



WITH INTENTION, AND TRUST

2022 IMPACT REPORT



LONDON
COMMUNITY
FOUNDATION

LONDON COMMUNITY FOUNDATION IS DEDICATED TO BUILDING A VIBRANT, STRONG AND CARING COMMUNITY.

With a vision of doing philanthropy differently, we believe when people come together in the community, for the community, we can make an impact. Through the trust of our donors and community partners we aim to tackle our community's most pressing issues with bold solutions.

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The state of the environment impacts us all
and we all play a role in helping protect it.

London Community Foundation is committed to environmental sustainability. As a result, this year's printed annual report is shorter in an effort to save paper and reduce our carbon footprint. A full detailed version of the report can be found online at www.lcf.on.ca



LONDON
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FOUNDATION



LAND ACKNOWLEDGMENT

A Commitment to Practices that Promote Reconciliation and Speaking the Truth

Today we want to speak to an important relationship, that is between ourselves and the Indigenous peoples of today and the past. These lands and the waters have been stewarded by Indigenous peoples for many thousands of years holding Mother Earth and all that is found in the natural world in highest esteem. We share a responsibility for these lands and waters. We will take that responsibility seriously and will act accordingly.

We recognize the harms that are done by colonialism, past and continuing, and want our words and actions to counter these harms.

As we, the London Community Foundation, its volunteers, staff and donors live and work on these traditional lands of the Anishinaabek, Haudenosaunee, Lūnaapéewak and Chonnonton Nations, we wish to engage in, and inspire action and commitment towards Reconciliation. To us this means in our decisions and through our actions we want to build relationships with Indigenous communities. As well, we want to set an example for all our partners and friends. This means speaking the Truth and building a better world where Indigenous peoples feel at home to live their lives, build their cultures and prosper.

Towards Truth and Reconciliation

Did you know that the Indigenous Peoples of this land were subjected to government policies and legislation that affected every aspect of their lives since first European contact? This journey of contact masterminded the marginalization and colonialization of Indigenous Peoples to a point where Indigenous Peoples were ashamed of their very existence. This tragic treatment of the Original People began to be examined by governments within the past fifty years and has led to many, many studies including the Truth and Reconciliation Commission Report. The London Community Foundation, through policy and deed, including the Land Acknowledgement, demonstrates their commitment to pursue the path to truth and reconciliation. We must understand this path includes understanding that the Indigenous World View is at odds with the Western View. Together, we will agree our collective humanness is the meaning of life. Our goal must be the mind, and the heart will lead to understanding. True leadership is humble in the sense of knowing who you are, that you are confident in your place in the world. That one is aware of their place and role in society is essential to an inclusive world; where power and privilege are behind us a societal norm.

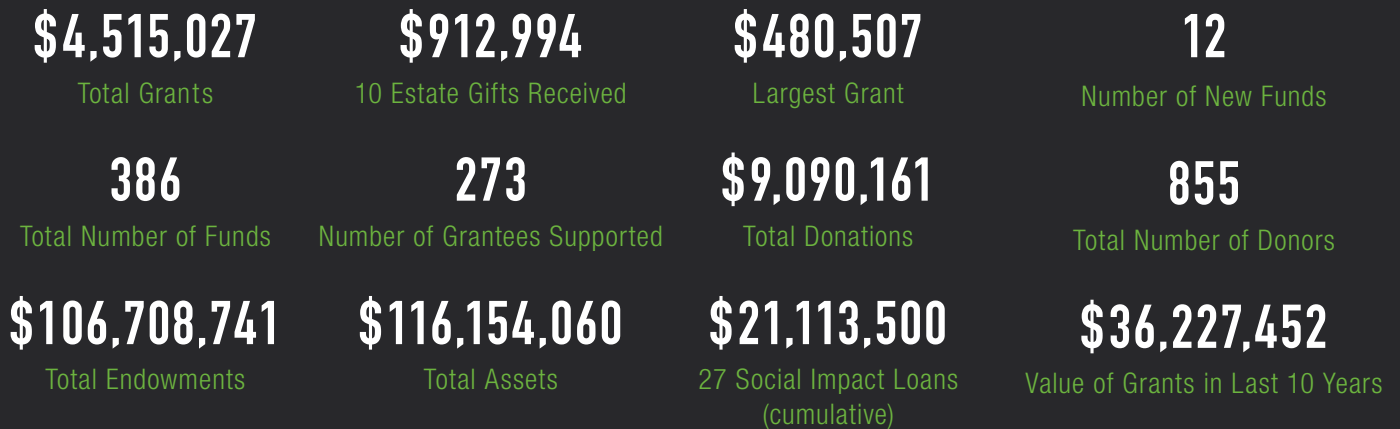
**“If you have come to help me you are wasting your time.
If you have come because your liberation is bound up with
mine, then let us work together.” - Dr Lilla Watson**

