
Financial statements of London Community Foundation

December 31, 2024

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Independent Auditor's Report

To the Board of Directors of London Community Foundation:

Opinion

We have audited the financial statements of London Community Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2024, the statements of operations and changes in fund balances, cash flows and related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of London Community Foundation as at December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However,

future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

London, Ontario
April 28, 2025

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

London Community Foundation
Statement of operations and changes in fund balances
Year ended December 31, 2024

Notes	Total		General Fund		Restricted Fund		Endowment Fund	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Donations	16,625,308	19,063,481	61,690	1,197,842	13,795,348	12,354,269	2,768,270	5,511,370
Investment income, net	18,345,720	11,006,074	8,302,619	4,041,592	10,043,101	6,964,482		
	34,971,028	30,069,555	8,364,309	5,239,434	23,838,449	19,318,751	2,768,270	5,511,370
Expenses								
Administrative and other expenses, net (Schedule A)	1,861,774	1,829,897	679,163	827,480	1,182,611	1,002,417	—	—
Grants and distributions								
Arts, culture and heritage	911,362	756,532	71,025	160,603	840,337	595,929	—	—
Education	632,230	670,242	39,479	125,683	592,751	544,559	—	—
Environment	755,457	601,488	295,815	216,004	459,642	385,484	—	—
Health	1,021,923	749,760	47,394	305,720	974,529	444,040	—	—
Recreation	192,839	191,350	2,150	80,293	190,689	111,057	—	—
Community services	7,837,430	6,585,992	1,219,338	1,522,924	6,618,092	5,063,068	—	—
	11,351,241	9,555,364	1,675,201	2,411,227	9,676,040	7,144,137	—	—
Excess of revenue over expenses, grants and distributions	21,758,013	18,684,294	6,009,945	2,000,727	12,979,798	11,172,197	2,768,270	5,511,370
Interfund transfers	—	—	100,148	260,923	(487,480)	(15,039)	387,332	(245,884)
Fund balances, beginning of year	125,393,035	106,708,741	8,341,349	6,079,699	25,695,115	14,537,957	91,356,571	86,091,085
Fund balances, end of year	147,151,048	125,393,035	14,451,442	8,341,349	38,187,433	25,695,115	94,512,173	91,356,571

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

London Community Foundation

Statement of financial position

Year ended December 31, 2024

	Notes	2024	2023
		\$	\$
Assets			
Cash and cash equivalents	4	7,326,314	8,459,959
Amounts receivable		122,603	167,677
Loans receivable	5	21,188,802	20,031,761
Investments	6	130,816,440	106,322,380
Prepaid expenses		35,862	12,418
Capital assets	7	93,309	135,936
Cash surrender value - life insurance		406,539	395,339
		159,989,869	135,525,470
Liabilities			
Accounts payable and accrued liabilities		155,484	169,800
Loans payable	9	1,325,000	75,000
Grants payable		45,003	44,085
Government remittances payable		4,985	4,504
Deferred capital contributions	11	13,589	33,218
Deferred revenue		—	14,400
Funds held on behalf of other parties	12	11,294,760	9,791,428
		12,838,821	10,132,435
Commitments	10, 15		
Subsequent events	18		
Fund balances			
General Fund		14,451,442	8,341,349
Restricted Fund	13	38,187,433	25,695,115
Endowment Fund	13	94,512,173	91,356,571
		147,151,048	125,393,035
		159,989,869	135,525,470

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

Approved by the Board


 _____ Director


 _____ Director

London Community Foundation**Statement of cash flows**

Year ended December 31, 2024

	2024	2023
	\$	\$
Operating activities		
Excess of revenue over expenses, grants and distributions		
General Fund	6,009,945	2,000,727
Restricted Fund	12,979,798	11,172,197
Add items not requiring a current cash outlay		
Unrealized and realized gains on investments	(12,991,905)	(6,493,849)
Amortization of capital assets	53,336	49,860
Changes in non-cash working capital		
Amounts receivable	45,074	(62,256)
Loans receivable	(1,157,041)	(10,330,293)
Prepaid expenses	(23,444)	(3,288)
Accounts payable and accrued liabilities	(13,835)	15,337
Grants payable	918	(14,362)
Deferred capital contributions	(19,629)	(19,629)
Deferred revenue	(14,400)	(129,600)
Endowment contributions	2,768,270	5,511,370
	7,637,087	1,696,214
Financing activities		
Advances of loans payable	1,250,000	75,000
Investing activities		
Purchase of capital assets	(10,709)	(41,943)
Increase in cash surrender value - life insurance	(11,200)	41,890
Funds held on behalf of other parties	1,503,332	760,370
Proceeds on sale of investments	3,581,757	10,765,834
Purchase of investments	(15,083,912)	(9,820,453)
	(10,020,732)	1,705,698
Net change in cash and cash equivalents	(1,133,645)	3,476,912
Cash and cash equivalents, beginning of year	8,459,959	4,983,047
Cash and cash equivalents, end of year	7,326,314	8,459,959

