

Ruben Castro Charities
Annual Report of Financial Operations
2022-2023 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, 2023. 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 2022-2023 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 2023, the organization had no capital assets.

Long-Term Liabilities

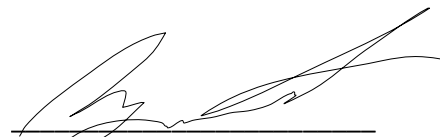
As of the fiscal year ending June 2023, the organization had no long-term liabilities or notes payable.

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.



Ryan Harikul
Chief Financial Officer

Ruben Castro Charities

Organizational Hierarchy Through December 31, 2023



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, 2022 and ending June 30, 2023. Although this was the first year that the organization operated with a financial loss, the year ended with a cash reserve ratio greater than 12. The board is aware that although continued donations and cash reserves will allow continued operation in the short term, the shortfall in funding versus expenses needs to be addressed in order to sustain ongoing operations and implementation of new initiatives.
- ❖ Food distributions continued every Tuesday and Saturday at the Moorpark College Campus. Total distributions were up 6% over the prior fiscal year. This program made up 84% of total program expenses during the year.
- ❖ The organization continued its scholarship program, allocating \$4,500 during the fiscal year. Four scholarships were awarded during the fiscal year, for \$1,200 each. The difference between the allocated amount of \$4,500 and the granted amount of \$4,800 was funded by unclaimed scholarships from prior fiscal years which were declared forfeit in accordance with the organization's Scholarship Program policy.
- ❖ No fundraising events were held during this fiscal period.
- ❖ The organization finished the 2022-2023 fiscal year with positive net assets of \$54,313. Total funds on hand at fiscal year end were \$63,995. 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, 2023, 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 2022-2023**

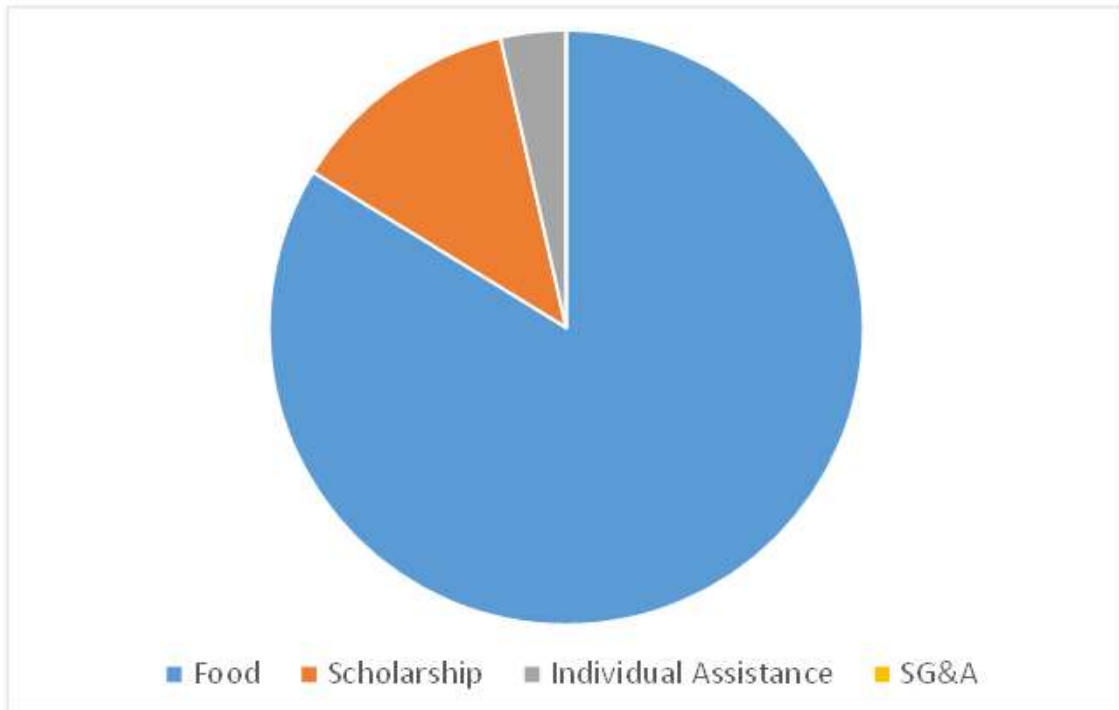
Assets	CY	PY
Cash - Paypal	7,529	1,781
Cash - Bank	55,239	78,500
Cash - Other	1,227	790
Total Cash	63,995	81,071
AR & Other Assets	-	-
Total Assets	63,995	81,071
Liabilities & Equity		
Accounts Payable	(0)	(0)
Credit Cards Payable	682	1,754
Total Payables	682	1,754
Other Liabilities	9,000	10,500
Total Liabilities	9,682	12,254
Net Financial Position	68,816	54,455
Net Change in Assets	(14,503)	14,361
Total Equity	54,313	68,816
Total Liabilities & Equity	63,995	81,071

