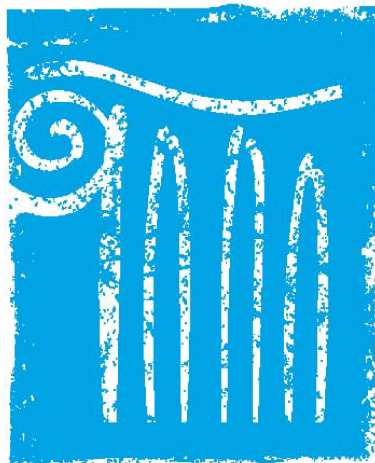


HELLENIC HERITAGE FOUNDATION

Financial Statements

December 31, 2018



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HELLENIC HERITAGE FOUNDATION

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December 31, 2018

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DIXON, GORDON & CO. LLP
Chartered Professional Accountants
Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the Members of Hellenic Heritage Foundation

Report on the Audit of the Financial Statements

Qualified opinion

We have audited the financial statements of Hellenic Heritage Foundation ("the Foundation"), which comprise the statement of financial position as at December 31, 2018, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for qualified opinion

In common with many non-profit organizations, the Foundation derives revenue from certain sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of expenses over revenue, assets and net assets.

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 qualified 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Appendix, the description of which forms part of our auditor's report.

DRAFT

CHARTERED PROFESSIONAL ACCOUNTANTS, Licensed Public Accountants
Toronto, Canada
June 15, 2019



APPENDIX TO AUDIT REPORT

Further description of the auditor's responsibilities for the audit of the 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.

HELLENIC HERITAGE FOUNDATION
Statement of Financial Position
December 31, 2018

	2018	2017
Assets		
Current assets		
Cash	\$ 175,235	\$ 366,441
Accounts receivable	4,900	21,750
Sales tax receivable	8,818	22,139
Prepaid expenses	237	4,072
	189,190	414,402
Equipment (note 4)	1,211	1,730
	\$ 190,401	\$ 416,132
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,460	\$ 32,189
Payroll remittances payable	1,192	4,759
Current portion of deferred contributions (note 5)	3,000	21,300
	9,652	58,248
Deferred contributions (note 5)	3,000	6,000
	12,652	64,248
Commitments (note 6)		
Net assets		
Unrestricted net assets (page 4)	177,749	351,884
	\$ 190,401	\$ 416,132

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

See accompanying notes

HELLENIC HERITAGE FOUNDATION
Statement of Changes in Net Assets
For the year ended December 31, 2018

	2018	2017
Unrestricted net assets, beginning of year	\$ 351,884	\$ 380,993
Excess of expenses over revenue (page 5)	(174,135)	(29,109)
Unrestricted net assets, end of year	\$ 177,749	\$ 351,884

See accompanying notes

HELLENIC HERITAGE FOUNDATION**Statement of Operations****For the year ended December 31, 2018**

	2018	2017
Revenue		
Fundraising events	\$ 600,961	\$ 456,225
Donations	286,052	434,709
Directors' and membership contributions	63,500	45,500
	950,513	936,434
Operating expenses		
Fundraising events	279,242	228,769
Salaries	78,503	84,864
Research and education support	10,862	49,371
Office and general	38,165	32,405
Cross-Canada promotion	30,671	3,258
Professional fees and contracted services	17,632	11,634
Bad debts	-	17,000
Amortization - equipment	519	742
	455,594	428,043
Excess of revenue over expenses before donations and sponsorships	494,919	508,391
Donations and sponsorships (note 8)	669,054	537,500
Excess of expenses over revenue	\$ (174,135)	\$ (29,109)

See accompanying notes

HELLENIC HERITAGE FOUNDATION**Statement of Cash Flows****For the year ended December 31, 2018**

	2018	2017
Cash from (used in) operating activities		
Excess of expenses over revenue	\$ (174,135)	\$ (29,109)
Adjustments to derive cash flows		
(Decrease) increase in deferred contributions	(21,300)	5,300
Amortization	519	742
	(194,916)	(23,067)
Change in non-cash working capital		
Decrease (increase) in current assets		
Accounts receivable	16,850	7,600
Sales tax receivable	13,321	(1,947)
Prepaid expenses	3,835	(3,222)
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(26,729)	21,530
Payroll remittances payable	(3,567)	4,759
	3,710	28,720
(Decrease) increase in cash	(191,206)	5,653
Cash, beginning of year	366,441	360,788
Cash, end of year	\$ 175,235	\$ 366,441

