

**TEAM RUBICON CANADA**  
**FINANCIAL STATEMENTS**  
DECEMBER 31, 2023



## **Independent Auditor's Report**

To the directors of  
Team Rubicon Canada

### *Opinion*

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

In my 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 ("ASNPO").

### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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AUTHORIZED TO PRACTICE PUBLIC ACCOUNTING BY CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

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### Independent Auditor's Report, continued

- ◆ 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

*Peter K.C. Lee Professional Corporation*

CHARTERED PROFESSIONAL ACCOUNTANT

Markham, Ontario  
June 26, 2024

## Team Rubicon Canada

### Statement of Financial Position

As at December 31, 2023

	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1,634,336	\$ 937,879
Term deposit (note 3)	101,638	101,772
Accounts receivable (no allowance)	255,034	240,804
Prepaid expenses	18,871	1,426
<b>Total current</b>	<b>2,009,879</b>	<b>1,281,881</b>
<b>Capital assets (note 4)</b>	<b>44,184</b>	<b>9,968</b>
<b>Total assets</b>	<b>\$ 2,054,063</b>	<b>\$ 1,291,849</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 73,711	\$ 117,962
Deferred contributions (note 5)	1,365,267	155,537
<b>Total liabilities</b>	<b>1,438,978</b>	<b>273,499</b>
<b>Net assets</b>		
<b>Unrestricted</b>	<b>615,085</b>	<b>1,018,350</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,054,063</b>	<b>\$ 1,291,849</b>

Approved on behalf of the Board

  
James McKenna (Jan 27, 2024 13:51 EDT)

Director

  
George Chung (Jan 27, 2024 13:53 EDT)

Director

See accompanying notes

## Team Rubicon Canada

### Statement of Changes in Net Assets

For the year ended December 31, 2023

	<b>2023</b>	2022
Unrestricted balance, beginning of year	<b>\$ 1,018,350</b>	\$ 754,462
(Deficiency) excess of revenue over expenditures	<b>(403,265)</b>	263,888
Unrestricted balance, end of year	<b>\$ 615,085</b>	\$ 1,018,350

See accompanying notes

## Team Rubicon Canada

### Statement of Operations

For the year ended December 31, 2023

	<b>2023</b>	2022
<b>Revenue</b>		
Donations and contributions (Note 6)	\$ 2,586,429	\$ 2,531,370
HST recoveries	155,547	-
Interest income	6,271	3,829
<b>Total revenue</b>	<b>2,748,247</b>	2,535,199
<b>Expenditures</b>		
Programs (Note 7)	2,541,423	1,738,778
Administration (Note 7)	307,383	306,543
Fundraising (Note 7)	302,706	225,990
<b>Total expenditures</b>	<b>3,151,512</b>	2,271,311
<b>(Deficiency) excess of revenue over expenditures</b>	<b>\$ (403,265)</b>	\$ 263,888

See accompanying notes

## Team Rubicon Canada

### Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenditures	\$ (403,265)	\$ 263,888
Adjustments for		
Amortization	8,538	3,499
Loss on sale of asset	-	2,517
	<b>(394,727)</b>	269,904
Change in non-cash working capital items		
Accounts receivable	(14,230)	(216,745)
Prepaid expenses	(17,445)	(183)
Accounts payable and accrued liabilities	(44,251)	40,170
Deferred contributions	1,209,730	73,680
	<b>739,077</b>	166,826
<b>Investing activities</b>		
Term deposit	134	50,000
Purchase of capital assets	(42,754)	(2,797)
	<b>(42,620)</b>	47,203
<b>Financing activity</b>		
Deferred revenue - capital assets (note 6)	-	(2,534)
<b>Increase in cash</b>	<b>696,457</b>	211,495
<b>Cash, beginning of year</b>	<b>937,879</b>	726,384
<b>Cash, end of year</b>	<b>\$ 1,634,336</b>	\$ 937,879

See accompanying notes

## Team Rubicon Canada

Notes to the Financial Statements

December 31, 2023

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### Nature of operations

Team Rubicon Canada (the "Organization") was incorporated in 2016 under the Canada Not-for-profit Corporations Act of Government of Canada. The Organization is an umbrella organization of Team Rubicon, Inc. and shares the same mission and values as Team Rubicon, Inc. The Organization's principal business activities are disaster response and veteran support services.

The Organization is a charitable organization registered under the Income Tax Act and therefore is not subject to either federal or provincial income taxes.

#### 1. Significant accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

##### (a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as earned.

##### (b) Capital assets

Capital assets are accounted for at cost and amortized over their estimated useful life using the declining balance method at the following rates.

Trailers	30%
Office equipment	20%
Construction equipment	20%

##### (c) Impairment of long-lived assets

The Organization reviews long-lived assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When indicators of impairment of the carrying value of the assets exist, and the carrying value is greater than the net recoverable value, an impairment loss is recognized to the extent that the fair value is below the carrying value. As at December 31, 2023, there were no significant indications of impairment.

##### (d) Donated material and services

Donated materials and services are recorded at their fair value at the date of contribution when the fair value can be reasonably estimated and when such value is significant. Volunteers contribute extensive time and effort to assist the Organization in carrying out its activities. Because of the difficulty in determining the fair value, contributed services from volunteers are not recognized in the financial statements.



