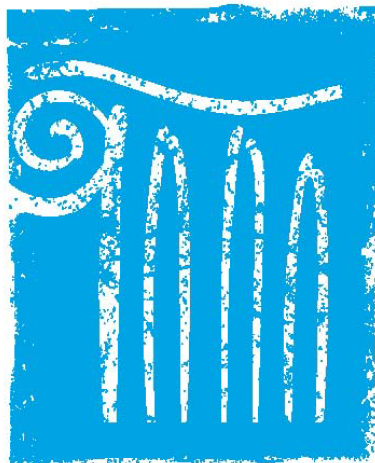


HELLENIC HERITAGE FOUNDATION

Financial Statements

December 31, 2022



HELLENIC
HERITAGE
FOUNDATION

www.hhf.ca

HELLENIC HERITAGE FOUNDATION

Contents

December 31, 2022

Independent Auditor's Report	1 - 2
---	-------

Financial Statements

Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

Independent Auditor's Report

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, 2022,
- statement of changes in net assets,
- statement of operations for the year then ended,
- 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, 2022, 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, being fundraising events, 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 and net assets reported in the statement of financial position as at December 31, 2022 and December 31, 2021;
- Net assets, at the beginning and end of the year, reported in the statement of changes in net assets for the years ended December 31, 2022 and December 31, 2021;
- Fundraising revenue and excess of revenue over expenses (expenses over revenue) reported in the statement of operations for the years ended December 31, 2022 and December 31, 2021;
- Revenue over expenses (expenses over revenue) reported in the statements of cash flows for the years ended December 31, 2022 and December 31, 2021.

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.

Independent Auditor's Report (continued)

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
[Date to be determined]

HELLENIC HERITAGE FOUNDATION

Statement of Financial Position

December 31, 2022

	2022	2021
Assets		
Current assets		
Cash	\$ 111,638	\$ 316,462
Accounts receivable	16,000	11,200
Sales tax recoverable	18,900	8,870
Government assistance funding receivable (note 5)	-	5,130
Prepaid expenses	317	4,475
	146,855	346,137
Equipment (note 6)	862	1,231
	\$ 147,717	\$ 347,368
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,502	\$ 1,741
Government remittances payable - payroll	6,729	6,257
Deferred revenue (note 7)	58,655	118,162
	70,886	126,160
Commitments (note 9)		
Net assets		
Unrestricted net assets (page 4)	76,831	221,208
	\$ 147,717	\$ 347,368

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

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

HELLENIC HERITAGE FOUNDATION
Statement of Changes in Net Assets
For the year ended December 31, 2022

	2022	2021
Unrestricted net assets, beginning of year	\$ 221,208	\$ 196,754
Excess of (expenses over revenue) revenue over expenses (page 5)	(144,377)	24,454
Unrestricted net assets, end of year	\$ 76,831	\$ 221,208

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

HELLENIC HERITAGE FOUNDATION

Statement of Operations

For the year ended December 31, 2022

	2022	2021
Revenue		
Fundraising events (note 3)	\$ 467,870	\$ 220,210
Donations (note 8)	388,408	330,042
Directors' and membership contributions (note 8)	55,400	55,000
Loss on disposition of investment in donated equity securities	-	(53)
	911,678	605,199
Operating expenses		
Fundraising events (note 3)	268,780	65,559
Salaries, net of government assistance (note 5)	111,763	72,048
Promotion	88,455	32,448
Office and general	30,905	22,548
Professional fees and contracted services	21,783	17,094
Research and education support	-	9,874
Pledges written off	5,500	500
Amortization - equipment	369	527
	527,555	220,598
Excess of revenue over expenses before donations and sponsorships	384,123	384,601
Donations and sponsorships (note 10)	528,500	360,147
Excess of (expenses over revenue) revenue over expenses	\$ (144,377)	\$ 24,454

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

HELLENIC HERITAGE FOUNDATION**Statement of Cash Flows****For the year ended December 31, 2022**

	2022	2021
Cash from (used in) operating activities		
Excess of (expenses over revenue) revenue over expenses	\$ (144,377)	\$ 24,454
Adjustments to derive cash flows		
(Decrease) increase in deferred revenue	(59,507)	81,362
Donation in-kind of equity securities	-	(32,163)
Amortization	369	527
Loss on disposition of investment in donated equity securities	-	53
	(203,515)	74,233
Change in non-cash working capital		
Decrease (increase) in current assets		
Accounts receivable	(4,800)	(6,200)
Sales tax recoverable	(10,030)	(1,408)
Government assistance funding receivable	5,130	5,370
Prepaid expenses	4,158	(40)
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	3,761	(145)
Government remittances payable - payroll	472	786
	(1,309)	(1,637)
	(204,824)	72,596
Cash from investing activities		
Proceeds on disposition of donated equity securities	-	32,110
(Decrease) increase in cash	(204,824)	104,706
Cash, beginning of year	316,462	211,756
Cash, end of year	\$ 111,638	\$ 316,462

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

HELLENIC HERITAGE FOUNDATION

Notes to Financial Statements

December 31, 2022

1. Purpose and legal form of the Foundation

The Hellenic Heritage Fund, herein referred to as Hellenic Heritage Foundation ("HHF" and "the Foundation"), its operating name, 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.

