

ESA Foundation
“Serving the World Community...Because We Care”
2021 State of the Foundation

Chairman’s Note: As you read this, you may recognize some of this data looks familiar. As we transition to a calendar year schedule some information will be repeated from the previous State of the Foundation. All information going forward, unless noted otherwise, will reflect activities as of 12/31/2021 on this report.

Chairman’s Report – Ann Southall

As the Chairman of the ESA Foundation Board of Directors, it is my great pleasure to share the many accomplishments of the Foundation during the past year. Because of our many financial supporters, friends, and members, we are able to continue the good works of the Foundation programs.

Financial Data

Total Assets

As of December 31, 2021, the total assets in the ESA Foundation were \$6,058,475. The total liabilities for scholarships was \$400,255. These liabilities will be paid directly to the institutions of higher learning this fall. The liabilities due to the Packs for Hunger Program were \$212, 856.

Investments

As of 12/31/2021 – the return on investment (ROI) was 10.03%

Our Investment Planner is with MorganStanley. A team from MorganStanley always joins the Winter and Summer Board meetings to provide updates on the current investment portfolio and advise us of future opportunities and/or concerns.

It is important to note, at the time of the writing of this document, the Foundation financials are reflecting a decline in spendable cash in the last 36 months of 53% and by the 2022 Summer Board meeting the overall portfolio was down 14.5% overall. The bond market was down 9% at that time and total assets as of May 31, 2022 were \$5,548,334 reflecting an overall loss since 12/31/2021 of \$510,137.

This is the first time in many years to show a loss for this program. This loss is reflecting the domestic inflation and geopolitical uncertainty.

Membership

This year’s active membership total, as recorded for voting purposes in 2022, was 1,277.

Life Active Membership

The Life Active Membership (LAM) Program continues to grow because of individuals and group contributions. The Career Enhancement Grant Program continues to be supported by these generous financial donations. These grants are awarded to individuals/groups needing financial assistance for career opportunities, advanced training, and training for individuals at risk who are unable to locate funds to assist otherwise.

During 2021, the eight (8) new Life Active members were Jennifer Sparkman (OK), Laurie Lindeken (CO), Peggie Sprinkle (OK), Alpha Omega #2060 (VA), MaKenzi Higgins (KS), Eastern District of Oklahoma (OK), Anne Zimmerman (TX), Ben Hill (MO), and Anne Murry (MO).

PROGRAMS

Planned Giving Program

Through its Planned Giving Program, the ESA Foundation provides a way for individuals to benefit charitable causes while leaving sufficient funds for loved ones. A major objective of this program is to generate awareness of the ESA Foundation and the charitable opportunities that are available to help support the Foundation. Those who choose to participate in this program may do so by donating through their wills, trusts, investments, property, life insurance, retirement plans, and more. Planned Giving is an opportunity to provide for loved ones, fulfill charitable goals, and save money on taxes.

Endowment Program

Endowments can be established easily with \$100 plus the submission of properly completed paperwork.

In order for full endowment status, an endowment must have a minimum of \$5,000 paid into the account. Endowments become part of a restricted fund which earns return on investment (ROI) monies, which are treated as interest, and may award a scholarship when enough is earned to allow for an award. Amounts allotted to any given scholarship are determined through a budgetary spending policy established by the Board of Directors combined with directives from the donors or their designees.

Scholarship Program

The Foundation continues to use the comprehensive online scholarship application program.

The Scholarship Processing Team is comprised of coordinators who are responsible for obtaining the judges. This report is as of Scholarship Season ending 2/1/2021 and was reported in full detail in the last State of the Foundation report with a total of 5489 applications; 190 scholarships awarded for fall 2021 for a total of \$347,100. The team was chaired by Scholarship Chairman, Kathy Loyd.

A complete listing of all scholarship winners is provided annually on the ESAF Scholarship website.

Grants

ESA Foundation Grants are funded by a portion of the return on investment from the Life Active Memberships plus additional donations by members and other interested parties. No additional grants were awarded since those previously reported.

During 2021, with continued pandemic with restricted meetings, there were no additional grant awards than previously reported.

