

ESA Foundation
“Serving the World Community...Because We Care”
2022 State of the Foundation

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 year 2022. Because of our many financial supporters, friends, and members, we are able to continue the good works of the Foundation programs.

FINANCIAL DATA

Assets and Liabilities

As of December 31, 2022, the total assets in the ESA Foundation were \$5,065,168. The total liabilities were \$393,625. The scholarship liabilities will be paid directly to the institutions of higher learning this coming academic year.

Investments

The loss on investment (LOI) for 2022 was -17.01%

Our Investment Planner is with MorganStanley. A team from MorganStanley monitors the portfolio and routinely makes recommendations to the Board to protect and advance the Foundation’s assets and to advise us of future opportunities and/or concerns.

The total investment portfolio on December 31, 2022, was \$4,652,560 reflecting a loss of \$1,438,635 since December 31, 2021. 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.

The 2022 Balance Sheet and Statement of Revenue and Functional Expenses are included at the end of this report.

MEMBERSHIP

This year’s active membership total, as recorded for voting purposes in 2022, was 1,277. In 2022, the bylaws were updated to change the membership year to a calendar year. As a result, the annual membership dues deadline was changed to December 31st. The bylaw change also included a change in the membership dues amount to a consistent \$40 per membership beginning in 2023.

Life Active Membership

An individual, chapter, council, or other organization may become a Life Active Member by making a \$500 membership donation to the Foundation. 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.

The following individuals, chapters, and councils became new Life Active members in 2022:

5284 - Alpha Gamma TX	Dianne Ocel	Melissa Finch
Jerry Hymer	Brenda Meyers	Audrey Kidwell
Kathy Ellingson	Sara Johnson	Elisabeth Noelke
Terrie Rust	Joshua Johnson	Judith Christiansen
Minnesota State Council - #Z924	Julia Aker	Sheryl Sikola
Theta Epsilon - AR #4736	Pam Munson	Linda Waters
	Alpha Sigma MN #3553	

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. In 2022, one additional member indicated their intention to include the Foundation in their Planned Giving.

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. In 2022, the Board implemented a more conservative spending

policy in anticipation of the current and future economic financial environment. These actions were taken to help maintain the endowments.

In 2022, there were no new endowments established.

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 2/1/2022 with a total of 5054 applications, 201 scholarships awarded for the 2022-2023 Academic year for a total of \$333,450.

Since inception of the scholarship program in 1980, 4242 scholarships were awarded for a total amount of \$4,444,128. 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. In 2022, four grants were awarded in the total amount of \$8,700. To date, \$30,000 has been paid towards the St. Jude Biomedical Sciences Graduate School program \$50,000 commitment.

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 an approved policy maximum of \$2,000 per award.

Workshop Events

In February 2022, the Directors hosted a virtual workshop. All ESA Foundation members were invited to the event. The topic was on “Communications Across the Generations”. The workshop was 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 2022 for the Turn-Around Fund totaled \$122,863.71. 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.

FUNDRAISING PROGRAMS

Fantasy Event

The theme for this year's Fantasy Event was "Fantasy 500". ESA Foundation members donated \$3,220 to this 'non-event' event as they celebrated with the Board by *not* attending the party. We encourage members to continue their support of this event in the future.

Foundation Fund Fest

ESA Foundation volunteers were involved in another evening of fun, excitement and fund raising in the 2022 Foundation Fund Fest in Indianapolis, IN. Participants took part in live auctions of donated articles and state contributed baskets, various games, silent auctions as well as playing games "Under the Big Top". Proceeds from the evening, including table sponsors and other donations, exceeded \$16,000. This event always has a lot of support from our members who volunteer and who donate items. The Board appreciates everyone's help in making this year's event a success.

AWARDS

Plateaus of Achievement 2022

Forty-eight (48) new Plateaus of Achievement were recognized in the 2022 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. Deborah Hughes, Oklahoma, completed her donation in 2021 and was recognized at the 2022 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

A rotation of Board members is established in the bylaws, with 3 Directors being elected for 2 years and 2 Directors being elected in the third year. A Director is elected for a 3-year term. Directors are allowed to serve 2 consecutive terms. The following Board members served in 2022.

Chairman of the Board:	Ann Southall
Vice Chairman:	Kim Mandrell
Secretary:	Patricia Howerton
Treasurer:	Tammy Akines
Director:	Kathy Loyd (outgoing)
Director:	Rosalie Griffith
Director:	Terrie Rust
Director:	Carolyn Warren
Director:	Jennifer Sparkman (incoming)
Advisor:	Rosalee Echele
Foundation Fund Fest Chair:	Sandy Hosack

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.

All requested documents have been completed on the Trademark 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. 2022 continued to be a challenging year because of the varied financial situations leading to the difficult but necessary decision to raise membership dues. The Directors are dedicated and have worked 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
2022 Chairman of the Board

ESA Foundation
Balance Sheet
December 31, 2022

	12/31/2022	12/31/2021
Assets		
Cash	\$ 363,884	\$ 279,320
Accounts Receivable, NET	1,750	900
Prepaid Expenses	3,599	3,469
Fixed Assets	172,137	172,137
Accumulated Depreciation	(128,762)	(91,582)
Net Fixed Assets	43,376	80,555
Investments	4,652,560	6,091,195
Total Assets	\$ 5,065,168	\$ 6,455,439
Liabilities and Capital		
Accounts Payable and Accrued Expenses	232,525	217,897
Grants Payable	161,100	400,225
Total Liabilities	393,625	618,122
Net Assets/Fund Balances		
Net Assets without Donor Restrictions	304,246	413,416
Net Assets with Donor Restrictions	4,367,297	5,423,901
Total Net Assets	4,671,543	5,837,317
Total Liabilities and Net Assets/Fund Balances	\$ 5,065,168	\$ 6,455,439

ESA Foundation
Statement of Revenue and Functional Expenses
For the 12 Months Ending December 31, 2022

	12/31/2022	12/31/2021
Statement of Revenue		
Membership Dues	\$ 26,080	\$ 19,245
Fundraising Events	23,626	11,577
All Other Contributions	254,816	185,611
Program Revenue	65,321	19,220
Investment Income (Loss)	(1,053,590)	555,855
Total Revenue	(683,746)	791,508
 Statement of Functional Expenses		
Scholarships, Grants, and Other Assistance	292,118	495,014
Contractor Fees	1,103	10,945
Legal Fees	695	974
Accounting Fees	1,000	1,000
Investment Management Fees	20,532	26,357
Information Technology	16,862	13,848
Depreciation	37,179	30,982
Insurance	394	202
Administration Fees	91,200	91,200
Directors' Travel	6,410	1,020
Printing and Publications	3,178	1,782
Other Fees	11,359	9,139
Total Functional Expenses:	482,027	682,463
 Revenue Less Expenses:	 \$ (1,165,774)	 \$ 109,045