

ASCEND CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2016

**ASCEND CANADA
FINANCIAL STATEMENTS
DECEMBER 31, 2016**

CONTENTS

| | PAGE |
|------------------------------------|-------------|
| 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 - 11 |



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, 2016, 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, 2016, 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 8, 2017

**ASCEND CANADA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | 2016 | 2015 |
|--|------------------|------------------|
| REVENUE | | |
| Sponsorship fees | \$ 240,000 | \$ 211,000 |
| Events and programs | 108,730 | 48,809 |
| Membership fees | <u>2,175</u> | <u>2,559</u> |
| | <u>350,905</u> | <u>262,368</u> |
| EXPENSES | | |
| Events and programs | 205,267 | 166,084 |
| Office and general | 43,298 | 23,200 |
| Conference and meetings | 16,779 | 16,294 |
| Professional fees | 16,238 | 7,752 |
| Insurance | <u>3,516</u> | <u>3,475</u> |
| | 285,098 | 216,805 |
| EXCESS OF REVENUE OVER EXPENSES | \$ 65,807 | \$ 45,563 |

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

**ASCEND CANADA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016**

| | 2016 | 2015 |
|--|---------------|---------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 383,176 | \$ 300,179 |
| Accounts receivable | 5,876 | - |
| Prepaid expenses | 8,654 | 8,138 |
| <hr/> | | |
| | \$ 397,706 | \$ 308,317 |
| <hr/> | | |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 33,606 | \$ 21,938 |
| HST payable | <u>13,429</u> | <u>1,515</u> |
| | <u>47,035</u> | <u>23,453</u> |
| NET ASSETS | | |
| Unrestricted funds | 300,671 | 234,864 |
| Internally restricted funds (note 4) | <u>50,000</u> | <u>50,000</u> |
| | 350,671 | 284,864 |
| <hr/> | | |
| | \$ 397,706 | \$ 308,317 |
| <hr/> | | |

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, 2016**

| | Internally restricted | Unrestricted | 2016 | 2015 |
|------------------------------------|--------------------------|--------------|------------|------------|
| BALANCE - beginning of year | \$ 50,000 | \$ 234,864 | \$ 284,864 | \$ 239,301 |
| Excess of revenue over expenses | - | 65,807 | 65,807 | 45,563 |
| BALANCE - end of year | \$ 50,000 | \$ 300,671 | \$ 350,671 | \$ 284,864 |

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

**ASCEND CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | 2016 | 2015 |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 65,807 | \$ 45,563 |
| Net changes in non-cash working capital: | | |
| Accounts receivable | (5,876) | 19,971 |
| Prepaid expenses | (516) | (1,428) |
| HST payable | 11,914 | 9,669 |
| Accounts payable and accrued liabilities | 11,668 | (7,157) |
| Deferred revenue | - | (11,000) |
| INCREASE IN CASH | 82,997 | 55,618 |
| CASH - beginning of year | 300,179 | 244,561 |
| CASH - end of year | \$ 383,176 | \$ 300,179 |

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

ASCEND CANADA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. NATURE OF ORGANIZATION

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 be the premier national not-for-profit Pan-Asian membership organization for business professionals in Canada and operate on a similar model as Ascend US by providing support to the careers of the Organization's members from undergraduate through to executive levels. In the early years of the Organization, there will be a focus on providing professional development, networking opportunities and speaker forums to the members. 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.

2. SIGNIFICANT ACCOUNTING POLICIES

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:

ASCEND CANADA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

2. ACCOUNTING POLICIES - continued

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. Changes in fair value are recognized in the statement of operations.

**ASCEND CANADA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

2. ACCOUNTING POLICIES - continued

c) Financial Instruments - continued

The Organization's financial instruments subsequently measured at amortized cost include cash and accounts payable and accrued liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations.

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.

3. RELATED PARTY BALANCES AND TRANSACTIONS

In 2016, the Organization incurred expenses of \$7,000 (2015 - \$13,195) to Ascend US for the cost of delivering certain services to the Organization and its members. Included in accounts payable and accrued liabilities is \$7,000 (2015 – nil) 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.

4. INTERNALLY RESTRICTED FUNDS

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.