London Community Foundation
Financial Statements
December 31, 2019

Independent Auditors’ 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, 2019, 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, 2019 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.

Other Matter

The financial statements of the Foundation for the year ended December 31, 2018 were audited by Deloitte LLP. Deloitte LLP expressed an unmodified opinion on those statements on March 29, 2019.

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.

MNP LLP

London, Ontario
April 20, 2020

Chartered Professional Accountants
Licensed Public Accountants

London Community Foundation

Statement of operations and changes in fund balances

Year ended December 31, 2019

	Notes	Total 2019	Total 2018	General Fund 2019	General Fund 2018	Restricted Fund 2019	Restricted Fund 2018	Endowment Fund 2019	Endowment Fund 2018
		$	$	**$**	$	**$**	$	**$**	$
Revenue									
Donations		**7,101,313**	8,938,280	**110,926**	172,025	**1,343,567**	1,177,728	**5,646,820**	7,588,527
Investment income, net		**8,895,267**	(1,454,731)	**3,190,895**	(368,912)	**5,704,372**	(1,085,819)	**-**	-
		15,996,580	7,483,549	**3,301,821**	(196,887)	**7,047,939**	91,909	**5,646,820**	7,588,527
Expenses									
Administrative and other expenses, net (Schedule A)		**1,269,369**	1,215,834	**557,069**	541,079	**712,300**	674,755	**-**	-
Grants and distributions									
Arts, culture and heritage		**419,438**	528,882	**39,307**	83,255	**380,131**	445,627	**-**	-
Education		**75,137**	106,175	**800**	14,050	**74,337**	92,125	**-**	-
Environment		**439,306**	305,831	**204,265**	42,098	**235,041**	263,733	**-**	-
Health		**452,652**	929,278	**79,032**	542,292	**373,620**	386,986	**-**	-
Recreation		**100,135**	88,324	**2,500**	2,838	**97,635**	85,486	**-**	-
Community services		**1,413,902**	1,562,580	**805,509**	808,880	**608,393**	753,700	**-**	-
		2,900,570	3,521,070	**1,131,413**	1,493,412	**1,769,157**	2,027,657	**-**	-
Excess of revenue over expenses, grants and distributions		**11,826,641**	2,746,645	**1,613,339**	(2,231,379)	**4,566,482**	(2,610,503)	**5,646,820**	7,588,527
Interfund transfers	6	**-**	-	**32,436**	10,959	**(693,663)**	(381,102)	**661,227**	370,143
Fund balances, beginning of year		**74,725,487**	71,978,842	**2,080,517**	4,300,937	**9,372,513**	12,364,118	**63,272,457**	55,313,787
Fund balances, end of year		**86,552,128**	74,725,487	**3,726,292**	2,080,517	**13,245,332**	9,372,513	**69,580,504**	63,272,457

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

London Community Foundation

Statement of financial position

As at December 31, 2019

	Notes	2019	2018
		$	$
Assets			
Cash		**4,693,293**	9,906,413
Amounts receivable		**72,910**	44,366
Loans receivable	3	**3,633,600**	1,250,000
Investments	4	**90,098,187**	74,200,080
Prepaid expenses		**7,898**	29,059
Capital assets	5	**226,924**	271,607
Cash surrender value & life insurance policies		**384,469**	339,171
		99,117,281	86,040,696
Liabilities			
Accounts payable and accrued liabilities		**142,041**	114,257
Government remittances payable		**7,881**	7,070
Deferred capital contributions	8	**113,282**	131,322
Funds held on behalf of other parties	9	**12,301,949**	11,062,560
		12,565,153	11,315,209
Commitments	12		
Guarantees	13		
Fund balances			
General Fund		**3,726,292**	2,080,517
Restricted Fund	10	**13,245,332**	9,372,513
Endowment Fund	10	**69,580,504**	63,272,457
		86,552,128	74,725,487
		99,117,281	86,040,696

