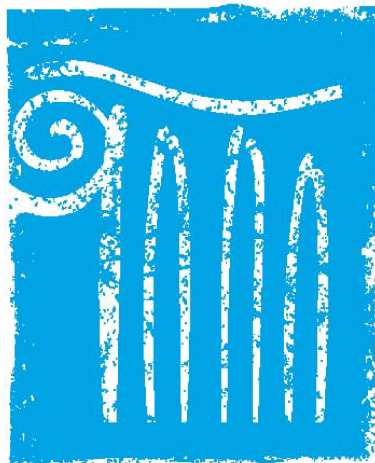


# HELLENIC HERITAGE FOUNDATION

Financial Statements

December 31, 2020



HELLENIC  
HERITAGE  
FOUNDATION

[www.hhf.ca](http://www.hhf.ca)

# HELLENIC HERITAGE FOUNDATION

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December 31, 2020

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## Independent Auditor's Report

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### To the Members of Hellenic Heritage Foundation

#### Qualified Opinion

We have audited the financial statements of Hellenic Heritage Foundation ("the Foundation"), which comprise the following:

- statement of financial position as at December 31, 2020,
- statement of operations for the year then ended,
- statement of changes in net assets,
- statement of cash flows for the year then ended,
- notes to the financial statements, including a summary of significant accounting policies.

(hereinafter referred to as the "financial statements")

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, 2020, 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:

- Assets reported in the statement of financial position as at December 31, 2020;
- Net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended December 31, 2020 and December 31, 2019;
- Fundraising revenue;
- Revenue over expenses reported in the statements of cash flows for the years ended December 31, 2020 and December 31, 2019.

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.

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## Independent Auditor's Report (continued)

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### 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.

*Dixon, Gordon + Co, LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Canada  
June 12, 2021

# HELLENIC HERITAGE FOUNDATION

## Statement of Financial Position

December 31, 2020

	2020	2019
<b>Assets</b>		
Current assets		
Cash	\$ 211,756	\$ 282,763
Investment in equity securities	-	7,099
Accounts receivable	5,000	24,728
Government assistance funding receivable (note 5)	10,500	-
Sales tax recoverable	7,462	9,971
Prepaid expenses	4,435	1,176
	<b>239,153</b>	325,737
Equipment (note 6)	1,758	2,512
	<b>\$ 240,911</b>	\$ 328,249
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,886	\$ 12,216
Payroll remittances payable	5,471	1,592
Current portion of deferred revenue (note 7)	36,800	-
	<b>44,157</b>	13,808
Deferred revenue (note 7)	-	13,000
	<b>44,157</b>	26,808
<b>Commitments (note 9) and subsequent event (note 11)</b>		
<b>Net assets</b>		
Unrestricted net assets (page 4)	196,754	301,441
	<b>\$ 240,911</b>	\$ 328,249

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, 2020**

	<b>2020</b>	2019
<b>Unrestricted net assets, beginning of year</b>	<b>\$ 301,441</b>	\$ 177,749
Excess of (expenses over revenue) revenue over expenses (page 5)	<b>(104,687)</b>	123,692
<b>Unrestricted net assets, end of year</b>	<b>\$ 196,754</b>	\$ 301,441

See accompanying notes

# HELLENIC HERITAGE FOUNDATION

## Statement of Operations

For the year ended December 31, 2020

	2020	2019
<b>Revenue</b>		
Fundraising events (note 3)	\$ 183,900	\$ 597,146
Donations	235,723	228,347
Directors' and membership contributions	51,300	55,300
Dividend income	15	265
Gain on investment in equity securities	384	77
	<b>471,322</b>	<b>881,135</b>
<b>Operating expenses</b>		
Fundraising events (note 3)	37,024	268,187
Salaries (note 5)	72,196	83,848
Professional fees and contracted services	6,826	53,323
Promotion	30,865	29,062
Office and general	18,369	28,279
Research and education support	9,500	21,723
Bad debts	2,800	1,300
Amortization - equipment	754	657
	<b>178,334</b>	<b>486,379</b>
<b>Excess of revenue over expenses before donations and sponsorships</b>	<b>292,988</b>	<b>394,756</b>
<b>Donations and sponsorships (note 10)</b>	<b>397,675</b>	<b>271,064</b>
<b>Excess of (expenses over revenue) revenue over expenses</b>	<b>\$ (104,687)</b>	<b>\$ 123,692</b>

See accompanying notes

**HELLENIC HERITAGE FOUNDATION****Statement of Cash Flows****For the year ended December 31, 2020**

	2020	2019
<b>Cash from (used in) operating activities</b>		
Excess of (expenses over revenue) revenue over expenses	\$ (104,687)	\$ 123,692
Adjustments to derive cash flows		
Increase in deferred revenue	23,800	7,000
Donation in-kind of equity securities	-	(7,022)
Amortization	754	657
Gain on investment in equity securities	(384)	(77)
	<b>(80,517)</b>	124,250
Change in non-cash working capital		
Decrease (increase) in current assets		
Accounts receivable	19,728	(19,828)
Government assistance funding receivable	(10,500)	-
Sales tax recoverable	2,509	(1,153)
Prepaid expenses	(3,259)	(939)
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(10,330)	6,756
Payroll remittances payable	3,879	400
	<b>2,027</b>	(14,764)
	<b>(78,490)</b>	109,486
<b>Cash used in investing activities</b>		
Purchase of computer equipment	-	(1,958)
Proceeds on disposal of equity security	7,483	-
	<b>7,483</b>	(1,958)
<b>(Decrease) increase in cash</b>	<b>(71,007)</b>	107,528
Cash, beginning of year	282,763	175,235
<b>Cash, end of year</b>	<b>\$ 211,756</b>	<b>\$ 282,763</b>
<b>Non-cash transaction</b>		
Acquisition of equity securities from donation in-kind	\$ -	\$ 7,022

See accompanying notes



# HELLENIC HERITAGE FOUNDATION

## Notes to Financial Statements

December 31, 2020

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### 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) Government assistance

Government assistance for current expenses or revenue is recognized in income in the period and within the item to which it relates when there is reasonable assurance that the Foundation has complied with all the conditions for receipt.

