

Ruben Castro Charities
Annual Report of Financial Operations
2014-2015 Fiscal Year



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Letter to the Board of Directors

To the Board of Directors of Ruben Castro Charities:

It is our pleasure to present the Annual Financial Report for Ruben Castro Charities for the fiscal year ended June 30, 2015. This report has been prepared in accordance with Accounting Standards Codification Topic 958, "Not-for-Profit Entities" (ASC 958) with consideration given to the proposed ASU (Accounting Standards Update) issued by the Financial Accounting Standards Board on April 22nd, 2015.

In accordance with the requirements of ASC 958, this report includes Statement of Financial Position, a Statement of Activities, and a Statement of Cash Flows. Future reports will include a comparison of the current fiscal year ending balances with the ending balances of previous years, along with a statement reporting the year-over-year changes. As the 2014-2015 fiscal year is the first financial year that Ruben Castro Charities existed, comparisons to previous fiscal year activity have been deferred as no information for those periods exists. Detailed explanations as to the financial statements included in this report can be found in the Financial Analysis section immediately preceding the financial reports themselves.

Responsibility for both the accuracy of this data, as well as the completeness and fairness of its presentation, rests with the Chief Financial Officer of the entity, with oversight by the Executive Team and the Board of Directors. To the best of our knowledge, the enclosed data fairly presents in all material respects, the account groups, financial position, and operating activities of Ruben Castro Charities for all reporting periods included. We believe the disclosures made are sufficient to enable the reader to understand these activities and their financial impact.

Profile of Ruben Castro Charities

Ruben Castro Charities is a non-profit public benefit Corporation, operating for public and charitable purposes and exempt from income taxes under IRS code section 501(c)(3) and under California Nonprofit Corporation Law. The purpose of the corporation is the provision of human services (food & clothing distribution, scholarships, and financial assistance) to low-income, homeless, or distressed individuals. A full description of the specific purposes, including any and all limitations and prohibited activities, can be found in the corporate bylaws.

History

Ruben Castro Charities was formed on October 2, 2014 by multiple descendants of Ruben Castro, in honor of his history of compassion and service to his community, and to carry on his legacy of that service. Ruben Castro was born in LaVerne, California on August 19, 1929 and moved to Moorpark, California with his family shortly after his birth. He served in the U.S. Air Force from 1949 to 1953 and was a veteran of the Korean War. He was the first Latino to join the local Rotary Club (eventually becoming the Treasurer) and to serve on the Moorpark Unified School District Board, where he served as president. He successfully mediated a labor dispute between one of the largest egg producers in the country and the owners of the farm where they worked, and in 1966 was appointed by Governor Pat Brown to serve on the 31st District Agricultural Association. This appointment was extended in 1970 by Governor Ronald Reagan.

Ruben Castro served the community of Moorpark for over 20 years as part of the Catholic Charities organization, and was among those honored by Pope John Paul II for their service and dedication to the

church. In 2007 the city of Moorpark named a 25,000-square foot multi-service community center in his honor (the Ruben Castro Human Services Center).

Budgetary & Internal Controls

The Board of Directors and the Executive Team are responsible for developing, establishing, and applying an internal control structure to ensure that the assets of the organization are protected from loss, theft, misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles, or GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of the costs and benefits requires estimates and judgments by management.

Cash Management

The organization Treasurer is responsible for investing cash temporarily idle during the year in accordance with any investment policies adopted by the Board of Directors. During the fiscal year ended June 2015, idle cash balances of the organization were at such levels that any gain obtained from appropriate investments would be negligible. This is based on the fiscal year ending cash balances, the relative newness of the entity and the need to keep cash on hand for initial program expenses, as well as the need to keep said balances in a highly liquid state for further development of program objectives for the following fiscal year.

Capital Assets

As of the fiscal year ending June 2015, the organization had no capital assets. As such, no report of capital asset costs or net values have been included in these reports.

Long-Term Liabilities

As of the fiscal year ending June 2015, the organization had no long-term liabilities or notes payable.

Risk Management

The organization is insured by State Farm Insurance company. State Farm extends risk coverage to the organization in the form of commercial general liability insurance.