**Written by Al Day,
LCF Board Member**

OUR IMPACT

London Community Foundation is part of a national movement of 191 community foundations across Canada. Our impact reaches people locally, nationally, and internationally. Through our endowment model, we provide a stable, sustainable, collective platform to channel funds directly into London and Middlesex – making an impact today and in the future. Giving and allocating funds with intention and trust ensures that the most important causes and the people doing the work to tackle them are supported and engaged. Together, we have the power to create a stronger community for everyone.

2022 IN NUMBERS



2022 GRANTS BY FUND TYPE

Functioning like a private foundation, a Donor-Advised Fund allows you to choose which charities to support each year.



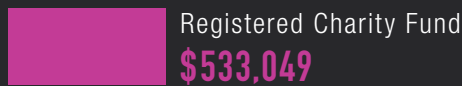
You leave it up to us and our grants committee to ensure the community's most pressing needs are supported.



You select your favourite charities and we ensure they are supported forever.



Allows registered charities to create their own endowment, building a sustainable source of funding for the organization.



On your behalf, our grants committee will target gifts to address a community issue area important to you.



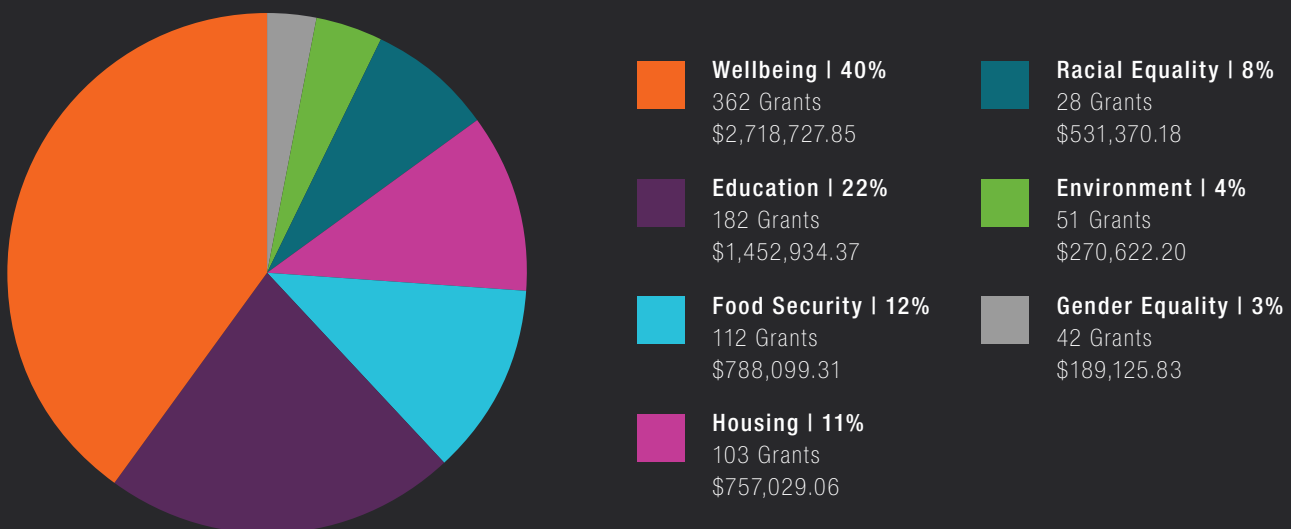
2022 GRANTS BY SDG*

Sustainable Development Goals (SDGs) are the UN's universal framework for a thriving community, which guide much of our work.



