

Augustana Foundation Lunch and Learn Series

Grants Awarded and Making an Impact

Presented by: Tim Garrington and Bill Crossen

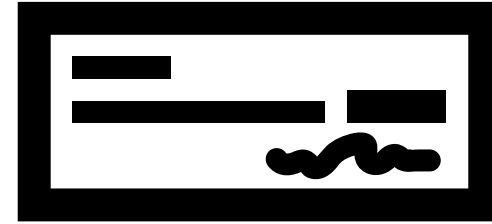
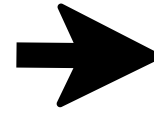
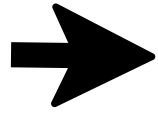
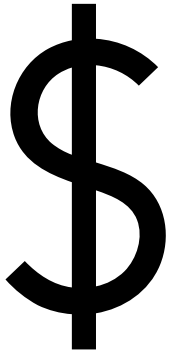
June 23, 2021



Lunch and Learn - Objectives

- ▶ The Foundation is an important part of Augustana's ministry
- ▶ The goal is to better understand the purpose of the Foundation and how it operates to achieve its objectives
- ▶ Simply stated, the Foundation:
 - ❖ Receives gifts - bequests, memorials and living donations
 - ❖ Invests the money from those gifts to generate investment returns
 - ❖ Uses the investment returns to fund grants
- ▶ We scheduled 3 sessions in June to explore each of these in detail
 - ❖ June 9 – Grateful Generosity and Gifts Received – Greg Bickle & Bill Crossen
 - ❖ June 16 – Fund Management and Investing Wisely – Lisa Mikolajczak, Michele Suriano & Bill Crossen
 - ❖ June 23 – Grants Awarded and Making Impacts – Tim Garrington & Bill Crossen
 - ❖ Sessions were recorded and are available on the Augustana Foundation website in the Lunch & Learn section

Augustana Foundation - Flow of Funds



Money Comes in:

- Bequests
- Memorials
- Lifetime giving

Funds are invested:

- Interest from bonds
- Dividends from stocks
- Gains and losses

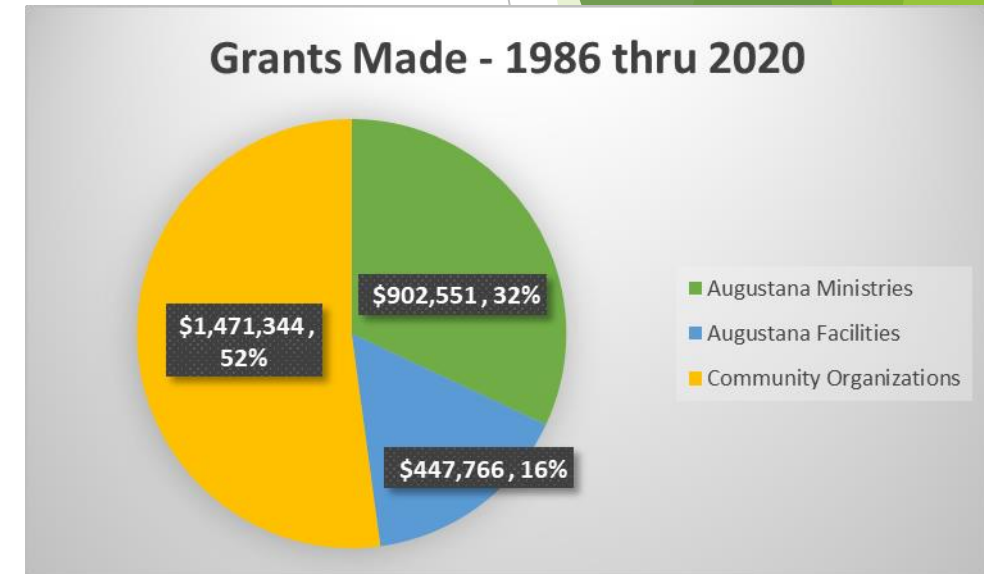
Grants are made:

