

# Building for the Future



Annual Report  
**2020**

# Partnering with ELFEC, How We Help



## Investment Oversight:

An ELFEC fund allows congregations and others to pool their investments with ours, benefiting from professional asset management and an ethical, faith-based perspective



## Donations of Investments:

ELFEC accepts gifts of stocks and mutual funds, provides a donation receipt to the donor, and sends the cash proceeds to the beneficiary



## Faith-based Investing:

Our investment practices contribute to the health and sustainability of the communities in which we invest

## Donor-advised funds:

A Donor Advised Fund with ELFEC has most of the advantages of a family foundation without the high costs



## Learning:

ELFEC provides educational resources to partners and individuals on ethical, faith-based investing, fund development and gift planning



## Gift Planning:

Our Lutheran Planned Giving (LPG) program encourages and assists people to make planned gifts to the church and other charities



## 2020, A Year Unlike Any Other

This was also the year that we welcomed Lee Gould as our new Executive Director (ED). Lee comes to us having many decades in not-for-profit sector experience and a passion for helping people and organizations achieve their philanthropic goals. He is clearly an individual who cares about collaboration, partnerships and managed growth. He has his eye on ensuring that our partners notice the integrity of our operations and the care that is applied to decisions about investments made. – *Bill Gastmeier, Chair, Board of Directors*



2020 was such a remarkable year. It will stand out in our memories for so many reasons. COVID delivered both a health and economic crisis, and it brought hardship to our families and our communities.

Perhaps we should not be surprised that 2020 had its positives too. We all became more adept at finding alternative ways to stay connected and, somewhat surprisingly, the stock market moved in a very positive direction. Personal resiliency came to the fore, and on local and national scales we came together at our time of crisis to help and support each other. Our personal strengths shone through and we put a premium on the love of our families, the time spent with them, and our capacity to help others, especially during a year when society's inequities were laid bare more than ever.



We are happy to report that ELFEC weathered 2020 well experiencing remarkable success in many key areas. During this year, assets under management (AUM) by ELFEC grew to over \$50M, increasing overall holdings by nearly 25 per cent. At the same time, we were able to deliver a 12.5 per cent return to our investor partners. As well, the projects the Foundation invested in had a distinct and valued impact for the groups and individuals who benefitted from them during this challenging time for so many.

COVID-19 even influenced how ELFEC invested. In 2020, our newest impact investment raised capital via the Vancity Community Investment Bank to support lending to businesses and non-profit organizations managing pandemic-related challenges. While as an investor, ELFEC was provided a stable return on the investment, much-needed loans and other types of targeted relief were available at the community level.

This year, ELFEC was pleased to establish the Pym Legacy Fund to honour the exceptional contribution of our retiring founding Executive Director, Jeff Pym. The fund will begin granting in 2022 with the purpose of developing the skills and leadership of lay leaders within the ELCIC. The Lutheran Planned Giving Fund (LPG), was launched to offer more planned giving options and support mission-driven work. New partners were inspired by ELFEC value proposition and chose to collaborate in 2020. With a focus on transparency and stakeholder stewardship ELFEC was pleased to introduce a new client portal to simplify and improve our service to all of our valued partners.

After such a bumpy yet productive year, ELFEC is well positioned to support our partners. The combination of ELFEC's faith-based, ethical investment approach, dedicated volunteer and professional expert staff, and trusting partners has led the Foundation to meaningfully deliver on our ambitious service-based mission and vision. ELFEC was pleased to be able to engage with more partners this year too (albeit virtually). Our expanding mandate to serve all the ELCIC Synods and their congregations continues.

In the year ahead, the volunteer board of directors has identified three strategic priority areas – reconciliation, poverty reduction and climate change for ethical investing.

In early 2020, we had no idea what lay ahead in terms of world turmoil. Throughout the global pandemic, however, ELFEC's leaders have stayed completely focused, and mindful decisions continued to be made in order to continue our wonderful journey. ELFEC will help to support the much hoped for national recovery efforts that will restore stability and hope from coast to coast to coast. Through all that we have learned, and with the support of everyone involved with ELFEC, we really are on track and building for the future

– *Bill Gastmeier, Chair, Board of Directors*  
– *Lee Gould, Executive Director*



## The St. James Cambridge Fund – A Lasting Legacy

With this fund, St. James in Cambridge is leaving a significant and impactful legacy. They have planted seeds that will spread, and grow, and bear fruit in the form of community and synodical ministries. Keith Myra, Eastern Synod Treasurer.