See accompanying notes

HELLENIC HERITAGE FOUNDATION

Notes to Financial Statements

December 31, 2018

1. Purpose and legal form of the Foundation

The Hellenic Heritage Foundation ("the Foundation") is a charitable, non-profit organization dedicated to the preservation, promotion, advancement and integration of Hellenic education, culture and heritage in Canadian society. The Foundation commenced operations in 1996 and has focused its fundraising efforts on supporting organizations that encourage and provide higher education in Hellenic studies, assist senior citizens of Hellenic descent, support Hellenic youth to explore their roots and provide facilities and services towards preserving and developing Hellenic heritage and culture.

The Foundation is incorporated without share capital under the laws of Ontario and is registered under the *Income Tax Act* as a non-profit, public foundation constituted for charitable purposes and accordingly, it is not subject to income tax.

2. Summary of significant accounting policies

These financial statements of the Foundation are presented in accordance with Canadian accounting standards for not-for-profit organizations using the following significant accounting policies:

(a) Revenue recognition

The Foundation uses the deferral method of accounting for contributions. One general fund is maintained for the Foundation's services and all unrestricted contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions received are reported as direct increases in net assets.

Directors and membership contributions are recognized when received.

Interest income is recognized when earned.

(b) Financial instruments

Measurement of financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently stated at cost or amortized cost as applicable, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Financial assets stated at cost or amortized cost include cash, accounts receivable and sales tax receivable. Financial liabilities stated at cost or amortized cost include accounts payable and accrued liabilities and payroll remittances payable.

Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost are applied against the original cost of the related asset or liability and are amortized using the effective interest rate method. Transaction costs related to financial instruments subsequently measured at fair value are recognized in income in the period incurred.

Impairment

Financial assets stated at cost or amortized cost are assessed for impairment on a monthly basis or if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and if so, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2018

reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Equipment

Equipment is recorded at cost. The cost for contributed equipment is recorded at fair value as at the date of contribution. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives as follows:

Computer equipment	30%
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(d) Impairment of long-lived assets

Long-lived assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the long-lived asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. During 2018 and 2017, no impairment losses were incurred.

(e) Contributed services

Volunteers assist the Foundation in carrying out its functions. Such contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

(f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets, liabilities and commitments at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The main estimates pertain to the measurement of donations in-kind. These estimates are reviewed periodically and adjustments will be made to income as appropriate in the year they become known. Actual results could differ from these estimates.

3. Financial instruments

The Foundation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk as at December 31, 2018 as described as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's financial instruments that are exposed to credit risk consist primarily of cash. The Foundation places its cash with high credit quality financial institutions. Generally, such investments will be in excess of the Canadian Deposit Insurance Corporation insurable limit.

(b) Liquidity risk

Liquidity risk is the risk that an entity will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation believes its liquidity risk to be low given the composition of its financial instruments and as it closely monitors its capacity in funding expenditure commitments from its net asset reserves (note 6).

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Foundation's exposure to market risk is low.

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2018

There has been no significant change to the risk exposures described above from 2017.

4. Equipment

	2018			2017
	Cost	Accumulated Amortization	Net book value	Net book value
Computer equipment	\$ 3,488	\$ 2,277	\$ 1,211	\$ 1,730

5. Deferred contributions

Deferred contributions represent cumulative funding receipts subject to restrictions on their use as specified externally, generally by the donor. Amounts initially deferred are recognized as revenue in the period in which the related expenses are incurred.

Changes in the deferred contributions balance are summarized as follows:

	Balance, beginning of year	Receipts	Recognized in revenue	Balance, end of year
Year ended December 31, 2018				
Canadian National Hellenic Heritage Foundation Road Show of Town Halls	\$ 13,300	\$ -	\$ 13,300	\$ -
University of Toronto - Establishment of the Hellenic Heritage Foundation Endowment Fund	9,000	-	3,000	6,000
Perimeter Institute for Theoretical Physics	5,000	-	5,000	-
	\$ 27,300	\$ -	\$ 21,300	\$ 6,000

