b>   |                      |                      |
|   | <u>\$ 76,668,993</u> | <u>\$ 78,704,412</u> |
| <b>Total Assets</b>   |                      |                      |

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

**ALPHA KAPPA ALPHA SORORITY, INC.**

**STATEMENT OF FINANCIAL POSITION, *continued***

**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

|   | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|
| <b>LIABILITIES AND NET ASSETS:</b>  |                      |                      |
| <b>CURRENT LIABILITIES</b>  |                      |                      |
| Accounts Payable  | \$ 815,054           | \$ 488,249           |
| Accrued Expenses  | 318,037              | 305,201              |
| EAF Membership Dues Payable   | 1,630,329            | 1,897,734            |
| Donations Payable   | 144,169              | 141,464              |
| Refunds Due to Chapters and Individuals   | 179,027              | 213,297              |
| Obligation under copier machine finance lease,<br>current portion (Notes A-20 & B-4)  | 104,614              | 166,196              |
| Obligation under postage machine finance lease,<br>current portion (Notes A-20 & B-4) | 14,423               | 14,717               |
| Deferred Revenue (Note B-1)   | 8,750,920            | 11,256,671           |
| Estimated Income Taxes (UBT) (Note A-11)  | 175,000              | 11,120               |
| Corporate Payables (Note A-18)  | 11,482,578           | 11,304,038           |
| <b>Total Current Liabilities</b>  | <u>23,614,151</u>    | <u>25,798,687</u>    |
| <b>LONG TERM LIABILITIES</b>  |                      |                      |
| Obligation under copier finance lease (Notes A-20 & B-4)                              | -                    | 113,613              |
| Obligation under postage machine finance lease (Notes A-20 & B-4)                     | -                    | 14,273               |
| <b>Total Long Term Liabilities</b>  | <u>-</u>             | <u>127,886</u>       |
| <b>Total Liabilities</b>  | <u>23,614,151</u>    | <u>25,926,573</u>    |
| <b>NET ASSETS: (Note A-2, and A-3)</b>  |                      |                      |
| Net Assets Without Donor Restrictions:  |                      |                      |
| Undesignated - Operations   | 32,471,905           | 28,525,407           |
| Board Designated - Special Fund   | 2,661,466            | 2,422,514            |
| <b>Total Net Assets Without Donor Restrictions</b>                                    | <u>35,133,371</u>    | <u>30,947,921</u>    |
| Net Assets with Donor Restrictions:   |                      |                      |
| With Donor Restrictions   | 6,152,614            | 10,991,024           |
| With Donor Restrictions - Endowment Trusts  | 11,768,857           | 10,838,894           |
| <b>Total Net Assets With Donor Restrictions</b>                                       | <u>17,921,471</u>    | <u>21,829,918</u>    |
| <b>Total Net Assets</b>   | <u>53,054,842</u>    | <u>52,777,839</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>   | <u>\$ 76,668,993</u> | <u>\$ 78,704,412</u> |

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

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

**CHANGES IN NET ASSETS:**

**REVENUE** (Note A-7)

|  | <u>2024</u>          | <u>2023</u>          |
|--|----------------------|----------------------|
| Membership dues  | \$ 17,094,523        | \$ 14,286,858        |
| Life membership  | 1,112,520            | 1,054,130            |
| Technology program   | -                    | 570,890              |
| COIP assessment  | 861,012              | 657,034              |
| Chapter tax  | 258,866              | 240,460              |
| Membership Sales:  |                      |                      |
| Cuts and publications  | 112,779              | 112,760              |
| Sorority sales   | 3,324,659            | 3,516,666            |
| Unrelated Business Income  | 3,329,930            | 2,848,317            |
| Boule income   | 13,975,869           | 538,314              |
| Leadership seminar   | 4,091                | 3,803,793            |
| Program income   | 1,993,971            | 2,347,262            |
| Rental income  | 54,000               | 36,000               |
| Set Aside investment income  | 506,671              | 318,882              |
| Region revenue   | 19,619,132           | 17,690,738           |
| Other income   | 911,697              | 315,708              |
| <b>Total revenue</b>   | <u>63,159,720</u>    | <u>48,337,812</u>    |
| <b>Net Assets Released from Restrictions</b>                               | <u>-</u>             | <u>-</u>             |
| <b>TOTAL REVENUE</b>   | <u>63,159,720</u>    | <u>48,337,812</u>    |
| <b>EXPENSES</b> (Note A-8)   |                      |                      |
| <b>Operating expenses:</b>   |                      |                      |
| Program services   | 43,182,947           | 24,618,783           |
| Supporting services  | 20,589,953           | 22,627,388           |
| Total operating expenses   | <u>63,772,900</u>    | <u>47,246,171</u>    |
| Increases in Net Assets From Operations                                    | <u>(613,180)</u>     | <u>1,091,641</u>     |
| <b>Increases in Net Assets</b>   | <u>(613,180)</u>     | <u>1,091,641</u>     |
| <b>Non-operating Change Income/Expeses:</b>                                |                      |                      |
| Total Realized and Unrealized (losses)gains (Note A-14)                    | 710,837              | 1,104,720            |
| Total non-operating activities   | 710,837              | 1,104,720            |
| Changes in net assets before Provision for Unrelated Business Income Taxes | 97,657               | 2,196,361            |
| Benefit (Provisions) for Unrelated Business Income Taxes (Note A-11)       | 175,000              | 11,120               |
| Change in Net Assets   | 272,657              | 2,207,481            |
| <b>Net Assets, beginning of year</b>                                       | 52,777,839           | 50,766,652           |
| <b>Prior Period Corrections</b> (Note A-17)                                | 4,346                | (196,294)            |
| <b>Net Assets, adjusted beginning balance</b>                              | <u>52,782,185</u>    | <u>50,570,358</u>    |
| <b>Net Assets, end of year</b>   | <u>\$ 53,054,842</u> | <u>\$ 52,777,839</u> |

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

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>   | <u><b>2024</b></u>   | <u><b>2023</b></u>   |
|---|----------------------|----------------------|
| Changes in net assets:  | \$ 272,657           | \$ 2,207,481         |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                      |                      |
| Depreciation (Note A-10)  | 585,107              | 559,115              |
| Amortization - copier finance lease (Notes A-20 & B-4)                                      | 163,040              | 163,040              |
| Amortization - postage machine finance lease (Notes A-20 & B-4)                             | 14,096               | 14,096               |
| Realized and Unrealized (gains) losses on investments                                       | (710,837)            | (1,104,720)          |
| (Increase)/decrease in current assets:  |                      |                      |
| Accounts receivable   | (446,400)            | 1,264,354            |
| Prepaid expenses  | 292,556              | 152,776              |
| Inventory   | (1,295,228)          | (692,572)            |
| Corp receivables  | (178,540)            | (1,456,674)          |
| IRS receivable (Note A-11)  | 19,367               | (19,367)             |
| Increase/(decrease) in current liabilities:   |                      |                      |
| Accounts payable  | 326,805              | (589,701)            |
| Accrued expenses  | 12,836               | (43,571)             |
| EAF membership dues payable   | (267,405)            | 210,730              |
| Donations payable   | 2,705                | 3,435                |
| Refunds payable   | (34,207)             | 56,972               |
| Corp payables   | 295,228              | -                    |
| Other payables  | 287,224              | 1,456,674            |
| Deferred revenue  | 2,505,751            | 202,804              |
| Estimated income taxes (Note A-11)  | 163,880              | (76,424)             |
| Prior period corrections (Note A-17)  | 4,346                | (196,294)            |
| <b>Net Cash Provided by Operating Activities</b>  | <u>2,012,981</u>     | <u>2,112,154</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                      |                      |
| Purchases/sales of investments  | (634,105)            | (673,306)            |
| Purchase of equipment   | (1,226,541)          | (506,176)            |
| Disposition of property & equipment & vehicle   | 557,377              | 512,406              |
| Additions to Cash-Investment Accounts   | 793,025              | (793,025)            |
| <b>Net Cash Used in Investing Activities</b>  | <u>(510,244)</u>     | <u>(1,460,101)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                      |                      |
| Net (Payments) on copier finance lease (Notes A-20 & B-4)                                   | (166,196)            | (161,310)            |
| Net Payments on postage machine finance lease (Notes A-20 & B-4)                            | (14,717)             | (13,856)             |
| <b>Net Cash (Used in) Financing Activities</b>  | <u>(180,913)</u>     | <u>(175,166)</u>     |
| <b>Change in Cash and Cash Equivalents</b>  | 1,321,824            | 476,887              |
| <b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>   | <u>41,672,384</u>    | <u>41,195,497</u>    |
| <b>CASH AND CASH EQUIVALENTS, End of Year</b>   | <u>\$ 42,994,208</u> | <u>\$ 41,672,384</u> |
| (Note A-4, A-5 and A-6)   |                      |                      |
| <b>SUPPLEMENTAL INFORMATION:</b>  |                      |                      |
| Interest Expense Paid   | <u>\$ 6,396</u>      | <u>\$ 28,314</u>     |
| UBI Taxes Paid (Federal)  | <u>\$ 500,000</u>    | <u>\$ 475,000</u>    |
| UBI Taxes Paid (State)  | <u>\$ 275,000</u>    | <u>\$ 195,000</u>    |

