Team Rubicon Canada
Financial Statements
December 31, 2024

To the Directors of Team Rubicon Canada:

Opinion

We have audited the financial statements of Team Rubicon Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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, 2024, 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 Auditor’s 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.

Other Matter

The financial statement for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on June 26, 2024.

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

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.

MNP LLP

Mississauga, Ontario

Chartered Professional Accountants

June 28, 2025

Licensed Public Accountants

MNP

Team Rubicon Canada
Statement of Financial Position
As at December 31, 2024

	2024	*2023*
Assets		
Current		
Cash	**1,313,887**	1,634,336
Accounts receivable	**113,419**	255,034
Term deposits *(Note 3)*	**126,638**	101,638
Prepaid expenses and deposits	**95,809**	18,871
	1,649,753	2,009,879
Capital assets *(Note 4)*	**486,787**	44,184
	2,136,540	2,054,063
Liabilities		
Current		
Accounts payable and accrued liabilities	**138,974**	73,711
Deferred contributions	**893,003**	1,365,267
Current portion of deferred contributions related to capital assets	**131,678**	-
	1,163,655	1,438,978
Deferred contributions related to capital assets	**351,938**	-
	1,515,593	1,438,978
Net Assets	**620,947**	615,085
	2,136,540	2,054,063

Approved on behalf of the Board

e-Signed by Geordie Young
2025-06-27 06:05:47:47 MDT
Director

e-Signed by Paul McCarthy
2025-06-27 07:05:59:59 MDT
Director

The accompanying notes are an integral part of these financial statements

Team Rubicon Canada
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2024

	2024	*2023*
Revenue		
Contributions *(Note 5), (Note 6)*	**3,474,668**	2,586,429
Interest income	**20,767**	6,271
	3,495,435	2,592,700
Expenses		
Programs *(Note 9)*	**2,668,621**	2,385,876
Administration *(Note 9)*	**603,665**	307,383
Fundraising *(Note 9)*	**217,287**	302,706
	3,489,573	2,995,965
Excess (deficiency) of revenue over expenses	**5,862**	(403,265)
Net assets, beginning of year	**615,085**	1,018,350
Net assets, end of year	**620,947**	615,085

The accompanying notes are an integral part of these financial statements

Team Rubicon Canada
Statement of Cash Flows
For the year ended December 31, 2024

	2024	*2023*
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	**5,862**	(403,265)
Amortization of contributions related to capital assets	**(76,581)**	-
Amortization expense	**92,007**	8,538
	21,288	(394,727)
Change in non-cash working capital items		
Accounts receivable	**141,615**	(14,230)
Prepaid expenses and deposits	**(76,938)**	(17,445)
Accounts payable and accrued liabilities	**65,263**	(44,251)
Deferred contributions	**(472,264)**	1,209,730
	(321,036)	739,077
Financing		
Contributions related to capital assets	**560,197**	-
Investing		
Term deposit	**(25,000)**	134
Purchase of capital assets	**(534,610)**	(42,754)
	(559,610)	(42,620)
Increase (decrease) in cash	**(320,449)**	696,457
Cash, beginning of year	**1,634,336**	937,879
Cash, end of year	**1,313,887**	1,634,336

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Team Rubicon Canada (the “Organization”) was incorporated in 2016 under the Canada Not-for-profit Corporations Act. The Organization is the exclusive Canadian affiliate of Team Rubicon, Inc. and shares the same mission and values. The Organization's principal activities are disaster response and building community resiliency.

After the end of fiscal 2024, Team Rubicon, Inc. became the sole member of the Organization.

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

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

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 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 are recognized as direct increases in net assets.

Unrestricted investment income is recognized as revenue when earned.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

The Organization receives the services of volunteers in completing its objectives. Due to the difficulty in estimating the fair value, the services are not recognized in the financial statements.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Vehicles and trailers	30 %
Equipment	20 %
Office equipment	20 %

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Organization’s capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

2. Significant accounting policies *(Continued from previous page)*

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;

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction (“related party financial instruments”) at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenues over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets and the amount that could be realized by selling the assets at the statement of financial position date.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

The preparation of 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Expenses are presented by function involving the attribution and allocation of shared costs across the functions.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the year in which they become known.

3. Term deposits

Term deposits bear an interest of 4.75% (2023 - 4.25%) per annum and mature between February and April 2025.

4. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Vehicles and trailers	**429,410**	**88,914**	**340,496**	34,168
Equipment	**167,759**	**22,986**	**144,773**	8,096
Office equipment	**2,307**	**789**	**1,518**	1,920
	599,476	**112,689**	**486,787**	44,184

5. Deferred contributions

Changes in the deferred contribution balance are as follows:

	2024	2023
Balance, beginning of year	**1,365,267**	155,537
Amount received during the year	**1,375,867**	3,796,159
Less: Amount recognized as revenue during the year	**(1,828,727)**	(2,586,429)
Balance, end of year	**912,407**	1,365,267

6. Deferred contributions related to capital assets

Changes in deferred capital contributions are as follows:

	2024	2023
Balance, beginning of year	**-**	-
Amount received during the year	**560,197**	-
Less: Amounts recognized as revenue during the year	**(76,581)**	-
	483,616	-
Less: current portion	**131,678**	-
Balance, end of year	**351,938**	-

7. Contributed materials and services

Contributions revenue includes in-kind donations of $114,501 (2023 - $251,915).

Related program expenses are recorded as follows: Air travel expenses of $91,003; storage costs of $7,080; field supplies of $10,848; training of $3,120 and other expenses of $2,450.

8. Related party transactions

During the year, contributions aggregating $nil (2023 - $217,932) 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. Allocation of expenses

Expenses have been attributed and allocated across functions as follows:

	Programs	*Fundraising*	*Adminis-tration*	*Total*
2024				
Advertising and promotion	**34,413**	**953**	**159**	**35,525**
Amortization	**92,007**	**-**	**-**	**92,007**
Bank charges and interest	**28**	**4,577**	**16,322**	**20,927**
Field supplies	**187,271**	**3,327**	**7,178**	**197,776**
Insurance	**2,762**	**2,762**	**70,938**	**76,462**
Occupancy	**45,646**	**15,082**	**8,075**	**68,803**
Office and general	**95,545**	**10,983**	**4,323**	**110,851**
Professional fees	**197,198**	**-**	**29,549**	**226,747**
Training	**8,492**	**2,283**	**458**	**11,233**
Travel and vehicle	**685,787**	**1,543**	**5,677**	**693,007**
Wages and benefits	**1,319,472**	**175,777**	**460,986**	**1,956,235**
	2,668,621	**217,287**	**603,665**	**3,489,573**
2023				
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 fees	**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**
	2,541,423	**302,706**	**307,383**	**3,151,512**

10. 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 interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the Organization's financial instruments best represents the maximum exposure to credit risk.

The Organization manages its credit risk by assessing the collectability of receivable amounts and providing allowances for potentially uncollectable accounts receivable as appropriate. Credit risk in respect of investments are managed by primarily investing in the term deposits of a major Canadian financial institution.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associate with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate cash flow risk on its cash deposits. It manages this risk by investing in fixed rate term deposits, with the intention to hold to maturity. Cash flow risk will arise on the term deposits as they mature and reprice.

Liquidity risk

Liquidity risk is the risk that the Organization will be unable to have funds available to meet its obligations. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintaining adequate cash reserves to meet its obligations.

Exposure to financial instrument risks have not changed significantly during the year.