Acknowledgement

We would like to thank the Board of Directors, Officers, Managers, Coordinators, and all volunteers for their dedication during the first year of Ruben Castro Charities, and for their assistance and contributions in providing all requested information for the preparation of this report.

Respectfully Submitted,

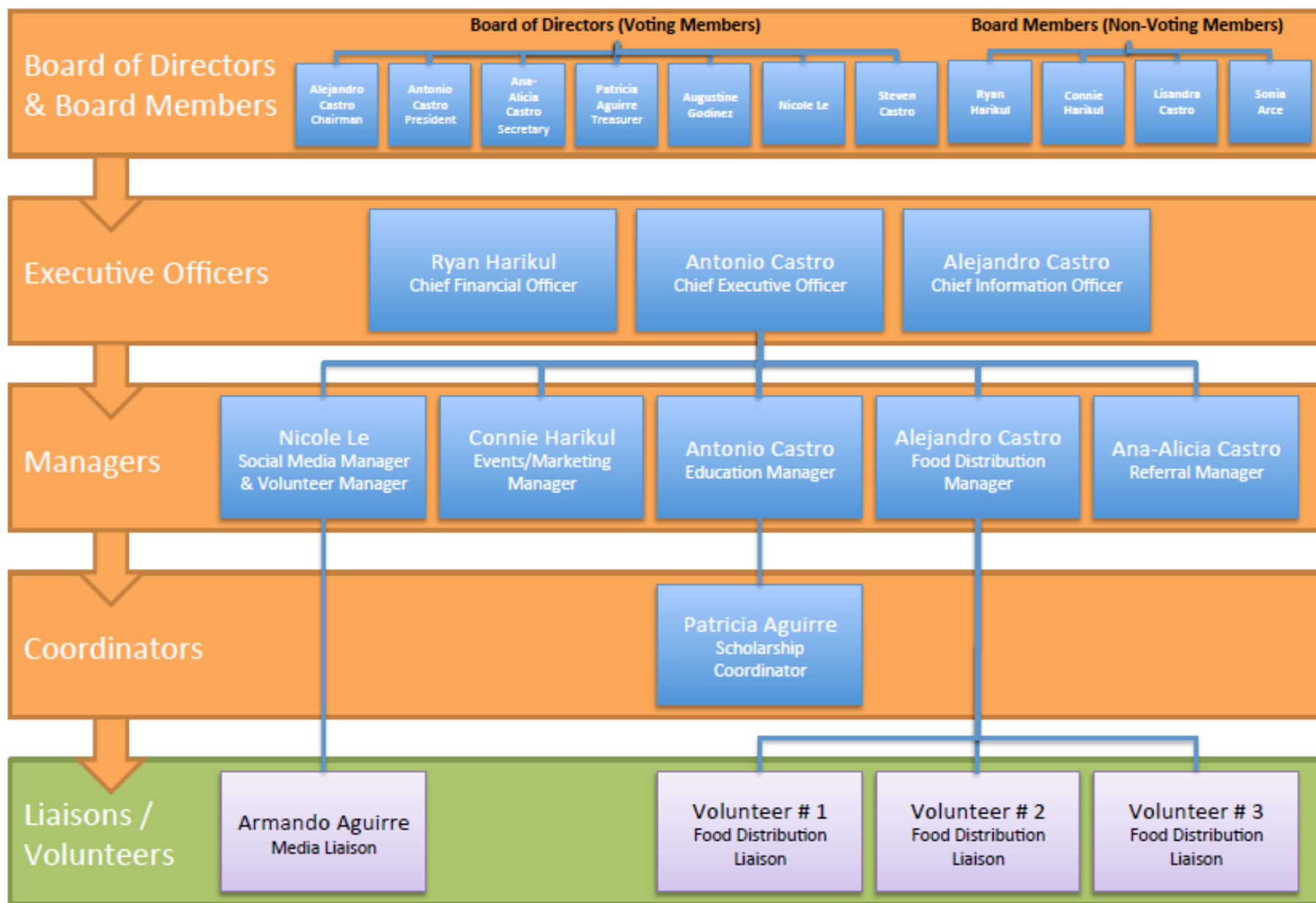


Antonio Castro
Chief Executive Officer



Ryan Harikul
Chief Financial Officer

Ruben Castro Charities - Organizational & Hierarchy Chart



Financial Section

Financial Analysis

We offer readers of the organization's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015. It is encouraged that the reader consider the information presented below in conjunction with the accompanying financial statements.

