

Ruben Castro Charities
Annual Report of Financial Operations
2021-2022 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, 2022. 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.

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 2021-2022 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.

Capital Assets

As of the fiscal year ending June 2022, the organization had no capital assets.

Long-Term Liabilities

As of the fiscal year ending June 2022, the organization had no long-term liabilities or notes payable.

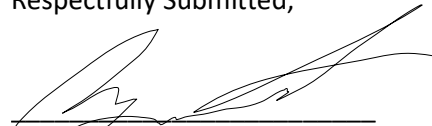
Risk Management

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

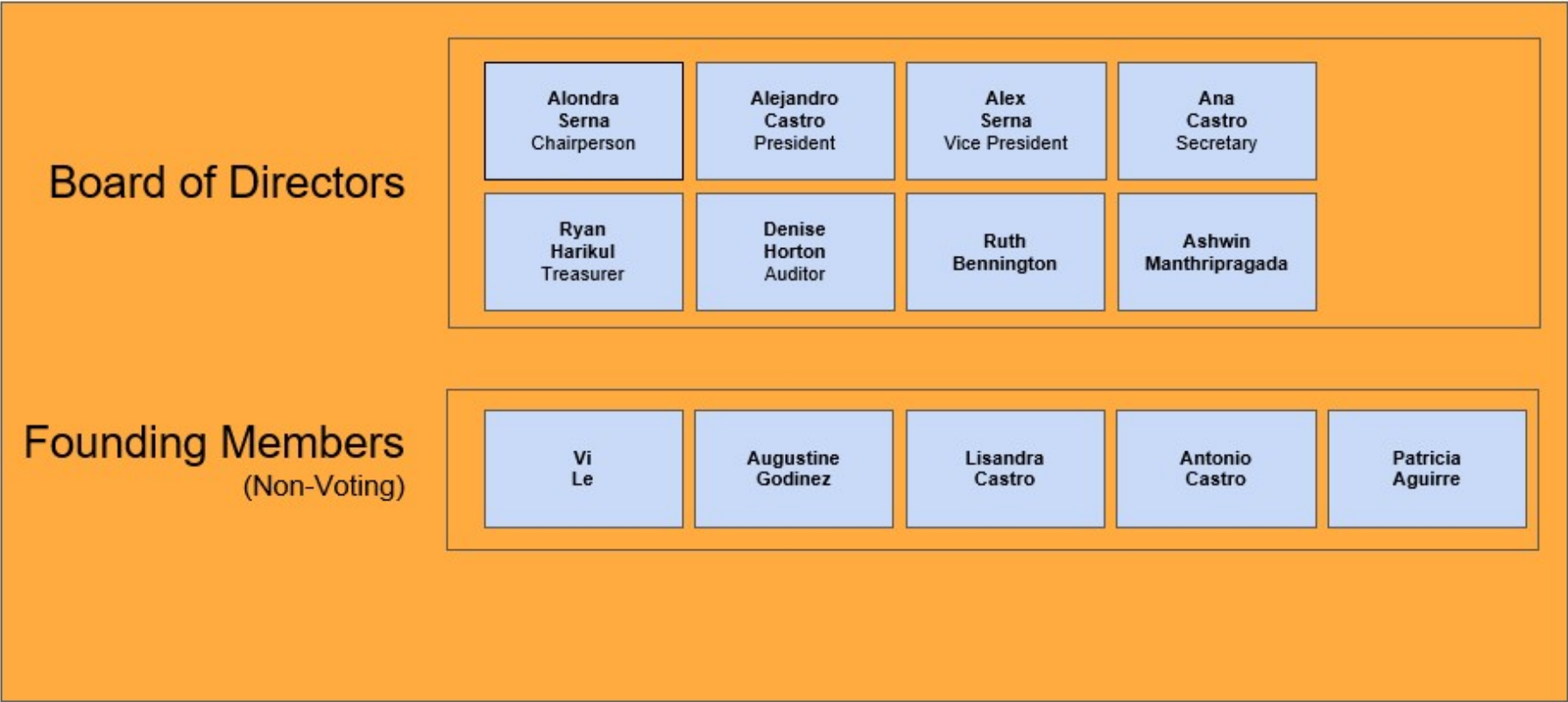
We would like to thank the Board of Directors, Officers, Managers, Coordinators, and all volunteers for their dedication during the second year of Ruben Castro Charities, and for their assistance and contributions in providing all requested information for the preparation of this report.