2022 GRANTS BY VITAL SIGN AREA

Vital Signs are issue areas LCF has identified as key areas of need in our community.



WAYNE MACDONALD

The Wayne P. MacDonald Human Fund

“Why Build the Wheel When it’s Already Been Built!”

Wayne is a giving guy. He’s always been that way and still wants to be that way when he’s gone. So when he was sorting out his will and his lawyer mentioned London Community Foundation to him, it seemed like a good fit for him from the start.

Having established regular donations to several local charities since moving to London in 2015, Wayne set up a Donor-Advised Fund with LCF in 2021 with the aim of growing his fund to the point where it can give out regular bursaries. “It’s in its infancy, so I’m still really working through the way I want to see it structured”, Wayne says.

Following a life-altering workplace accident in 1999 which resulted in paraplegia, Wayne has been humbled by what life can give and take away: “I’ve grown in body and soul because of the support and vision of others. I feel it’s a privilege to pay it forward and give back to those who could benefit from a hand-up at their most difficult times.”

Recently, Wayne took the decision to take his giving one step further by making a bequest to LCF in his will, maximizing the legacy he’ll be leaving.

“Death is not a round table topic, but it’s better to be proactive than reactive, and if you want your life to have some meaning beyond the grave then this is the best way to do it”, Wayne says, noting that “Unfortunately we’ve got two guarantees; death and taxes”.

Wayne feels comfortable in this decision because of how working with London Community Foundation has helped him grow the impact of his philanthropy so far, and the in-house expertise that comes along with it.

“To me, London Community Foundation is my mentor,” Wayne says. “They’re going to show me, they’re going to guide me. Any time I’ve had a question Diane’s always been there no matter what.”

For Wayne, the net result of leaving a bequest to LCF is that he’s able to ensure his legacy is in safe, experienced and trusted hands without taking his focus away from his day to day giving and charitable activities in the here and now.



Wayne MacDonald has left a gift in his will to his fund at LCF, the Wayne P. MacDonald Human Fund

“I can concentrate on what I want to do with my particular fund and they’re looking after all the essentials outside of it when it comes to the taxing and all the other stuff that I couldn’t do if I was trying to start up my own foundation. Why build the wheel when it’s already been built!”

– Wayne MacDonald
The Wayne P. MacDonald Human Fund



The Food Bank at SOAHAC is supported by generous donations to LCF's unrestricted Community Fund

COMMUNITY VITALITY 2022

Southwest Ontario Aboriginal Health Access Centre

A “Take What You Need” Approach to Tackling Indigenous Food Security

Unlike conventional food banks, the Minomode-zewin nunge-gehwin (Healthy Ways of Eating) is designed to work as a drop-in with a “take what you need” approach. Leveraging the strong relationships Southwest Ontario Aboriginal Health Access Centre (SOAHAC) has with local farmers, hunters and gatherers means that there will be a focus on traditional Indigenous food and health.

SOAHAC provides high quality, wholistic health and wellness services by sharing and promoting traditional Indigenous and western health practices. Services are provided to Indigenous people and their families, living on and off-reserve, in rural areas, and the urban Indigenous communities in and around London.

This unique pilot project will address food security amongst urban Indigenous families, while also using food as a means of cultural healing and reconnection, as participants will gain knowledge through storytelling and have access to a Traditional Foods Bank. The \$135,000 Community Vitality grant will allow for an expansion of the food offering, and the purchasing of the necessary equipment to go along with it, such as a new freezer. Being able to expand their offering is critical to SOAHAC, who've seen a staggering 470% increase in their clients reporting food insecurity to their healthcare provider from 2018 to 2021.