- ❖ The fiscal year accounted for in these financial statements represent a partial year of activity, as Articles of Incorporation for Ruben Castro Charities were filed with the State of California on October 2, 2014. The Letter of Determination from the IRS approving the organization as a 501(c)(3) entity was received on January 7, 2015, and the corporate bylaws were adopted by vote of the Board of Directors on January 31, 2015. As such, the majority of expenses incurred from October 2014 through February 2015 were for start-up costs of the organization and do not represent recurring operating expenses. Total one-time setup costs were approximately \$1,380. Funding received for this fiscal period also include one-time contributions from other organizations & individuals to offset these initial costs, totaling approximately \$1,200.
- ❖ Two scholarships were awarded during the fiscal year, for a total of \$850.
- ❖ The organization finished the 2014-2015 fiscal year with positive net assets of \$2,940. Total funds available at fiscal year end was \$3,440. The \$500 difference in net assets vs. available funds is due to the 2nd scholarship awarded during the fiscal year, not to be paid out until the awardee provides proof of enrollment in a qualifying education program. The organization expects this condition to be met before the end of the 2015 calendar year and as such is recognizing this as an unconditional promise to give under ASC 958-720-25-2.
- ❖ As of the fiscal year ended June 30, 2015, the organization had made no investments in assets or any short- or long-term assets requiring amortization. As such, no financial statements are provided herein for depreciation or amortization expenses, or capital expenditures.

Overview of Basic Financial Statements

The discussion and analysis contained herein is intended to serve as an introduction to the organization's basic financial statements. These financial statements are comprised of the following components:

- 1) Statement of Financial Position
- 2) Statement of Activities
- 3) Statement of Cash Flows
- 4) Statement of Funding

The Statement of Financial Position presents information on all of the organization's assets and liabilities, with the difference between the two reported as net assets. This provides information on the organization's liquidity, financial flexibility, and the interrelationship of the organization's assets and liabilities. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the organization is improving or deteriorating.

The Statement of Activities presents information on changes in the organization's net assets during the fiscal year. In accordance with accrual basis accounting methods, all changes in net assets are reported

as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. As such, revenues and expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods.

The Statement of Funding focuses on various sources of funding income. This is useful for comparing the organization's various sources of support, and determining areas of success as well as those where opportunities may exist. This section would also include a breakdown of any funding restrictions currently in place, with specific terms of these restrictions available in the notes section. As of the fiscal year ended June 30, 2015, there were no restrictions on the organization's fund balances.

Ruben Castro Charities
Statement of Financial Position
As of June 30, 2015

	Jun 30, 15
ASSETS	
Current Assets	
Checking/Savings	
Cash - Paypal	372.72
Checking at Union Bank - Web	3,067.07
Total Checking/Savings	3,439.79
Total Current Assets	3,439.79
TOTAL ASSETS	3,439.79
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
ST Liabilities	500.00
Total Current Liabilities	500.00
Total Liabilities	500.00
Net Assets	
Change in Net Assets	2,939.79
Total Net Assets	2,939.79
TOTAL LIABILITIES & NET ASSETS	3,439.79

Ruben Castro Charities
Statement of Activities
July 2014 through June 2015

	Jul '14 - Jun 15
Ordinary Income/Expense	
Income	
Direct Public Support	
Business Contributions	1,848.40
Individual Contributions	6,144.45
Total Direct Public Support	7,992.85
Total Income	7,992.85
Gross Profit	7,992.85
Expense	
Advertising/Public Relations	1,218.52
Total Bank/Merchant Fees	36.28
Total Business Expenses	620.00
Dues & subscriptions	265.00
Total Office/Admin expenses	1,697.84
Total Operations	107.46
Total Other Types of Expenses	257.96
Total Program Expenses	850.00
Total Expense	5,053.06
Net Ordinary Income	2,939.79
Change in Net Assets	2,939.79

Ruben Castro Charities
Statement of Functional Expenses
July 2014 through June 2015