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

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

|   | <b>PROGRAM SERVICES</b> |                         |                   |                  |                      |                        |                        |                  |                           |                      | <b>SUPPORTING SERVICES</b> |  |  |
|---|-------------------------|-------------------------|-------------------|------------------|----------------------|------------------------|------------------------|------------------|---------------------------|----------------------|----------------------------|--|--|
|   | Boule Fund              | Leadership Seminar Fund | Corporate COIP    | Special Fund     | Regions              | Program Services Total | Management and General | Life Membership  | Supporting Services Total | 2024                 | 2023                       |  |  |
| Salaries & Benefits   | \$ 70,827               | \$ -                    | \$ -              | \$ -             | \$ 82,706            | \$ 153,533             | \$ 4,304,289           | \$ -             | \$ 4,304,289              | \$ 4,457,822         | \$ 4,684,676               |  |  |
| Professional fees   | 216,004                 | -                       | 5,753             | -                | 330,200              | 551,957                | 2,145,633              | -                | 2,145,633                 | 2,697,590            | 1,566,539                  |  |  |
| Supplies  | 99,343                  | -                       | -                 | -                | 63,632               | 162,975                | 133,658                | -                | 133,658                   | 296,633              | 189,981                    |  |  |
| Telephone   | -                       | -                       | -                 | -                | 2,525                | 2,525                  | 74,368                 | -                | 74,368                    | 76,893               | 79,154                     |  |  |
| Postage and shipping  | 22,343                  | -                       | -                 | -                | 94,309               | 116,652                | 561,118                | -                | 561,118                   | 677,770              | 716,299                    |  |  |
| Utilities   | -                       | -                       | 50,930            | -                | -                    | 50,930                 | -                      | -                | -                         | 50,930               | 52,330                     |  |  |
| Printing  | 303,505                 | -                       | -                 | -                | 275,743              | 579,248                | 313,093                | -                | 313,093                   | 892,341              | 437,534                    |  |  |
| Building maintenance  | 725                     | -                       | 120,880           | -                | -                    | 121,605                | 698                    | -                | 698                       | 122,303              | 152,203                    |  |  |
| Equipment rental and maintenance                                  | 4,329,937               | -                       | -                 | -                | 9,607                | 4,339,544              | 1,065                  | -                | 1,065                     | 4,340,609            | (178,862)                  |  |  |
| Transportation  | 4,224,002               | -                       | -                 | -                | 2,618,655            | 6,842,657              | -                      | -                | -                         | 6,842,657            | 4,315,830                  |  |  |
| Conferences, conventions and meetings                             | 11,813,176              | 2,063                   | -                 | -                | 14,387,456           | 26,202,695             | 1,397,430              | -                | 1,397,430                 | 27,600,125           | 17,003,009                 |  |  |
| Staff professional development                                    | -                       | -                       | -                 | -                | -                    | -                      | -                      | -                | -                         | -                    | 34,661                     |  |  |
| Boule expenses  | 28,440                  | -                       | -                 | -                | 5,663                | 28,440                 | 346,845                | -                | 346,845                   | 28,440               | 45,320                     |  |  |
| Leadership fellows  | -                       | -                       | -                 | -                | 117,688              | 226,441                | 1,533,158              | -                | 1,533,158                 | 352,508              | 230,418                    |  |  |
| Technology upgrade  | 108,753                 | -                       | -                 | -                | 22,553               | 22,553                 | 1,634,488              | -                | 1,634,488                 | 1,759,599            | 1,932,332                  |  |  |
| Program/project national  | -                       | -                       | -                 | -                | 10,527               | 10,527                 | 173,674                | -                | 173,674                   | 1,657,041            | 1,911,966                  |  |  |
| Public policy   | -                       | -                       | -                 | -                | 128,758              | 128,758                | 861,905                | -                | 861,905                   | 184,201              | 280,042                    |  |  |
| Committees expenses   | -                       | -                       | -                 | -                | 57,942               | 57,942                 | 437,650                | -                | 437,650                   | 990,663              | 1,018,092                  |  |  |
| Directorate officer's expense                                     | -                       | -                       | -                 | -                | 208,090              | 208,090                | 137,899                | -                | 137,899                   | 267,014              | 495,592                    |  |  |
| Donations and contributions                                       | -                       | -                       | 33,086            | -                | 6,798                | 39,884                 | 1,887,698              | -                | 1,887,698                 | 345,989              | 349,554                    |  |  |
| Insurance   | -                       | -                       | 112,340           | -                | 653,999              | 1,159,555              | 289,794                | -                | 289,794                   | 1,927,582            | 1,817,818                  |  |  |
| Bank charges  | 503,857                 | 1,699                   | -                 | -                | 112,340              | 112,340                | -                      | -                | -                         | 1,449,349            | 1,093,784                  |  |  |
| Real estate taxes   | -                       | -                       | 4,295             | 10,140           | -                    | 14,435                 | 6,155                  | -                | 6,155                     | 112,340              | 109,124                    |  |  |
| Leadership expenses   | -                       | -                       | -                 | -                | -                    | -                      | -                      | -                | -                         | -                    | 2,683,914                  |  |  |
| Investment fees   | -                       | -                       | -                 | -                | -                    | -                      | -                      | -                | -                         | -                    | 45,900                     |  |  |
| Cost of Sorority pins, history books and documents                | 438                     | -                       | -                 | -                | 17,632               | 18,070                 | 2,712,840              | -                | 2,712,840                 | 2,730,910            | 3,066,246                  |  |  |
| Interest expense-copier finance lease (Notes A-20 & B-4)          | -                       | -                       | -                 | -                | -                    | -                      | 5,745                  | -                | 5,745                     | 5,745                | 10,631                     |  |  |
| Interest expense-postage machine finance lease (Notes A-20 & B-4) | -                       | -                       | -                 | -                | -                    | -                      | -                      | -                | -                         | 651                  | 1,070                      |  |  |
| Miscellaneous   | 74,269                  | 50                      | -                 | -                | 1,595,729            | 1,670,048              | 1,196,108              | -                | 1,196,108                 | 2,866,156            | 2,593,341                  |  |  |
| Total expenses before depreciation and amortization               | 21,795,619              | 3,812                   | 327,284           | 10,140           | 20,690,212           | 42,827,067             | 20,155,962             | 27,628           | 20,183,590                | 63,010,657           | 46,509,920                 |  |  |
| Depreciation  | -                       | -                       | 355,880           | -                | -                    | 355,880                | 229,227                | -                | 229,227                   | 585,107              | 559,115                    |  |  |
| Amortization-copier finance lease (Notes A-20 & B-4)              | -                       | -                       | -                 | -                | -                    | -                      | 163,040                | -                | 163,040                   | 163,040              | 163,040                    |  |  |
| Amortization-postage machine finance lease (Notes A-20 & B-4)     | -                       | -                       | -                 | -                | -                    | -                      | 14,096                 | -                | 14,096                    | 14,096               | 14,096                     |  |  |
| <b>Total expenses</b>   | <b>\$ 21,795,619</b>    | <b>\$ 3,812</b>         | <b>\$ 683,164</b> | <b>\$ 10,140</b> | <b>\$ 20,690,212</b> | <b>\$ 43,182,947</b>   | <b>\$ 20,562,325</b>   | <b>\$ 27,628</b> | <b>\$ 20,569,953</b>      | <b>\$ 63,772,900</b> | <b>\$ 47,246,171</b>       |  |  |

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

## ALPHA KAPPA ALPHA SORORITY, INC.

### NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

#### **Alpha Kappa Alpha Sorority, Inc. and nature of activities**

Alpha Kappa Alpha Sorority, Inc. (AKA) was founded more than a century ago in 1908 in Washington D.C. at Howard University. It was the first Greek African American Women Sorority. It is the legacy of nine students who had a vision for economic opportunities for African American women. They were led by the visionary, Ethel Hedgeman Lyle. They replaced closed doors of economic opportunities to African American Women with open doors.

More than 112 years later, the sorority continues to fulfill its service mission and improve the economic opportunities for all women of various ethnic backgrounds through training and education. More than 1,000 chapters service diverse communities. There are members in every profession; such as law, business, medical, politics and education. AKA has made significant contributions to the development of humankind.

Incorporated in Washington in the year 1913, they are still fighting for economic opportunities on many fronts. For example, when females 16 to 21 years of age dropped out of high school in Cleveland Ohio, they were trained in both educational and job skills. In addition, when, the first health "care" clinic was established in one of the worst poverty stricken sections of Mississippi, AKA was there. This clinic served over 15,000 residents. Programs in the areas of education, health, the family, economics and global impact are a continuous part of the sorority's mission.

Alpha Kappa Alpha created the Housing Foundation initially to assist members with housing needs on segregated college campuses during the 1940's and 1950's. After the civil rights movement, the need for this type of housing diminished.

#### **Alpha Kappa Alpha Educational Advancement Foundation**

Alpha Kappa Alpha Sorority Educational Advancement Foundation (AKA-EAF) was established in 1980 as a not-for-profit organization and is tax-exempt under IRS 501(c)(3). It was founded to continue the economic opportunities for all people of various ethnic backgrounds through training and college scholarships; it is funded from contributions made by members, corporations, foundations, individuals, etc.

AKA operates *eight* program funds, which provides support for program initiatives relative to education, training, health, economic security, the arts and families. Further, AKA focuses on internal training for members, charitable causes, scientific, literary, and educational programs.

#### **GENERAL FUND**

This is the unrestricted operating fund of the sorority. The General Fund is a board designated unrestricted financial resource to be used for general expenses of the sorority. There is also an endowment in the General Fund.

#### **REGIONS FUND**

We have 10 different region funds set up. The region funds were established to account for the activities in each region including the regional conferences, undergraduate round up and cluster meetings. The regional accounting procedures were established to strengthen the accounting controls over the region's financial reporting requirements.

#### **BOULE FUND**

The Boule Fund is used to collect revenues related to the Boule and to pay Boule related expenses. The Boule meets every 2 years (even years) where business of the Sorority is conducted.

## **LEADERSHIP SEMINAR FUND**

The Leadership Seminar Fund is used to collect revenues related to the Leadership Seminar and to pay Leadership Seminar related expenses. The Leadership Seminar is an event that takes place every 2 years (odd years) in order to conduct training for all Sorors that have an interest in increasing their knowledge of the sorority's policies and procedures and who aspire to leadership positions within the sorority.

## **CORPORATE OFFICE IMPROVEMENT PROJECT – (COIP) FUND**

This fund was created in 1994 from a resolution to create an endowment to generate income for the annual expenses of operating and maintaining the International Corporate Headquarters. The fund pays for repairs, maintenance and major renovations. The source of revenue for this fund is a special assessment paid by the sorority members.

## **LIFE MEMBERSHIP FUND**

The Life Membership Fund is comprised of special fees collected from members who are eligible to be included in a category of membership called "Life Member". These fees are invested by the Sorority to generate income for expenses related to the cost of services to life members in the General Fund.

## **HERITAGE CLUB FUND**

The Heritage Club was established in 1982 under the 20th Supreme Basileus, Barbara K. Phillips, as a special club of Sorors who promised to contribute \$100 each year, above and beyond the regular dues. The club was designed to support activities such as Corporate Office operations, travel, grants, leadership programs, educational audio-visual aids and similar activities.

## **SPECIAL FUND**

The Special Fund was established in 2003 to pay for expenses related to membership issues. Currently, a transfer is made from the General Fund in the amount of \$150,000 each year to support the Special Fund. The fund consists of certificate of deposits, treasury notes, stocks and bonds.

## **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

### **1. BASIS OF ACCOUNTING**

The accounts of the organization are maintained, and the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

#### **Use of Estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles generally accepted in the United States which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Date of Management's Review**

Management has evaluated subsequent events through June 25, 2025, the date, which the financial statements were available to be issued.

### **2. Financial Statement Presentation**

Alpha Kappa Alpha Sorority is a nonprofit entity and, as such, follows the specialized accounting and reporting principles for nonprofit organizations. These financial statements follow the recommendations of FASB ASC 958, *Financial Statements of Not-For-Profit Organizations*, under which the Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

For the years ended December 31, 2024 and 2023, the net assets of the Association are classified as follows:

**Net Assets Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and board of trustees.

**Net Assets With Donor Restrictions**

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are permanent in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Comparative Financial Statements**

These financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

**3. FUND ACCOUNTING**

Fund Accounting – The accounts of AKA are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund programs. In accordance with fund accounting, fund balances are classified on the statement of financial position as donor restrictions, board designated, net assets based on the absence or existence and type of donor-imposed restrictions and purpose.

**4. CASH AND CASH EQUIVALENTS**

Alpha Kappa Alpha Sorority, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Certificates of deposit are considered to be cash if interest penalties for early withdrawal are not material. For purposes of the statement of cash flow, contributions by donor for restricted cash and cash equivalents are classified as cash flow from financial activities.

|                                    | <u>2024</u>          | <u>2023</u>          |
|------------------------------------|----------------------|----------------------|
| National Checking Accounts         | \$ 27,927,123        | \$ 30,848,928        |
| Regional Checking Accounts         | 6,509,367            | 8,392,176            |
| Short-term Certificates of Deposit | -                    | -                    |
| Petty Cash-National & Regional     | <u>8,591</u>         | <u>8,193</u>         |
| Totals                             | <u>\$ 34,445,081</u> | <u>\$ 39,249,297</u> |

**5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects AKA's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when not liquid or not convertible to cash within one year, endowments or because the board has set aside the funds for a specific contingency reserve or a long-term investment as Board or Donor designated endowments. The Board designations could be drawn upon if the Board approves that action.

| Financial assets at year end:   | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|
| Cash and cash equivalents   | \$ 34,445,081        | \$ 39,249,297        |
| Corporate and accounts receivable   | 13,866,459           | 13,222,152           |
| IRS Receivable  | -                    | 15,540               |
| Investments   | 14,679,467           | 13,510,552           |
| Total financial assets  | <u>62,991,007</u>    | <u>65,997,541</u>    |
| Less: amounts not available to be used within one year:                             |                      |                      |
| Net assets with donor restrictions  | (6,152,614)          | (10,991,024)         |
| Less net assets with purpose restrictions to be met in less than one year:          |                      |                      |
| Quasi endowment established by the board  | <u>(11,768,857)</u>  | <u>(10,838,894)</u>  |
|   | <u>(17,921,471)</u>  | <u>(21,829,918)</u>  |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 45,069,536</u> | <u>\$ 44,167,623</u> |

AKA has a policy that structures its financial assets to be available to meet general operating expenditures over the year. Also, the organization operates with a balanced budget and anticipates covering its general expenditures by collecting membership-related revenue, as needed. Membership revenue increased because of new initiatives and boulevards. Membership is at an all-time high. The statement of cash flow identifies the sources and uses of the Organization's cash and shows positive cash generated by operations of \$2,012,981 and \$2,112,154 for the calendar years ending December 31, 2024 and 2023, respectively.

**6. CONCENTRATION OF CREDIT RISK ARISING FROM CASH BALANCES IN EXCESS OF FDIC INSURED LIMITS**

Alpha Kappa Alpha Sorority, Inc. maintains its cash balances in various financial institutions (see the following schedule). As of December 31, 2024, the cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for all checking and savings accounts, aggregated by bank.

