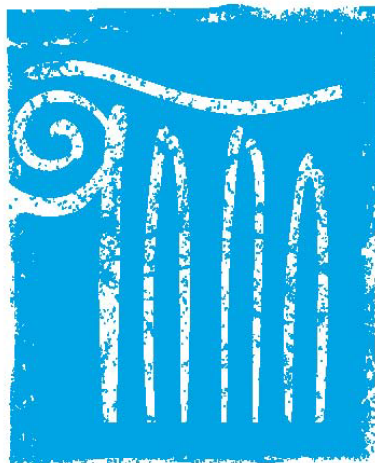


HELLENIC HERITAGE FOUNDATION

Financial Statements

December 31, 2019



HELLENIC
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FOUNDATION

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HELLENIC HERITAGE FOUNDATION

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December 31, 2019

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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, 2019, 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, 2019, 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 revenue over expenses, 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.

Dixon, Gordon + Co, LLP

CHARTERED PROFESSIONAL ACCOUNTANTS, Licensed Public Accountants
Toronto, Canada
June 13, 2020

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, 2019**

	2019	2018
Assets		
Current assets		
Cash	\$ 282,763	\$ 175,235
Investment in equity securities	7,099	-
Accounts receivable	24,728	4,900
Sales tax recoverable	9,971	8,818
Prepaid expenses	1,176	237
	325,737	189,190
Equipment (note 4)	2,512	1,211
	\$ 328,249	\$ 190,401
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 12,216	\$ 5,460
Payroll remittances payable	1,592	1,192
Current portion of deferred revenue (note 5)	-	3,000
	13,808	9,652
Deferred revenue (note 5)	13,000	3,000
	26,808	12,652
Commitments (note 7) and Subsequent Event (note 9)		
Net assets		
Unrestricted net assets (page 4)	301,441	177,749
	\$ 328,249	\$ 190,401

APPROVED ON BEHALF OF THE BOARD:

/s/ Director

/s/ Director

See accompanying notes

HELLENIC HERITAGE FOUNDATION
Statement of Changes in Net Assets
For the year ended December 31, 2019

	2019	2018
Unrestricted net assets, beginning of year	\$ 177,749	\$ 351,884
Excess of revenue over expenses (expenses over revenue) (page 5)	123,692	(174,135)
Unrestricted net assets, end of year	\$ 301,441	\$ 177,749

See accompanying notes

HELLENIC HERITAGE FOUNDATION

Statement of Operations

For the year ended December 31, 2019

	2019	2018
Revenue		
Fundraising events	\$ 597,146	\$ 600,961
Donations	228,347	286,052
Directors' and membership contributions	55,300	63,500
Dividend income	265	-
Gain on investment in equity securities	77	-
	881,135	950,513
Operating expenses		
Fundraising events	268,187	279,242
Salaries	83,848	78,503
Professional fees and contracted services	53,323	17,632
Promotion	29,062	42,793
Office and general	28,279	26,043
Research and education support	21,723	10,862
Bad debts	1,300	-
Amortization - equipment	657	519
	486,379	455,594
Excess of revenue over expenses before donations and sponsorships	394,756	494,919
Donations and sponsorships (note 8)	271,064	669,054
Excess of revenue over expenses (expenses over revenue)	\$ 123,692	\$ (174,135)

See accompanying notes

HELLENIC HERITAGE FOUNDATION**Statement of Cash Flows****For the year ended December 31, 2019**

	2019	2018
Cash from (used in) operating activities		
Excess of revenue over expenses (expenses over revenue)	\$ 123,692	\$ (174,135)
Adjustments to derive cash flows		
Increase (decrease) in deferred revenue	7,000	(21,300)
Donation in-kind of equity securities	(7,022)	-
Amortization	657	519
Gain on investment in equity securities	(77)	-
	124,250	(194,916)
Change in non-cash working capital		
Decrease (increase) in current assets		
Accounts receivable	(19,828)	16,850
Sales tax recoverable	(1,153)	13,321
Prepaid expenses	(939)	3,835
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	6,756	(26,729)
Payroll remittances payable	400	(3,567)
	(14,764)	3,710
	109,486	(191,206)
Cash used in investing activities		
Purchase of computer equipment	(1,958)	-
Increase (decrease) in cash	107,528	(191,206)
Cash, beginning of year	175,235	366,441
Cash, end of year	\$ 282,763	\$ 175,235
Non-cash transaction		
Acquisition of equity securities from donation in-kind	\$ 7,022	\$ -

See accompanying notes

HELLENIC HERITAGE FOUNDATION

Notes to Financial Statements

December 31, 2019

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. Dividend income is recognized when the right to receive payment is established.

(b) Financial instruments

Measurement of financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments except equity instruments quoted in an active market 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. Equity instruments quoted in an active market are stated as fair value with changes thereon recognized immediately in income.