	Jul '14 - Jun 15
Advertising/Public Relations	1,218.52
Bank/Merchant Fees	
Merchant Fees	36.28
Total Bank/Merchant Fees	36.28
Business Expenses	
Business Lic./Reg. Fees	620.00
Total Business Expenses	620.00
Dues & subscriptions	265.00
Office/Admin expenses	
Computer Software & Subs.	1,290.58
Supplies	407.26
Total Office/Admin expenses	1,697.84
Operations	
Supplies	107.46
Total Operations	107.46
Other Types of Expenses	
Insurance - Liability, D and O	257.96
Total Other Types of Expenses	257.96
Program Expenses	
Scholarships	850.00
Total Program Expenses	850.00
TOTAL	5,053.06

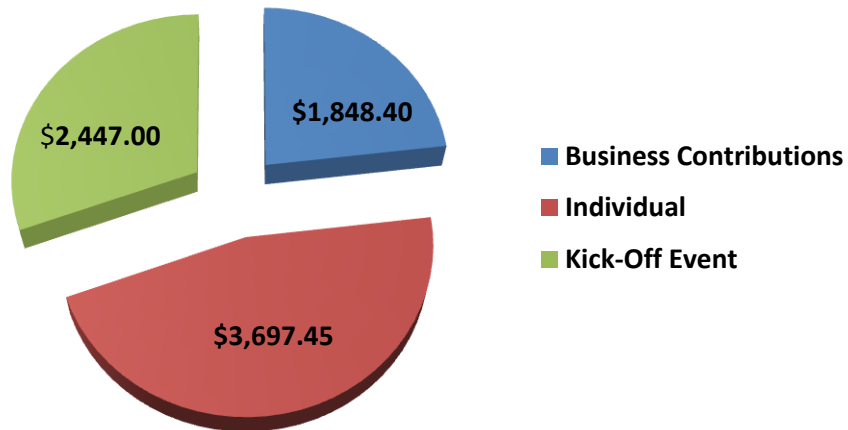
Ruben Castro Charities
Statement of Cash Flows
July 2014 through June 2015

	Jul '14 - Jun 15
OPERATING ACTIVITIES	
Net Income	2,939.79
Adjustments to reconcile Net Income to net cash provided by operations:	
Liabilities:ST Liabilities	500.00
Net cash provided by Operating Activities	3,439.79
Net cash increase for period	3,439.79
Cash at end of period	3,439.79

Ruben Castro Charities
Statement of Funding
 July 2014 through June 2015

	<u>Unrestricted</u>	<u>TOTAL</u>
Ordinary Income/Expense		
Income		
Direct Public Support		
Business Contributions	1,848.40	1,848.40
Individual Contributions	6,144.45	6,144.45
Total Direct Public Support	<u>7,992.85</u>	<u>7,992.85</u>
Total Income	<u>7,992.85</u>	<u>7,992.85</u>
Gross Profit	<u>7,992.85</u>	<u>7,992.85</u>
Net Ordinary Income	<u>7,992.85</u>	<u>7,992.85</u>
Change in Net Assets	<u><u>7,992.85</u></u>	<u><u>7,992.85</u></u>

Income by Source



Economic Factors

We do not believe that there were any external economic factors that significantly impacted the financial performance of the organization during the 2014-2015 fiscal year. The single most significant factor influencing the financial performance of the organization was its inception and the administrative costs associated with initial establishment & setup. No economic factors are predicted to significantly impact the charity's financial performance for the foreseeable future.

We predict the 2015-2016 fiscal year performance of the charity to be in line with that of 2015-2016. Additional program expenses are expected to be incurred due to expansion into the food distribution service area. Additional public relations and promotional expenses will be incurred to communicate the services that the charity offers and procure further public support & funding. An annual fundraising event is expected to take place in May 2016.

Notes

Significant Accounting Policies

The accounting policies of Ruben Castro Charities conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for not-for-profit accounting and financial reporting principles.

The organization subscribes to a capitalization threshold of \$1,000 for any single asset or \$5,000 for any single project. Any asset acquisition costs below these thresholds are deemed to have an immaterial impact on the financial statements. No capital assets were purchased during the 2014-2015 fiscal year.