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**CASH IN BANK-CONCENTRATION OF CREDIT RISK**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|                      |                                  | BALANCE PER<br>GENERAL<br>LEDGER AS OF<br>DECEMBER 31, |                     |                        |
|----------------------|----------------------------------|--|---------------------|------------------------|
| BANK NAME            | ACCOUNT NAME                     | 2024   | FDIC<br>Protected   | UNPROTECTED<br>BALANCE |
| BANK OF AMERICA      | GENERAL FUND                     | \$ 24,639,854  | \$ 250,000          | \$ 24,389,854          |
| BANK OF AMERICA      | BOULE ACCOUNT                    | 1,363,837  | -                   | 1,363,837              |
| BANK OF AMERICA      | LEADERSHIP SEMINAR ACCOUN        | 17,905   | -                   | 17,905                 |
| BANK OF AMERICA      | COIP ACCOUNT                     | 402,373  | -                   | 402,373                |
| BANK OF AMERICA      | CENTRAL REGION                   | 769,497  | -                   | 769,497                |
| BANK OF AMERICA      | SOUTH CENTRAL REGION             | 155,768  | -                   | 155,768                |
| BANK OF AMERICA      | MID WEST REGION                  | 134,011  | -                   | 134,011                |
| BANK OF AMERICA      | FAR WEST REGION                  | 232,120  | -                   | 232,120                |
| BANK OF AMERICA      | MID ATLANTIC REGION              | 1,768,950  | -                   | 1,768,950              |
| BANK OF AMERICA      | SOUTH ATLANTIC REGION            | 1,234,801  | -                   | 1,234,801              |
| BANK OF AMERICA      | NORTH ATLANTIC REGION            | 1,161,140  | -                   | 1,161,140              |
| BANK OF AMERICA      | BOULE HOSTESS CHAPTER            | 10   | -                   | 10                     |
| BANK OF AMERICA      | INTERNATIONAL                    | 77,549   | -                   | 77,549                 |
| BANK OF AMERICA      | SOUTH EAST REGION                | 597,899  | -                   | 597,899                |
| BANK OF AMERICA      | REGION ACCOUNT                   | 4,375  | -                   | 4,375                  |
|                      | <b>TOTAL FOR BANK OF AMERICA</b> | <b>\$ 32,560,089</b>                                   | <b>\$ 250,000</b>   | <b>\$ 32,310,089</b>   |
| CHASE                | ENDOWMENT ACCT                   | \$ 73,821  | \$ -                | \$ 73,821              |
|                      | SET ASIDE FOR CHARITABLE         |  |                     |                        |
| CHASE                | PURPOSES                         | 38,650   | -                   | 38,650                 |
| CHASE                | RETIREMENT PLAN ACCOUNT          | 8,549  | -                   | 8,549                  |
| JP MORGAN/CHASE      | GREAT LAKES REGION               | 373,247  | 250,000             | 123,247                |
|                      | <b>TOTAL CHASE</b>               | <b>\$ 494,267</b>                                      | <b>\$ 250,000</b>   | <b>\$ 244,267</b>      |
| HYDE PARK BANK       | GENERAL PAYROLL ACCOUNT          | \$ 651,053   | \$ 250,000          | \$ 401,053             |
|                      | GENERAL FUND-                    |  |                     |                        |
|                      | PAYROLL/RETIREMENT PLAN          |  |                     |                        |
| HYDE PARK BANK       | ACCOUNT                          | -  | \$ -                | -                      |
|                      | <b>TOTAL HYDE PARK BANK</b>      | <b>\$ 651,053</b>                                      | <b>\$ 250,000</b>   | <b>\$ 401,053</b>      |
| ILLINOIS SERVICE FED | HERITAGE CLUB-SAVINGS            | \$ 728,431   | \$ 250,000          | \$ 478,431             |
|                      | <b>FEDERAL</b>                   | <b>\$ 728,431</b>                                      | <b>\$ 250,000</b>   | <b>\$ 478,431</b>      |
|                      | <b>TOTAL CASH AT BANKS</b>       | <b>\$ 34,433,840</b>                                   | <b>\$ 1,000,000</b> | <b>\$ 33,433,840</b>   |

## 7. REVENUE RECOGNITION

In June 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") which, among other things, provided entities with an additional year to implement ASU 2016-02, Leases (Topic 842). As a result, for nonpublic companies the effective date for ASU 2016-02 has been extended to be effective for annual reporting periods beginning after December 15, 2023, and interim reporting periods beginning after December 15, 2023. The Organization had already previously adopted the guidance under ASU No. 2014-09, Revenue Recognition (Topic 606): Revenue from Contracts with Customers effective May 1, 2019. The Organization determined that there was no cumulative effect to beginning net assets with or without donor restrictions or current revenue that required to be disclosed as a result of adopting the standard. Revenue attributable to membership dues, Boule/and leadership seminar revenue and region revenue is recorded when billed to members, generally on an annual basis. There are no contracts between AKA and members, as sorority members pay membership dues based on the personal desire to be financial members and their ability to pay. AKA sends annual general membership invoices directly to those that have email addresses between November and December for the coming year. AKA mails the invoices to those that do not have emails. AKA sends annual EAF due renewals to Life Members that are general members that we have email addresses between November and December. For chapters, they pay the renewal as a mass payment. AKA notifies the chapter that they may remit payment for the next year's dues as early as December 1 for the chapter members. The chapter will see the invoices that are available to pay online. For Heritage Club members, AKA sends renewal invoices to those that have email addresses between November and January of each year. AKA collects payments via check sent into the corporate office. AKA also allows members to log into their membership portals online and pay either by credit card or through ACH. For Events AKA opens a registration portal online and sends out a mailer via email. Members can either pay online via credit card when they register or send in the registration form along with a check to our PO Box (Lockbox) or to the corporate office. So, membership dues even though billed are treated as contributions vs contracts with clients. Sales of merchandise are reported as revenue when item is purchased directly on location or when shipped to member if ordered on the website. Payment for these transactions is due either onsite or when ordered. There are no issues with timing, just a single performance obligation. Rental income is usually a contract with customers, but in this case is more of a shared cost, reimbursements and is part of its non-profit activity and is reported as income when received.

## 8. EXPENSE ALLOCATION

The costs of providing various program funds and other AKA activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs funds and the supporting services benefited as indicated below.

AKA cost allocation plan consists of three categories as follows:

A). Direct expenses - Expenses that increase in direct proportion to the volume of activities that are performed and would not have been incurred otherwise. For example, the expenses for AKA performing accounting services for the regions must be allocated 100% to the regions.

1. All sales to membership - Expenses incurred in receiving and shipping books and jewelry, etc. to members are direct and must be allocated 100% to sales including cost of sales.

2. Membership responsibility managed by staff - All expenses incurred in this category must be allocated to membership fees, assessments and chapter tax etc.

B). Variable expenses - Expenses that vary in proportion to the actual use of AKA facilities. Such as salaries, utilities, phone, postage, printing and professional fees etc. These expenses are allocated to the sales and memberships fees as well as unrelated business income. These expenses are identified with the activities performed and must be directly allocated as such.

C). Fixed expenses - Expenses remain after all of the direct and variable expenses have been allocated to the above categories. These expenses include depreciation of equipment, real estate taxes, casualty insurance and maintenance etc. They are allocated on the basis of gross revenue.

## 9. DONATED GOODS AND SERVICES

In accordance with the requirements of Statement of Financial Accounting Standards, *Accounting for Contributions Received and Contributions Made*, donated goods are reflected as contributions in the financial statements at fair value. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. There are many volunteers who contribute their time on a regular basis.

No changes in amounts for donated goods or services have been reported in the financial statements for years ended December 31, 2024 and 2023.

## 10. PROPERTY AND EQUIPMENT

Capital equipment at the organization is tangible, non-expendable property having a useful life of one year or more and an acquisition cost of \$3,000 or more per unit. All equipment meeting this definition should be capitalized and recorded on the Organizations equipment inventory and should be tagged with a control number for tracking purposes.

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis.

Depreciation expenses for the years ended December 31, 2024, and 2023 are \$585,107 and \$559,115 respectively. Amortization expense for the years ended December 31, 2024, and 2023, was \$177,136 and \$177,138.

| <u>DESCRIPTION</u>                      | <u>Beginning</u><br><u>Balance</u> | <u>(Retirements)</u><br><u>Additions</u> | <u>Ending</u><br><u>Balance</u> | <u>Estimated</u><br><u>Useful Life</u> | <u>Method</u> | <u>Accumulated</u><br><u>Depreciation</u> | <u>Net Book</u><br><u>Value</u> |
|---|------------------------------------|--|---------------------------------|--|---------------|---|---------------------------------|
| Furniture & Equipment                   | \$ 646,590                         | \$ 669,164                               | \$ 1,315,754                    | 7 to 5 years                           | S/L           | \$ 1,307,254                              | \$ 8,500                        |
| Building                                | 5,621,395                          | -  | \$ 5,621,395                    | 31.5 years                             | S/L           | 5,621,395                                 | -                               |
| Telephone System &<br>Computer Software | 1,172,372                          | (672,341)                                | \$ 500,031                      | 5 years                                | S/L           | 499,344                                   | 687                             |
| Leasehold & Building<br>Improvements    | 7,075,547                          | 557,377                                  | \$ 7,632,924                    | Various                                | S/L           | 1,882,965                                 | 5,749,959                       |
| Building Equipment                      | 151,446                            | -  | \$ 151,446                      | 5 years                                | S/L           | 140,377                                   | 11,069                          |
| Vehicle                                 | -                                  | -  | \$ -                            | 5 years                                |               | -   | -                               |
| Building-Ethel Hedgemon                 | 391,838                            | -  | \$ 391,838                      | 31.5 years                             |               | 27,101                                    | 364,737                         |
| <b>Total</b>                            | <b>\$ 15,059,188</b>               | <b>\$ 554,200</b>                        | <b>\$ 15,613,388</b>            |  |               | <b>\$ 9,478,436</b>                       | <b>\$ 6,134,952</b>             |

## 11. INCOME TAX STATUS

The sorority is organized as a 501(c)7 organization under the Internal Revenue Service Code which provides for tax exemption on member related income which includes dues, assessments, and fees of members. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Unrelated business income includes income from investments, vendor income, corporate sponsorships, etc. During the years ended December 31, 2024, and 2023, the Organization had income tax provisions for unrelated business income taxes of \$175,000 and 11,120, respectively. In 2024, Alpha Kappa Alpha Sorority, Inc. underpaid its estimated federal income taxes by \$216,974 and underpaid its state income taxes by \$109,345.

Management believes that all of the positions taken by the Organization in its Federal and State Income tax returns are more likely than not to be sustained upon examination. The Organization files returns in the U. S. Federal Jurisdiction and the State of Illinois. Penalties and interest are expenses in the year paid.

## 12. DEFINED BENEFIT PLAN

Contributions to AKA defined benefit plan are based on a computation of the contributions needed to provide definitely determinable benefits to the plan employees. For the years ended December 31, 2024, and 2023, AKA contributed \$400,000 and \$600,000, respectively. Actuarial assumptions and computations are required to calculate the employee's contributions and are listed below.

The plan has total assets of \$7,236,230 and \$6,171,521 at December 31, 2024 and 2023, respectively.

### Summary of principal plan provisions

#### Eligibility Requirements

|                          |        |
|--------------------------|--------|
| Service                  | 1 year |
| Minimum Age              | 21     |
| Classification Exclusion | none   |

#### Retirement Dates

|            |  |
|------------|--|
| Normal     | 1 <sup>st</sup> of month coinciding with or next following age 65  |
| Early      | age 55 if date of participation before 12/30/86 and participant made contributions to plan for 5 years; otherwise, no early retirement |
| Disability | qualification for permanent disability benefits under Social Security Acts   |

#### Retirement Benefits

|            |   |
|------------|---|
| Normal     | 45% of Final Average Compensation reduced for less than 35 years of Service   |
| Early      | actuarial equivalent of accrued benefit   |
| Disability | actuarial equivalent of accrued benefit   |
| Late       | greater of actuarial equivalent of Normal Retirement Benefit and benefit recalculated taking into account additional Years of Benefit Service and Final Average Compensation after Normal Retirement Date |

#### Compensation

|                      |  |
|----------------------|--|
| Considered           | total compensation (including bonuses, overtime, etc.) actually paid during the year |
| Final Average Period | highest 5 consecutive years  |

#### Vesting Provisions

|                |                                  |
|----------------|----------------------------------|
| Schedule       | 5-year cliff                     |
| Accrual Method | prorated over plan participation |

|                                     |   |
|-------------------------------------|---|
| <u>Non-Statutory Death Benefits</u> | life insurance proceeds, 100 times monthly retirement benefit plus an amount equal to the excess, if any, of actuarial equivalent of accrued benefit over such proceeds |
|-------------------------------------|---|

#### Normal Form of Pension

|                |           |
|----------------|-----------|
| <u>Payment</u> | life only |
|----------------|-----------|

#### Non-Statutory Form of Optional Payment

|                                |  |
|--------------------------------|--|
| Options                        | life annuity, joint and survivor annuity, life with period certain annuity                       |
| Basis of Actuarial Equivalence | 1971 Group Annuity Mortality Table, male table without adjustment and interest at 7.5% per annum |

