

Ruben Castro Charities
Annual Report of Financial Operations
2020-2021 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, 2021. This report has been prepared in accordance with Accounting Standards Codification Topic 958, "Not-for-Profit Entities" (ASC 958).

In accordance with the requirements of ASC 958, this report includes a Statement of Financial Position, a Statement of Activities, and a Statement of Cash Flows. This report also includes a comparison of the current fiscal year ending balances with the ending balances of the prior year, along with a statement reporting the year-over-year changes. 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. 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.

In reviewing these statements, it's worth noting that this fiscal period was significantly impacted by the global Covid-19 pandemic that started in the previous fiscal year. We recommend reading this report in conjunction with the report for the 2019-2020 fiscal year for a comprehensive understanding of the impact of the pandemic on these fiscal periods.

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. Additional information about the history of the organization, as well as recent and upcoming activities, can be found online at www.rubencastrocharities.org.

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 the handling and recording of all financial transactions, as well as reporting to the Board of Directors any material changes to the organization's cash position. Throughout the 2020-2021 fiscal year, all cash balances were kept in a liquid state due to the need to keep cash on hand for expenses related to program development & expansion and recurring operating costs made uncertain by the economic climate during the pandemic.

Capital Assets

As of the fiscal year ending June 2021, the organization had no capital assets.

Long-Term Liabilities

As of the fiscal year ending June 2021, the organization had no long-term liabilities or notes payable.

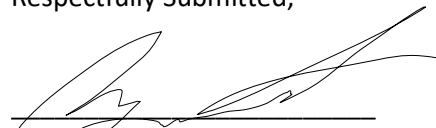
Risk Management

The organization was insured by Philadelphia Insurance Companies throughout the fiscal year. This organization extends risk coverage to the organization in the form of commercial general liability insurance, as well as providing additional coverage on an incidental basis for various events as necessary and prudent.

