

**TEAM RUBICON, INC.**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

**TEAM RUBICON, INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Team Rubicon, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Team Rubicon, Inc. (Team Rubicon), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Team Rubicon as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Green Hasson & Janks LLP*

September 27, 2016  
Los Angeles, California

**TEAM RUBICON, INC.****STATEMENT OF FINANCIAL POSITION**

December 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 98,809	\$ 1,092,767	\$ 1,191,576
Investments	1,410,918	396,682	1,807,600
Contributions and Pledges Receivable (Net)	199,528	805,813	1,005,341
Prepaid Expenses and Other Assets	401,760	-	401,760
Due from Affiliate	257,189	-	257,189
Property and Equipment (Net)	300,456	-	300,456
<b>TOTAL ASSETS</b>	<b>\$ 2,668,660</b>	<b>\$ 2,295,262</b>	<b>\$ 4,963,922</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES:</b>			
Accounts Payable	\$ 93,507	\$ -	\$ 93,507
Accrued Liabilities	168,432	-	168,432
<b>TOTAL LIABILITIES</b>	<b>261,939</b>	<b>-</b>	<b>261,939</b>
<b>NET ASSETS:</b>			
Unrestricted	2,406,721	-	2,406,721
Temporarily Restricted	-	2,295,262	2,295,262
<b>TOTAL NET ASSETS</b>	<b>2,406,721</b>	<b>2,295,262</b>	<b>4,701,983</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,668,660</b>	<b>\$ 2,295,262</b>	<b>\$ 4,963,922</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**TEAM RUBICON, INC.****STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2015**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE, PUBLIC SUPPORT AND OTHER INCOME:</b>			
Contributions and Grants	\$ 3,143,952	\$ 4,011,396	\$ 7,155,348
Special Events (Net of Cost of Direct Donor Benefits of \$157,606)	653,266	-	653,266
In-Kind Contributions	1,347,351	-	1,347,351
Other Income	20,969	-	20,969
Investment Income (Net)	5,238	-	5,238
Net Assets Released from Purpose Restrictions	3,059,222	(3,059,222)	-
 <b>TOTAL REVENUE, PUBLIC SUPPORT AND OTHER INCOME</b>	 8,229,998	 952,174	 9,182,172
 <b>EXPENSES:</b>			
Program Services	6,312,183	-	6,312,183
Management and General	837,344	-	837,344
Fundraising	795,447	-	795,447
 <b>TOTAL EXPENSES</b>	 7,944,974	 -	 7,944,974
 <b>CHANGE IN NET ASSETS</b>	 285,024	 952,174	 1,237,198
Net Assets - Beginning of Year	2,121,697	1,343,088	3,464,785
 <b>NET ASSETS - END OF YEAR</b>	 <u>\$ 2,406,721</u>	 <u>\$ 2,295,262</u>	 <u>\$ 4,701,983</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TEAM RUBICON, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2015**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,839,798	\$ 403,824	\$ 463,670	\$ 2,707,292
Employee Benefits	263,823	56,025	48,484	368,332
Payroll Taxes	161,428	36,023	38,995	236,446
<b>TOTAL PERSONNEL COSTS</b>	<b>2,265,049</b>	<b>495,872</b>	<b>551,149</b>	<b>3,312,070</b>
Field Expenses	2,659,658	-	-	2,659,658
Conferences and Travel	357,482	11,899	49,702	419,083
Professional Services	287,056	40,762	25,157	352,975
Office Supplies	158,735	64,280	49,491	272,506
Rent, Parking, and Utilities	170,171	30,810	20,892	221,873
Meals	103,604	4,916	6,888	115,408
Marketing Materials	95,946	1,578	14,754	112,278
Insurance	90,359	8,793	5,884	105,036
Awards, Fellowships, and Grants	88,000	-	-	88,000
Telephone and Internet	68,662	5,557	2,555	76,774
Bank Fees	1,076	12,221	44,196	57,493
Depreciation	44,600	23,510	-	68,110
Printing and Copying	10,521	750	23,006	34,277
Placement and Hiring Costs	378	27,355	110	27,843
Miscellaneous	10,426	9,501	1,663	21,590
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 6,411,723</b>	<b>\$ 737,804</b>	<b>\$ 795,447</b>	<b>\$ 7,944,974</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**TEAM RUBICON, INC.**