### Actuarial Assumptions

In order to place value on the benefits contemplated under the plan, and thus to determine the amount of the fund to be developed to provide the plan benefits, assumptions must be made to resolve the contingencies surrounding actual payment of the benefits and future investment earnings of the fund. The Actuarial Assumptions are used for purposes of the minimum funding requirement, deduction limitation, and financial reporting and disclosure information.

|                                   | <u>1/1/2024</u>  | <u>1/1/2023</u>  |
|-----------------------------------|--|--|
| <u>Prescribed Interest Rates</u>  |  |  |
| Segment 1                         | <u>1.02</u> % per annum  | .53%per annum  |
| Segment 2                         | <u>2.72</u> % per annum  | 2.31% per annum  |
| Segment 3                         | <u>3.08</u> % per annum  | 3.09% per annum  |
| Effective Rate                    | <u>5.51</u> % per annum  | 5.09% per annum  |
| <u>Standard Mortality</u>         |  |  |
| Pre-retirement                    | none   | none   |
| Post-retirement                   | Prescribed by law:<br>The 2024 Combined<br>Static Mortality Table for<br>Small Plans per IRS<br>Regulation 1.430(h)(3)(B)(2) | Prescribed by law:<br>The 2023 Combined<br>Static Mortality Table for<br>Small Plans per IRS<br>Regulation 1.430(h)(3)(B)(2) |
| <u>Withdrawal</u>                 | none   | none   |
| <u>Compensation Progression</u>   | 3% per annum   | 3% per annum   |
| <u>Final Average Compensation</u> | greater of projected<br><br>Amount or actual highest<br>Consecutive year average   | greater of projected<br><br>Amount or actual<br>highest Consecutive<br>year average  |
| <u>Retirement Age</u>             | age 65, or valuation date<br>if later  | age 65, or valuation date<br>if later  |
| <u>Election of Optional Forms</u> | Annuity – 100%   | Annuity – 100%   |
| <u>Provision for Expenses</u>     | none   | none   |
| <u>Disability Incidence</u>       | none   | none   |
| <u>Actuarial Value of Assets</u>  | Market value   | Market value   |

### 13. DEFINED CONTRIBUTION PLAN – PROFIT SHARING PLAN (401K)

AKA contributes to the profit sharing plan where it matches the employee's deferral up to 3% of annual salary. For the years ended December 31, 2024 and 2023, AKA contributed \$75,795 and \$69,480, respectively to the plan. The total assets in the profit sharing plan is \$3,097,859 and \$3,069,437, respectively for the years ended December 31, 2024 and 2023.

### 14. FAIR VALUE INVESTMENTS

Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

The Organization applies Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to observable inputs (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three tiers of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of new realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. There have been no changes in the methodologies used during the years ended December 31, 2024 and 2023.

The underlying investments in mutual funds are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain marketable securities, and the level of uncertainty related to changes in the value of the mutual funds, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statement of financial position and the statement of activities.

In accordance with fair value measurements the following is a summary of inputs used as of December 31, 2024, in valuing investments carried at fair value, the following are the major categories of investments measured at fair market value on a recurring basis during the year ended December 31, 2024. See notes A-1 and A-2 for the discussion of the organization's accounting policies.

| Description           | Fair Value           | Level 1              | Level 2     | Level 3     |
|-----------------------|----------------------|----------------------|-------------|-------------|
| Mutual Funds          | \$ 9,019,412         | \$ 9,019,412         | \$ -        | \$ -        |
| Fixed Income          | 1,950,149            | 1,950,149            | -           | -           |
| Money Market          | 750,916              | 750,916              | -           | -           |
| Exchange Traded Funds | 2,931,555            | 2,931,555            | -           | -           |
| Cash                  | 27,435               | 27,435               | -           | -           |
| <b>Total</b>          | <b>\$ 14,679,467</b> | <b>\$ 14,679,467</b> | <b>\$ -</b> | <b>\$ -</b> |

Accounting for Certain Investments Held by Alpha Kappa Alpha Sorority, Inc., investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included as part of investment income in the change in net assets. Interest and dividends, net of advisory fees, also are reported as part of investment income. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by agreement) in the reporting period in which the income and gains are recognized.

The 2024 and 2023 totals are as follows:

| <u>2024</u>           |                            |                          |                            |                            |                             |
|-----------------------|----------------------------|--------------------------|----------------------------|----------------------------|-----------------------------|
| Asset Class           | <u>General Fund</u>        | <u>COIP Fund</u>         | <u>Life Member Fund</u>    | <u>Special Fund</u>        | <u>Totals</u>               |
| Mutual Funds          | \$ 1,469,170               | \$ 755,677               | \$ 4,554,084               | \$ 2,240,481               | \$ 9,019,412                |
| Fixed Income          | 1,950,149                  | -                        | -                          | -                          | 1,950,149                   |
| Common Stock          | -                          | -                        | -                          | -                          | -                           |
| Exchange Traded Funds | <u>277,865</u>             | <u>223,846</u>           | <u>1,767,036</u>           | <u>662,808</u>             | <u>2,931,555</u>            |
| Sub-Totals            | 3,697,184                  | 979,523                  | 6,321,120                  | 2,903,289                  | 13,901,116                  |
| Cash                  | 3,989                      | 2,646                    | 13,480                     | 7,321                      | 27,436                      |
| Money Market          | <u>750,915</u>             | <u>-</u>                 | <u>-</u>                   | <u>-</u>                   | <u>750,915</u>              |
| Sub-Totals            | <u>754,904</u>             | <u>2,646</u>             | <u>13,480</u>              | <u>7,321</u>               | <u>778,351</u>              |
| <b>Total</b>          | <b><u>\$ 4,452,088</u></b> | <b><u>\$ 982,169</u></b> | <b><u>\$ 6,334,600</u></b> | <b><u>\$ 2,910,610</u></b> | <b><u>\$ 14,679,467</u></b> |

| <u>2023</u>  |                            |                          |                            |                            |                             |
|--------------|----------------------------|--------------------------|----------------------------|----------------------------|-----------------------------|
| Asset Class  | <u>General Fund</u>        | <u>COIP Fund</u>         | <u>Life Member Fund</u>    | <u>Special Fund</u>        | <u>Totals</u>               |
| Mutual Funds | \$ 1,383,809               | \$ 702,074               | \$ 4,201,703               | \$ 2,080,396               | \$ 8,367,982                |
| Fixed Income | 1,740,228                  | -                        | -                          | -                          | 1,740,228                   |
| Common Stock | -                          | -                        | -                          | -                          | -                           |
| Bonds        | <u>252,295</u>             | <u>197,838</u>           | <u>1,546,484</u>           | <u>585,889</u>             | <u>2,582,506</u>            |
| Sub-Totals   | 3,376,332                  | 899,912                  | 5,748,187                  | 2,666,285                  | 12,690,716                  |
| Cash         | -                          | -                        | -                          | -                          | -                           |
| Money Market | <u>804,848</u>             | <u>1,969</u>             | <u>7,647</u>               | <u>5,372</u>               | <u>819,836</u>              |
| Sub-Totals   | <u>804,848</u>             | <u>1,969</u>             | <u>7,647</u>               | <u>5,372</u>               | <u>819,836</u>              |
| <b>Total</b> | <b><u>\$ 4,181,180</u></b> | <b><u>\$ 901,881</u></b> | <b><u>\$ 5,755,834</u></b> | <b><u>\$ 2,671,657</u></b> | <b><u>\$ 13,510,552</u></b> |

Total Realized and Unrealized gains and losses from investments for years ended December 31, 2024 and 2023 are \$710,837 and \$1,104,720, respectively.

## 15. ENDOWMENT

The Organization's endowment consists of two donor-restricted funds and on Board-designated unrestricted fund. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions; therefore, the endowment funds and special fund are classified as follows:

|   | Board<br>designated<br>Special Fund<br>(Net Assets<br>without donor<br>Restrictions) | Donor-<br>restricted<br>Endowment<br>(Net Assets<br>with Donor<br>Restrictions) |
|---|--|---|
| Endowment net assets, beginning of year | \$ 2,422,514   | \$ 10,838,894   |
| Investment return                       | -  | -   |
| Contributions                           | 238,952  | 929,963   |
| Appropriations for expenditure          | -  | -   |
| Endowment net assets, end of year       | <u>\$ 2,661,466</u>  | <u>\$ 11,768,857</u>  |

## **16. INVENTORY**

Inventory is valued at cost or market, whichever is lower, and it is disclosed at cost. Inventory includes sorority jewelry, books, and other paraphernalia.

## **17. PRIOR PERIOD CORRECTIONS**

For the years ended December 31, 2024 & 2023, the organization had adjustments to total net assets in the amount of \$4,346 and (\$196,294), respectively due to corrections to receivables and accruals.

## **18. CORPORATE RECEIVABLES/ CORPORATE PAYABLES**

Corporate Receivables in the other Assets section, and Corporate Payable in the Current Liability section are numbers derived from Due to/Due from accounts in the general ledger. The Due to/Due from accounts are used to keep track of transactions that overlap more than one fund. When a transaction involves more than one fund, it creates an amount that is owed to one fund, and an amount that is owed from another fund. These receivables and liabilities net out to zero.

## **19. ACCOUNTS RECEIVABLES**

The accounts receivables balance at December 31, 2024 and 2023 is \$2,383,881, and \$1,918,114, respectively. Alpha Kappa Alpha Sorority, Inc. believes that 100% of their receivable are collectible and therefore does not calculate or record an allowance for doubtful accounts. On rare occasions, the Organization will have an uncollectible receivable, it will write it off to bad debt expense, when all efforts to collect have been exhausted. This time period varies between six (6) months to three (3) years. There is no major concentration of credit risk in receivables as the Organization has funds due from many active members. Accounts receivables includes memberships due when AKA bills members for annual dues. Reinstatement fees are billed when member is approved.

## **20. LEASE ACCOUNTING**

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires a lease to be recognized as Right-Of-Use (ROU) assets and liabilities for leases with lease terms of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows existing from a lease by a lease primarily will depend on its classification as a financing or operating lease. However, unlike current GAAP-which requires only capital leases to be recognized on the statement of financial position, the new ASU requires both financing and operating leases to be recognized on the statement of financial position. Various subsequent accounting standards have been issued by FASB that clarify, modify, or expand guidance for Topic 842.

Alpha Kappa Alpha Sorority, Inc., determines whether to account for its leases as operating, capital or financing leases depending on the underlying terms of the lease agreement. This determination of classification is complex and requires significant judgement relating to certain information including the estimated fair value and remaining economic life of the lease asset, the Organization's cost of funds, minimum lease payments and other lease terms.

Effective January 1, 2023, the Organization adopted FASB ASU No 2016-02, Leases (Topic 842) and elected the practical expedient approach permitted under the transition guidance within the new reporting standard, which includes relief from determination of lease contracts included in existing or expiring at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization reserves the right to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets. Alpha Kappa Alpha Sorority, Inc. determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Lease with a term of less than 12 months will not record a right of use asset ad lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Organization currently has two (2) leases, a copier machine lease and a postage machine lease in which both leases are recognized under ASU No. 2016-02, Leases (Topic 842). The copier machine lease agreement contains an implicit interest rate of 3%, to which the Organization has applied in its calculation of present value of the lease liability/right-of-use asset. However, the postage machine lease does not contain an implicit interest rate, but the Organization has elected to use the same interest rate for its present value calculation of this asset, due to the similar terms of both agreements and ultimate use of the asset. The organization determined that the use of an interest rate of a similar asset is more reasonable than using a Risk-Free-Rate of Return in calculating the present value of the postage machine. Alpha Kappa Alpha Sorority, Inc., also elected the prospective change in accounting policy as opposed to retrospective changes that would affect prior year accounting. This change in accounting policy did not result in any adjustments, transfers or other increases/ decreases to net assets.

## NOTE B - COMMITMENTS AND OBLIGATIONS

### 1. DEFERRED REVENUE

New members of AKA pay their membership fees and assessments in advance, and they are deferred to the year in which the cost of the services are incurred.