Respectfully Submitted,



Ryan Harikul
Chief Financial Officer

Ruben Castro Charities
Organizational Hierarchy Through December 31, 2020



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, 2022. 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, 2021 and ending June 30, 2022. Trends in both donations and expenses, as well as demand at our food distribution events, seem to indicate a stabilization of activity since the onset of the pandemic during the 2019-2020 fiscal year. Please reference the Annual Financial Reports for the 2 preceding fiscal years for a more in-depth review of those effects.
- ❖ The organization saw a modest increase in demand at our food distributions as the effects of the pandemic tapered off. While both of the pre-existing food distribution sites were maintained throughout the fiscal year, the site located at the Moorpark Career Center was closed as of the end of July, 2022, and food distribution services that had previously taken place at that site were consolidated to the Moorpark College campus. There was no decrease in the organization's food distribution services as a result. Costs for the food distribution program declined, amounting to 70% compared to the prior fiscal year. This program made up 76% of total program expenses during the year.
- ❖ The organization continued its scholarship program of \$4,500. Three scholarships were awarded during the fiscal year, for \$1,500 each.
- ❖ No fundraising events were held during this fiscal period, as there was continued uncertainty around shelter-in-Place orders, moratoriums, and other restrictions on public gatherings and activities.
- ❖ The organization finished the 2021-2022 fiscal year with positive net assets of \$68,816. Total funds on hand at fiscal year end were \$81,071. 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, 2022, 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 2021-2022**

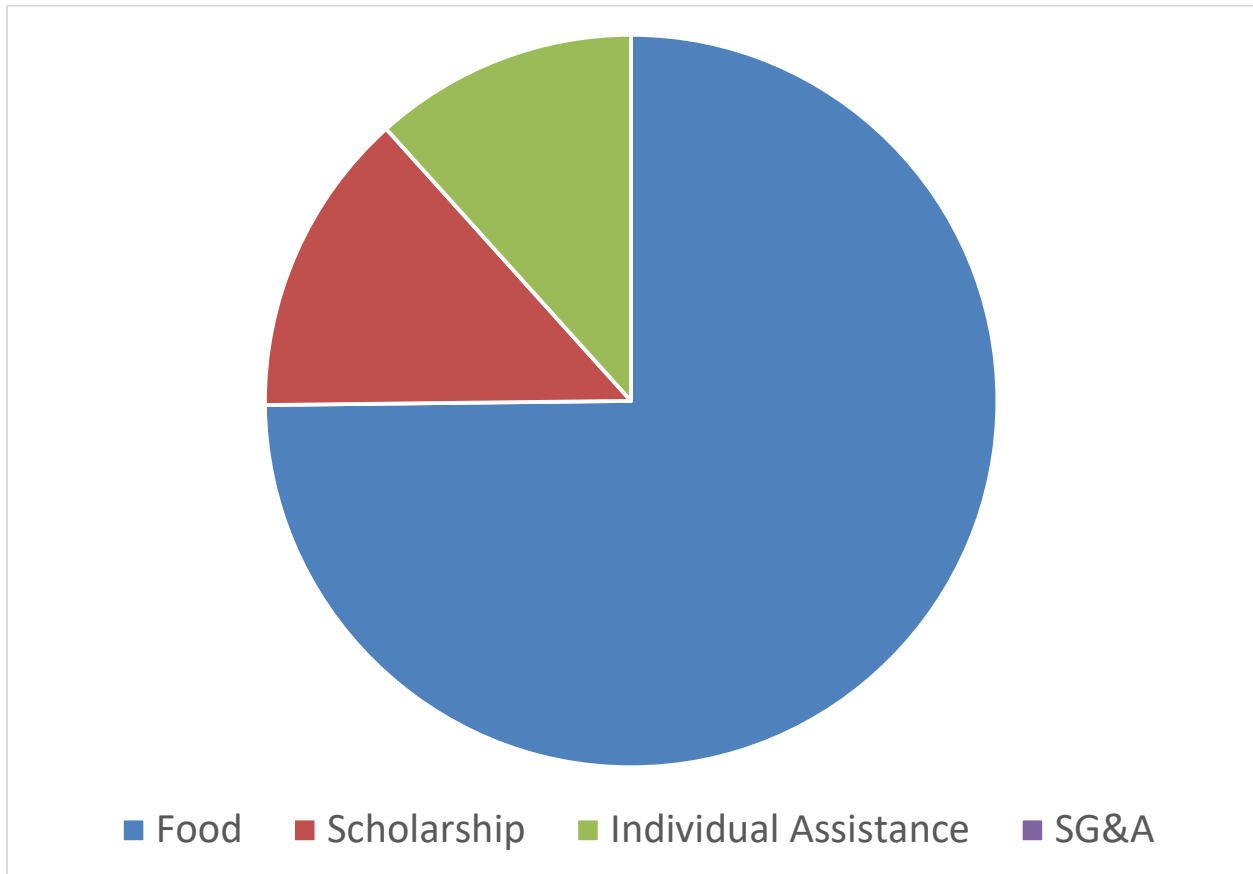
Assets	CY	PY
Cash - Paypal	1,781	879
Cash - Bank	78,500	61,093
Cash - Other	790	790
Total Cash	81,071	62,761
AR & Other Assets	-	-
Total Assets	81,071	62,761
Liabilities & Equity		
Accounts Payable	(0)	957
Credit Cards Payable	1,754	1,349
Total Payables	1,754	2,307
Other Liabilities	10,500	6,000
Total Liabilities	12,254	8,307
Net Financial Position	54,455	29,618
Net Change in Assets	14,361	24,836
Total Equity	68,816	54,455
Total Liabilities & Equity	81,071	62,761