- Augustana ministries
- Scholarships
- Outside organizations

Today's Focus: Grants are Made

Grants Made - Overview

- ▶ Each year, the Foundation gives away its earnings on invested assets
 - ❖ Dividends
 - ❖ Interest
 - ❖ Realized gains or losses on disposal of assets
 - ❖ Unrealized gains on stocks
- ▶ Calculation and other information
 - ❖ Currently, we are using a 3-year average to avoid fluctuation
 - ❖ Previously, we were using 4% of invested assets
 - ❖ No requirement to give it all away every year; however, in recent years, we have – current surplus is ~\$200,000
- ▶ Further adjust for Julia Swanson perpetual annuity



Grant Calculation - 2021

	2020	2019	2018	2017
Investment income	\$ 109,919	\$ 116,914	\$ 121,531	\$ 121,316
Amortization of bond (premium) discount	(9,933)	(12,015)	(12,000)	(12,000)
Realized gains (losses)	(23,095)	-	-	-
Unrealized gains (losses) on equity investments	162,191	32,096		
Administrative fees paid investment advisor	(16,000)	(14,000)		
Investment earnings for the year	223,081	122,995	109,531	109,316
Julia Swanson perpetual annuity	28,513	26,987	24,591	28,679
Amount available for grants without 3-year averaging	\$ 251,595	\$ 149,982	\$ 134,122	\$ 137,995
Average investment earnings for last 3 years	\$ 151,869	\$ 113,947		
Gifts to the Foundation to be used for grants	28,513	26,987		
Returned grants available for re-giving		3,750		
Total available for grants	\$ 180,383	\$ 144,685		
Quarterly allocation	\$ 45,096	\$ 36,171		

► Notes

- ❖ Absent the 3-year averaging, we would be giving away \$251,600 in 2021 v \$150,000 in 2020
- ❖ Using 3-year averaging, we are giving away \$180,000 in 2021 v \$145,000 in 2020
- ❖ The reduction in volatility helps both the grant recipients and the Foundation

Grants to Support Augustana Ministries & Facilities - 1986 - 2020

Augustana Ministry Support

Scholarships	\$ 252,300	28.0%
Music program	83,204	9.2%
Youth trip	70,860	7.9%
Youth and family	29,550	3.3%
9 Health Fair	24,700	2.7%
Baptism gifts	24,000	2.7%
Continuing education	21,223	2.4%
Health ministry seminars	20,041	2.2%
Thrivent Charitable Giving match	20,000	2.2%
Congregation Council	18,500	2.0%
Church innovations study	18,154	2.0%
Stewardship	17,925	2.0%
Organ competition	16,500	1.8%
Council retreats	16,358	1.8%
Memorial gardens	15,000	1.7%
Christmas eve radio ministry	13,288	1.5%
Social Ministry - God's Work/Our Hands	11,602	1.3%
Others individually < \$10,000	229,347	25.4%
	<u>\$ 902,551</u>	<u>100.0%</u>

Augustana Facilities

Sanctuary upgrades/general	\$ 170,000	38.0%
Office equipment/computers	79,582	17.8%
Over the Top	60,000	13.4%
Livestreaming equipment	30,000	6.7%
Restoration of the bells	28,125	6.3%
AELC playground & security doors	28,000	6.3%
Fire alarm upgrade	14,125	3.2%
Fellowship hall improvements	12,650	2.8%
Other	25,284	5.6%
	<u>\$ 447,766</u>	<u>100.0%</u>

- ▶ For the last several years the Foundation has given \$40,000 - \$50,000 per year to the Capital Improvement fund – supplements other donations to the fund and helps to avoid “capital campaigns”
- ▶ Over time, Augustana has budgeted for certain expenses that were previously paid by the Foundation

The Scholarship Program

- ▶ Since 1986, the Foundation has provided \$252,300 to Augustana members who have chosen to attend Lutheran colleges and/or seminaries
 - ❖ Program was established in 1983 as the Higher Education Fund
 - ❖ Initial funding came from the John Guenther Scholarship Fund
- ▶ Records prior to 1996 are incomplete; since then, we have supported 24 individuals with more than \$145,000 in scholarships
- ▶ Program structure
 - ❖ \$2,000 per academic year for undergraduates/\$4,000 per academic year for seminarians
 - ❖ Application must be re-submitted each year
 - ❖ Award amounts have not been adjusted since at least 2000
- ▶ We are revising the Program
 - ❖ Considering adjustments to the annual scholarship amount
 - ❖ Simplifying and streamlining the application process