“Minomode-zewin nunge-gehwin is a pilot project that aims to improve access for Indigenous families to traditional foods and ways of preparing and preserving these foods,” says Jocelyn Zurbrigg, a dietitian at SOAHAC. “It not only addresses food insecurity but reconnects families with their traditional foods.”

As well as providing food, SOAHAC will also put on monthly sessions for the service users that teaches traditional ways of preparing, preserving and sharing food, giving further opportunities for participants to gain new and regain lost knowledge.

“This project addresses a call to action from the Truth and Reconciliation Commission of Canada (2015) by prioritizing decolonization in the food system and using food as a potential healing and reconciliation.”

– Jocelyn Zurbrigg
SOAHAC



2022 FINANCIAL, INVESTMENT, & OPERATIONAL HIGHLIGHTS

By Vijay Venkatesan, Vice President, Finance & Operations

Through turbulence came clarity. The markets year to year will perform how they do. Our focus will continue to be aligning donors' granting with the needs of the community. LCF saw another record year in donations thanks to the continued generosity of our donors along with another record year of commitments to the community both through our granting programs and Social Impact Fund.

In 2022 in Canada and around the world, we experienced the impact of increased inflation as well as steady increases to interest rates, which played negatively on both the fixed income and equity markets. Despite this, we saw another historic year for the Foundation both in grants and donations thanks to the support of our generous donors. With the steadfast commitment of our board, committees and staff to the final leg of our 2021-2023 Strategic Plan, LCF was able to ensure that our community's most pressing needs continued to be addressed. LCF is once again pleased to report strong financial results for 2022. The following are key highlights:

- The generosity of our existing and new donors has resulted in another significant year in LCF's history for total donations (\$9.1 million).
- Donors' commitment to their annual giving and support of LCF-led community initiatives allowed us to grant \$4.5 million into the community in 2022, resulting in back-to-back record years in LCF's 78 year history.
- Investments held in bonds, equities and alternative assets saw a decline in results of \$5.5 Million.
- Our commitment to operational excellence and strong cost management continued throughout 2022.
- Cash management policies put in place during 2021 in order to ensure financial stability for the organization held up well in 2022.

The following are financial, investment and operational highlights, including key historical trends. In keeping with our commitment to financial accountability and transparency, fully audited financial statements as prepared by MNP Inc. are available on our website at www.lcf.on.ca or by mail.

CONDENSED STATEMENT OF OPERATIONS

Year Ending December 31, 2022

REVENUE	2022	2021
Donations	9,090,161	7,599,002
Investment Income (Net)	(5,527,660)	12,130,848
Total	3,562,501	19,729,850
EXPENSES	2022	2021
Operating Expenses	1,571,180	1,347,910
Grants & Distributions	4,515,027	4,722,865
Total	6,086,207	6,070,775
Excess of Revenue Over Expenses, Grants & Distributions.....	(2,523,706)	13,659,075
Interfund Transfers	—	—
Fund Balances, Beginning of Year	109,232,447	95,573,372
Fund Balances, End of Year	106,708,741	109,232,447

CONDENSED STATEMENT OF FINANCIAL POSITION

Year Ending December 31, 2022

ASSETS	2022	2021
Cash	4,983,047	11,369,386
Investments	100,773,912	107,968,409
Other	10,397,101	8,817,897
Total	116,154,060	128,155,692
LIABILITIES	2022	2021
Grants & Other Liabilities	217,414	153,088
Deferred capital contributions	52,847	72,476
Deferred revenue	144,000	—
Funds held on behalf of other parties	9,031,058	18,697,681
Total	9,445,319	18,923,245
FUND BALANCES	2022	2021
General Fund	6,079,699	8,902,139
Restricted Fund	14,537,957	18,857,434
Endowment Fund	86,091,085	81,472,874
Total	106,708,741	109,232,447