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

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2019

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 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 2019 and 2018, 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 estimate pertains 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, 2019 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 7), though increased versus the prior year as a result of an expected significant decline in fundraising revenues and associated surplus in the year ended December 31, 2020 (note 9).

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2019

(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.

There has been no significant change to the risk exposures described above from 2018.

4. Equipment

	2019			2018
	Cost	Accumulated Amortization	Net book value	Net book value
Computer equipment	\$ 5,446	\$ 2,934	\$ 2,512	\$ 1,211

5. Deferred revenue

Deferred revenue represents 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. As at December 31, 2019 and 2018, deferred revenue was comprised as follows:

	2019	2018
Gala 2021 sponsorship	\$ 10,000	\$ -
Gala 2021 event (2018 - Gala 2019 and 2021 events)	3,000	6,000
	13,000	6,000
Comprised as follows:		
Current liability	-	3,000
Non-current liability	13,000	3,000
	\$ 13,000	\$ 6,000

6. Related party transactions

The Foundation recorded revenues from directors during 2019 and 2018 as follows:

	2019	2018
Donations	\$ 36,655	\$ 63,433
Directors contributions	36,000	44,000
	\$ 72,655	\$ 107,433

The Foundation earned additional amounts of revenues from directors during 2019 and 2018 from fundraising events, based on the same admission pricing provided to unrelated third parties.

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2019

7. Commitments

As at December 31, 2019, the Foundation had future donations and sponsorships disbursement commitments totalling \$110,000 (2018 - \$355,000) comprised as follows:

	Commitment		
	Total	Paid to end of 2019	Remaining after 2019
University of Toronto - Establishment of the Hellenic Heritage Foundation Endowment Fund	\$ 1,750,000	\$ 1,650,000	\$ 100,000
University of Toronto - Greek language online portal	50,000	50,000	-
University of Waterloo - Waterloo Institute for Hellenistic Studies	30,000	20,000	10,000
American College of Greece - Heritage Greece 2019 - sponsorship of five Canadian students	20,000	20,255	-
Scotiabank Toronto Waterfront Marathon - recruitment of future leaders and members of the Foundation	5,000	5,000	-
Ottawa Film Festival	5,000	5,000	-
	\$ 1,860,000	\$ 1,750,255	\$ 110,000
Remaining payments in the following year (note 9): 2020			\$ 110,000

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. 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.

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2019

8. Donations and sponsorships

Organization	2019	2018
University of Toronto	\$ 199,048	\$ 564,040
Greek Community of Toronto	5,226	32,714
National Hellenic Society	20,255	-
University of Waterloo	10,000	10,000
York University	-	8,800
Hellenic Community of Ottawa	-	8,500
Hellenic Canadian Academic Association of Ontario	8,000	-
Hellenic Society of Calgary	-	7,500
Ekfrassi Productions - Theatrical plays	-	7,000
Ottawa Greek Film Festival	5,072	-
Perimeter Institute for Theoretical Physics	-	5,000
St. George's Greek Orthodox Church (Halifax)	-	5,000
Hellenic Community of Vancouver St. George's Greek Orthodox	4,750	-
St. Paul's Greek Orthodox Church	3,150	-
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
Prophet Elias Greek Orthodox Church & Community	2,500	-
St. Demetrios Greek Orthodox Church	-	2,500
American Hellenic Educational Progressive Association (AHEPA) Toronto	2,463	-
Epi Skinis Productions	2,000	-
Greek Canadian Games	-	2,000
Greek Community of Winnipeg Foundation Inc.	1,850	-
I TOC Media Group	1,750	-
The Hellenic Home for the Aged Inc.	1,000	1,500
Hellenic Canadian Lawyers' Association	1,000	1,000
Cypriot Community of Toronto Inc.	1,000	-
Greek Community of Niagara	1,000	-
Hellenic Ladies Benevolent Society	-	1,000
Hellenic Canadian Community of York Region	500	500
Hellenic Hope Centre	500	-
	\$ 271,064	\$ 669,054

9. Subsequent event

On April 2, 2020, the Foundation announced the cancellation of its annual Gala scheduled for June 5, 2020 as a consequence of the world-wide coronavirus ("COVID-19") pandemic. The Gala was expected to account for a significant portion of the Foundation's fundraising revenue and associated surplus, similar to those experienced in recent years. During the year ended December 31, 2019, the Gala generated revenue of \$399,476 (2018 - \$436,363) and provided surplus funds of \$205,570 (2018 - \$231,773). Accordingly, the cancellation of the 2020 Gala will adversely impact the Foundation's financial results in the year ended December 31, 2020. The management of the Foundation has initiated actions towards fundraising in alternate areas and minimizing planned disbursements at least until revenue levels have been restored.

10. Comparative balances

Certain balances for 2018 have been regrouped to conform to the current year's presentation.