

WILKE & ASSOCIATES



TEAM RUBICON, INC.

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

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TEAM RUBICON, INC.

YEAR ENDED DECEMBER 31, 2011

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WILKE & ASSOCIATES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Team Rubicon, Inc.
Inglewood, California

We have audited the accompanying statement of financial position of Team Rubicon, Inc. (the Organization) as of December 31, 2011, and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Team Rubicon, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Wilke & Associates, LLP

April 25, 2012

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WILKE & ASSOCIATES

TEAM RUBICON, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 194,090
Pledges receivable	63,891
Cash advance	<u>389</u>
TOTAL CURRENT ASSETS	<u>258,370</u>
PROPERTY AND EQUIPMENT	
Equipment	10,511
Software	<u>10,736</u>
	21,247
Less accumulated depreciation	<u>(5,075)</u>
NET PROPERTY AND EQUIPMENT	<u>16,172</u>
TOTAL ASSETS	<u><u>\$ 274,542</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 8,910
Accrued liabilities	<u>55,298</u>
TOTAL CURRENT LIABILITIES	<u>64,208</u>
NET ASSETS	
Unrestricted	60,334
Temporarily Restricted	<u>150,000</u>
TOTAL NET ASSETS	<u>210,334</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 274,542</u></u>

See accompanying notes to the financial statements.

TEAM RUBICON, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 349,066	\$ -	\$ 349,066
Grants	46,052	150,000	196,052
In-kind contributed services	19,164	-	19,164
Special events	10,391	-	10,391
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>424,673</u>	<u>150,000</u>	<u>574,673</u>
EXPENSES			
Program services	394,360	-	394,360
Special Events	31,015	-	31,015
Management and general	10,551	-	10,551
TOTAL EXPENSES	<u>435,926</u>	<u>-</u>	<u>435,926</u>
CHANGE IN NET ASSETS	(11,253)	150,000	138,747
NET ASSETS, BEGINNING OF THE YEAR	<u>71,587</u>	<u>-</u>	<u>71,587</u>
NET ASSETS, END OF THE YEAR	<u>\$ 60,334</u>	<u>\$ 150,000</u>	<u>\$ 210,334</u>

See accompanying notes to the financial statements.

TEAM RUBICON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	PROGRAM SERVICES	SPECIAL EVENTS	MANAGEMENT AND GENERAL	TOTAL EXPENSES
Wages	\$ 130,181	\$ 5,998	\$ 3,748	\$ 139,927
Field expenses	101,784	-	-	101,784
Conference expense	47,132	766	-	47,898
Special events expenses	1,058	17,454	-	18,512
Office expense	15,910	968	535	17,413
Professional services	17,439	-	1,525	18,964
Freight	15,471	-	-	15,471
Payroll taxes	10,642	491	306	11,439
Bank service charge	8,323	-	743	9,066
Meals & entertainment	4,541	3,700	-	8,241
Medical supplies	7,914	-	-	7,914
Rent, parking, utilities	6,580	-	-	6,580
Marketing materials	5,791	129	-	5,920
Printing & copying	3,919	1,166	-	5,085
Fines & penalties	46	-	3,328	3,374
Depreciation	3,996	343	343	4,682
Telephone & internet	4,002	-	-	4,002
Awards, fellowships and grants	3,600	-	-	3,600
Automobile expense	3,080	-	-	3,080
Membership, dues & licenses	2,951	-	-	2,951
Tax expense - non payroll	-	-	23	23
	<u>\$ 394,360</u>	<u>\$ 31,015</u>	<u>\$ 10,551</u>	<u>\$ 435,926</u>

See accompanying notes to the financial statements.

TEAM RUBICON, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 138,747
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,682
(Increase) decrease in:	
Contributions receivable	(63,891)
Prepaid expense	16,431
Cash advance	(389)
Increase (decrease) in:	
Accounts payable	8,910
Accrued liabilities	55,298
	<u>159,788</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property & equipment	<u>(18,674)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(18,674)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	141,114
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	<u>52,976</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 194,090</u>

See accompanying notes to the financial statements.