2022 YEAR IN REVIEW

INVESTMENTS

The Foundation’s guiding principles continue to be focused on a commitment to capital preservation and steady income growth. LCF, through the work of our Investment Committee, committed to a comprehensive review of our established Investment Policy Statement and supporting investment program in 2022. **The committee in support with the board, landed on the following clear objectives:**

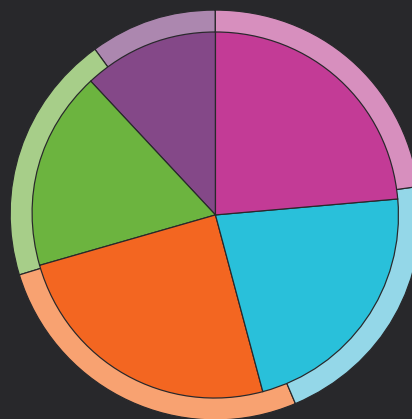
- Ensure that the IPS is not just an investment policy, but also reflective of the values of the Foundation, and includes inclusive and equity based language.
- Prioritize stable investment returns over the long run, while maintaining the value of capital within acceptable risk parameters.
- Ensure that investments generate total returns that allow LCF to meet its granting objectives, recover operating costs, protect the purchasing power of the capital, and establish a reserve to protect LCF from potential market declines.

The following were key highlights for 2022:

- LCF continued to be above our 10-year average total return target of 6.0%, delivering 8.8% as of Dec. 31, 2022.
- Despite double digit negative returns experienced in the global and domestic markets in both fixed income and equities, LCF performed comparably well with a negative -6.2% total return performance for 2022.
- Performance vs. the respective benchmarks was helped by the following
 - The fixed income portfolio losses were somewhat limited as the Foundation held short-term bonds only via a pooled fund that were not as negatively impacted in 2022 as the long term bonds.
 - Our real assets, consisting primarily of Canadian real estate, across retail, multi-residential, commercial and industrial properties had double digit returns. The increased allocation to this asset class in 2022 from last year positively impacted the overall results.
 - Our Canadian equities outperformed the benchmark and were relatively flat for the year in returns, as names held in the portfolio were held in value names that held up well during the year.
 - Our US equities held in a passive index to reflect the S&P 500 benchmark albeit the index was down approximately 20% for the year. The index pooled fund held by LCF was down slightly over 12% for the year, as we were partially mitigated by the stronger US dollar in 2022, as the pooled fund held was unhedged.
- Performance of the fund was negatively impacted by the International equities, as our pooled fund held with Mawer investments underperformed.

ASSET ALLOCATION OF THE INVESTMENT FUND

LCF is a long-term investor and believes the asset mix, combined with value-added performance from our investment managers, ensures we can continue to impact our community in a positive and meaningful way.



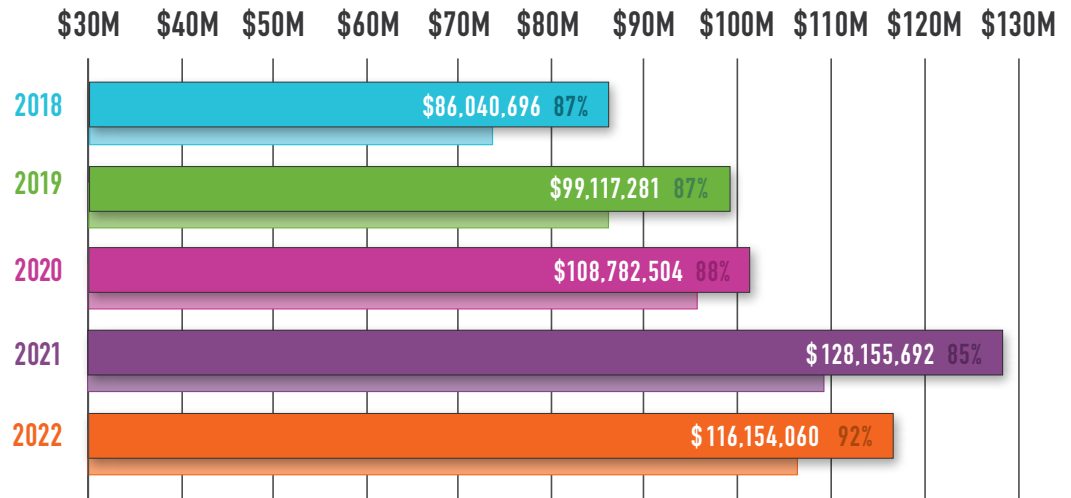
24.9%	U.S. Equity
2021: 26.6%	
23.7%	Canadian Fixed Income
2021: 23.0%	
22.1%	Canadian Equity
2021: 20.9%	
17.5%	International Equity
2021: 19.6%	
11.7%	Canadian Real Estate
2021: 10.0%	

