

**ASCEND CANADA**

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**FINANCIAL STATEMENTS**

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**DECEMBER 31, 2017**

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FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**CONTENTS**

	<b>PAGE</b>
Independent Auditors' Report	3 - 4
Statement of Operations	5
Statement of Financial Position	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 12

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**Ascend Canada**

We have audited the accompanying financial statements of **Ascend Canada**, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Ascend Canada** as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Kanish & Partners LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

Toronto, Canada  
March 9, 2018

**ASCEND CANADA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
<b>REVENUE</b>		
Sponsorship fees	\$ 204,500	\$ 240,000
Events and programs	120,638	108,730
Membership fees	<u>2,249</u>	<u>2,175</u>
	<u>327,387</u>	<u>350,905</u>
<b>EXPENSES</b>		
Events and programs	226,495	202,139
Office and general	46,349	46,426
Conference and meetings	16,984	16,779
Professional fees	10,802	16,238
Insurance	<u>3,636</u>	<u>3,516</u>
	304,266	285,098
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 23,121</b>	<b>\$ 65,807</b>

(The accompanying notes form an integral part of these financial statements.)

**ASCEND CANADA  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 394,809	\$ 383,176
Accounts receivable	17,733	5,876
HST recoverable	6,486	-
Prepaid expenses	8,843	8,654
	\$ 427,871	\$ 397,706
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 43,780	\$ 33,606
Deferred revenue	10,299	-
HST payable	-	13,429
	54,079	47,035
<b>NET ASSETS</b>		
Unrestricted funds	323,792	300,671
Internally restricted funds (note 4)	50,000	50,000
	373,792	350,671
	\$ 427,871	\$ 397,706

Approved on Behalf of the Board:

Director .....

Director .....

(The accompanying notes form an integral part of these financial statements.)

**ASCEND CANADA  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Internally restricted</b>	<b>Unrestricted</b>	<b>2017</b>	<b>2016</b>
<b>BALANCE</b> - beginning of year	\$ 50,000	\$ 300,671	\$ 350,671	\$ 284,864
Excess of revenue over expenses	-	23,121	23,121	65,807
<b>BALANCE</b> - end of year	\$ 50,000	\$ 323,792	\$ 373,792	\$ 350,671

(The accompanying notes form an integral part of these financial statements.)

**ASCEND CANADA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 23,121	\$ 65,807
Net changes in non-cash working capital:		
Accounts receivable	(11,857)	(5,876)
Prepaid expenses	(189)	(516)
HST payable/ recoverable	(19,915)	11,914
Accounts payable and accrued liabilities	10,174	11,668
Deferred revenue	<u>10,299</u>	<u>-</u>
<b>INCREASE IN CASH</b>	<b>11,633</b>	<b>82,997</b>
<b>CASH - beginning of year</b>	<b>383,176</b>	<b>300,179</b>
<b>CASH - end of year</b>	<b>\$ 394,809</b>	<b>\$ 383,176</b>

(The accompanying notes form an integral part of these financial statements.)



**ASCEND CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

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**1. NATURE OF ORGANIZATION**

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Ascend Canada (the "Organization") is a national not-for-profit Pan-Asian membership organization for business professionals in Canada, currently with active chapters in Toronto and Vancouver. Pan-Asians include anyone of Asian origin, including South Asian, Asia-Pacific Islanders, Southeast Asians, North Asians, East Asians and multi-racial, multi-cultural, mixed heritage backgrounds. The Organization is inclusive and is open to those of all ethnicities and races who share in the mission of the Organization.

The Organization is the first international location of Ascend US, a not-for-profit professional organization based in the United States (U.S.) and was initiated by seven founding firms in 2011. Its vision is to have a diverse and inclusive Canadian workplace where Pan-Asian talent can achieve its full potential. The Organization is a not-for-profit organization organized and operated exclusively for this purpose by volunteers from the business community.

The Organization was incorporated under the Canada Not-for-profit Corporations Act on January 5, 2012. The Organization operates as a not-for-profit organization and is not subject to income taxes under the Income Tax Act.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

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**Basis of Presentation**

The financial statements have been prepared in accordance with accounting standards for not-for-profit organizations (ASNFPO) in part III of the CPA Canada Handbook. The significant accounting policies used are as follows:

(These notes form an integral part of the financial statements.)

**ASCEND CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

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**2. ACCOUNTING POLICIES** - continued

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**a) Revenue**

The Organization follows the deferral method for recognizing contributions. Contributions are recognized as revenue in the same period as the related expenses are incurred, when the amount to be received can be reasonably estimated and collection is reasonably assured.

Sponsorship fees are recognized as revenue proportionately over the fiscal year.

Membership fees are recognized as revenue over the term of membership.

Events and program fees are recognized as revenue upon the occurrence of the event.

The Organization receives contributions from the founding firms. It collects sponsorship fees from sponsoring firms, as well as membership and events and program fees from members.

**b) Contributed Goods and Services**

The operations of the Organization are almost entirely dependent on the voluntary services of many members and other volunteers. The value of these contributed services is not recognized in the financial statements due to the difficulty in estimating the fair value of such services.

Contributed goods and services are recognized when fair value can be reasonably estimated and when the goods and services are used in the normal course of operations and would otherwise have been purchased.

**c) Financial Instruments**

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(These notes form an integral part of the financial statements.)

**ASCEND CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

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**2. ACCOUNTING POLICIES** - continued

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**c) Financial Instruments** - continued

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**d) Foreign Currency Transactions**

Revenue and expenses are translated at the rates of exchange in effect at the transaction dates. The resulting gains and losses are included in the statement of operations.

**e) Use of Estimates**

The preparation of financial statements in conformity with ASNPFO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at December 31, 2017 and the revenues and expenses reported for the year then ended. Estimates are used when accounting for a number of items including, but not limited to, accounts payable and the valuation of accrued liabilities. Actual results could differ from the estimates and assumptions used.

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**3. RELATED PARTY BALANCES AND TRANSACTIONS**

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In 2017, the Organization incurred expenses of \$8,054 (2016- \$7,000) to Ascend US for the cost of delivering certain services to the Organization and its members. Included in accounts payable and accrued liabilities is \$8,054 (2016-\$7,000) due to Ascend US.

This transaction occurred in the normal course of operations and was measured at the exchange value, which is the amount established and agreed to by the related parties.

(These notes form an integral part of the financial statements.)

**ASCEND CANADA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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**4. INTERNALLY RESTRICTED FUNDS**

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The internally restricted funds are to set up future chapters, to conduct research studies and other projects that further knowledge on challenges and opportunities of Pan Asians, and to support future conferences.

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**5. FINANCIAL INSTRUMENTS**

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**Risks and Concentrations**

Ascend is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of Ascend's risk exposure as at December 31, 2017.

**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. Ascend's main credit risks relate to its accounts receivable. Ascend provides credit to its clients in the normal course of its operations.

**b) Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Ascend is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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**6. COMPARATIVE FIGURES**

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Certain comparative figures have been re-classified to conform with the current year's financial statement presentation.

(These notes form an integral part of the financial statements.)