Acknowledgement

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

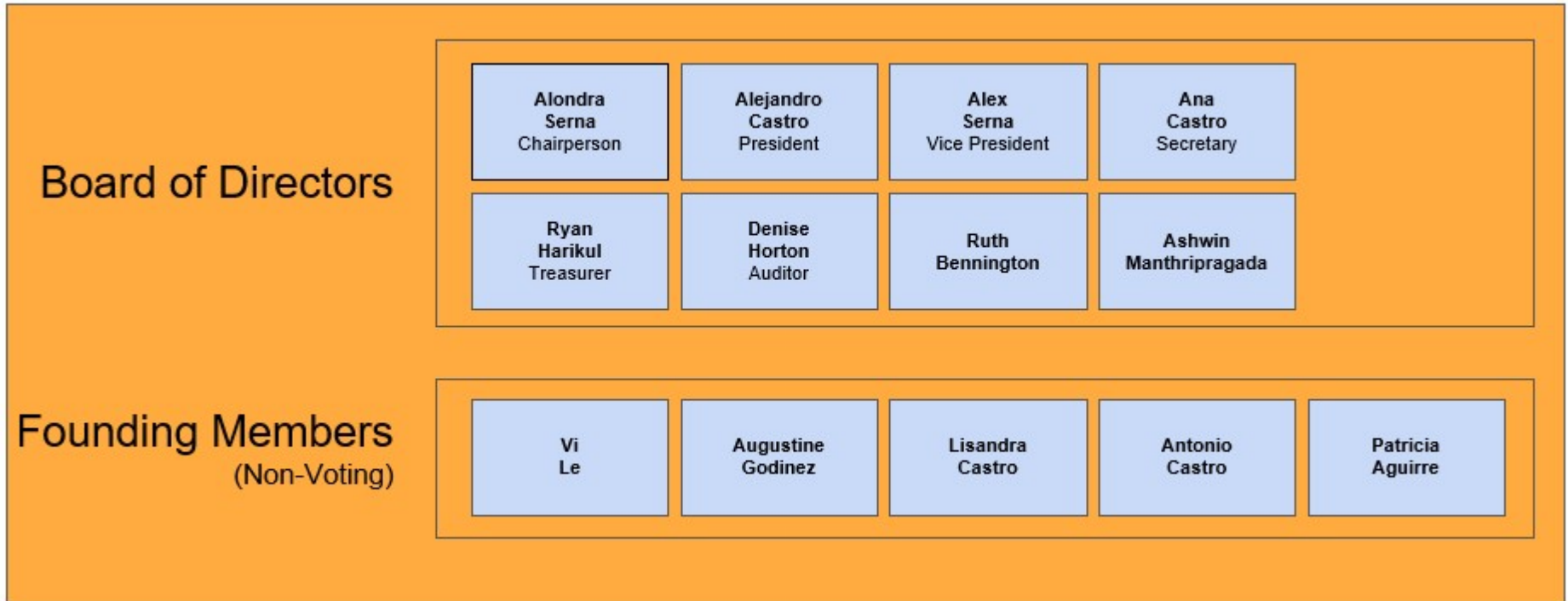
Respectfully Submitted,



Ryan Harikul
Chief Financial Officer

Ruben Castro Charities

Organizational Hierarchy Through June 30, 2021



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, 2021. We encourage the reader to consider the information presented below in conjunction with the accompanying financial statements.

- ❖ The fiscal year accounted for in these financial statements represents the fiscal year beginning July 1, 2020 and ending June 30, 2021. During the preceding fiscal year there was an outbreak of Covid-19 that resulted in a global pandemic, having a negative impact on several facets of daily life, including the prolonged shutdown or revenue-reducing restrictions on a number of industries resulting in an increase in unemployment, tightened sanitation controls for food handling, and heightened demand for certain raw materials and basic supplies resulting in further constriction on already heavily-burdened supply chain channels. For the organization this resulted in increased costs associated with our public-facing food distribution program coupled with increased demand to meet the needs of the community. At the same time, rallying of the community from both individuals and organizations resulted in an unprecedented increase in public support for the organization.
- ❖ The organization saw sustained demand at our food distributions continuing with the pandemic. As of the fiscal year end, we maintained two food distribution sites, taking place every Saturday morning in a designated public area, and every Tuesday at the local community college. Costs for the food distribution program increased 232% over the prior fiscal year, primarily related to Covid-19 (including but not limited to additional resources for distribution, additional supplies for increased sanitization guidelines, and providing meals to our volunteers). This program made up 85% of total program expenses during the year.
- ❖ The organization expanded its scholarship program to a total of \$4,500 during the fiscal year. Three scholarships were awarded during the fiscal year, for \$1,500 each.
- ❖ No fundraising events were held during this fiscal period due to the various Shelter-in-Place orders, moratoriums, and other restrictions on public gatherings and activities.
- ❖ The organization finished the 2020-2021 fiscal year with positive net assets of \$54,455. Total funds on hand at fiscal year end were \$62,761. The difference in net assets vs. available funds is due to outstanding scholarships payable as of the end of the fiscal year. Although these scholarships are not paid out until the awardee provides proof of enrollment in a qualifying education program, due to the very high likelihood that the award recipient will meet the obligation to enroll before the end of the calendar year, the organization recognizes scholarships as an unconditional promise to give under ASC 958-720-25-2.
- ❖ As of the fiscal year ended June 30, 2021, the organization made no investments in 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 Functional Expenses
- 4) Statement of Funding
- 5) Statement of Cash Flows

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. A year-over-year comparison is provided herein.

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 Functional Expenses provides a breakdown of expenses by program classification. This report provides a means of comparing total expenditures of the organization by their purpose. A visual representation of the expenses of the organization is also provided for ease of interpretation.

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.

The Statement of Cash Flows reports the cash generated and used during the reporting year. This provides a useful glimpse at the ability of the organization to continue funding its various programs on an annual and ongoing basis.