**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in Net Assets	\$ 1,237,198
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	68,110
Net Realized and Unrealized Loss on Investments	24,579
Present Value Discount on Contributions and Pledges Receivable	35,147
Contributed Property and Equipment	(68,300)
Increase in:	
Contributions and Pledges Receivable	(650,591)
Prepaid Expenses and Other Assets	(20,667)
Due from Affiliate	(60,575)
Increase (Decrease) in:	
Accounts Payable	(111,235)
Accrued Liabilities	47,263
Deferred Rent	(21,409)

***NET CASH PROVIDED BY  
OPERATING ACTIVITIES***

479,520

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of Property and Equipment	(50,371)
Purchase of Investments	(611,598)
Interest and Dividends Reinvested	(29,817)
Proceeds on Sale of Investments	829,816

***NET CASH PROVIDED BY INVESTING ACTIVITIES***

138,030

***NET INCREASE IN CASH AND CASH EQUIVALENTS***

617,550

Cash and Cash Equivalents - Beginning of Year

574,026

***CASH AND CASH EQUIVALENTS - END OF YEAR***

\$ 1,191,576

The Accompanying Notes are an Integral Part of These Financial Statements

# TEAM RUBICON, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### NOTE 1 - ORGANIZATION

Team Rubicon, Inc. (Team Rubicon) is a nonprofit global humanitarian organization founded in 2010. Team Rubicon's primary mission is providing disaster relief to those affected by natural disasters, domestic or international. By pairing the skills and experiences of military veterans with first responders, medical professionals and technology solutions, Team Rubicon aims to provide the greatest service and impact possible. Through continued service, Team Rubicon seeks to provide veterans with three things they lose after leaving the military: a purpose, gained through disaster relief; community, built by serving with others; and self-worth, from recognizing the impact one individual can make. Coupled with leadership development and other opportunities, Team Rubicon looks to help veterans transition from military to civilian life.

Since 2010, Team Rubicon has grown to over 40,000 registered volunteers and responded to over 140 disasters, including large-scale events such as the Haiti earthquake, Superstorm Sandy, Joplin tornado, and others. The organization's work has been recognized by numerous awards, including, but not limited to, CNN Heroes, the Classy Awards, the Heinz Award, the Grinnell Prize, The Manhattan Institute, and the Lincoln Awards. Its work has also been covered by dozens of media outlets, including ABC News, NBC, CNN, Fox, MSNBC, ESPN, The New York Times, Time Magazine, and others.

In addition to disaster response, Team Rubicon focuses on preparing volunteers and communities alike for disasters before they happen. Its training department has trained thousands of volunteers in skills such as incident command, safe chainsaw operations, heavy equipment usage, expedient home repairs and other skills.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### (b) ACCOUNTING

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of Team Rubicon are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- **Temporarily Restricted.** Team Rubicon reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the 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 purpose or time restrictions. Team Rubicon has \$2,295,262 of temporarily restricted net assets at December 31, 2015.



# TEAM RUBICON, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) ACCOUNTING (continued)

- **Permanently Restricted.** These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit Team Rubicon to expend all of the income (or other economic benefits) derived from the donated assets. Team Rubicon has no permanently restricted net assets at December 31, 2015.

#### (c) CASH AND CASH EQUIVALENTS

For financial statement purposes, Team Rubicon considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Team Rubicon maintains its cash and cash equivalents in bank deposit and money market accounts which, at times, may exceed federally insured limits. Team Rubicon has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The carrying value of cash and cash equivalents at December 31, 2015 approximates its fair value.

#### (d) INVESTMENTS

Investments in equity and debt securities with readily determinable fair values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Interest and dividend income and gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by donor stipulations or by law.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Investments are made at the direction of Team Rubicon's Board of Directors. The investments are managed by outside investment managers contracted by Team Rubicon.