*Images from St James Lutheran Church in Cambridge.*

In June of 2017, the congregation of St. James Lutheran in Cambridge, Ontario, closed their doors of their church for the last time. The congregation that attended the historic church in the Hespeler area of Cambridge had dwindled to a very small number, and most were elderly. The congregation had determined that it was just not possible to maintain the church building and ongoing services.

Despite the heart-breaking closure, the spirit of the Lutheran church lives on in Cambridge. In accordance with the Eastern Synod Disbursement of Congregational Assets Policy, the congregation and Synod worked with ELFEC to create a fund that would support several important local service organizations for the following five years. Church savings and assets from the sale formed the St. James Cambridge Fund and, from the outset, four charities operating in the vicinity of the church were named as beneficiaries.

A small group of trustees from the Church designated St. Luke's Place (Long Term Care Facility and Seniors' Community), Lisaard and Innisfree Hospice, the Salvation Army Church (Cambridge) and the Cambridge Self-Help Food Bank as the charitable organizations that benefit in each of the following five years from the Fund. In total, almost \$100,000 in charitable gifts has been distributed since 2018. Last year each charity received \$10,000. The Fund will wrap up in 2022.

"These were the four organizations that made sense for us and had links to our congregation members," said Gail Cutting, a St. James Trustee. "Our members were getting older and may benefit from these local services, plus we often shared Easter services with the Salvation Army."

Keith Myra, Eastern Synod Treasurer, points out that other Lutheran churches can use the same formula to continue their ministry, even after the physical church has been de-commissioned. Some years ago, the Synod agreed that ELFEC was the most appropriate place to hold assets of this nature so assets can be protected, income can be generated and earnings distributed in the furtherance of the good work. Together, ELFEC and the Synod devised a three-step process that allows direct contributions of the first \$50,000 of a closing church's assets to targeted charities. With the funds remaining, there is a five-year period of giving through the creation of an ELFEC fund. At this juncture, trustees can also direct funds in support of specific charities with invested earnings. In the end, the principal of the fund goes to the Synod to assist with its broader mission. In this way, the legacy left by congregations, such as St. James, continues to support the ministry of the wider church in the same ways that St. James' offerings supported these ministries during its many decades as an active congregation.





*Top: The skyline of the community of Hespeler, within the City of Cambridge, boasts three impressive church steeples. St. James Church is on the left.*

*Right: The new congregation using the former St. James Lutheran Church have agreed to preserve and maintain these outstanding stained-glass windows.*



“In the end, the needs and vision of the congregation, the Foundation and the Synod are perfectly aligned,” says Keith Myra. “It is always sad to see a church close, but gratifying to see its assets support important community activities, that help people in need”.





## Cooking Up Community Connections in Nelson, British Columbia



*Images above from the Rosemont Community Kitchen Youth Cooking Camp.*

Undaunted by the fact that they were still building a new church in Nelson, British Columbia, the congregation of Ascension Lutheran Church had a very clear goal when they applied for ELFEC's Partner Grant Program. They wanted to introduce a weekly after-school outreach program that would "provide neighbourhood youth with the skills, tools and empowerment in the kitchen to cook healthy, delicious, affordable meals and snacks". The hands on-cooking initiative checked all of the boxes of the Church's broader environmental sustainability mission too, as the program insists on locally grown food sources, plant-based recipes and the use of recyclable products.

While construction continued, the Rosemont Community Kitchen Youth Cooking Camp sprang to life in the first-floor community space of the new church. "Our church is within view of a large number of supportive and subsidized housing units, along with low-income rentals," says Jill Gingrich, a project leader and member of the Church Council. "This was our way of extending a hand to the local community and welcoming them in." The Church's long-term objective is to develop other programs related to food security and poverty reduction for the Rosemont neighbourhood.

During 2020, the project introduced a different group of young people each week to youth-positive cook, Christina Esposito, who walked them through the preparation of healthy, wholesome meals that they could share with their families. The ELFEC's partner grant supported the participation of young people, aged 9 to 11 years.