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, 2019

	2019	*2018*
	$	*$*
Operating activities		
Excess of revenue over expenses, grants and distributions		
General Fund	**1,613,339**	(2,231,379)
Restricted Fund	**4,566,482**	(2,610,503)
Add items not requiring a current cash outlay		
Unrealized and realized loss (gain) on investments	**(8,985,075)**	4,420,619
Amortization of capital assets	**55,965**	54,700
Changes in non-cash working capital		
Amounts receivable	**(28,544)**	4,058
Loans receivable	**(2,383,600)**	1,450,000
Prepaid expenses	**21,161**	(18,820)
Accounts payable and accrued liabilities	**28,595**	(9,840)
Grants Payable	**-**	(35,833)
Deferred capital contributions	**(18,040)**	(19,629)
Endowment contributions	**5,646,820**	7,588,527
	517,103	8,591,900
Investing activities		
Purchase of capital assets	**(11,281)**	(4,010)
Increase in cash surrender value & life insurance policies	**(45,298)**	(50,492)
Funds held on behalf of other parties	**1,239,389**	1,391,735
Proceeds on sale of investments	**1,024,622**	4,724,870
Purchase of investments	**(7,937,655)**	(7,341,769)
	(5,730,223)	(1,279,666)
Net change in cash and cash equivalents	**(5,213,120)**	7,312,234
Cash and cash equivalents, beginning of year	**9,906,413**	2,594,179
Cash and cash equivalents, end of year	**4,693,293**	9,906,413

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.

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.

2. Summary of significant accounting policies (continued)

Capital assets (continued)

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

Leasehold improvements	10 year lease term
Office furniture and equipment	5 years
Computer hardware	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).

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.

2. Summary of significant accounting policies (continued)

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 $378,439 ($315,429 in 2018).

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.

3. Loans receivable

The loans receivable relates to the London Community Foundation, Social Impact Fund (previously known as Social Loan Fund) program, a social investment program that turns 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, 2019 the Foundation had outstanding $3,633,600 ($1,250,000 in 2018) of financing through loans to support the creation of affordable housing within the city and social enterprise initiatives.

3. Loans receivable (continued):

The loans have the following terms:

	2019	*2018*
	$	*$*
Loan receivable, bearing interest at the RBC prime lending rate plus 0.5% (effective 4.5%), interest only payments with balance due in December 2020, secured by a guarantee provided by the Michael Young Foundation.	**125,000**	250,000
Loan receivable, bearing interest at 4.5%, interest only payments of $1,500 per month until balance is due in April 2029, secured by a mortgage registered against the title to the property.	**400,000**	-
Loan receivable, bearing interest only payments at 4.2%, secured by a general security agreement of the assets of the borrower. Principle due by May 2022.	**69,000**	-
Loan receivable, subordinated debt, bearing interest only payments at 7% per annum, compounded from advancement of each draw and paid quarterly. A second position of general security over the projects assets is held, in addition to assignment of contracts and insurance held.	**244,600**	-
Various loan receivable(s), bearing interest at 4.2%, interest only payments, secured by mortgages registered against the title to the property for which the loan relates. Repayments on balance on maturity ranging between June 2021 to December 2022.	**2,795,000**	-
Loans Receivable, matured	**-**	1,000,000
	3,633,600	1,250,000

4. Investments

The combined market values of the investments are summarized below:

	2019	2018
	$	$
Pooled fund		
Short-term investments	**1,784,566**	646,755
Bonds	**23,360,374**	22,941,006
Canadian equities	**18,587,010**	17,176,313
Foreign equities	**40,283,049**	33,436,006
Real Estate	**6,083,188**	—
	90,098,187	74,200,080

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 a maximum to be invested in any one related entity or industry.

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.

During 2019, the Foundation added Canadian real estate as an asset class to the portfolio. This was a result of a review completed by the Foundation's investment committee, and approved by the board. As a result two Canadian investment managers, Conner Clark Lunn and Great West Life Ltd through a formal review process were selected to implement the strategy through pooled funds held at each firm, respectively.

5. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
	$	$	$	$
Leasehold improvements	**463,928**	**257,346**	**206,582**	235,651
Office furniture and equipment	**153,561**	**143,571**	**9,990**	21,623
Computer hardware	**93,908**	**83,556**	**10,352**	14,333
	711,397	**484,473**	**226,924**	271,607

Amortization expense for 2019 was $55,965 ($54,700 in 2018).

6. 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, 2019, the Board of Directors capitalized $nil funds (nil in 2018).

	General Fund	Restricted Fund	2019 Endowment Fund
	$	$	$
Net capital gains (losses) allocation (a)	**—**	**(117,473)**	**117,473**
Donor-directed transfers (b)	**(1,000)**	**(540,839)**	**541,839**
Donor-directed internal grants (c)	**33,436**	**(35,351)**	**1,915**
	32,436	**(693,663)**	**661,227**

	General Fund	Restricted Fund	2018 Endowment Fund
	$	$	$
Net capital gains (losses) allocation (a)		75,934	(75,934)
Donor-directed transfers (b)	6,057	(451,019)	444,962
Donor-directed internal grants (c)	4,902	(6,017)	1,115
	10,959	(381,102)	370,143

(a) Net capital gains (losses) allocation

During 2019, the Foundation allocated $117,473 of unrealized capital gains ($75,934 of unrealized capital losses in 2018) 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.