## Team Rubicon Canada

Notes to the Financial Statements

December 31, 2023

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### 1. Significant accounting policies, continued

#### (e) Allocation of expenses

The cost of each program undertaken by the Organization includes personnel and other expenses that are directly related to providing the programs. Operating costs are allocated to programs, fundraising and administration based on specific activities and the level of benefit received by each function as follows:

- travel and vehicle expense, training costs, amortization, settlement fees are mainly attributed to program activities;
- bank charges and interest are mainly attributed to administration and fundraising activities;
- advertising and promotion, field supplies, insurance, office and general and professional services are allocated to each of program, fundraising and administration activities based on the specific nature of each amount incurred;
- occupancy and wages benefits costs are allocated based on the proportion of efforts or services required for each of program, fundraising and administration activities;

#### (f) Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets, collectibility of accounts receivable and accruals of expenses. However, future events and their effects cannot be determined with certainty and actual results could differ from these estimates.

#### (g) Financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate. The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Financial assets measured at cost or amortized cost consist of cash, term deposit and accounts receivable. Financial liabilities measured at cost or amortized cost consist of accounts payable and accrued liabilities.

##### **Impairment of financial instruments**

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. The previously recognized impairment loss may be reversed to the extent of the improvement directly or by adjusting the allowance account, provided it is not 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 the statement of operations.

## Team Rubicon Canada

Notes to the Financial Statements

December 31, 2023

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### 2. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant credit, liquidity and interest rate risk arising from these financial instruments except as otherwise disclosed.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk through its cash, term deposit balances and accounts receivable. In order to reduce its credit risk from accounts receivable, the Organization regularly reviews the quality of the receivables to determine collectibility. The Organization also reduces credit risk by maintaining its funds with credit worthy financial institutions.

(b) Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of \$73,711 (2022 - \$117,962). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintaining adequate cash reserves to repay its obligations.

(c) Interest rate risk

Interest rate risk is the risk that fair value of a financial instrument or future cash flows will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk primarily through its fixed interest rate on its term deposit.

### 3. Term deposit

Term deposit consists of cashable guaranteed investment certificates in the principal amount of \$100,000, which bears an interest rate of 4.25% per annum and matured on February 23, 2024. Subsequent to the maturity date, this GIC was renewed at an interest rate of 4.75% per annum and it matures on February 25, 2025.

## Team Rubicon Canada

Notes to the Financial Statements

December 31, 2023

### 4. Capital assets

	2023			2022	
	Cost	Accumulated amortization	Net	Net	
Trailers	\$ 51,147	\$ 16,979	\$ 34,168	\$	4,712
Office equipment	2,307	387	1,920		783
Construction equipment	11,413	3,317	8,096		4,473
	\$ 64,867	\$ 20,683	\$ 44,184	\$	9,968

Amortization of \$8,538 (2022 - \$2,784) was included in programs expenditures and \$nil (2022 - \$715) was included in administration expenditures.

### 5. Deferred contributions

	2023		2022	
Balance, at beginning of year	\$	155,537	\$	81,857
Contributions received		3,796,159		2,605,050
Amounts recognized as revenue		(2,586,429)		(2,531,370)
	\$	1,365,267	\$	155,537

### 6. Donated materials and services

Included in donations and contributions revenue are donations-in-kind, which amount to \$251,915 (2022 - \$185,954).

Airfare, which is part of travelling expense, in the amount of \$186,123, storage cost in the amount of \$28,508, field supplies in the amount of \$15,430, training in the amount of \$4,676 and software in the amount of \$13,116, calculated based on fair market values, are recorded as expenses. The remainder of \$4,062 includes various other contributions.

An equivalent amount for contribution received during the year is recorded in donations and contributions revenue.

## Team Rubicon Canada

Notes to the Financial Statements

December 31, 2023

### 7. Allocation of expenses

As described in Note 1, various costs have been allocated as follows:

	<b>Programs</b>	<b>Fundraising</b>	<b>Administration</b>	<b>2023 Total</b>
Advertising and promotion	\$ 55,996	\$ 53	\$ -	\$ 56,049
Amortization	8,538	-	-	8,538
Bank charges and interest	1,937	3,939	3,967	9,843
Field supplies	224,756	182	4,516	229,454
Insurance	23,371	-	48,559	71,930
Occupancy	70,585	3,088	2,084	75,757
Office and general	116,378	450	22,109	138,937
Professional services	212,839	-	33,856	246,695
Training	20,373	296	505	21,174
Travel and vehicle	836,820	15,732	6,841	859,393
Wages and benefits	969,830	278,966	184,946	1,433,742
	<b>\$ 2,541,423</b>	<b>\$ 302,706</b>	<b>\$ 307,383</b>	<b>\$ 3,151,512</b>

	<b>Programs</b>	<b>Fundraising</b>	<b>Administration</b>	<b>2022 Total</b>
Advertising and promotion	\$ 35,079	\$ 52	\$ -	\$ 35,131
Amortization	2,784	-	715	3,499
Bank charges and interest	100	1,795	4,088	5,983
Moving allowance	-	-	39,657	39,657
Field supplies	102,981	3,225	17,573	123,779
Insurance	71,693	-	-	71,693
Occupancy	27,942	9,081	5,728	42,751
Office and general	64,174	473	3,796	68,443
Professional fees	144,126	1,839	87,999	233,964
Training	2,500	-	-	2,500
Travel and vehicle	659,935	12,120	11,841	683,896
Wages and benefits	627,464	197,405	135,146	960,015
	<b>\$ 1,738,778</b>	<b>\$ 225,990</b>	<b>\$ 306,543</b>	<b>\$ 2,271,311</b>

### 8. Related party transactions

During the year, contributions aggregating \$217,932 (2022 - \$561,484) were received from Team Rubicon, Inc., an affiliated organization, to support the ongoing business costs of the Organization.

These transactions are in the normal course of business and are measured at their exchange amounts, which is the amount of consideration established and agreed to by both parties.

### 9. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.









# Team Rubicon Canada December 31 2023FS - Jun 26, 2024

Final Audit Report

2024-06-27

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