**"We appreciate the support given by ELFEC Partner Grant to the Rosemont Community Kitchen Youth Cooking Camp, which has become an essential offering of our developing community outreach and engagement".**

– Jill Gingrich, Ascension Lutheran Church, Nelson, B.C.

## Make a Meal, Build a Community

When COVID hit, it forced the program online for the rest of the year. Fortunately, the online virtual version has been a big hit. Participant families were given an ingredient list a week ahead, but it was the young chef who got to prepare the healthy meal for the family at home. Not only did the young people hone their cooking chops, but they learned a thing or two about how to prepare a healthy, low-cost meal for their families that is conscious of our environment. The program also helped identify families living with food scarcity so they could be led to other support programs in the community.

The Ascension congregation are serious social innovators. Elements of the cooking program also modeled positive environmental action which are important to ELFEC and many of our partners, through the use of non-disposable products, lots of recycling and plant-based menus. Future breakfast programs and seniors' and community meals are in the works. For Ascension, food is at the heart of community connection, safety and comfort. The congregation started with kids, but there is so much more to come as Ascension rolls out the welcome mat in Nelson.





## ELFEC Volunteers – Pursuing the Vision



**“I find it exciting to extend my active, professional engagement with responsible investment communities through my role with ELFEC. Engaging with a caring community and rallying behind important social issues is exceptionally gratifying”.**

–Lars Boggild, ELFEC Investment Committee Leadership Volunteer

In 2020, ELFEC found new ways to celebrate and thank its highly-valued volunteers and supporters. ELFEC thanks and celebrates the people that make our service-mission possible. ELFEC’s volunteer Board, for example, has consistently charted the course for the charity, and is always looking for new inspired volunteers to contribute to the oversight work that is so important.

Board and Investment Committee meetings had to proceed virtually in 2020, but this did not slow ELFEC’s progress or inhibited dialogue about the future ambitions of our unique charitable organization.

Retiring director, Erin Zorzi, says visioning exercises that plotted the future of ELFEC and working alongside board members who were “passionate about doing the right things” were among her favourite memories of her time as a leadership volunteer. Zorzi is, herself, the consummate volunteer. She has been a treasurer at Faith Lutheran in Port Elgin, worked with the local hospital foundation, and is an active Rotarian. Erin shared her career-earned expertise in banking and financial services with ELFEC for two terms as a board member and will be missed by her board colleagues and the professional staff alike

As both an investor and a director, Zorzi supports ELFEC’s philanthropic mission and how its investment options connect her personally with efforts to address global issues like food security, affordable housing and the environment. Witnessing the impact of these targeted efforts really made the investment of time worthwhile for her.

ELFEC was on a mission when it went recruited Lars Boggild for the Investment Committee nearly three years ago. Boggild has no history with the Church, but his expertise in social financing and impact investing strategies was well-known. The Toronto-based strategist was instrumental in helping the Committee enhance both ELFEC’s *Investment Policy* and its ethical investment strategies so they align the Foundation’s philanthropic goals with its investing behavior.

In his profession and his volunteer work, Boggild is committed to collective investment solutions that are also socially responsible, making him a perfect fit for ELFEC. Lars believes that building new relationships and engaging more experts from different disciplines will help expand ELFEC’s capacity positive ways. His role on the Investment Committee signals that importance of volunteers for building for the future.







### A New Way to Say Thanks

“In 2020, we established the ELFEC Giving Circle as a way to recognize the contributions of our many planned or legacy giving donors, as well as our volunteers,” said Board Chair, Bill Gastmeier. “Since COVID restricted our ability to gather for our traditional “thank-you” luncheon, ELFEC introduced a new way to tell our outstanding supporters that their gifts and support truly mattered and is making a difference.”

Through the Giving Circle, ELFEC will offer an unique lapel pin, a small token of appreciation, which we hope donors and volunteers will proudly wear. The pin reflects the stylized shape of the Luther Rose, with the petals representing the ELCIC's five synods and people ELFEC strives to serve.