### 2. SECURITIES INVESTOR PROTECTION CORPORATION – SIPC/SUPPLEMENTAL INSURANCE

The investments consist of an institutional fixed income portfolio, which seeks to provide a high level of current income. The portfolio invests exclusively in fixed income securities (Bonds) including U.S. and non-U.S. issues. An analysis of the investments as of December 31, 2024 and 2023 is as follows:

| <u>Bank</u>                 | <u>SIPC Insured</u> | <u>Supplemental Insurance</u> | <u>Uninsured</u> | <u>2024 Fair Market Value</u> | <u>2023 Fair Market Value</u> |
|-----------------------------|---------------------|-------------------------------|------------------|-------------------------------|-------------------------------|
| Morgan Stanley/Smith Barney | \$ 500,000          | \$ 14,179,467                 |                  | \$ 14,679,467                 | \$ 13,510,551                 |

In the event that SIPC Insurance of \$ 500,000 is exceeded, Morgan Stanley/Smith Barney. has purchased, at no cost to AKA, a supplemental insurance policy through Lloyd's of London. As of July 14, 2012, Lloyd's of London was rated "A" by A.M. Best and "A+" by Fitch Ratings and Standard & Poor's of the Organization had several other investment accounts with Bank of America, Federal Credit Union, and other institutions.

### 3. RELATED PARTY TRANSACTIONS

EAF is an affiliate of AKA that enters into related business transactions with AKA such as leasing office space from AKA, sharing employees in a defined benefit, and in the defined contribution plans. There are also some of the same officers servicing on both of the Board of Directors for AKA and EAF. Lease with EAF is not an Arms Length transaction and mainly based on shared space and staff. The lease is therefore, not subject to capital lease treatment as defined in ASU 2016-2 Leases (Topic 842).

### 4. LEASE COMMITMENTS

#### Finance Lease

On August 11, 2021, Alpha Kappa Alpha Sorority, Inc., entered into a finance lease for a copier machine. The terms of the lease are forty-eight (48) months, in which the Organization agrees to pay monthly payments of \$12,535.90, at an interest rate of 3% with an option to purchase the equipment at fair market value as determined by the creditor, at the end of the lease term, or return the equipment within thirty (30) days of the end of the lease. The lease is a non-cancelable lease, and all payment obligations are unconditional. This lease was paid off early in calendar year end December 31, 2024.

On January 25, 2022, Alpha Kappa Alpha Sorority, Inc., entered into a finance lease for a postage machine. The terms of the lease are forty-eight (48) months, in which the Organization agrees to pay quarterly payments of \$3,436.62. As mentioned in **Note A-20**, the organization applied the same 3% interest rate in its present value calculation as it did for the present value calculation of the copier machine. The lease does not contain an option to purchase the equipment at the end of the lease term and is a non-cancelable lease and all payment obligations are unconditional. The lease was paid off early in calendar year end December 31, 2024, the related other asset will be written off in 2025 as there was no option to purchase.

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**SCHEDULE OF FINANCIAL POSITION BY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)**

| ASSETS   | CORPORATE OFFICE       |                     |                     |                         |                            |                      | SPECIAL FUND        | 2024                 | 2023                 |
|--|------------------------|---------------------|---------------------|-------------------------|----------------------------|----------------------|---------------------|----------------------|----------------------|
|  | GENERAL OPERATING FUND | REGIONS ALL         | BOULE FUND          | LEADERSHIP SEMINAR FUND | IMPROVEMENT PROJECT (COIP) | LIFE MEMBERSHIP FUND |                     |                      |                      |
| Cash and Cash Equivalents (Note A-4, A-5 and A-6)    | \$ 25,346,945          | \$ 6,510,436        | \$ 1,363,847        | \$ 19,228               | \$ 402,373                 | \$ 73,821            | \$ -                | \$ 34,445,081        | \$ 39,249,297        |
| Receivables From Chapters and Members                | 348,953                | 69,523              | 39,765              | 3,950                   | 6,565                      | -                    | 300                 | 469,056              | 345,733              |
| Other Receivables                                    | 1,919,825              | -                   | -                   | -                       | -                          | -                    | -                   | 1,919,825            | 1,577,381            |
| Allowance For Doubtful Accounts                      | (5,000)                | -                   | -                   | -                       | -                          | -                    | -                   | (5,000)              | (5,000)              |
| IRS Receivable (Note A-11)                           | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | 19,367               |
| Investments (Note A-14)                              | 4,452,088              | -                   | -                   | -                       | 982,169                    | 6,334,600            | 2,910,610           | 14,679,467           | 13,510,552           |
| Inventory (Note A-16)                                | 5,904,643              | -                   | -                   | -                       | 9,498                      | -                    | -                   | 5,904,643            | 4,609,415            |
| Prepaid Expenses                                     | 722,503                | 709,695             | -                   | 72,119                  | 4,932,903                  | 5,549,675            | -                   | 1,513,815            | 1,806,371            |
| Corporate Receivables                                | -                      | -                   | -                   | -                       | -                          | -                    | -                   | 11,482,578           | 11,304,038           |
| Right-Of-Use Asset, Copier Machine Finance           | 109,570                | -                   | -                   | -                       | -                          | -                    | -                   | 109,570              | 272,610              |
| Lease (Notes A-20 & B-4)                             | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | -                    |
| Right-Of-Use Asset, Postage Machine Finance          | 15,006                 | -                   | -                   | -                       | -                          | -                    | -                   | 15,006               | 29,102               |
| Lease (Notes A-20 & B-4)                             | 373,790                | -                   | -                   | -                       | 5,761,162                  | -                    | -                   | 6,134,952            | 5,995,546            |
| Property, Plant and Equipment (Note A-10)            | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | -                    |
| <b>Total Assets</b>                                  | <b>\$ 39,188,323</b>   | <b>\$ 7,289,654</b> | <b>\$ 1,403,612</b> | <b>\$ 95,297</b>        | <b>\$ 12,084,670</b>       | <b>\$ 12,958,096</b> | <b>\$ 2,910,610</b> | <b>\$ 76,688,993</b> | <b>\$ 78,704,412</b> |
| <b>LIABILITIES AND NET ASSETS</b>                    |                        |                     |                     |                         |                            |                      |                     |                      |                      |
| Accounts Payable                                     | \$ 794,805             | \$ 1,745            | \$ 13,828           | \$ -                    | \$ 4,676                   | \$ -                 | \$ -                | \$ 815,054           | \$ 488,249           |
| Income Taxes   | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | -                    |
| Corporate Payables                                   | 8,625,761              | 70,290              | 988,841             | 1,499,272               | -                          | -                    | 139,270             | 11,482,578           | 11,304,038           |
| Accrued Expenses                                     | 56,328                 | 4,252               | -                   | 200                     | -                          | -                    | -                   | 60,780               | 305,201              |
| Accrued Vacation                                     | 71,162                 | -                   | -                   | -                       | -                          | -                    | -                   | 71,162               | -                    |
| Accrued Wages and Payroll Taxes                      | 87,308                 | -                   | -                   | -                       | -                          | -                    | -                   | 87,308               | -                    |
| EAF Membership Dues Payable                          | 1,486,954              | -                   | 143,375             | -                       | -                          | -                    | -                   | 1,630,329            | 1,897,734            |
| Donations Payable                                    | 144,169                | -                   | -                   | -                       | -                          | -                    | -                   | 144,169              | 141,464              |
| Deferred Revenue (Note B-1)                          | 6,477,192              | 2,273,728           | -                   | -                       | -                          | -                    | -                   | 8,750,920            | 11,256,671           |
| Accrued Real Estate Taxes                            | -                      | -                   | -                   | -                       | 98,765                     | -                    | -                   | 98,765               | -                    |
| Obligation Under Copier Machine Finance              | 104,614                | -                   | -                   | -                       | -                          | -                    | -                   | 104,614              | 166,196              |
| Lease (Notes A-20 & B-4) - Current                   | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | -                    |
| Obligation Under Postage Machine Finance             | 14,423                 | -                   | -                   | -                       | -                          | -                    | -                   | 14,423               | 14,717               |
| Lease (Notes A-20 & B-4) - Current                   | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | -                    |
| Obligation Under Copier Machine Finance              | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | 113,613              |
| Lease (Notes A-20 & B-4) - Long Term                 | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | -                    |
| Obligation Under Postage Machine Finance             | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | -                    |
| Lease (Notes A-20 & B-4) - Long Term                 | -                      | -                   | -                   | -                       | -                          | -                    | -                   | -                    | -                    |
| Refunds Due Chapters and Individuals                 | 168,771                | -                   | 1,920               | 1,815                   | 6,521                      | -                    | -                   | 179,027              | 14,273               |
| Estimated Income Taxes (UBT) (Note A-11)             | 175,000                | -                   | -                   | -                       | -                          | -                    | -                   | 175,000              | 11,120               |
| <b>Total Liabilities</b>                             | <b>\$ 18,206,507</b>   | <b>\$ 2,350,015</b> | <b>\$ 1,147,964</b> | <b>\$ 1,411,287</b>     | <b>\$ 109,962</b>          | <b>\$ -</b>          | <b>\$ 249,144</b>   | <b>\$ 23,614,149</b> | <b>\$ 25,926,573</b> |
| <b>NET ASSETS (Note A-2 &amp; A-3)</b>               | <b>\$ 20,981,816</b>   | <b>\$ 4,939,639</b> | <b>\$ 255,647</b>   | <b>\$ (1,315,990)</b>   | <b>\$ 11,022,538</b>       | <b>\$ 12,958,096</b> | <b>\$ 2,661,466</b> | <b>\$ 53,054,844</b> | <b>\$ 52,777,839</b> |
| Net assets without donor restrictions - Undesignated | 16,529,728             | 4,939,639           | -                   | -                       | 11,022,538                 | -                    | 2,661,466           | 32,471,905           | 28,525,407           |
| Board Designated                                     | 16,529,728             | 4,939,639           | -                   | -                       | 11,022,538                 | -                    | 2,661,466           | 2,422,514            | 2,422,514            |
| With Donor Restrictions                              | -                      | -                   | 255,647             | (1,315,990)             | -                          | 6,623,496            | -                   | 35,133,371           | 30,947,921           |
| With Donor Restrictions - Endowment Trusts           | 4,452,088              | -                   | -                   | -                       | 982,169                    | 6,334,600            | -                   | 6,152,614            | 10,991,024           |
| <b>Total Net Assets</b>                              | <b>\$ 20,981,816</b>   | <b>\$ 4,939,639</b> | <b>\$ 255,647</b>   | <b>\$ (1,315,990)</b>   | <b>\$ 11,984,707</b>       | <b>\$ 12,958,096</b> | <b>\$ 2,661,466</b> | <b>\$ 53,054,844</b> | <b>\$ 52,777,839</b> |
| <b>Total Liabilities and Net Assets</b>              | <b>\$ 39,188,323</b>   | <b>\$ 7,289,654</b> | <b>\$ 1,403,611</b> | <b>\$ 95,297</b>        | <b>\$ 12,084,669</b>       | <b>\$ 12,958,096</b> | <b>\$ 2,910,610</b> | <b>\$ 76,688,993</b> | <b>\$ 78,704,412</b> |

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

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**SCHEDULE OF REVENUE BY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