**Statement of Financial Position
For FY 2020-2021**

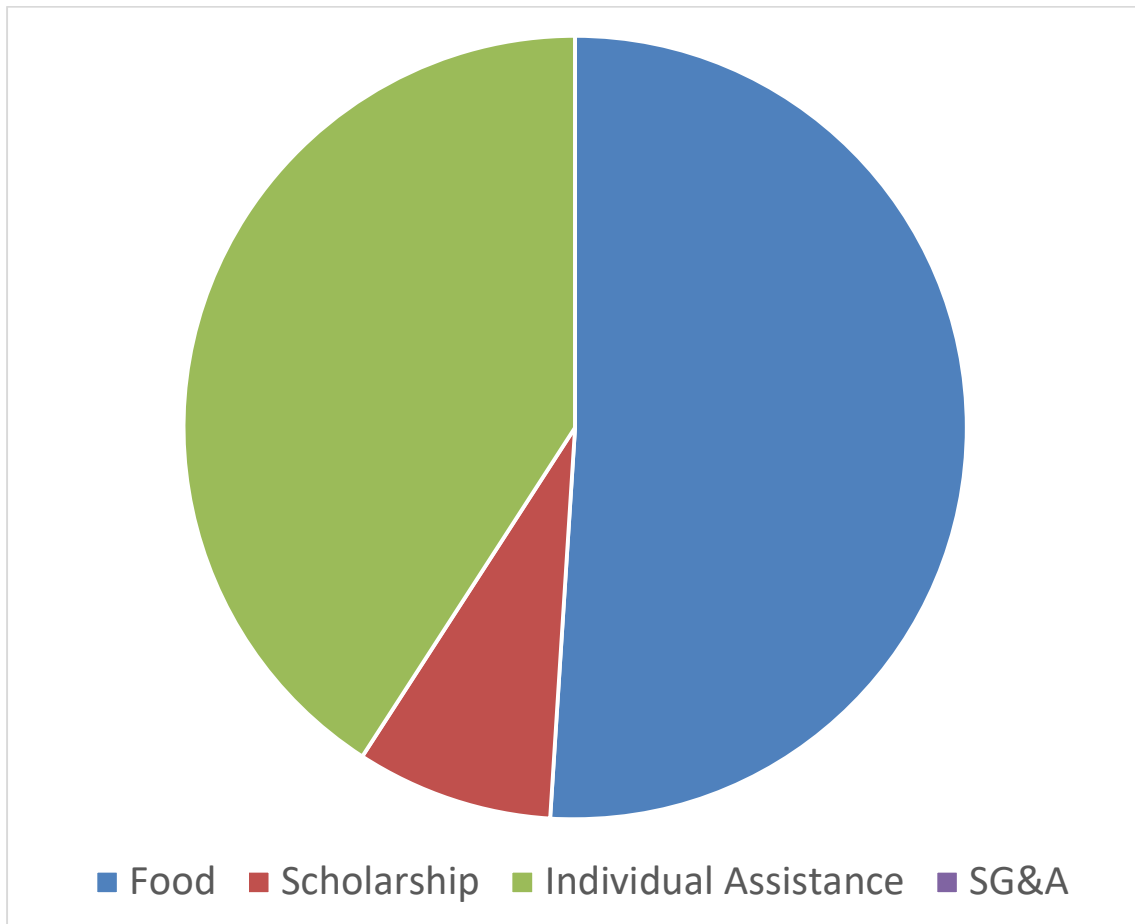
Assets	CY	PY
Cash - Paypal	879	7,660
Cash - Bank	61,093	24,684
Cash - Other	790	375
Total Cash	62,761	32,719
AR & Other Assets	-	-
Total Assets	62,761	32,719
Liabilities & Equity		
Accounts Payable	957	35
Credit Cards Payable	1,349	1,066
Total Payables	2,307	1,101
Other Liabilities	6,000	2,000
Total Liabilities	8,307	3,101
Net Financial Position	29,618	11,169
Net Change in Assets	24,836	18,449
Total Equity	54,455	29,618
Total Liabilities & Equity	62,761	32,719