6. Interfund transfers (continued)

(b) Donor-directed transfers

In 2019, 20 donors (22 in 2018) initiated a fund transfer. The donors requested that balances in their Restricted Fund be transferred to the Foundation's General and Endowment Funds.

(c) Donor-directed internal grants

In 2019, 18 (4 in 2018) donors requested that a portion of the expendable funds from the donor's restricted fund be transferred to the Endowment Fund and/or General Fund. Accordingly, a net of $35,351 ($6,017 in 2018) was transferred from the Restricted Fund to the General Fund and the Endowment Fund.

7. 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, 2019, the Foundation had grant commitments that will be funded from earnings in future years totaling $467,250 ($482,422 in 2018).

8. 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, $18,040 ($19,629 in 2018) was recognized in the statement of operations.

9. Funds held on behalf of other parties

Funds held for other parties represent investments held on behalf of the Stratford Perth County Community Foundation, 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:

	2019	2018
	$	$
Stratford Perth Community Foundation	**5,032,823**	4,364,048
Oxford Community Foundation	**1,561,413**	1,358,862
London Jewish Community Foundation	**5,707,713**	5,339,650
	12,301,949	11,062,560
London Community Foundation	**77,796,238**	63,137,520
	90,098,187	74,200,080

10. Restrictions of net assets

a) Restricted Fund consists of the following:

	2019	2018
	$	$
Donor-restricted for granting purposes	**13,245,332**	9,372,513

b) Endowment Fund consists of the following:

	2019	2018
	$	$
Endowments, the income from which is donor-restricted for specified granting purposes	**42,940,946**	40,037,595
Endowments, the income from which is unrestricted	**26,639,558**	23,234,862
	69,580,504	63,272,457

11. 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.

12. Commitments

The Foundation is committed to aggregate minimum annual lease payments for premises over the next five years as follows:

	$
2020	32,566
2021	32,566
2022	32,566
2023	32,566
2024	32,566
Thereafter	21,711

13. Guarantees

In 2017 the Foundation entered into an agreement with Growing Chefs! Ontario Society to provide a guarantee on a revolving TD bank line of credit. This line of credit was to be made available in the case additional funds were needed by the organization as they expand their operations in a newly acquired facility. The Foundation is providing unconditional and irrevocable guarantees on all debts and liabilities associated with the line of credit up to $50,000. As of December 31, 2019, $nil was being used by the Growing Chefs! Ontario Society ($nil in 2018).

14. Capital management

In managing daily operating needs, the Foundation focuses on cash resources available for operations. The Foundation's financial planning encompasses a plan to have sufficient liquid resources on hand to continue operating and to provide it with the flexibility to capitalize on opportunities to serve the Community. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at December 31, 2019, the Foundation has met its objective of having sufficient liquid resources to meet its current obligations.

15. 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, long-term investments and Endowment Fund. 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.

16. Expenses as a percentage of average total assets

	$	$
Total assets, beginning of the year	**86,040,696**	81,967,616
Total assets, end of year	**99,117,281**	86,040,696
Average total assets	**92,578,989**	84,004,156
Total operating expenses	**1,269,369**	1,215,833
Expenses as a percentage of average total assets	**1.37%**	1.45%

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 with 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.

17. Subsequent events

Subsequent to the year end, the Foundation’s operations have been affected by the COVID-19 pandemic. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Foundation.

London Community Foundation

Schedule of administrative and other expenses - Schedule A

Year ended December 31, 2019

	2019	*2018*
	$	*$*
Salaries and benefits	**984,667**	895,090
Other office expenses	**172,315**	230,195
Marketing expense	**94,487**	51,818
Premiums on donated life insurance policies	**109,855**	106,343
Occupancy costs	**78,504**	77,955
Granting program expense	**10,298**	19,432
	1,450,126	1,380,833
Contributions to cover specific expenses		
Premiums on donated life insurance policies	**(108,900)**	(104,889)
Recovery of expenses from funds held for others	**(71,857)**	(60,110)
	1,269,369	1,215,834