|   | GENERAL<br>OPERATING<br>FUND | REGIONS<br>FUND   | BOULE<br>FUND        | LEADERSHIP<br>SEMINAR<br>FUND | IMPROVEMENT<br>PROJECT<br>(COIP) | LIFE<br>MEMBERSHIP<br>FUND | HERITAGE<br>CLUB<br>FUND | SPECIAL<br>FUND   | 2024              | 2023                |
|---|------------------------------|-------------------|----------------------|-------------------------------|----------------------------------|----------------------------|--------------------------|-------------------|-------------------|---------------------|
| <b>REVENUE</b> (Note A-6)                         |                              |                   |                      |                               |                                  |                            |                          |                   |                   |                     |
| Membership dues                                   | \$ 17,066,273                | \$ -              | \$ -                 | \$ -                          | \$ -                             | \$ -                       | \$ 28,250                | \$ -              | \$ 17,094,523     | \$ 14,286,858       |
| Life membership                                   | -                            | -                 | -                    | -                             | -                                | 1,112,520                  | -                        | -                 | 1,112,520         | 1,054,130           |
| Technology program                                | -                            | -                 | -                    | -                             | -                                | -                          | -                        | -                 | -                 | 570,890             |
| COIP assessment                                   | -                            | -                 | -                    | -                             | 861,012                          | -                          | -                        | -                 | 861,012           | 657,034             |
| Chapter tax                                       | 258,866                      | -                 | -                    | -                             | -                                | -                          | -                        | -                 | 258,866           | 240,460             |
| Sales and Cuts:                                   |                              |                   |                      |                               |                                  |                            |                          |                   |                   |                     |
| Cuts and publications                             | 112,779                      | -                 | -                    | -                             | -                                | -                          | -                        | -                 | 112,779           | 112,760             |
| Sorority sales                                    | 3,324,659                    | -                 | -                    | -                             | -                                | -                          | -                        | -                 | 3,324,659         | 3,516,666           |
| Unrelated Business Income                         | 344,069                      | 1,741,811         | 1,244,050            | -                             | -                                | -                          | -                        | -                 | 3,329,930         | 2,848,317           |
| Boule income                                      | 26,200                       | -                 | 13,949,669           | -                             | -                                | -                          | -                        | -                 | 13,975,869        | 538,314             |
| Leadership seminar                                | -                            | -                 | -                    | 4,091                         | -                                | -                          | -                        | -                 | 4,091             | 3,803,793           |
| Program income                                    | 1,483,871                    | -                 | 510,100              | -                             | -                                | -                          | -                        | -                 | 1,993,971         | 2,347,262           |
| Rental income                                     | -                            | -                 | -                    | -                             | 54,000                           | -                          | -                        | -                 | 54,000            | 36,000              |
| Investment income                                 | 277,067                      | -                 | -                    | -                             | 84,583                           | -                          | 364                      | 144,657           | 506,671           | 318,882             |
| Regions revenue                                   | 89,081                       | 19,530,051        | -                    | -                             | -                                | -                          | -                        | -                 | 19,619,132        | 17,690,738          |
| Other income                                      | 706,506                      | -                 | 205,191              | -                             | -                                | -                          | -                        | -                 | 911,697           | 315,708             |
| <b>Total Revenue By Funds</b>                     | <b>23,689,371</b>            | <b>21,271,862</b> | <b>15,909,010</b>    | <b>4,091</b>                  | <b>999,595</b>                   | <b>1,112,520</b>           | <b>28,614</b>            | <b>144,657</b>    | <b>63,159,720</b> | <b>48,337,812</b>   |
| <b>Total Operating Expenses By Funds</b>          | <b>20,480,124</b>            | <b>20,690,212</b> | <b>21,795,619</b>    | <b>3,812</b>                  | <b>683,164</b>                   | <b>27,628</b>              | <b>82,201</b>            | <b>10,140</b>     | <b>63,772,900</b> | <b>47,246,173</b>   |
| Operating Excess Revenue Over (Under) Expenses    | 3,209,247                    | 581,650           | (5,886,609)          | 279                           | 316,431                          | 1,084,892                  | (53,587)                 | 134,517           | (613,180)         | 1,091,639           |
| Nonoperating revenues                             | 273,578                      | -                 | -                    | -                             | 36,155                           | 295,314                    | -                        | 105,790           | 710,837           | 1,104,720           |
| Unrealized gains (losses)                         | -                            | -                 | -                    | -                             | -                                | -                          | -                        | -                 | -                 | -                   |
| Change in Net Assets before Provision for URBI    | 3,482,825                    | 581,650           | (5,886,609)          | 279                           | 352,586                          | 1,380,206                  | (53,587)                 | 240,307           | 97,657            | 2,196,359           |
| Provision for Unrelated Business Taxes            | 175,000                      | -                 | -                    | -                             | -                                | -                          | -                        | -                 | 175,000           | 11,120              |
| <b>Total Excess Revenue Over (Under) Expenses</b> | <b>\$ 3,657,825</b>          | <b>\$ 581,650</b> | <b>\$(5,886,609)</b> | <b>\$ 279</b>                 | <b>\$ 352,586</b>                | <b>\$ 1,380,206</b>        | <b>\$ (53,587)</b>       | <b>\$ 240,307</b> | <b>\$ 272,657</b> | <b>\$ 2,207,479</b> |

The accompanying notes are integral part of these financial statements.

ALPHA KAPPA ALPHA SORORITY, INCORPORATED  
SCHEDULE OF ACTIVITY BY FUND  
YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

| REVENUES                          | GENERAL OPERATING FUND | REGIONS FUND ALL  | BOULE FUND        | LEADERSHIP SEMINAR FUND | OFFICE                          |                      |               | HERITAGE CLUB FUND | SPECIAL FUND      | 2024              |      | 2023       |      |
|-----------------------------------|------------------------|-------------------|-------------------|-------------------------|---------------------------------|----------------------|---------------|--------------------|-------------------|-------------------|------|------------|------|
|                                   |                        |                   |                   |                         | IMPROVEMENT PROJECT (COIP) FUND | LIFE MEMBERSHIP FUND |               |                    |                   |                   |      |            |      |
| Fines                             | \$ 118,613             | \$ -              | \$ -              | \$ -                    | \$ -                            | \$ -                 | \$ -          | \$ -               | \$ -              | \$ 118,613        | \$ - | \$ 104,257 | \$ - |
| Interest Groups                   | 24,700                 | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 24,700            | -    | 18,850     | -    |
| Reinstatement fees                | 285,043                | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 285,043           | -    | 184,240    | -    |
| General member dues               | 4,918,061              | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 4,918,061         | -    | 4,374,560  | -    |
| Membership intake process         | 2,010,225              | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 2,010,225         | -    | 472,250    | -    |
| Per capita tax                    | 9,646,371              | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 9,646,371         | -    | 9,554,955  | -    |
| 15% Admin Fee Per Capita          | 1,131                  | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 1,131             | -    | 499        | -    |
| Chapter tax                       | 251,391                | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 251,391           | -    | 233,310    | -    |
| Chapter fees                      | 7,475                  | 28,200            | -                 | -                       | -                               | -                    | 28,250        | -                  | -                 | 35,675            | -    | 21,650     | -    |
| Heritage income                   | -                      | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 28,250            | -    | 82,200     | -    |
| Regional Luncheons                | -                      | 1,211             | 654,925           | -                       | -                               | -                    | -             | -                  | -                 | 656,136           | -    | -          | -    |
| Sale of history books             | 303,795                | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 303,795           | -    | 237,915    | -    |
| Sale of pins                      | 2,062,543              | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 2,062,543         | -    | 1,464,425  | -    |
| Sorority documents                | 958,321                | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 958,321           | -    | 1,814,326  | -    |
| Vendor fees                       | 344,069                | 948,979           | -                 | -                       | -                               | -                    | -             | -                  | -                 | 1,293,048         | -    | 1,869,055  | -    |
| Booth fees                        | -                      | -                 | 615,575           | -                       | -                               | -                    | -             | -                  | -                 | 615,575           | -    | 139,300    | -    |
| Soaring Programs                  | 1,406,370              | -                 | 32,100            | -                       | -                               | -                    | -             | -                  | -                 | 1,438,470         | -    | 1,038,282  | -    |
| Donations                         | 6,626                  | 171,919           | 478,000           | -                       | -                               | -                    | -             | -                  | -                 | 656,545           | -    | 218,445    | -    |
| Other income                      | 961,192                | 744,547           | 205,191           | 4,091                   | -                               | -                    | -             | -                  | -                 | 1,915,021         | -    | 1,886,755  | -    |
| Cuts & publications               | 112,779                | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 112,779           | -    | 112,760    | -    |
| Regional Accountant               | 89,081                 | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 89,081            | -    | 88,532     | -    |
| Public Policy                     | 70,875                 | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 70,875            | -    | 49,800     | -    |
| Registration                      | -                      | 13,308,161        | 11,546,966        | -                       | -                               | -                    | -             | -                  | -                 | 24,855,127        | -    | 15,500,437 | -    |
| National Founders Day Revenue     | -                      | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | -                 | -    | 1,181,798  | -    |
| Comestone Background Screening    | 62,129                 | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 62,129            | -    | 65,937     | -    |
| Banquet Guests                    | -                      | 3,597             | 1,124,055         | -                       | -                               | -                    | -             | -                  | -                 | 1,127,652         | -    | 21,000     | -    |
| Boule & Conference Income         | 26,200                 | 2,073,374         | 36,698            | -                       | -                               | -                    | -             | -                  | -                 | 2,136,272         | -    | 1,206,538  | -    |
| Corporate Sponsors                | -                      | 792,832           | 628,475           | -                       | -                               | -                    | -             | -                  | -                 | 1,421,307         | -    | 839,962    | -    |
| Reimbursements                    | -                      | 23,437            | -                 | -                       | -                               | -                    | -             | -                  | -                 | 23,437            | -    | 59,256     | -    |
| Assessments                       | -                      | 1,640,718         | 587,025           | -                       | -                               | 861,012              | -             | -                  | -                 | 3,088,755         | -    | 2,358,698  | -    |
| Fee Receipts-Conference Functions | -                      | 1,534,887         | -                 | -                       | -                               | 54,000               | -             | -                  | -                 | 1,534,887         | -    | 1,728,518  | -    |
| Rental income                     | -                      | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 54,000            | -    | 36,290     | -    |
| Life membership fees              | -                      | -                 | -                 | -                       | -                               | -                    | -             | -                  | -                 | 803,971           | -    | 1,054,130  | -    |
| Interest income                   | 4                      | -                 | -                 | -                       | -                               | -                    | 364           | -                  | -                 | 375               | -    | 914        | -    |
| Investment interest & dividends   | 137,322                | -                 | -                 | -                       | -                               | 48,428               | -             | 143,302            | -                 | 640,133           | -    | 381,317    | -    |
| Unrealized gain/(loss)            | 223,730                | -                 | -                 | -                       | -                               | 44,258               | -             | 147,535            | -                 | 710,837           | -    | 1,104,720  | -    |
| Realized gain/(loss)              | (30,126)               | -                 | -                 | -                       | -                               | (8,103)              | -             | (41,745)           | -                 | (79,974)          | -    | (63,349)   | -    |
| <b>TOTAL REVENUES</b>             | <b>23,997,920</b>      | <b>21,271,862</b> | <b>15,909,010</b> | <b>4,091</b>            | <b>999,595</b>                  | <b>999,595</b>       | <b>28,614</b> | <b>249,092</b>     | <b>63,870,557</b> | <b>49,442,532</b> |      |            |      |

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

**SCHEDULE OF ACTIVITY BY FUND (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2024**

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

|                                    | GENERAL<br>OPERATING<br>FUND | REGIONS<br>FUND<br>ALL | BOULE<br>FUND     | LEADERSHIP<br>SEMINAR<br>FUND | CORPORATE<br>OFFICE                   |                            |               |          | HERITAGE<br>CLUB<br>FUND | SPECIAL<br>FUND   | 2024              | 2023 |
|------------------------------------|------------------------------|------------------------|-------------------|-------------------------------|---------------------------------------|----------------------------|---------------|----------|--------------------------|-------------------|-------------------|------|
|                                    |                              |                        |                   |                               | IMPROVEMENT<br>PROJECT<br>(COIP) FUND | LIFE<br>MEMBERSHIP<br>FUND |               |          |                          |                   |                   |      |
| Regional Luncheons/Meetings        | \$ -                         | \$ 2,431,304           | \$ -              | \$ -                          | \$ -                                  | \$ -                       | \$ -          | \$ -     | \$ -                     | \$ 2,431,304      | \$ 2,369,242      |      |
| Meals                              | -                            | -                      | 3,869,060         | -                             | -                                     | -                          | 61,391        | -        | -                        | 3,930,451         | 130,366           |      |
| Reception                          | -                            | 764                    | 1,003,540         | -                             | -                                     | -                          | -             | -        | -                        | 1,004,304         | 126,755           |      |
| History Books                      | 93,270                       | -                      | -                 | -                             | -                                     | -                          | -             | -        | -                        | 93,270            | 109,607           |      |
| Cost of Sorority Badges            | 710,995                      | -                      | -                 | -                             | -                                     | -                          | -             | -        | -                        | 710,995           | 1,317,982         |      |
| Cost of Sorority Badges-Given Away | 565,282                      | -                      | -                 | -                             | -                                     | -                          | -             | -        | -                        | 565,282           | 451,331           |      |
| Cost of Sorority Documents         | 200,699                      | 10                     | -                 | -                             | -                                     | -                          | -             | -        | -                        | 200,709           | 432,372           |      |
| Transportation                     | -                            | 2,618,655              | 4,224,002         | -                             | -                                     | -                          | -             | -        | -                        | 6,842,657         | 2,602,252         |      |
| Kits, Badges                       | -                            | 988,369                | 20,343            | -                             | -                                     | -                          | -             | -        | -                        | 988,712           | 1,031,658         |      |
| Awards & Gifts                     | 190                          | 1,020,128              | 1,950,002         | -                             | -                                     | -                          | 20,610        | -        | -                        | 2,990,930         | 1,168,481         |      |
| Registration                       | 126,000                      | 237,932                | 190,160           | -                             | -                                     | -                          | -             | -        | -                        | 554,092           | 443,625           |      |
| Directorate meetings               | 460,723                      | -                      | -                 | -                             | -                                     | -                          | -             | -        | -                        | 460,723           | 454,837           |      |
| Directorate officer's expense      | 437,650                      | 57,942                 | -                 | -                             | -                                     | -                          | -             | -        | -                        | 495,592           | 267,014           |      |
| Events/Conferences                 | 311,706                      | 986,228                | 512,302           | -                             | -                                     | -                          | -             | -        | -                        | 1,810,236         | 2,070,802         |      |
| Program Proj/National Prog         | 70,842                       | 22,553                 | -                 | -                             | -                                     | -                          | -             | -        | -                        | 93,395            | 74,304            |      |
| Public Policy                      | 173,674                      | 10,527                 | -                 | -                             | -                                     | -                          | -             | -        | -                        | 184,201           | 280,042           |      |
| Event Planning                     | 224,492                      | 44,665                 | 227,420           | -                             | -                                     | -                          | -             | -        | -                        | 496,577           | 327,456           |      |
| Boule Hostess Chapters' Expenses   | -                            | -                      | 28,440            | -                             | -                                     | -                          | -             | -        | -                        | 28,440            | -                 |      |
| Entertainment                      | 1,300                        | 4,857,447              | 236,359           | -                             | -                                     | -                          | -             | -        | -                        | 5,095,106         | 3,273,807         |      |
| Leadership Fellows                 | 346,845                      | 5,663                  | -                 | -                             | -                                     | -                          | -             | -        | -                        | 352,508           | 230,418           |      |
| Committee expenses                 | 861,905                      | 128,758                | -                 | -                             | -                                     | -                          | -             | -        | -                        | 990,663           | 1,018,092         |      |
| Printing                           | 313,093                      | 275,743                | 303,505           | -                             | -                                     | -                          | -             | -        | -                        | 892,341           | 437,534           |      |
| Postage and delivery               | 561,118                      | 94,309                 | 22,343            | -                             | -                                     | -                          | -             | -        | -                        | 677,770           | 716,299           |      |
| Telephone                          | 74,367                       | 2,525                  | -                 | -                             | -                                     | -                          | -             | -        | -                        | 76,892            | 79,154            |      |
| Travel and Meals - staff           | 234,027                      | -                      | 761,579           | -                             | -                                     | -                          | -             | -        | -                        | 995,606           | 1,713,578         |      |
| Dues & Subscriptions               | 16,873                       | 37,452                 | -                 | -                             | -                                     | -                          | -             | -        | -                        | 54,325            | 34,661            |      |
| <b>EXPENSES-SUBTOTAL</b>           | <b>5,785,051</b>             | <b>13,800,974</b>      | <b>13,349,055</b> | <b>-</b>                      | <b>-</b>                              | <b>-</b>                   | <b>82,001</b> | <b>-</b> | <b>-</b>                 | <b>33,017,081</b> | <b>21,161,669</b> |      |