#### (e) CONTRIBUTIONS AND PLEDGES RECEIVABLE

Unconditional contributions and grants, including pledges recorded at estimated fair value, are recognized as revenues in the period received. Team Rubicon reports unconditional contributions and grants as restricted support if they are received with donor stipulations that limit the use of the donated assets. Conditional promises to give are not included as support until such time as the conditions are substantially met. At December 31, 2015, Team Rubicon had received \$2,375,000 of conditional promises to give.

**TEAM RUBICON, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) CONTRIBUTIONS AND PLEDGES RECEIVABLE (continued)**

Pledges receivable expected to be collected within one year are recorded at their net realizable value. Pledges receivable expected to be collected in future years are recorded at the present value of estimated future cash flows discounted at an appropriate market interest rate at the time of the contribution. Team Rubicon used a discount rate of 5% to calculate the present value of pledges receivable. The discount amounted to \$35,147 at December 31, 2015.

At December 31, 2015, the Team Rubicon evaluated the collectability of pledges receivable and determined that no allowance for uncollectible pledges receivable was necessary.

**(f) PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year. The estimated useful lives of property and equipment are as follows:

Field Equipment	5 - 10 Years
Field Communication Equipment	5 Years
Computer Equipment and Software	3 Years
Audiovisual and Media Equipment	5 Years
Furniture and Office Equipment	7 Years
Leasehold Improvements	Lease Term

**(g) LONG-LIVED ASSETS**

Team Rubicon reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized during the year ended December 31, 2015.

**(h) CONTRIBUTED GOODS AND SERVICES**

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year ended December 31, 2015 Team Rubicon received in-kind contributions of \$1,347,351 which includes donated field communication equipment of \$68,300 and other donated services of \$1,279,051.

A substantial number of volunteers have donated significant amounts of their time to Team Rubicon. The services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized in the accompanying financial statements.

# TEAM RUBICON, INC.

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) INCOME TAXES

Team Rubicon is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) as a charitable organization whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax. Team Rubicon currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. Team Rubicon is also exempt under California Revenue and Taxation Code Section 23701d.

#### (j) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing Team Rubicon's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

#### (k) 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, liabilities, revenues and expenses as of the date and for the period presented. Actual results could differ from those estimates.

#### (l) NEW ACCOUNTING PRONOUNCEMENTS

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the balance sheet/statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. For Team Rubicon, the ASU will be effective for the year ended December 31, 2020.

In August 2016, FASB issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which is intended to reduce complexity in financial reporting. The ASU focuses on improving the current net asset classification requirements and information presented in financial statements that is useful in assessing a nonprofit's liquidity, financial performance, and cash flows. For Team Rubicon, the ASU will be effective December 31, 2018.

#### (m) SUBSEQUENT EVENTS

Team Rubicon has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2015 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through September 27, 2016, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred except as discussed in Note 6(a).

## TEAM RUBICON, INC.

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### NOTE 3 - INVESTMENTS

Team Rubicon has implemented the accounting standard for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs utilize unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following table presents information about Team Rubicon's assets that are measured at fair value on a recurring basis at December 31, 2015 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended December 31, 2015	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Fixed Income	\$ 1,009,994	\$ 1,009,994	\$ -	\$ -
Equity Funds	511,295	511,295	-	-
Hedge Funds	245,561	245,561	-	-
Common Stock	40,750	40,750	-	-
<b>TOTAL</b>	<b>\$ 1,807,600</b>	<b>\$ 1,807,600</b>	<b>\$ -</b>	<b>\$ -</b>

The fair values of the securities within level 1 were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

Team Rubicon recognizes transfers at the beginning of each reporting period. Transfers between Level 1 and 2 investments generally relate to whether a market becomes active or inactive. Transfers between Level 2 and 3 investments related to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between levels during the year ended December 31, 2015.