Grants to Community Organizations - 1986 - 2020

- ▶ We have made grants to 159 entities in this 34-year period
 - ❖ ~5 outside agencies per year
 - ❖ 132 entities have received <3 grants; 84 have received only 1
- ▶ Aligned with Augustana's outreach efforts
- ❖ Evaluating different approaches
 - Partnerships
 - Simplification
- ❖ Balance internal needs with strategic priorities

	Total Given	Percent of Total
Augustana Arts	\$ 317,250	21.6%
Lutheran Family Services	257,527	17.5%
Rocky Mountain Synod	72,200	4.9%
Lutheran Social Services	62,500	4.2%
Rainbow Trail	52,745	3.6%
Metro Caring	51,500	3.5%
ELCA	46,534	3.2%
Urban Peak	44,000	3.0%
Lutheran Campus Ministry	25,200	1.7%
Sky Ranch	24,650	1.7%
Holy Hammers	23,500	1.6%
Work Options for Women	22,000	1.5%
Central Visitation Program	20,000	1.4%
Restoration Outreach	16,800	1.1%
New Beginnings Church	16,500	1.1%
Urban Service Corps	15,400	1.0%
St. Mark's Lutheran Church	15,000	1.0%
Mission Support	14,879	1.0%
Maria Droste Services	13,550	0.9%
Operation Bootstrap Africa	12,000	0.8%
All Other Organizations	347,609	23.6%
	\$ 1,471,344	100.0%

	Average Number of Annual Grants	Average Grant Size
Top 20 recipients	10.2	\$ 5,509
All	2.8	3,306

Grant Review Process

- ▶ All submissions reviewed quarterly (Feb, May, Aug, Nov) - must be received by last Friday of the month prior
- ▶ Application on Website - process moving toward fully electronic
- ▶ Grants not actively solicited - while invitations to apply are made each quarter through the Tower, ePistle and the Bulletin, we don't reach out to targeted organizations
- ▶ Some recurrent grants awarded in Feb to be distributed over year
 - ▶ e.g., ALC Capital Improvement Fund, Lutheran Family Services
- ▶ Budget based on annual grant calculation (see slide 5)
- ▶ Gifts/Grants Committee reviews applications in detail and provides recommendations to the full Foundation Board for the quarterly meeting

Considerations when reviewing grants

- ❖ How does the proposal support Augustana's Mission (Worship-Grow-Go)?
- ❖ Is the organization Lutheran-based? Christian-based?
- ❖ Is the person submitting the application affiliated with Augustana Lutheran Church?
- ❖ Is the money requested for a specific project or for general operating funds?
- ❖ What additional funding sources are there for the project?
- ❖ What percentage of the organization's budget would the gift provide (how impactful would the grant be)?
- ❖ How many people will the grant benefit or impact?
- ❖ Is the organization new or established? Have we funded it before? How recently?
- ❖ Is the organization reputable or vouched for by another reputable/trusted organization? (especially important for international requests)
- ❖ Is the proposal being supported through other Augustana funds? (benevolence, etc.)
- ❖ Is the grant meeting a critical/urgent need for the church or community?
- ❖ Attempt to balance internal and external awards

Sample Quarter - August 2020

Augustana Arts	\$ 8,000	← \$27,000 for year
ALC Capital Improvement Fund	\$ 10,000	← \$40,000 for year
Lutheran Family Services-Rocky Mountains	\$ 5,000	← \$20,000 for year
Rocky Mountain Synod, ELCA	\$ 1,000	
Work Options for Women (WOW)	\$ 2,000	
Hill PTSA	\$ 1,500	
Metro Caring	\$ 2,500	
Augustana Live Streaming Task Force	\$ 5,000	

Total: \$35,000

Augustana Arts

I'm excited to share with you that City Drums, our newest addition to youth music education, has gotten off to a great start. With a class at Vickers Boys & Girls Club in North Park Hill starting just before the city-wide shut down, 10 children were actively attending weekly classes. Another BGC class is on the books for fall, possibly in the Montbello area. City Strings had 16 classes at 11 location in four counties this past year and we anticipate this same number of locations in the fall. However, we are expecting to have to cap classes at six which will result in 32 classes City Strings classes and four City Drums. This will also impact the program budget but that is being addressed as we move forward. Now, the two have been brought under the umbrella of "Music Encounters" which brings brand cohesion to the programs and positions Augustana Arts for future growth in this important service we provide to the community.