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

ALPHA KAPPA ALPHA SORORITY, INCORPORATED  
SCHEDULE OF ACTIVITY BY FUND (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

|   | GENERAL<br>OPERATING<br>FUND | REGIONS<br>FUND<br>ALL | BOULE<br>FUND  | LEADERSHIP<br>SEMINAR<br>FUND | CORPORATE                             |                            |             |            | HERITAGE<br>CLUB<br>FUND | SPECIAL<br>FUND | 2024       | 2023       |
|---|------------------------------|------------------------|----------------|-------------------------------|---------------------------------------|----------------------------|-------------|------------|--------------------------|-----------------|------------|------------|
|   |                              |                        |                |                               | IMPROVEMENT<br>PROJECT<br>(COIP) FUND | LIFE<br>MEMBERSHIP<br>FUND |             |            |                          |                 |            |            |
| EXPENSES (Note A-7)   |                              |                        |                |                               |                                       |                            |             |            |                          |                 |            |            |
| Donations   | 137,899                      | 208,090                | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 345,989    | 349,554    |
| Office Expense  | 116,785                      | 26,180                 | 99,343         | -                             | -                                     | -                          | -           | -          | -                        | -               | 242,308    | 189,981    |
| Equipment lease & maintenance   | 1,065                        | 9,607                  | 725            | -                             | -                                     | -                          | -           | -          | -                        | -               | 11,397     | (178,862)  |
| Legal fees  | 820,680                      | 8,363                  | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 829,043    | 538,829    |
| Audit & tax fees  | 152,000                      | 5,000                  | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 157,000    | 157,000    |
| Technology upgrade  | 1,533,158                    | 117,688                | 108,753        | -                             | -                                     | -                          | -           | -          | -                        | -               | 1,759,599  | 1,932,334  |
| Professional fees - other   | 935,103                      | 195,405                | 113,369        | -                             | -                                     | 5,753                      | -           | -          | -                        | -               | 1,249,630  | 870,710    |
| Soaring Program Expenses  | 1,563,646                    | -                      | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 1,563,646  | 1,837,662  |
| EETS Program Expenses   | -                            | -                      | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | -          | -          |
| Facilities (Convention Centers)                                       | -                            | 2,968,162              | 1,486,036      | -                             | -                                     | -                          | -           | -          | -                        | -               | 4,454,198  | 3,713,907  |
| Insurance   | 1,887,698                    | 6,798                  | -              | -                             | -                                     | 33,086                     | -           | -          | -                        | -               | 1,927,582  | 1,817,818  |
| Bank charges  | 289,794                      | 653,999                | 503,857        | 1,699                         | -                                     | -                          | -           | -          | -                        | -               | 1,449,349  | 1,093,784  |
| Courtesies & benevolence  | 5,203                        | 199,591                | 2,950          | -                             | -                                     | -                          | -           | -          | -                        | -               | 207,744    | 172,135    |
| Salaries & benefits   | 4,304,289                    | 82,706                 | 70,827         | -                             | -                                     | -                          | -           | -          | -                        | -               | 4,457,822  | 4,704,640  |
| Ivy leaf magazine   | 1,142,594                    | -                      | 438            | -                             | -                                     | -                          | -           | -          | -                        | -               | 1,143,032  | 750,673    |
| Public relations  | 237,850                      | 121,432                | 102,635        | -                             | -                                     | -                          | -           | -          | -                        | -               | 461,917    | 210,857    |
| Good Health Wins Grant  | -                            | -                      | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | -          | 5,120      |
| Security  | 4,172                        | 66,039                 | 274,277        | -                             | -                                     | -                          | -           | -          | -                        | -               | 344,488    | 80,590     |
| Exhibits Management & Set Up  | -                            | 806,358                | 1,282,098      | 2,063                         | -                                     | -                          | -           | -          | -                        | -               | 2,090,519  | 973,771    |
| Equipment rental  | -                            | -                      | 4,329,937      | -                             | -                                     | -                          | -           | -          | -                        | -               | 4,329,937  | 1,237,970  |
| Building Maintenance  | 698                          | -                      | -              | -                             | -                                     | 120,880                    | -           | -          | -                        | -               | 121,578    | 152,203    |
| Utilities   | -                            | -                      | -              | -                             | -                                     | 50,930                     | -           | -          | -                        | -               | 50,930     | 52,330     |
| Real estate taxes   | -                            | -                      | -              | -                             | -                                     | 112,340                    | -           | -          | -                        | -               | 112,340    | 109,124    |
| Unrelated Business Income Tax   | 288,266                      | 162,943                | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 451,209    | 743,639    |
| Miscellaneous expense   | 820,439                      | 1,233,195              | -              | -                             | -                                     | -                          | -           | 200        | -                        | -               | 2,125,203  | 1,658,711  |
| Founders Day Expenses   | 34,820                       | 60                     | 71,319         | 50                            | -                                     | -                          | -           | -          | -                        | -               | 34,880     | 2,111,891  |
| Investment Professional Fees  | 6,155                        | -                      | -              | -                             | -                                     | 4,295                      | -           | -          | -                        | -               | 48,218     | 45,900     |
| Interest expense-copier machine finance lease (Notes A-20 & B-4)      | 5,745                        | -                      | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 5,745      | 10,631     |
| Interest expense-postage machine finance lease (Notes A-20 & B-4)     | 651                          | -                      | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 651        | 1,070      |
| Amortization expense-copier machine finance lease (Notes A-20 & B-4)  | 163,040                      | -                      | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 163,040    | 183,040    |
| Amortization expense-postage machine finance lease (Notes A-20 & B-4) | 14,096                       | -                      | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 14,096     | 14,096     |
| Depreciation expense  | 229,227                      | -                      | -              | -                             | -                                     | 355,880                    | -           | -          | -                        | -               | 585,107    | 559,115    |
| Souvenir Journal  | -                            | 17,622                 | -              | -                             | -                                     | -                          | -           | -          | -                        | -               | 17,622     | 4,281      |
| EXPENSES-SUBTOTAL   | 14,695,073                   | 6,889,238              | 8,446,564      | 3,812                         | -                                     | 683,164                    | -           | 200        | -                        | 10,140          | 30,755,819 | 26,084,504 |
| TOTAL EXPENSES  | 20,480,124                   | 20,690,212             | 21,795,619     | 3,812                         | -                                     | 683,164                    | -           | 82,201     | -                        | 10,140          | 63,772,900 | 26,084,504 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES                         | \$ 3,517,796                 | \$ 581,650             | \$ (5,886,609) | \$ 279                        | \$ 316,431                            | \$ 1,382,745               | \$ (53,587) | \$ 238,952 | \$ 97,657                | \$ (26,084,504) |            |            |

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

ALPHA KAPPA ALPHA SORORITY, INCORPORATED  
SCHEDULE OF FINANCIAL POSITION BY REGION  
AS OF THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

|  | South             |                   |                   |                   |                   |                   |                     | 2024                | 2023                |                  |                     |                     |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|------------------|---------------------|---------------------|
|  | Central           | Central           | Great Lakes       | Mid West          | Far West          | South East        | Mid Atlantic        |                     |                     | South Atlantic   | North Atlantic      | International       |
| <b>ASSETS</b>                                |                   |                   |                   |                   |                   |                   |                     |                     |                     |                  |                     |                     |
| Cash and Cash Equivalents (Note A-4 & A-5)   | \$ 769,497        | \$ 158,882        | \$ 373,247        | \$ 134,011        | \$ 232,520        | \$ 599,699        | \$ 1,768,950        | \$ 1,234,942        | \$ 1,161,140        | \$ 77,549        | \$ 6,510,437        | \$ 8,392,846        |
| Receivables From Chapters and Members        | (483)             | 21,144            | -                 | -                 | -                 | -                 | 52,361              | (5,000)             | -                   | 1,500            | 69,522              | 38,884              |
| Prepaid Expenses                             | 72,059            | -                 | 45,605            | 18,198            | 26,535            | 74,172            | 113,499             | 143,237             | 216,390             | -                | 709,695             | 989,653             |
| <b>Total Assets</b>                          | <u>\$ 841,073</u> | <u>\$ 180,026</u> | <u>\$ 418,852</u> | <u>\$ 152,209</u> | <u>\$ 259,055</u> | <u>\$ 673,871</u> | <u>\$ 1,934,810</u> | <u>\$ 1,373,179</u> | <u>\$ 1,377,530</u> | <u>\$ 79,049</u> | <u>\$ 7,289,654</u> | <u>\$ 9,421,383</u> |
| <b>LIABILITIES AND NET ASSETS</b>            |                   |                   |                   |                   |                   |                   |                     |                     |                     |                  |                     |                     |
| Accounts Payable                             | \$ -              | \$ 1,744          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                | \$ -                | \$ -             | \$ 1,744            | \$ 1,745            |
| Accrued Expenses                             | -                 | 4,252             | -                 | -                 | -                 | -                 | -                   | -                   | -                   | -                | 4,252               | 4,252               |
| Deferred Revenue (Note B-1)                  | 227,829           | 156,990           | 550               | 17,179            | 125,320           | 451,304           | 686,613             | 451,675             | 156,268             | -                | 2,273,728           | 5,021,510           |
| Corporate Payables (Note A-18)               | 34,600            | 13,155            | -                 | 4,104             | 1,895             | -                 | 15,036              | -                   | -                   | 1,500            | 70,290              | 35,891              |
| <b>Total Liabilities</b>                     | <u>262,429</u>    | <u>176,141</u>    | <u>550</u>        | <u>21,283</u>     | <u>127,215</u>    | <u>451,304</u>    | <u>701,649</u>      | <u>451,675</u>      | <u>156,268</u>      | <u>1,500</u>     | <u>2,350,014</u>    | <u>5,063,398</u>    |
| Net Assets (Note A-2 & A-3)                  | 427,133           | 278,237           | 269,011           | 141,709           | (4,386)           | 22,628            | 1,307,124           | 950,836             | 889,158             | 76,536           | 4,357,986           | 2,984,266           |
| Excess (Deficiency) of Revenue over Expenses | 151,511           | (274,352)         | 149,291           | (10,783)          | 136,226           | 199,939           | (73,963)            | (29,332)            | 332,104             | 1,013            | 581,654             | 1,373,719           |
| <b>Total Net Assets</b>                      | <u>578,644</u>    | <u>3,885</u>      | <u>418,302</u>    | <u>130,926</u>    | <u>131,840</u>    | <u>222,567</u>    | <u>1,233,161</u>    | <u>921,504</u>      | <u>1,221,262</u>    | <u>77,549</u>    | <u>4,939,640</u>    | <u>4,357,985</u>    |
| <b>Total Liabilities and Net Assets</b>      | <u>\$ 841,073</u> | <u>\$ 180,026</u> | <u>\$ 418,852</u> | <u>\$ 152,209</u> | <u>\$ 259,055</u> | <u>\$ 673,871</u> | <u>\$ 1,934,810</u> | <u>\$ 1,373,179</u> | <u>\$ 1,377,530</u> | <u>\$ 79,049</u> | <u>\$ 7,289,654</u> | <u>\$ 9,421,383</u> |