FIVE YEAR REVIEW: 2018 – 2022

TOTAL ASSETS

Positive financial markets combined with generous gifts contributed to the significant increase in assets for a fifth consecutive year.

- % Endowed
- Total Asset Balance
- Total Endowment Fund Balance



MANAGED FUNDS & REGISTERED CHARITY FUNDS*

In 2022, LCF continued to partner with other not-for-profit organizations and foundations. Our **LCF Managed Funds Program** supports other foundations that entrust LCF with the management of their assets. **Registered Charity Endowment Funds** are established by charitable organizations to build endowments that provide secure sources of operating income to help ensure their future sustainability.

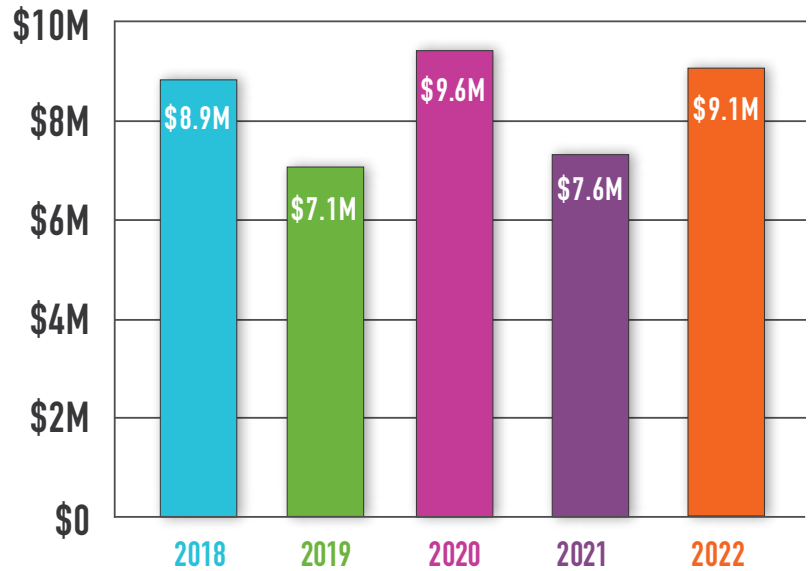
	Registered Charity Endowment Fund Balance	Funds Held on Behalf of Others	Total
2018	\$ 10,603,210	\$ 11,062,560	\$ 21,665,770
2019	\$ 11,318,306	\$ 12,301,949	\$ 23,620,255
2020	\$ 13,348,083	\$ 12,974,454	\$ 26,322,537
2021	\$ 14,853,764	\$ 18,697,681	\$ 33,551,445
2022	\$ 15,603,600	\$ 9,031,058	\$ 24,634,658

* Charts represented in millions.