Statement of Activities
For FY 2021-2022

Income	CY	PY
Direct Public Support		
Individual Donations	23,869	22,552
Business/Institution Donations	44,203	66,829
Donor Benefits Costs	-	-
Total Income	68,072	89,381
Expense		
Program Expenses		
Food Program	21,853	27,733
Scholarship Program	4,500	4,500
President's Fund	3,886	2,352
Program Supplies & Expenses	5,429	11,296
Total Program Expenses	35,668	45,880
Operating Expenses		
Advertising & Marketing	11,068	2,331
Auto Expenses	1,619	-
Bank/Merchant Fees	432	410
Tax & License	25	25
Computer & Software	1,453	6,187
Outside Services	1,508	4,025
Dues & Subscriptions	146	1,049
Insurance	1,303	1,314
Volunteer Meals	489	3,138
Other Expenses	-	185
Total Operating Expenses	18,043	18,665
Total Expenses	53,711	64,545
Net Income	14,361	24,836

Statement of Functional Expenses For FY 2021-2022

	Program Expenses				Management & General	Total
	Food	Scholarship	Individual Assistance	SG&A		
Food Program	21,810	-	-	-	43	21,853
Scholarship Program	-	4,500	-	-	-	4,500
President's Fund	-	-	3,886	-	-	3,886
Program Supplies & Expenses	339	-	-	-	5,090	5,429
Advertising & Marketing	-	-	-	-	11,068	11,068
Auto Expenses	1,384	-	-	-	235	1,619
Bank/Merchant Fees	-	-	-	-	432	432
Tax & License	-	-	-	-	25	25
Computer & Software	-	-	-	-	1,453	1,453
Outside Services	1,258	-	-	-	250	1,508
Dues & Subscriptions	-	-	-	-	146	146
Insurance	-	-	-	-	1,303	1,303
Volunteer Meals	129	-	-	-	361	489
Other Expenses	-	-	-	-	-	-
TOTAL	24,919	4,500	3,886	-	20,405	53,711



**Statement of Funding
For FY 2021-2022**

	Program Expenses				Management & General	Total
	Food	Scholarship	Individual Assistance	SG&A		
Business Contributions	5,000	-	-	-	39,203	44,203
Business Event registration	-	-	-	-	-	-
Business Contributions - Other	-	-	-	-	-	-
Individual Contributions	-	-	500	-	23,369	23,869
Individual Event Registration	-	-	-	-	-	-
Individual Contributions - Other	-	-	-	-	-	-
	<u>5,000</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>62,572</u>	<u>68,072</u>

**Statement of Cashflows
For FY 2021-2022**

Net Income	14,361
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Payable	(957)
Credit Cards Payable	405
Other Liabilities	4,500
Total Liabilities	<u>3,948</u>
Net cash provided by Operating Activities	18,309
Cash at beginning of period	62,761
Cash at end of period	<u><u>81,071</u></u>

Economic Factors

The 2019-2020 fiscal year saw across-the-board increases in funding from external sources and costs related to the pandemic. This continued through most of the 2020-2021 fiscal year, decreasing towards the end. The 2021-2022 fiscal year saw a continuation of these trends and appears to have stabilized.

Given the apparent stabilization, the organization plans to revisit the initiatives it originally had planned for the years 2019-2021, and evaluate the feasibility of re-engaging in those efforts. Future fundraising events and continued expansion of the organizations impact in the community will also be topics of

discussion in the coming year now that the overwhelming majority of the negative effects of the pandemic are behind us.

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 2021-2022 fiscal year.