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

1. Nature of the Foundation

London Community Foundation (the "Foundation") and its donors strengthen our community by making grants, building and managing a permanent endowment, and serving our community as a resource and partner.

The Foundation is a registered charity and is classified as a public foundation under Section 149.1(1) of the Income Tax Act (Canada) (the "Act"). As such, it is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as a public foundation registered under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. Summary of significant accounting policies

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include certain estimates based on management's judgments. These estimates affect the reported amounts of 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.

In the opinion of management, the financial statements have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of "fund accounting". Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The Foundation uses three fund groups: General Fund, Restricted Fund and Endowment Fund.

- (i) The General Fund accounts for the Foundation's administrative and operational revenues and expenses. Net expenditures of the General Fund are financed primarily by donor contributions directed to general operations, from investment income earned on the endowment contributions on which the donor has placed no restriction on the use of that income and from an interfund administrative charge. The distribution of income for granting purposes is determined by the Board of Directors each year according to the most pressing needs of the community.
- (ii) The Restricted Fund reports amounts, including investment income on restricted endowed funds, that are available to be used for purposes specified by donors and contributions that do not form part of the Endowment Fund. Donors may specify the charitable organization(s) to receive the grants or may identify the particular area of interest to be supported.
- (iii) The Endowment Fund reports amounts that are required to be maintained by the Foundation on a permanent basis. The Board of Directors, at its discretion, may include investment income equal to the amount determined to preserve the purchasing power of the endowed capital.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

2. Summary of significant accounting policies (continued)

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The related contribution is deferred and amortized to income of the General Fund on the same basis as the related capital assets are amortized.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	lease term (up to 10 years)
Office furniture and equipment	5 years
Computer hardware	5 years
Computer software (one-time set up fee)	5 years

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except for investments in pooled funds and short-term securities, which are measured at fair value.

Interest earned on short term securities, unrealized gains and losses on pooled funds, and realized gains and losses on sale of pooled funds are included in investment income in the statement of operations and changes in fund balances.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes in net earnings an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions.

All donations and bequests are recorded as revenue only as received, or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured, except where amounts are received for a specific community leadership project. In these cases, contributions are deferred and record as revenue when the related expenses are incurred.

Life insurance policies that have named the Foundation as owner/beneficiary are recorded at the cash surrender value of the policy. The increase in cash surrender value from year to year is recorded as a donation to the Endowment Fund.

Investment income includes interest, dividends, and realized and unrealized gains (losses).

2. Summary of significant accounting policies (continued)

Contributed services

Volunteers contribute many hours per year to assist the Foundation in carrying out its fundraising and granting activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

Contributions

Throughout the year, the Foundation receives in-kind contributions relating to life insurance policies for which the Foundation is the beneficiary. When donors pay insurance premiums on the policies, they are recognized as contributions to life insurance premiums and other donations. These contributions are then offset against other non-operational expenditures in the financial statements.

Investment management fees

The Foundation presents investment management fees netted against investment income on the Statement of operations and changes in fund balances. Investment manager fees amounted to \$528,579 (\$506,281 in 2023).

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. By their nature, these estimates are subject to measurement uncertainty. These estimates are reviewed periodically, and adjustments are made to income in the year in which they become known. The account specifically affected by estimates in these financial statements is the useful life of capital assets. Actual results may vary from these estimates.

Accounting for Cloud Computing Arrangements

The Foundation has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Foundation recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses in the amount of \$68,660 (\$69,641 in 2023) have been recognized as other office expenses.