#### (c) 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, government assistance funding 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 reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) 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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(e) 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 2020 and 2019, no impairment losses were incurred.

(f) 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.

(g) 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. Impact of worldwide coronavirus pandemic**

The operations of the Foundation were adversely impacted from the worldwide coronavirus ("COVID-19") pandemic, declared as such by the World Health Organization in March 2020. The overall impact was mitigated through government support measures made available to businesses and not-for-profit organizations (note 5).

On April 2, 2020, the Foundation announced the cancellation of its annual Gala scheduled for June 5, 2020 and later in the year, the Christmas-Recognition Dinner was also cancelled. The Gala and dinner were 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 and dinner generated revenue of \$425,575 and provided surplus funds of \$244,562. 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.

**HELLENIC HERITAGE FOUNDATION**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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The situation remains dynamic in its effects and expected duration. Management continues to monitor and assess both the immediate and longer term impacts on its operations, activities and financial results.

**4. Financial instruments**

The Foundation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk as at December 31, 2020 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, 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 11).

(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 2019.

**5. Government assistance**

Pursuant to the federal government's Canada Emergency Wage Subsidy program for businesses and not-for-profit organizations adversely impacted by the COVID-19 pandemic (note 3), the Foundation recognized subsidy credits of \$27,440 applied as a reduction of salaries expense. As at December 31, 2020, an amount of \$10,500 was receivable on these subsidy credits.

**6. Equipment**

	2020			2019
	Cost	Accumulated Amortization	Net book value	Net book value
Computer equipment	\$ 5,446	\$ 3,688	\$ 1,758	\$ 2,512

**7. 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, 2020 and 2019, deferred revenue was comprised as follows:

**HELLENIC HERITAGE FOUNDATION**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

	2020	2019
Gala 2021 sponsorship	\$ 15,000	\$ 10,000
Gala 2021 event	21,800	3,000
	<b>36,800</b>	13,000
Comprised as follows:		
Current liability	36,800	-
Non-current liability	-	13,000
	<b>\$ 36,800</b>	<b>\$ 13,000</b>

**8. Related party transactions**

The Foundation recorded revenues from directors during 2020 and 2019 as follows:

	2020	2019
Donations	\$ 12,821	\$ 36,655
Directors contributions	34,000	36,000
	<b>\$ 46,821</b>	<b>\$ 72,655</b>

The Foundation earned additional amounts of revenues from directors during 2020 and 2019 from fundraising events, based on the same admission pricing provided to unrelated third parties.

**9. Commitments**

As at December 31, 2020, the Foundation had future donations and sponsorships disbursement commitments totalling \$60,000 (2019 - \$355,000) comprised as follows:

	Commitment		
	Total	Paid to end of 2020	Remaining after 2020
University of Toronto - Establishment of the Hellenic Heritage Foundation Endowment Fund	\$ 1,750,000	\$ 1,750,000	\$ -
Canadian Institute in Greece - Completion of Rooftop Terrace	75,000	25,000	50,000
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	-
	<b>\$ 1,935,000</b>	<b>\$ 1,875,255</b>	<b>\$ 60,000</b>
Remaining payments in the following year:			
2021			\$ 60,000

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

**HELLENIC HERITAGE FOUNDATION**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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.

**10. Donations and sponsorships**

Organization	2020	2019
University of Toronto	\$ 165,000	\$ 199,048
The Hellenic Home for the Aged Inc.	123,992	1,000
Greek Community of Toronto	47,160	5,226
The Canadian Institute in Greece	25,000	-
National Hellenic Society	-	20,255
Hellenic Canadian Community of York Region	12,327	500
University of Waterloo	-	10,000
Hellenic Canadian Academic Association of Ontario	8,000	8,000
Ottawa Greek Film Festival	-	5,072
Hellenic Academia Institute	5,000	-
Ekfrassi Productions - Theatrical plays	5,000	-
Hellenic Community of Vancouver St. George's Greek Orthodox	-	4,750
St. Paul's Greek Orthodox Church	-	3,150
National Hellenic Student Association	2,696	-
Prophet Elias Greek Orthodox Church & Community	-	2,500
American Hellenic Educational Progressive Association (AHEPA) Toronto	-	2,463
Epi Skinis Productions	-	2,000
Greek Community of Winnipeg Foundation Inc.	-	1,850
ITOC Media Group	-	1,750
Heritage Toronto	1,500	-
Cypriot Community of Toronto Inc.	-	1,000
Greek Community of Niagara	-	1,000
Hellenic Canadian Lawyers' Association	1,000	1,000
Hellenic Hope Centre	1,000	500
	<b>\$ 397,675</b>	<b>\$ 271,064</b>

**11. Subsequent event**

In response to the ongoing coronavirus pandemic (note 3), management did not hold its traditional annual Gala in June 2021, but is exploring alternate fundraising events that may be possible later in the year.