Thank you, as always, for your support of Augustana Arts. You are a valued partner and we are all grateful for your generosity. I will send you information on the fall performances as we solidify those plans.

With gratitude for all your support,



Lynn Nestingen
Executive Director

Augustana Lutheran Church Capital Improvement Fund

HVAC Improvements
Chapel Rooftop Unit (HVAC)
Landscape 2020
Outside Stone Stairwells
Alameda Signage
Welcome Phase 1

Rocky Mountain Synod, ELCA

If granted, how will the funds be utilized? The funds requested are to support our annual Theological Conference for our pastors, deacons, and lay ministry professionals. This year's gathering will be primarily via ZOOM and small groups and will be focused on anti-racism. This is in-line with the Strategy Toward Authentic Diversity passed at the 2019 ELCA Churchwide Assembly (Attached). Specifically, we are requesting funds to pay musicians and artists of color for their contributions to our digital content. We are also making this year's conference free to all of our leaders of color/culture, so part of the funds requested will be used to cover their conference costs.

Work Options for Women

July 12, 2020

The Augustana Foundation
Attention: Gifts Committee
5000 E. Alameda Avenue
Denver, CO 80246-8104

Dear Gifts Committee Members:

Thanks in part to generous past support from The Augustana Foundation, Work Options for Women (WOW) has been successful at helping very hard-to-employ individuals stabilize their lives and obtain permanent and sustainable employment.

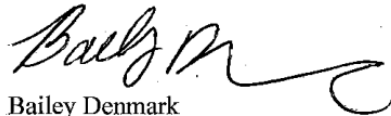
As you know, WOW targets low-skilled but highly motivated students who must overcome major barriers before they can obtain employment. Our approach has been successful because we understand that job training in isolation will not lead to sustained and permanent employment for clients, such as ours, whose lives are frequently chaotic and complicated. Our combination of culinary skills training and individualized support services helps students to stabilize their lives, increase financial stability and self-sufficiency. This year WOW seeks \$5,000 to help fund the continued operation of our *Culinary Job Skills Training Program*.

WOW intentionally recruits and trains some of the Denver area's hardest-to-employ individuals — individuals who face multiple and substantial obstacles to employment. Nearly all of our students have a criminal record and many have a prior felony conviction. A high percentage are struggling to overcome the trauma associated with domestic violence. Most have a limited education, little or no work experience and were homeless or residing in an unstable living situation when they entered our training.

Sector-focused culinary skills training is a good fit for our students because food service is one of the few sectors open to hiring those with a criminal history, particularly a felony conviction. By helping our students to stabilize their lives and master the skills needed to obtain and retain *permanent* employment, we also indirectly help to increase stability and positive outcomes for the families of our students; an important first step in breaking the cycle of multi-generational poverty.

We hope that you agree that by helping some of Denver's most disadvantaged residents obtain long-term employment and increase their level of stability, our program furthers the Foundation's interests in increasing self-sufficiency. Please do not hesitate to contact me at 937 903 6711 if you have any additional questions.

Thank you for your consideration,



Bailey Denmark
Development Director

Hill Middle School

If granted, how will the funds be utilized? Funds will be used to support the Hill Cares committee that is part of the Hill PTSA. Currently, greater than 50% of families at Hill qualify for Free and Reduced Lunch benefits, and in years past the Hill Cares committee has been supporting them with holiday meals and gifts, bus passes, scholarships for extracurricular activities and tutoring snacks. This year, due to Covid-19 and the related economic impacts, we have been providing families with grocery cards to supplement other food aid. This program is new to Hill Cares and we would like to continue to serve these families. Funds will go both toward traditional programs (ie: holiday meals, etc.) and towards grocery cards.