3. Changes to accounting policies

Effective January 1, 2024, the Foundation adopted the new guideline AcG-20 *Customer's Accounting for Cloud Computing Arrangements*. Applying the new guidelines results in the recognition, measurement, and disclosure of cloud computing arrangements, including the allocation of the arrangement consideration to significant separable elements of cloud computing arrangements.

There was no material impact on the financial statements from the application of the new accounting guideline.

4. Cash and cash equivalents

The Foundation has access to a demand operating facility, secured by a GSA, with TD for security. The amount available is \$250,000, with interest of prime rate + 0%. As of December 31, 2024 the balance was \$Nil (\$Nil in 2023).

At December 31, 2024 the Foundation has two fixed income investments of \$250,000 (two fixed income investments of \$250,000 in 2023) each earning interest at 4.65% and 4.06% (5.45% and 5.45% in 2023) maturing at January 2025 and March 2025 which are less than 3 months subsequent to year-end. As a result, the two fixed income investments are included in cash and cash equivalents.

5. Loans receivable

The loans receivable relates to the London Community Foundation, Social Impact fund program, a social investment program that turns unrestricted donations into capital loans for community and non-profit groups. With access to funding that they typically couldn't get from a bank, groups can further their mission more efficiently and effectively. Currently the Social Impact Fund's two main priorities are the development of safe and affordable housing in the London community and the investment and promotion of local social enterprises. The Social impact fund is a social investment that contributes to building a resilient community.

As of December 31, 2024, the Foundation had outstanding \$21,188,802 (\$20,031,761 in 2023) of financing through loans to support the creation of affordable housing and social enterprise initiatives, the focus and priority within the London and Middlesex area.

	2024	2023
	\$	\$
Loan receivable, bearing interest at the Libro prime lending rate plus 2% (effective rate 7.45%), interest only payments, secured by a mortgage registered against the title to the property. Principal due November 2028.	36,302	39,504
Community bond, bearing annual interest only payments at 3%. Principal due at maturity of February 2026.	25,000	25,000
Loan receivable, bearing interest at 3.45% interest only payments with balance(s) due in February 2023 (paid in full in 2024). A position of general security over the projects assets is held.	-	6,592
Various term loans (2024 - 12, 2023 - 9) bearing interest between 3.75% and 5%, interest only payments, secured by mortgages registered against the title to the property for which the loan relates. Repayments of the balance owing on maturity ranging between February 2025 to March 2033.	17,215,000	12,296,713

5. Loans receivable (continued)

Various term loans (2024 - 3, 2023 -3) bearing interest between 3.75% and 5%, interest only payments, secured by mortgages registered against the title of the property. Repayments of the balance owing on maturity dates ranging in April to September 2026.	3,300,000	7,551,452
Community bond bearing bi-annual interest only payments at 2.6% Principal due at maturity, November 2027.	500,000	-
	21,188,802	20,031,761

The principal due at maturity of the loans receivable in each of the next five years are estimated as follows:

2025	\$ 13,065,000
2026	6,787,500
2027	500,000
2028	36,302
2029	500,000
Thereafter	300,000
Total	<u>\$ 21,188,802</u>

6. Investments

The combined market values of the investments are summarized below:

	2024	2023
	\$	\$
Pooled fund		
Short-term investments	272,577	271,891
Fixed income	31,691,001	24,895,039
Canadian equities	25,972,385	22,422,132
Foreign equities	60,562,482	47,545,390
Real estate	12,317,995	11,187,928
	130,816,440	106,322,380

The Foundation's objective for investments under its management is to generate a total return that achieves the granting objectives of the Foundation as set each year by its Board, recovers the cost of administering the funds, protects the purchasing power of the capital, and establishes a reserve for future market declines.

Investments are made in accordance with the Foundation's investment policy as approved by the board. The goal of the policy is to ensure that funds are maintained and grown while achieving maximum returns consistent with prudent investment. The investment policy includes guidelines regarding the minimum and maximum amount of domestic and foreign equity holdings, fixed income and Canadian real estate.

The majority of the Foundation's investments are held in pools that are managed by external managers. Investment income (loss) earned on investments held by the Foundation in these pools is allocated to the pools based on monthly market values.