**Statement of Activities
For FY 2020-2021**

Income	CY	PY
Direct Public Support		
Individual Donations	22,552	16,181
Business/Institution Donations	66,829	24,429
Donor Benefits Costs	-	-
Total Income	89,381	40,610
Expense		
Program Expenses		
Food Program	27,733	11,942
Scholarship Program	4,500	2,000
President's Fund	2,352	-
Program Supplies & Expenses	11,296	-
Total Program Expenses	45,880	13,942
Operating Expenses		
Advertising & Marketing	2,331	3,481
Auto Expenses	-	-
Bank/Merchant Fees	410	312
Tax & License	25	-
Computer & Software	6,187	1,522
Outside Services	4,025	953
Dues & Subscriptions	1,049	118
Insurance	1,314	1,309
Volunteer Meals	3,138	296
Other Expenses	185	230
Total Operating Expenses	18,665	8,220
Total Expenses	64,545	22,161
Net Income	24,836	18,449

Statement of Functional Expenses For FY 2020-2021

	Program Expenses				Management & General	Total
	Food	Scholarship	Individual Assistance	SG&A		
Food Program	20,637	-	7,096	-	-	27,733
Scholarship Program	-	4,500	-	-	-	4,500
President's Fund	-	-	2,352	-	-	2,352
Program Supplies & Expenses	3,142	-	8,154	-	-	11,296
Advertising & Marketing	79	-	-	-	2,252	2,331
Auto Expenses	-	-	-	-	-	-
Bank/Merchant Fees	-	-	-	-	410	410
Tax & License	-	-	-	-	25	25
Computer & Software	-	-	4,472	-	1,716	6,187
Outside Services	3,915	-	-	-	110	4,025
Dues & Subscriptions	-	-	532	-	517	1,049
Insurance	-	-	-	-	1,314	1,314
Volunteer Meals	459	-	-	-	2,679	3,138
Other Expenses	-	-	-	-	185	185
TOTAL	28,232	4,500	22,605	-	9,207	64,545



**Statement of Funding
For FY 2020-2021**

	Program Expenses				Management & General	Total
	Food	Scholarship	Individual Assistance	SG&A		
Business Contributions	-	-	20,000	-	46,829	66,829
Business Event registration	-	-	-	-	-	-
Business Contributions - Other	-	-	-	-	-	-
Individual Contributions	-	-	-	-	22,552	22,552
Individual Event Registration	-	-	-	-	-	-
Individual Contributions - Other	-	-	-	-	-	-
	-	-	20,000	-	69,381	89,381

**Statement of Cashflows
For FY 2020-2021**

Net Income	24,836
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Payable	922
Credit Cards Payable	284
Other Liabilities	4,000
Total Liabilities	5,206
Net cash provided by Operating Activities	30,042
Cash at beginning of period	32,719
Cash at end of period	62,761

Economic Factors

As previously noted, the 2019-2020 fiscal year saw across-the-board increases in funding from external sources and costs related to the pandemic, and this continued through the 2020-2021 fiscal year.

Given the uncertainty of the economy, the organization is taking a conservative approach to planning for the upcoming fiscal year. Other than the expansion of the food distribution program to meet the heightened needs of the community during this time, all plans for expansion of our current programs, as well as additional programs in the education and mentorship field are being suspended indefinitely. Due to the moratoriums and restrictions on publicly-held events and gatherings, we do not anticipate hosting any fundraising events in the 2021-2022 fiscal year. Future fundraising events and continued expansion of the organizations impact in the community will continue as the economic climate becomes more stable.

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 this reporting period.