Metro Caring

If granted, how will the funds be utilized? Over the course of the past 4 months Metro Caring has seen an increase in demand like no other time in our history. We are currently providing food to over 1,400 households per week, which is 3x the number of households we served in the same timeframe in 2019. Distribution is taking place in the parking lot of the building through drivethrough and walk-up collection as well as up to 100 home deliveries per week. Last week alone, we distributed a record 81,000 pounds of food to Denverites. With the need growing so quickly, unprecedented interruptions in the established food system, and many companies facing financial strain, the need for funds to purchase things like bulk food and baby items is greater than ever before.

If granted, funds from the Augustana Foundation will go toward purchasing culturally relevant foods like beans, rice, and maseca flour from local producers and distributors. Access to meat is also even lower than usual, so we will likely purchase meat items if they are available. We have recently begun a relationship with local diaper distributor, which donates products when they can and in return we also make purchases at a discounted rate. Since more than half of our participating families have children, diapers and other baby-related items are of great need for our community.

Funds help us to purchase locally produced food and maintain our highest standards of hygiene. Success for us in this period will look like a more just food system that incorporates choice, cultural relevancy, and safety in distribution.

Augustana Live Streaming Taskforce

Dear members of the Foundation Board,

In behalf of the Augustana Live Streaming Task Force I express our sincere appreciation for your generous grant, approved at your last meeting.

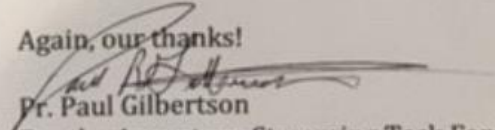
Having been a member of the Foundation Board some years ago I know that the sensitive issue is always the balance of money for community requests and those that fund projects at the church.

The equipment to stream events at Augustana, particularly our Sunday worship service, seems to address both foci. We are consistent with our vision to "Worship," "Grow," and "Go" as we invite the community (and, in fact the world) to worship with us, and we will have available the finest equipment for recording and streaming Augustana Arts and other contracted events.

I cannot recall any project that has generated such positive response. Streaming Augustana just seems to be the "right thing to do" for so many – and we've heard from them. Who would deny the fact that the timing is right?

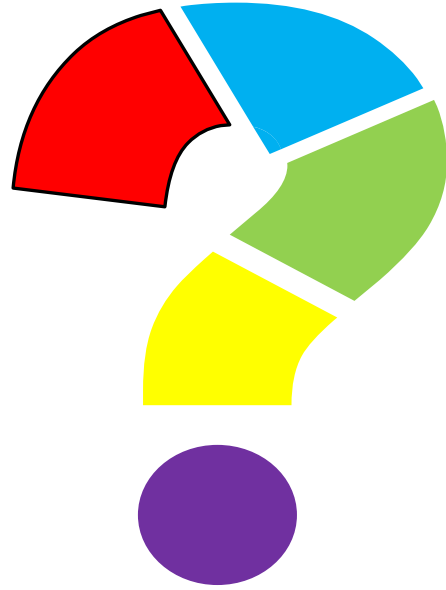
So, in your important work of stewarding the funds of the Foundation, you have significantly advanced our project and allowed us to imagine more good things for Augustana.

Again, our thanks!


Pr. Paul Gilbertson

For the Augustana Streaming Task Force

Questions



Feedback and/or questions for this or any other session may be e-mailed to Foundation@augustanadenver.org

Wrap-up

- ▶ The 50th anniversary celebration continues with the following events:
 - ❖ **3-Minute Grant Competition**
 - Timeframe: July & August
 - Overview: instead of submitting a lengthy written grant application, individuals or organizations will submit a 3-minute i-Phone quality video. Video applications will be evaluated using the same process used for other grant applications.
 - Awards will be announced at the Gala.
 - ❖ **50th Anniversary Gala**
 - ❖ The Gala is set for Friday, November 5 at Augustana Lutheran Church
 - ❖ All venues have been reserved to permit a likely hybrid event as pandemic precautions dictate.
 - ❖ A 15- person Gala Planning Committee has commenced meetings to shape every detail. They are welcoming volunteers.
- ▶ Thank you for your interest in the Augustana Foundation