FIVE YEAR REVIEW: 2018 – 2022

TOTAL CONTRIBUTIONS*

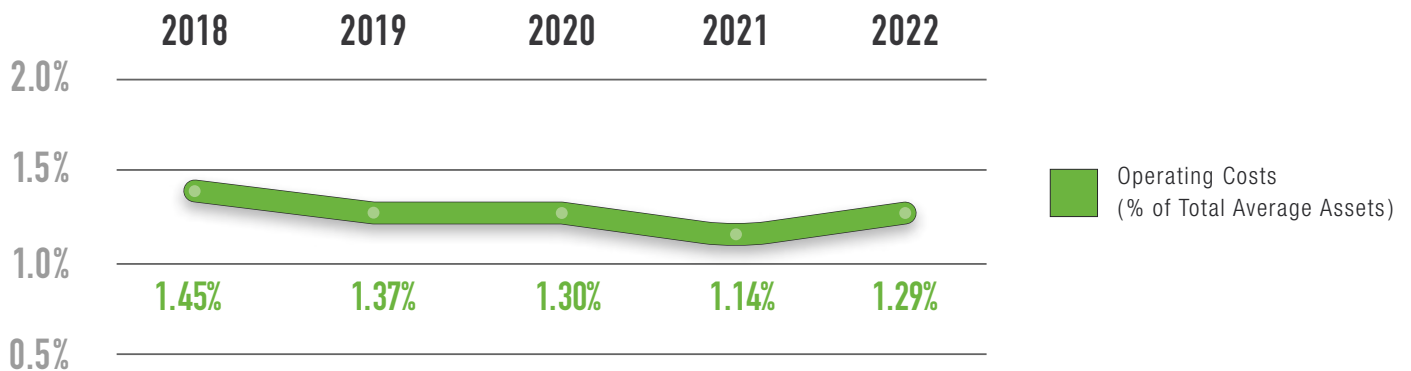
Donor generosity was outstanding this year. LCF saw 12 new funds established and received \$9.1 million in new gifts. The Foundation continues to respond to requests for flexibility in the giving needs of our donors, which saw continued generosity in many different ways. These included endowment gifts (\$3.9 million), flow-through gifts (\$5.1 million), gifts of security (\$3.1 million), life insurance (\$25,000), as well as a record of 10 estate gifts (\$1 million).



ORGANIZATIONAL EFFECTIVENESS

LCF continues to be focused on sound management and strong governance – pillars that support the achievement of a healthy workplace where employees and volunteers thrive as a team and where resources and expectations are aligned.

Operating costs as a percentage of average asset value has been commonly used by community foundations as an indicator of efficiency, with the benchmark for foundations of similar asset size to LCF being within 1.5% to 2%. The Foundation is currently at 1.29% the slight increase from 2021 from the downward trend is driven by the lower asset base for the year. The Foundation continues with the objective to work towards 1.0%. Our operating endowment ensures we stay lean, allowing more money to be invested in the community.