7. Capital assets

	Cost \$	Accumulated amortization \$	2024 Net book value \$	2023 Net book value \$
Leasehold improvements	350,616	313,578	37,038	70,947
Office furniture and equipment	19,017	11,053	7,964	11,296
Computer hardware	86,937	38,630	48,307	53,693
	456,570	363,261	93,309	135,936

Amortization expense for 2024 was \$53,336 (\$49,860 in 2023)

8. Interfund transfers

Interfund transfers include an amount determined by the Board of Directors to reflect the real change in value of the permanent capital of the Foundation. The Foundation's Board of Directors maintains a capital preservation policy, the aim of which is to provide as much financial support to the community as possible without jeopardizing the long-term purchasing power of the endowed funds. Every year, the Foundation determines an appropriate amount to capitalize at the end of each fiscal year with consideration given to the change in the Consumer Price Index, the amount capitalized in previous years and current and expected investment returns. For the year ended December 31, 2024, the Board of Directors capitalized \$Nil funds (\$Nil in 2023).

	General Fund \$	Restricted Fund \$	2024 Endowment Fund \$
Net capital gains (losses) allocation (a)	—	(25,079)	25,079
Donor-directed transfers (b)	124,864	(445,133)	320,268
Donor-directed internal grants (c)	(24,716)	(17,268)	41,985
	100,148	(487,480)	387,332

	General Fund \$	Restricted Fund \$	2023 Endowment Fund \$
Net capital gains (losses) allocation (a)	—	(16,185)	16,185
Donor-directed transfers (b)	221,389	53,080	(274,469)
Donor-directed internal grants (c)	39,534	(51,934)	12,400
	260,923	(15,039)	(245,884)

(a) Net capital gains (losses) allocation

During 2024, the Foundation allocated \$25,079 of unrealized capital gains (\$16,185 of unrealized capital losses in 2023) to certain Endowment Funds from the Restricted Fund as stipulated by its contracts with the respective charities. These contracts direct the Foundation to allocate unrealized gains (losses) to the Endowment Fund. However, the allocation of such losses is limited to the amount of previously allocated gains.

8. Interfund transfers (continued)

(b) Donor-directed transfers

In 2024, 42 donor-directed transfers (16 in 2023) were initiated. The donors requested that balances in their Restricted and Endowment Funds be transferred to other Restricted, Endowment or General Funds. In 2024, a comprehensive review was conducted as part of a transition to a new operating system that resulted in a transfer between Restricted, Endowment and General Funds. This transfer was made in order to better align with the Foundation's financial reporting framework and the nature of the restricted and unrestricted funds.

(c) Donor-directed internal grants

In 2024, 25 (20 in 2023) donor-directed internal grants were requested, shifting a portion of the expendable funds from the donor's Restricted or General Fund to be transferred to the Endowment Fund, the General Fund and/or a different Restricted Fund.

9. Loans Payable

As of December 31, 2024 the Foundation has outstanding loans payable to third-party funders totaling \$1,325,000 (\$75,000 in 2023) to support the Vision Soho Affordable Housing Project. These loans are provided under the following terms:

Interest Rate: 4.75% per annum, fixed for the term of the loans.

- Loan 1: \$1,000,000 due in July 2025.
- Loan 2: \$75,000, due in November 2025.
- Loan 3: \$250,000, due in February 2026.

The full principal balance is due on the respective maturity date of each loan. No scheduled principal repayments are required prior to maturity. The loans are secured by a promissory note, and the interest is payable on an annual basis. The Foundation expects to repay these loans in full upon their respective maturity dates. The loan terms reflect the Foundation's commitment to affordable housing development and the long-term sustainability of the project.

10. Multi-year commitments

Through the Community Vitality grant program, certain of the grants approved and recorded in the current year are components of multi-year grant plans. While these multi-year grants cover several years, the Foundation's Board annually approves each year's grants for payment from that year's investment earnings.

As of December 31, 2024, the Foundation had grant commitments that will be funded from earnings in future years totaling \$1,063,610 (\$800,970 in 2023).

11. Deferred contributions

Deferred contributions are externally restricted for operating purposes and are recognized as contributions as the related expenses are incurred. These represent contributions received from donors in supporting the renovations of the Foundation's office. These contributions will be recognized over the lease term. During the year ended 2024, \$19,629 (\$19,629 in 2023) was recognized.

12. Funds held on behalf of other parties

Funds held for other parties represent investments held on behalf of the Oxford Community Foundation and the London Jewish Community Foundation, and are included as investment assets of the Foundation, with an offsetting liability amount, as these funds may be withdrawn at any time.