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

**ALPHA KAPPA ALPHA SORORITY, INCORPORATED**  
**SCHEDULE OF ACTIVITIES BY REGIONS**  
**FOR YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

|  | Central             | South Central       | Great Lakes         | Mid West           | Far West            | South East          | Mid Atlantic        | South Atlantic      | North Atlantic      | International     | 2024                 | 2023                 |
|--|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|----------------------|----------------------|
| <b>REVENUE (Note A.6)</b>                            |                     |                     |                     |                    |                     |                     |                     |                     |                     |                   |                      |                      |
| Corporate Sponsors                                   | \$ 112,476          | \$ 31,000           | \$ 34,750           | \$ 29,238          | \$ 21,517           | \$ 131,350          | \$ 40,075           | \$ 286,427          | \$ 100,000          | \$ 6,000          | \$ 752,833           | \$ 719,983           |
| Occasions  | 745,814             | 18,993              | 69,802              | 3,813              | 69,802              | 29,984              | 2,569               | 900                 | 34,672              | 11,187            | 1,511,919            | 217,599              |
| Other income   | 234,892             | 43,000              | 98,497              | 18,993             | 18,993              | 18,993              | 138,996             | 69,235              | 144,997             | 10,081            | 799,690              | 1,360,279            |
| Registration   | 1,209,426           | 2,933,645           | 1,163,953           | 284,003            | 755,753             | 1,265,131           | 216,578             | 1,913,596           | 1,368,996           | 77,181            | 13,309,162           | 12,955,862           |
| Boule & Conference Income                            | 202,073             | 124,764             | 302,533             | 65,997             | 261,478             | 357,376             | 27,330              | 60,740              | 60,740              | 14,821            | 2,075,694            | 1,158,337            |
| Fee Receipts-Conference Functions                    | 325,522             | 8,245               | 8,245               | 90,210             | 243,433             | 115,853             | 10,203              | 329,365             | 403,549             | 7,224             | 1,288,867            | 1,288,516            |
| Vendor Income  | 156,697             | 166,320             | 57,364              | 18,428             | 27,839              | 75,390              | 196,476             | 169,894             | 191,156             | 364               | 948,979              | 672,965              |
| Conference Assessments                               | 182,491             | 104,038             | 57,364              | 97,527             | 134,168             | 394,053             | 90                  | 695,300             | 1,860,717           | 43,920            | 1,860,717            | 1,176,465            |
| <b>TOTAL REVENUE</b>                                 | <b>\$ 2,283,236</b> | <b>\$ 2,990,750</b> | <b>\$ 1,603,292</b> | <b>\$ 602,111</b>  | <b>\$ 1,528,356</b> | <b>\$ 2,246,892</b> | <b>\$ 2,806,454</b> | <b>\$ 4,028,945</b> | <b>\$ 2,913,896</b> | <b>\$ 168,929</b> | <b>\$ 21,271,861</b> | <b>\$ 19,083,889</b> |
| <b>EXPENSES (Note A.7)</b>                           |                     |                     |                     |                    |                     |                     |                     |                     |                     |                   |                      |                      |
| Regional Luncheons/Meetings                          | 117,300             | 479,209             | 257,955             | 110,638            | 179,133             | 260,226             | 227,515             | 549,635             | 263,372             | 2,935             | 2,447,218            | 2,424,619            |
| Meals & Entertainment                                | 745,814             | 743,397             | 516,617             | 54,550             | 428,383             | 722,568             | 180,996             | 1,185,521           | 286,973             | 4,677             | 4,857,446            | 3,078,805            |
| Kits/Badges  | 181,960             | 195,984             | 82,670              | 40,000             | 77,811              | 185,000             | 16,700              | 174,989             | 174,989             | 13,255            | 968,369              | 982,997              |
| Conference Functions                                 | 7,939               | 6,334               | -                   | 150,267            | 90,191              | 6,000               | 290,733             | 15,000              | 283,955             | 89,226            | 939,745              | 1,653,956            |
| Donations to Charity                                 | 32,708              | 39,968              | 5,888               | 1,868              | 23,931              | 21,277              | 27,500              | 43,828              | 9,894               | 50                | 208,092              | 161,054              |
| Facilities (Convention Center/Hotel)                 | 174,152             | 512,921             | 82,304              | 67,074             | 114,471             | 128,875             | 787,774             | 720,057             | 376,719             | 2,813             | 2,968,161            | 3,532,833            |
| Committee expenses                                   | 5,079               | 27,221              | 12,817              | 1,751              | 4,071               | 19,288              | 10,311              | 15,446              | 32,292              | 472               | 128,757              | 185,801              |
| Slip-and-Roll Regional Touchouts                     | 950                 | 950                 | 950                 | 950                | 950                 | 950                 | 950                 | 950                 | 950                 | 950               | 9,500                | 9,500                |
| Salaries & Benefits                                  | 6,880               | 13,251              | 6,235               | 1,989              | 3,700               | 10,302              | 19,931              | 17,801              | 12,201              | 516               | 82,706               | 83,533               |
| Audit & tax fees                                     | 421                 | 760                 | 396                 | 129                | 223                 | 659                 | 810                 | 1,020               | 738                 | 34                | 5,000                | 5,000                |
| Legal Fees   | 32,500              | 2,500               | -                   | -                  | -                   | -                   | -                   | -                   | 500                 | -                 | 8,363                | 121,000              |
| Printing & Management                                | 169,702             | 3,248               | 81,655              | 2,162              | 15,851              | 39,609              | 3,888               | 113,453             | 38,810              | 8,859             | 806,358              | 387,263              |
| Postage & Delivery                                   | 3,958               | 3,248               | 3,120               | 1,115              | 845                 | 1,022               | 4,481               | 5,274               | 11,087              | 4,441             | 94,309               | 79,680               |
| Printing   | 77,998              | 28,445              | 3,497               | 6,855              | 31,459              | 32,194              | 48,439              | 23,321              | 21,127              | 2,414             | 275,744              | 245,164              |
| Telephone  | -                   | -                   | -                   | -                  | 2,525               | -                   | -                   | -                   | -                   | -                 | 185,005              | 118,781              |
| Professional Fees                                    | 24,787              | 89,781              | 111                 | 7,247              | 13,920              | 9,062               | 1,125               | 39,873              | 10,019              | 3,459             | 126,433              | 126,433              |
| Public Relations                                     | 48,125              | 1,162               | 13,140              | 5,770              | 5,360               | 12,788              | 16,071              | 15,250              | 288                 | -                 | 48,443               | 43,953               |
| Regional Director                                    | 7,171               | 6,700               | 1,181               | 3,042              | 11,691              | -                   | 18,438              | 1,250               | 26,320              | 1,884             | 237,930              | 265,174              |
| Registration   | 26,530              | 31,227              | 25,623              | 17,864             | 18,301              | 26,278              | 26,569              | 37,314              | 9,998               | -                 | 66,039               | 40,185               |
| Security   | -                   | -                   | -                   | -                  | 3,120               | -                   | 17,180              | 35,741              | 7,165               | -                 | 17,622               | 4,291                |
| Souvenir Journal                                     | -                   | -                   | 4,913               | -                  | -                   | -                   | 150                 | -                   | -                   | 5,394             | 26,181               | 32,319               |
| Supplies   | 3,049               | 5,789               | 962                 | 201                | 6,500               | 1,016               | 1,856               | 6,752               | -                   | 256               | 21,124               | 36,052,00            |
| Training Expenses                                    | 4,100               | -                   | -                   | 1,167              | 3,950               | 4,300               | -                   | 7,300               | 307                 | -                 | 2,618,655            | 1,997,754            |
| Transportation                                       | 168,453             | 731,021             | 112,696             | 85,725             | 65,236              | 380,836             | 143,407             | 539,528             | 391,269             | 485               | 1,176,688            | 55,008               |
| Technology upgrades                                  | 16,444              | 7,039               | 8,824               | 528                | 8,479               | 10,043              | 14,144              | 51,330              | 857                 | -                 | 199,591              | 162,362              |
| VIPs/Courtesies                                      | 16,500              | 17,101              | 11,352              | 8,441              | 30,773              | 27,781              | 52,669              | 7,217               | 23,614              | 4,143             | 1,020,127            | 610,724              |
| Awards & Gifts                                       | 104,780             | 105,235             | 88,877              | 14,101             | 48,720              | 49,747              | 321,041             | 253,989             | 33,149              | 2,488             | 653,998              | 651,979              |
| Bank Charges   | 59,609              | 96,283              | 50,866              | 17,195             | 35,215              | 60,738              | 114,767             | 112,572             | 100,212             | 6,541             | 1,543,682            | 788,231              |
| Miscellaneous expense                                | 146,507             | 84,069              | 73,455              | 10,239             | 101,821             | 156,757             | 265,639             | 255,270             | 484,987             | 13,727            | 20,690,211           | 17,710,170           |
| <b>TOTAL EXPENSES</b>                                | <b>2,131,726</b>    | <b>3,265,099</b>    | <b>1,454,000</b>    | <b>610,894</b>     | <b>1,392,131</b>    | <b>2,146,955</b>    | <b>2,860,418</b>    | <b>4,059,277</b>    | <b>2,581,792</b>    | <b>168,919</b>    | <b>20,690,211</b>    | <b>17,710,170</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b> | <b>\$ 151,510</b>   | <b>\$ (274,349)</b> | <b>\$ 149,292</b>   | <b>\$ (10,783)</b> | <b>\$ 136,225</b>   | <b>\$ 109,937</b>   | <b>\$ (73,964)</b>  | <b>\$ (29,332)</b>  | <b>\$ 332,104</b>   | <b>\$ 1,010</b>   | <b>\$ 581,650</b>    | <b>\$ 1,373,719</b>  |

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

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2024**

No findings reported or were noted for the year ended December 31, 2023.

**ALPHA KAPPA ALPHA SORORITY, INC.**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2024**

**SECTION I—SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued:

Unmodified – The Financial Statements presented are free of material misstatements and are presented fairly in accordance with the Generally Accepted Accounting Principles (GAAP) also known as a "Clean Opinion" in the United States of America.

Internal Control over financial reporting:

Material weaknesses identified? \_\_\_\_\_yes        X  no

Significant deficiencies identified?  
that is not considered to be material  
weaknesses? \_\_\_\_\_yes        X  no

Noncompliance material to financial statements? \_\_\_\_\_yes        X  no

**SECTION II—FINANCIAL STATEMENT FINDINGS**

No findings required to be reported or noted for the year ended December 31, 2024.

**ALPHA KAPPA ALPHA SORORITY, INC.**

**YEAR ENDED DECEMBER 31, 2024**

**EXIT CONFERENCE**

An exit conference was held on June 27, 2025, and this report was discussed with Organization personnel. Those in attendance were as follows:

**Alpha Kappa Alpha Sorority, Inc.**

| <u><b>Names</b></u>  | <u><b>Title</b></u>     |
|----------------------|-------------------------|
| Danette Anthony Reed | Supreme Basileus        |
| Lorri Newson         | Chief Financial Officer |

**Ragland, Arnold, Buchanan, Morris & Associates, LLC**

| <u><b>Names</b></u> | <u><b>Title</b></u> |
|---------------------|---------------------|
| Gregory Arnold      | Managing Partner    |
| Kymerly Buchanan    | Partner             |
| Lyle Morris         | Partner             |