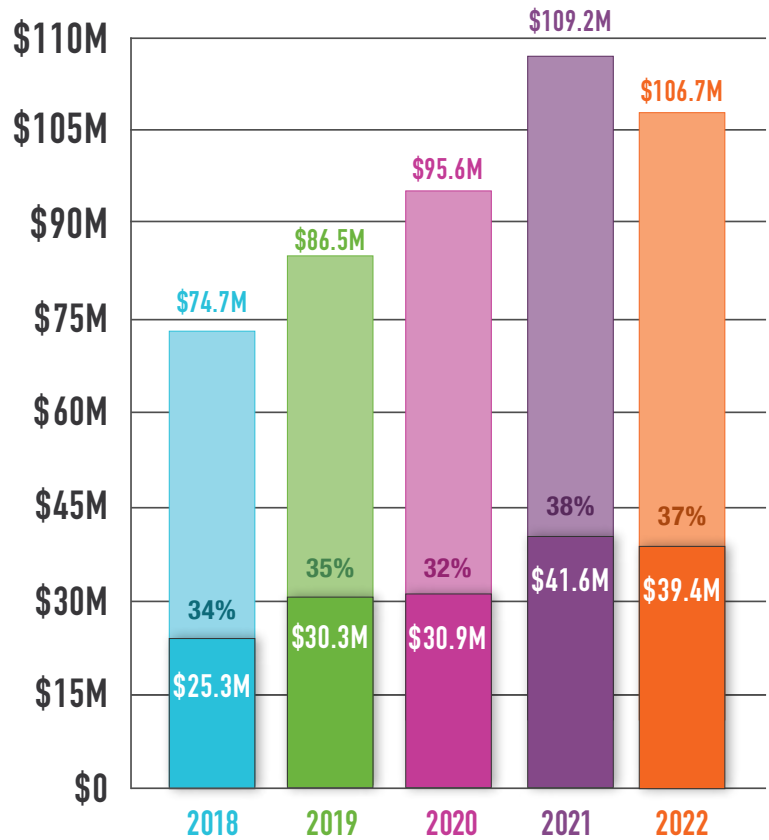


UNRESTRICTED ENDOWED ASSETS*

London Community Foundation is unique compared to many foundations in Canada in that a large portion of our assets are unrestricted. In addition to an operating endowment fund established by the generosity of Richard and Jean Ivey Memorial Fund in 2004, which helps offset operational expenses, the Community Fund supports LCF's Community Vitality Grant program and other community initiatives, such as the Social Impact Fund.

The immense trust our donors place in the Foundation allows LCF to be flexible and responsive, and make larger, more meaningful grants in the community. A continued commitment from donors moving assets from their donor advised/directed funds to the Unrestricted funds in the last couple years is the reason for the shift in higher percentage of assets.

- % Endowment Fund Balance
- Total Endowment Fund Balance
- Unrestricted Assets



SOCIAL IMPACT FUND

The Social Impact Fund is 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. In 2020 LCF made a significant commitment to the impact investing strategy, allocating up to \$20 million towards affordable housing. 2022 was another big year for the fund, as we provided financing to four projects, representing \$4.3 million in new loans. All our loans are in good standing, and in a year where the traditional investment markets were all down, our Social Impact Fund delivered a healthy +3.5% return for 2022, and since inception is close to 4%. LCF's Social Impact Fund was seeded by LCF's Unrestricted Fund and is possible thanks to our donors' support of unrestricted giving.

	2016	2017	2018	2019	2020	2021	2022
Total Advanced/ Approved	\$1M	\$2.75M	\$3.35M	\$4.569M	\$11.469M	\$16.732M	\$21,114M
Cumulative Number of Loans	-	5	6	13	18	23	27

To view LCF's full Social Impact Fund portfolio, visit lcf.on.ca



ROBIN HENRY 2022
REILLY KNOWLES

LONDON COMMUNITY FOUNDATION MAKES GIVING **FLEXIBLE AND EASY**, WITH CUSTOMIZED OPTIONS FOR YOU AND YOUR FAMILY.

By taking advantage of LCF's community knowledge and stewardship, you can be sure that your donations make the greatest possible impact, while creating meaningful and sustainable change, all while maintaining as much control over your giving as you'd like.

With the knowledge and support that LCF offers, becoming a donor or fundholder will help create a pathway to a legacy that will honour you while serving the causes you love for generations. Our governance and oversight will ensure that you can feel safe in the knowledge that your wishes are always respected while your giving continues to make a change, forever.

“One of the things I like most about LCF is how it changes the narrative around the problems in our community to be positive. As a donor, it can be disheartening to donate all this money and to continually hear how things are still getting worse, but with initiatives like Vision SoHo and investments in organizations like Indwell, LCF is changing things for the better.”

– Anonymous
London Community Foundation Fundholder

London Community Foundation
Covent Garden Market
130 King Street, London, Ontario, N6A 1C5

Phone **519 . 667 . 1600** Fax **519 . 667 . 1615**
Email **info@lcf.on.ca** Website **www.lcf.on.ca**

For our audited financial statements, and more stories
about our grantees and donors, please visit our website.



**COMMUNITY
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all for community