Investment income (net) for the year ended December 31, 2015 is comprised of the following:

Interest and Dividends	\$ 47,476
Net Realized and Unrealized Loss	(24,579)
Management Fees	(17,659)
<b>INVESTMENT INCOME (NET)</b>	<b>\$ 5,238</b>

# TEAM RUBICON, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### NOTE 4 - CONTRIBUTIONS AND PLEDGES RECEIVABLE

Contributions and pledges receivable are expected to be collected as follows:

Within One Year	\$	540,488
In One to Five Years		<u>500,000</u>
<b>TOTAL</b>		1,040,488
Less: Present Value Discount		<u>(35,147)</u>
<b>CONTRIBUTIONS AND PLEDGES RECEIVABLE (NET)</b>	\$	<u>1,005,341</u>

### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2015 consist of the following:

Field Equipment	\$	186,626
Field Communication Equipment		109,304
Computer Equipment and Software		74,744
Audiovisual and Media Equipment		29,137
Furniture and Office Equipment		25,475
Leasehold Improvements		<u>9,040</u>
<b>TOTAL</b>		434,326
Less: Accumulated Depreciation		<u>(133,870)</u>
<b>PROPERTY AND EQUIPMENT (NET)</b>	\$	<u>300,456</u>

Depreciation expense for the year ended December 31, 2015 was \$68,110.

### NOTE 6 - COMMITMENTS AND CONTINGENCIES

#### (a) OPERATING UNDER OPERATING LEASES

Team Rubicon leases its Los Angeles office space under an operating lease expiring in January 2016. In November 2015, Team Rubicon entered into a lease agreement for new office space in Los Angeles under a non-cancelable operating lease agreement which expires in February 2023. As of December 31, 2015, future minimum lease payments under these leases are as follows:

#### Years Ending December 31

2016	\$	180,072
2017		301,471
2018		258,510
2019		319,830
2020		329,425
Thereafter		<u>747,327</u>
<b>TOTAL</b>	\$	<u>2,136,635</u>

# TEAM RUBICON, INC.

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 6 - COMMITMENTS AND CONTINGENCIES (continued)

#### (a) OPERATING UNDER OPERATING LEASES (continued)

Rent expense for the year ended December 31, 2015 was \$183,769.

In March 2016, Team Rubicon entered into a lease agreement for additional office space in Dallas, Texas that expires in March 2019. Future minimum payments under this lease are \$226,855.

#### (b) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, Team Rubicon may become involved in various lawsuits. Some of these proceedings may result in judgments being assessed against the Team Rubicon which, from time to time, may have an impact on its change in net assets. Team Rubicon does not believe that these proceedings, individually or in the aggregate, are material to the accompanying financial statements.

### NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2015 are restricted for the following purposes:

Region 4, 5 and 6	\$	475,179
International Ready Reserve		430,001
Domestic Ready Reserve		419,615
Clay Hunt Fellowship Program		397,509
Division 1		396,682
Incident Management Team		92,498
Resiliency		39,697
Roll Call Development		25,000
Region 10		19,081
		<hr/>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	\$	<u>2,295,262</u>

### NOTE 8 - DUE FROM AFFILIATE

Team Rubicon Global is a nonprofit organization that incubates, launches, oversees and enables Team Rubicon organizations in countries around the world. It helps them reach maturity and supports international deployments. Team Rubicon Global maintains brand control, shares stories, sets operating standards, and maintains strategic international relationships. Team Rubicon Global was co-founded by Team Rubicon's co-founders, who currently serve on the Boards of Directors of both organizations. Team Rubicon has provided funding to Team Rubicon Global and at December 31, 2015, the amount owed to Team Rubicon by Team Rubicon Global amounted to \$257,189. \$254,000 of this balance due will be repaid to Team Rubicon ratably over a one-and-a-half year period once Team Rubicon Global achieves certain revenue levels. The remaining balance due of \$3,189 will be repaid during 2016.

**TEAM RUBICON, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

**NOTE 9 - EMPLOYEE BENEFIT PLAN**

Team Rubicon sponsors a 401(k) retirement plan that covers all full-time and part-time employees. Participating employees may elect to contribute on a tax-deferred basis a portion of their compensation. Team Rubicon contributes an amount equal to 100% of each participant's contribution up to a maximum of 4% of eligible compensation. Team Rubicon may also elect to make additional discretionary contributions to the plan. Team Rubicon's contribution for the year ended December 31, 2015 amounted to \$88,571.