Revenue from fundraising events is recognized in the period in which the related event is held.

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, sales tax recoverable and government assistance funding receivable. Financial liabilities stated at cost or amortized cost include accounts payable and accrued liabilities and government remittances payable - payroll.

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%
--------------------	-----

(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 2022 and 2021, 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 outbreak of the coronavirus ("COVID-19") pandemic, as officially declared in March 2020 by the World Health Organization, and resulting emergency protective measures enacted by all three levels of government. As a result, the Foundation did not hold its annual gala during the years ended December 31, 2021 and 2020. The overall impact from the pandemic was mitigated through government support measures made available to businesses and not-for-profit organizations (note 5).

With the easing of restrictions on an improving pandemic situation and with its operations largely returning to normal, the Foundation held its gala during June 2022. Management continues to monitor and assess both the immediate and longer term impacts on its operations and activities.

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2022

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, 2022 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 and reduced versus the prior year given the composition of its financial instruments and as it closely monitors its capacity in funding expenditure commitments from its net asset reserves and projected future cash in-flows.

(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.

Management of the Foundation considers its risk exposures described above as moderately reduced from 2021.

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), during the year ended December 31, 2021, the Foundation recognized subsidy credits of \$26,486 applied as a reduction of salaries expense. As at December 31, 2021, an amount of \$5,130 was receivable on these subsidy credits. During the year ended December 31, 2022, no subsidy credits were received.

6. Equipment

	2022			2021
	Cost	Accumulated Amortization	Net book value	Net book value
Computer equipment	\$ 5,446	\$ 4,584	\$ 862	\$ 1,231

7. Deferred revenue

Deferred revenue represents cumulative 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, 2022 and 2021, deferred revenue was comprised as follows:

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2022

	2022	2021
Donations restricted for York University - HHF Greek Canadian Archives	\$ 58,655	\$ 96,162
Gala - event	-	11,000
Gala - sponsorship	-	11,000
	\$ 58,655	\$ 118,162

8. Related party transactions

The Foundation earned revenues from directors and entities related to directors during 2022 and 2021 as follows:

	2022	2021
Donations	\$ 92,000	\$ 151,646
Directors' contributions	41,000	38,000
	\$ 133,000	\$ 189,646

The Foundation earned additional amounts of revenues from directors during 2022 and 2021 from fundraising events, based on the same admission pricing provided to unrelated third parties.

9. Commitments

As at December 31, 2022, the Foundation had future donations and sponsorships disbursement commitments totalling \$1,050,000 (2021 - \$1,235,000) comprised as follows:

	Commitment		
	Total	Paid to end of 2022	Remaining after 2022
York University - HHF Greek Canadian Archives	\$ 1,400,000	\$ 600,000	\$ 800,000
University of Toronto - Establishment of the Hellenic Heritage Foundation Endowment Fund	2,000,000	1,750,000	250,000
	\$ 3,400,000	\$ 2,350,000	\$ 1,050,000
Projected payments in the following years:			
2023			\$ 550,000
2024			250,000
2025			250,000
			\$ 1,050,000

The commitment to York University involves the creation of archives of Greeks in Canada to be maintained in perpetuity. The commitment to the University of Toronto for \$2,000,000 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.

Based on the status of donor pledges received, the Foundation expects to generate surpluses at amounts in the years 2023 to 2025 that would more than meet the above noted funding commitments.

HELLENIC HERITAGE FOUNDATION
Notes to Financial Statements (continued)
December 31, 2022

10. Donations and sponsorships

Organization	2022	2021
York University - HHF Greek Canadian Archives	\$ 300,000	\$ 300,000
Royal Ontario Museum	80,000	-
Algoma University	60,000	-
The Canadian Institute in Greece	25,000	25,000
National Hellenic Society	24,500	-
Greek Community of Toronto	1,000	18,177
Hellenic Hope Centre	-	11,470
York Hellenic Educational Society	10,000	-
York University, Department of History	10,000	-
University of Toronto	5,000	5,000
Ten Tone Productions	5,000	-
The Hellenic Academia Institute	5,000	-
The Greek Canadian Games	2,000	-
The Hellenic Home for the Aged Inc.	500	500
American Hellenic Educational Progressive Association (AHEPA) Toronto	500	-
	\$ 528,500	\$ 360,147