# 2020 Highlights

With past success, we are building for the future



Assets under managed grew over **\$50M**



Strong investment returns (over **12.5%** return for partner congregations)



New ELFEC funds created



Over **60** partner investment accounts held with ELFEC



In 2020 **\$3.8M** distributed to Canadian charities, **\$20.5M** to date



Continued Partner Grants, awarded grants focused on community COVID needs



New Executive Director



**\$200K** Impact investment for COVID support



**\$224K** gifts of securities processed



New partners joined in 2020





As of December 31, 2020

## Foundation Financial Highlights

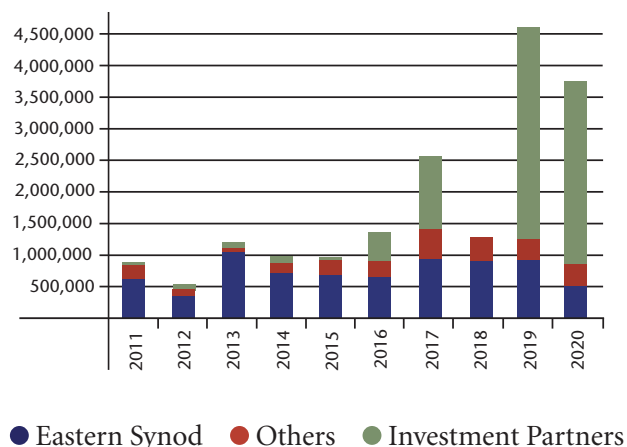
### Statement of Financial Position (000s)

<b>Assets</b>	
Cash	1,970
Accounts Receivables	654
Donated Life Insurance	13
Investments	51,251
<b>TOTAL</b>	<b>53,888</b>
<b>Liabilities</b>	
Accounts Payables	312
Partner Fund Income Due	3,065
Partner Fund Capital	28,686
<b>Fund Balances</b>	
Endowment	15,236
Restricted	6,566
Unrestricted	23
<b>TOTAL</b>	<b>53,888</b>

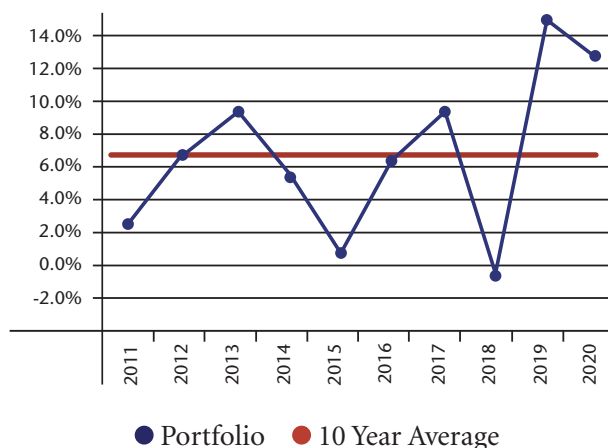
### Statement of Operations (000s)

Donations	918
Investment Gain	2,260
Other Income	312
<b>Total Income</b>	<b>3,490</b>
Expenses	329
Grants	740
<b>Reinvested Investment Income</b>	<b>2,421</b>

### Charitable Distributions



### Historical Investment Returns



In keeping with our commitment to financial accountability and transparency, full audited financial statements prepared by RLB LLP are available at [www.elfec.ca](http://www.elfec.ca).

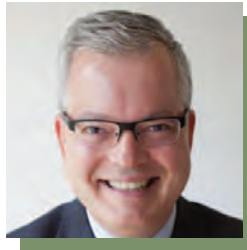


Many thanks to our supporters and partners

### Board of Directors 2020



Bill Gastmeier  
*MASc, PEng  
Chair*



Peter Brivins  
*MBE, CIM  
Vice Chair*



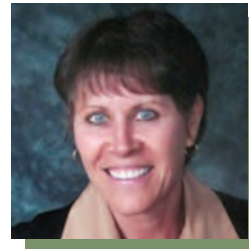
Al Hansen  
*Director*



Chung Yan Lam  
*M.Div. M.A.S., M.T.S.  
Director*



Gary  
VanMoerkerke  
*Director*



Erin Zorzi  
*CFP  
Director*

ELFEC is a proud member of



CALL ANYTIME FOR HELP WITH:

Making a gift • Setting up an endowment • Managing your organization's investments

74 Weber Street West • Kitchener, Ontario N2H 3Z3 • 1.888.308.9461 • [www.elfec.ca](http://www.elfec.ca)