Year ended December 31, 2017

Canadian National Hellenic Heritage Foundation Road Show of Town Halls	\$ -	\$ 15,000	\$ 1,700	\$ 13,300
University of Toronto - Establishment of the Hellenic Heritage Foundation Endowment Fund	12,000	-	3,000	9,000
Perimeter Institute for Theoretical Physics	10,000	-	5,000	5,000
	\$ 22,000	\$ 15,000	\$ 9,700	\$ 27,300

	2018	2017
Comprised as:		
Current liability	\$ 3,000	\$ 21,300
Non-current liability	3,000	6,000
	\$ 6,000	\$ 27,300

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2018

6. Commitments

As at December 31, 2018, the Foundation had future donations and sponsorships disbursement commitments totalling \$355,000 (2017 - \$755,000) comprised as follows:

	Commitment		
	Total	Paid to end of 2018	Remaining after 2018
University of Toronto - Establishment of the Hellenic Heritage Foundation Endowment Fund	\$ 1,750,000	\$ 1,500,000	\$ 250,000
University of Ottawa - Continuation of the Greek language program	30,000	-	30,000
University of Toronto - Greek language online portal	50,000	25,000	25,000
University of Waterloo - Waterloo Institute for Hellenistic Studies	30,000	10,000	20,000
American College of Greece - Heritage Greece 2019 - sponsorship of five Canadian students	20,000	-	20,000
Scotiabank Toronto Waterfront Marathon - recruitment of future leaders and members of the Foundation	5,000	-	5,000
Ottawa Film Festival	5,000	-	5,000
Perimeter Institute for Theoretical Physics	50,000	50,000	-
	\$ 1,940,000	\$ 1,585,000	\$ 355,000
Remaining payments in the following years:			
2019			\$ 325,000
2020			20,000
2021			10,000
			\$ 355,000

The commitment to the University of Toronto for \$1,750,000 is associated with a donation pledge made in April 2016 towards the establishment of the "Hellenic Heritage Foundation Endowment Fund" ("the Endowment Fund") in support of Hellenic studies curriculum. The pledge agreement commits the Foundation to payments over a five year period to 2020, with flexibility as to payment of the \$250,000 remaining amount committed as at December 31, 2018, provisionally included in the above noted table as payable in 2019. An additional amount of \$250,000 may be funded by the Foundation at its discretion to cover certain costs associated with the Endowment Fund. The Foundation has further committed to provide funding to top up the annual income from the Endowment Fund to \$60,000, being the amount required to effectively run the associated academic programs, until the Endowment Fund is fully funded.

The Foundation expects to meet its funding commitment under this pledge agreement, as the cumulative total of donations collected subsequent to 2018 and amounts on remaining pledges is in excess of the remaining payment amount.

7. Related party transactions

The Foundation recorded revenues from directors during 2018 and 2017 as follows:

	2018	2017
Donations	\$ 63,433	\$ 138,375
Directors contributions	44,000	32,000
	\$ 107,433	\$ 170,375

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2018

The Foundation earned additional amounts of revenues from directors during 2018 and 2017 from fundraising events, based on the same admission pricing provided to unrelated third parties.

8. Donations and sponsorships

The Foundation paid the following donations and sponsorships during 2018 and 2017:

Organization	2018	2017
University of Toronto	\$ 564,040	\$ 351,000
Greek Orthodox Metropolis of Toronto	-	150,000
Greek Community of Toronto	32,714	-
University of Waterloo	10,000	-
Hellenic Canadian Community of York Region	500	10,000
Metamorphosis Greek Orthodox School	-	10,000
York University	8,800	7,000
Hellenic Community of Ottawa	8,500	-
Hellenic Society of Calgary	7,500	-
Ekfrassi Productions - Theatrical plays	7,000	-
Perimeter Institute for Theoretical Physics	5,000	5,000
St. George's Greek Orthodox Church (Halifax)	5,000	-
Hellenic Canadian Academic Association of Ontario	3,000	-
Hellenic-Canadian Community of Edmonton and Region	3,000	-
St. George's Greek Orthodox Church (Edmonton)	3,000	-
Ten Tone Productions	3,000	-
St. Demetrios Greek Orthodox Church	2,500	-
Greek Canadian Games	2,000	2,000
The Hellenic Home for the Aged Inc.	1,500	1,500
Hellenic Canadian Lawyers' Association	1,000	-
Hellenic Ladies Benevolent Society	1,000	-
Greek Youth Dramatic Play	-	1,000
	\$ 669,054	\$ 537,500