There are concerns about financial status of the grant fund without additional inflow of funds. The Board continues to publicize and talk with members about the need to increase grant donations. There currently is a max of \$2,000 per award as the approved policy.

Workshop Events

In annual membership year 2021-2022, the Directors hosted two (2) virtual workshops. All ESA Foundation members were invited to each event. In March, the topic was “Changing the Landscape of Education...the new Challenges we face” discussing educational changes after a pandemic. In October, the topic was on “Communications Across the Generations”. Both were well attended by Foundation members and guests.

Turn-Around Fund Program

Any entity that follows the 501(c)3 guidelines may use this internally funded grant program. Designated contributions in 2021 for the Turn-Around Fund totaled \$112,317.95. The Board is pleased our members use this means to contribute to recognized charities. We continue to encourage the utilization of this program as it increases the total revenues into this entity. This increased use helps the ESA Foundation maintain its 501(c)3 status.

FUND RAISING PROGRAMS

Fantasy Event

This report was included in full detail in the last State of the Foundation for the previous period.

Foundation Fund Fest

In 2021, the ESA Foundation did not hold any in person events during the year or at the International Council Convention. Virtual fundraising events were included in detail in the last State of the Foundation report.

AWARDS

Plateaus of Achievement 2021

As previously reported, sixty-six (66) new Plateaus of Achievement were recognized in the 2021 ESAF fall newsletter.

The Plateaus of Achievement are designated to recognize individual members, businesses, and chapter, city, state and regional councils for their monetary contributions to ESA Foundation programs. Each time a donor reaches a new Plateau level of giving, they are recognized.

Robert and Dixie Palmer Recognition

Through a special donation of \$1,000, outstanding ESA members may be presented this prestigious award. This donation provides recognition to a worthy recipient. This award was not awarded in 2021, however, Deborah Hughes, Oklahoma, did complete her donation and will be recognized at the 2022 IC Convention with an appropriate award at the Foundation's Annual Membership Meeting.

Stewardship

Financial support for the Foundation in the amount of \$500 can be donated to recognize individuals who continually help in promoting the ESA Foundation and its many projects without seeking recognition or rewards for the help they may provide for others. This award was not presented this year.

Humanitarian Award

ESA Foundation members can recognize individuals in their communities who promote the welfare of humanity by aiding those who are less fortunate and by eliminating the suffering of others. The Humanitarian Award was established for this purpose. Individuals who are nominated may not be members of the Foundation. No Humanitarian Award was presented this year.

ESA Foundation Website

www.epsilonsigmaalpha.org/about/ESA-Foundation

The website continues to be maintained by ESA Headquarters staff with input and information given to the staff by the Website Chairman from the Foundation.

Leadership

As previously documented in last State of the Foundation Report, Rosalee Echele, Judi York, and Rosalie Griffith completed their three (3) year terms as elected Board members at the end of the 2021 Annual Meeting. Since there were only 3 candidates for the 3 open positions, Terrie Rust and Carolyn Warren were elected to their first three-year terms and Rosalie Griffith was elected to her second three-year term by acclamation at the Annual Membership Meeting.

The Board of Directors continues to provide extensive commitment and vision for the ESA Foundation. To fulfil their role, in which they were elected, they strive to provide successful leadership of the programs in which they oversee.

During budget discussions at the end of the year and due to funding constraints, the Directors felt it was necessary to discontinue the consultant work with consultant, B J Clark. B J worked with the board for over five years on strategic planning with Board-focused leadership and sustainability training. If funding is restored at a future time, it would be hoped to restore this to some level.

All requested documents have been completed on the Copyright proceedings for the name and logo for the ESA Foundation. The processing is nearing its final stages of completion. All documents and postings are vetted through HQ to assure proper use.

It is an honor to serve on the ESA Foundation Board as Chairman. It has been very exciting, yet challenging year because of the varied financial situations. Since the onset of 2020, the amount of review and adjustments to both financial and practical policies and procedures have become more common, but the Directors continue to be dedicated and work diligently and cohesively through each of the situations. The work this Foundation does impacts so many, as it gives opportunities for many individuals to give and provides so much by allowing so many people to receive. I am extremely grateful for the opportunity to serve.

Ann Southall
2021 Chairman of the Board
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