Consequently, as of the balance sheet date, the Foundation's investments were comprised of:

	2024	2023
	\$	\$
Oxford Community Foundation	3,810,429	2,688,455
London Jewish Community Foundation	7,484,331	7,102,973
	11,294,760	9,791,428
London Community Foundation	119,521,680	96,530,952
	130,816,440	106,322,380

13. Restrictions of net assets

a) *Restricted Fund consists of the following:*

	2024	2023
	\$	\$
Donor-restricted for granting purposes	38,187,433	25,695,115

b) *Endowment Fund consists of the following:*

	2024	2023
	\$	\$
Endowments, the income from which is donor-restricted for specified granting purposes	58,170,201	56,138,371
Endowments, the income from which is unrestricted	36,341,972	35,218,200
	94,512,173	91,356,571

14. Pledges

The Foundation has been named as a beneficiary of certain trusts. The residual value of these trusts will be recorded in the consolidated financial statements when the proceeds are received by the Foundation. These amounts are not reflected in the accompanying financial statements.

15. Commitments

The Foundation is committed to aggregate minimum annual lease payments for premises as follows:

	\$
2025	21,711

16. Financial instruments and risks

The Foundation has policies and procedures to establish a target asset mix to help protect against the follow risks:

Interest rate risk

The Foundation is exposed to interest rate risk as the value of the assets is affected by market changes in interest rates. Interest rate changes directly impact the value of the investments. The Foundation has established a target mix of investment types designed to achieve the optimal return within reasonable risk tolerance.

Market risk

The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issues the securities. The Foundation manages this risk through controls to monitor and limit concentration levels.

Credit risk

The financial instruments that potentially subject the Foundation to a significant concentration of credit risk consist primarily of cash, short-term investments, and long-term investments. The Foundation mitigates its exposure to credit loss by placing its cash and investments with major financial institutions.

Foreign Exchange risk

Foreign exchange risk is the risk to the Foundation’s earnings that arises from the fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation at its discretion may use derivative instruments to manage and reduce its exposure to foreign currency risk.

There have been no changes in the Foundation’s risk exposures from the prior year.

17. Expenses as a percentage of average total assets

	2024 \$	2023 \$
Total assets, beginning of the year	135,525,470	116,154,060
Total assets, end of year	159,989,869	135,525,470
Average total assets	147,757,670	125,839,765
Total operating expenses (Schedule A)	1,861,774	1,829,897
Expenses as a percentage of average total assets	1.26%	1.45%

17. Expenses as a percentage of average total assets (continued)

The Foundation's operating expenses involves asset development and activities related to grant making, leadership and philanthropic services. These activities are not necessarily related to the donations received in any one year and the asset development methodology used by the Foundation creates normal gift delays which may result in costs preceding the receipt of the gifts by several years. The ratio of total operating expenses to average total assets has been used to evaluate operating costs.

18. Health and Homelessness Fund for Change

In January 2023 the Foundation entered into a limited-term Donor Advised agreement with a family, the Fund known as the "Fund for Change." The Fund will support the Health & Homelessness Whole of Community System Response in London Ontario, a community led comprehensive plan in conjunction with the City of London to address the homelessness crisis. The family committed \$25 million, plus an additional \$5 million for a community match campaign for a total of \$30 million. As at December 31, 2024, \$16 million of this commitment has been received, with a further \$9 million total remaining. These amounts do not include donations raised through the community match. As of December 2024, \$9.9 million has been distributed to support the Whole of Community System Response since the funds inception, with an additional \$5.5 Million committed to be spent in early 2025.

19. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

London Community Foundation**Schedule of administrative and other expenses - Schedule A**

Year ended December 31, 2024

	2024	2023
	\$	\$
Salaries and benefits	1,524,766	1,466,323
Other office expenses	285,834	264,242
Bad debt expense	—	25,000
Marketing expense	29,933	48,682
Premiums on donated life insurance policies	46,907	128,499
Occupancy costs	80,177	78,938
Granting program expense	6,359	3,634
	1,973,976	2,015,318
Contributions to cover specific expenses		
Premiums on donated life insurance policies	(46,907)	(126,362)
Recovery of expenses from funds held for others	(65,295)	(59,059)
	1,861,774	1,829,897