

**ASCEND CANADA**

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**FINANCIAL STATEMENTS**

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**DECEMBER 31, 2023**

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FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Members of **Ascend Canada**

### Opinion

We have audited the financial statements of **Ascend Canada** (the "Organization"), which comprise the financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' 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 Organization'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 Organization'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 Organization 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.

*Kanish & Partners LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

Toronto, Canada  
May 24, 2024



**ASCEND CANADA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>		
Sponsorship fees	\$ 394,667	\$ 379,400
Events and programs	247,141	85,948
Membership fees	2,900	1,770
Other Income	<u>18,982</u>	<u>14,909</u>
	<u>663,690</u>	<u>482,027</u>
<b>EXPENSES</b>		
Bad debts	4,308	-
Donations	-	500
Events and programs	643,018	237,467
Office and general	122,971	95,052
Conference and meetings	16,351	34,438
Professional fees	58,229	16,413
Insurance	5,467	4,883
Amortization	<u>4,883</u>	<u>6,325</u>
	<u>855,227</u>	<u>395,078</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$( 191,537)</b>	<b>\$ 86,949</b>

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

**ASCEND CANADA  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

<b>ASSETS</b>		<b>2023</b>	<b>2022</b>
<b>Current</b>			
Cash (note 4)		\$ 232,709	\$ 545,092
Short-term investment (note 3)		421,484	405,723
Accounts receivable		103,542	33,113
HST recoverable		26,909	24,375
Prepaid expenses		<u>57,451</u>	<u>82,437</u>
		842,095	1,090,740
<b>Intangible</b>			
	<b>Cost</b>	<b>Accumulated Amortization</b>	
Software and website development	<u>\$ 36,027</u>	<u>\$ 25,049</u>	
		10,978	15,862
		\$ 853,073	\$ 1,106,602

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

**ASCEND CANADA  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

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**LIABILITIES**

**Current**

Accounts payable and accrued liabilities	\$ 69,394	\$ 49,256
Deferred revenue	<u>26,083</u>	<u>108,213</u>
	<u>95,477</u>	<u>157,469</u>

**NET ASSETS**

Unrestricted funds	707,596	899,133
Internally restricted funds (note 4)	<u>50,000</u>	<u>50,000</u>
	757,596	949,133

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\$ 853,073    \$ 1,106,602

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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, 2023**

	<b>Internally restricted</b>	<b>Unrestricted</b>	<b>2023</b>	<b>2022</b>
<b>BALANCE</b> - beginning of year	\$ 50,000	\$ 899,133	\$ 949,133	\$ 862,184
Excess (deficiency) of revenue over expenses	-	( 191,537)	( 191,537)	86,949
<b>BALANCE</b> - end of year	\$ 50,000	\$ 707,596	\$ 757,596	\$ 949,133

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

**ASCEND CANADA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM (FOR) OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$( 191,537)	\$ 86,949
Item not requiring an outlay of cash:		
Amortization	<u>4,883</u>	<u>6,325</u>
	( 186,654)	93,274
Net changes in non-cash working capital:		
Accounts receivable	( 70,430)	( 18,989)
Prepaid expenses	24,986	( 611)
HST payable/ recoverable	( 2,534)	( 55,294)
Accounts payable and accrued liabilities	20,139	40,055
Deferred revenue	<u>( 82,129)</u>	<u>8,263</u>
	<u>( 296,622)</u>	<u>66,698</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Short term investment	<u>( 15,761)</u>	<u>( 4,909)</u>
<b>INCREASE (DECREASE) IN CASH</b>	( 312,383)	61,789
<b>CASH</b> - beginning of year	545,092	483,303
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<b>CASH</b> - end of year	\$ 232,709	\$ 545,092

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

**ASCEND CANADA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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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, Montreal 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, 2023**

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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, donations, 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, 2023**

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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 Translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at rates of exchange in effect at the date of the balance sheet. Other assets and liabilities are translated at their historical rates. Items appearing in the statement of operations, except for the cost of inventories and amortization, are translated at the average exchange rate for the year. Any gains or losses from translation have been included in the determination of income.

**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, 2021 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.

**f) Short-term Investment**

Investment is valued using the cost method.

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

**ASCEND CANADA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**2. ACCOUNTING POLICIES - continued**

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**g) Intangible Asset**

Intangible asset is recorded at cost and amortized over the estimated useful life of the asset using the declining-balance method at the following rates.

Software and website development	30% per annum
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**3. SHORT - TERM INVESTMENT**

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Short term investment consists of a GIC earning interest at 2.6% per annum and matures on March 20, 2024.

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**4. INTERNALLY RESTRICTED FUNDS**

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The internally restricted funds of \$50,000 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. This amount is included in cash.

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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, 2023.

**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.

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

**ASCEND CANADA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**5. FINANCIAL INSTRUMENTS - continued**

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**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.

**c) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The market risk which has a significant impact on the financial statements of the Organization is as follows:

**i) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in the market interest rate. The Organization reduces this risk by diversifying the duration of fixed-income investments that are held at any given time.

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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.)