TEAM RUBICON, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities:

Team Rubicon, Inc. (“the Organization”) is a Minnesota corporation formed in 2010 that maintains its headquarters in southern California. The corporation is a nonprofit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization has been formed to bridge the critical gap between large humanitarian disasters and conventional aid response.

Basis of Accounting:

In accordance with accounting principles generally accepted in the United States of America, the accompanying financial statements are prepared using the accrual basis of accounting and include the assets, liabilities, net assets, and financial operations of the activities of the Organization. Accordingly, revenues are recorded when earned and expenses are recognized when the liabilities are incurred.

The Organization reports gifts of cash and other assets as temporarily restricted contributions if they are received with donor stipulations that limit the use of the assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “net assets released from restrictions”. The Organization considers restricted donations received and spent during the same year as unrestricted donations.

Financial Statement Presentation:

Team Rubicon, Inc. follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205-05-6 *A Complete Set of Financial Statements*. Under FASB ASC 958-205-05-6, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents:

Cash includes currency on hand and demand deposits with financial institutions. Cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash, with a stated maturity of three months or less.

TEAM RUBICON, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Property and Equipment:

Property and equipment are stated at cost. The Organization utilizes the straight-line method of depreciation for financial reporting purposes at rates based on the following estimated useful lives of the assets:

Equipment	5 – 7 years
Software	3 years

Repairs and maintenance, which do not extend the lives of the applicable assets, are charged to expense as incurred. Gain or loss resulting from retirement or other disposition of assets is included in income. Depreciation expense for the year ended December 31, 2011 was \$4,682.

Allocation of Certain Expenses:

Costs of providing program services and other activities are summarized on a functional basis in the statements of functional expenses. Accordingly, all costs have been allocated to the functional expenses classification to the extent it is practicable to do so.

Income Taxes:

The Organization is exempt from federal income taxes as previously noted and accordingly, no provision for federal and state income taxes is recorded.

NOTE B – PLEDGES RECEIVABLE

Pledges receivable have been classified as unconditional or conditional. Unconditional promises to give, which are to be received in less than one year, was \$63,891 as of December 31, 2011.

NOTE C – IN-KIND DONATIONS

Material gifts in kind used in the Organization's program are recorded as income and expense or fixed assets at the time the items are received, which is normally also the time they are placed in service or distributed.

TEAM RUBICON, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE D – NET ASSETS

Temporarily restricted net assets contain donor imposed restrictions that expire once specific actions are undertaken by the Organization. These net assets are then released and reclassified to unrestricted net assets, from which they are expended. Temporarily restricted net assets are available for the following purposes at December 31, 2011:

Designated for:	
Salaries	\$ 120,000
Travel	20,000
Marketing	<u>10,000</u>
	<u>\$ 150,000</u>

There were no permanently restricted net assets as of December 31, 2011.

NOTE E — SUBSEQUENT EVENT

FASB ASC 855-10-50-4, Subsequent Events, requires Organizations to evaluate and disclose events that occur subsequent to the financial statement date of presentation and have a material impact to operations. Management has adopted FASB ASC 855 for the year ended December 31, 2011. Subsequent events have been evaluated and there are no subsequent events necessary for disclosure as of the independent auditors' report date of April 25, 2012.

NOTE F — FAIR VALUE MEASUREMENTS

The Organization follows the requirements of ASC No. 820-10-50-2, *Fair Value Measurements and Disclosures* (standard: FAS No. 157, *Fair Value Measurements*). Management uses its best judgment in estimating the fair value of the Organization's financial instruments; however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts the Organization could have realized in transactions on the dates indicated. The estimated fair value amounts have been measured as of their respective period ends, and have not been reevaluated or updated for purposes of these financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each period end. The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents: the carrying amount is a reasonable estimate of fair value given the short term nature of the asset.

Contributions receivable: the carrying amount is a reasonable estimate of fair value given the short term nature of the asset.