Statement of Activities
For FY 2022-2023

Income	CY	PY
Direct Public Support		
Individual Donations	22,975	23,869
Business/Institution Donations	14,168	44,203
Donor Benefits Costs	-	-
Total Income	37,143	68,072
Expense		
Program Expenses		
Food Program	22,651	21,853
Scholarship Program	4,500	4,500
President's Fund	1,262	3,886
Program Supplies & Expenses	8,161	5,429
Total Program Expenses	36,574	35,668
Operating Expenses		
Advertising & Marketing	3,120	11,068
Auto Expenses	3,196	1,619
Bank/Merchant Fees	397	432
Tax & License	25	25
Computer & Software	1,034	1,453
Outside Services	4,581	1,508
Dues & Subscriptions	676	146
Insurance	2,044	1,303
Volunteer Meals	-	489
Other Expenses	-	-
Total Operating Expenses	15,073	18,043
Total Expenses	51,646	53,711
Net Income	(14,503)	14,361

**Statement of Functional Expenses
For FY 2022-2023**

	Program Expenses				Management & General	Total
	Food	Scholarship	Individual Assistance	SG&A		
Food Program	22,651	-	-	-	-	22,651
Scholarship Program	-	4,500	-	-	-	4,500
President's Fund	-	-	1,262	-	-	1,262
Program Supplies & Expenses	3,585	-	-	-	4,576	8,161
Advertising & Marketing	-	-	-	-	3,120	3,120
Auto Expenses	1,906	-	-	-	1,290	3,196
Bank/Merchant Fees	-	-	-	-	397	397
Tax & License	-	-	-	-	25	25
Computer & Software	-	-	-	-	1,034	1,034
Outside Services	1,581	-	-	-	3,000	4,581
Dues & Subscriptions	-	-	-	-	676	676
Insurance	-	-	-	-	2,044	2,044
Volunteer Meals	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
TOTAL	29,723	4,500	1,262	-	16,161	51,646



**Statement of Funding
For FY 2022-2023**

	Program Expenses				Management & General	Total
	Food	Scholarship	Individual Assistance	SG&A		
Business Contributions	-	-	-	-	14,168	14,168
Business Event registration	-	-	-	-	-	-
Business Contributions - Other	-	-	-	-	-	-
Individual Contributions	-	-	-	-	22,975	22,975
Individual Event Registration	-	-	-	-	-	-
Individual Contributions - Other	-	-	-	-	-	-
	-	-	-	-	37,143	37,143

**Statement of Cashflows
For FY 2022-2023**

Net Income	(14,503)
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Payable	-
Credit Cards Payable	(1,072)
Other Liabilities	(1,500)
Total Liabilities	(2,572)
Net cash provided by Operating Activities	(17,075)
Cash at beginning of period	81,071
Cash at end of period	63,995

Economic Factors

It is the board's opinion that the 2022-2023 fiscal year represents the first fully stable financial period following the pandemic. As such, it can and should be used as a benchmark of current operations, as well as the financial stability and sustainability of the organization.

As of the end of the 2023 fiscal period, four committees were established to develop specific areas of the organization: food distribution, education, communication, and sustainability. The food and education committees were established to maintain these areas in which the organization already operates, identify opportunities for efficiency, and develop new programs to present to the board. The communications committee exists to foster the organization's relationship within the community through social media outreach and regular website communication management. The sustainability

committee is tasked with obtaining funding for the ongoing existing operations and future expansion of the organization, through obtaining grants, producing fundraising events, and creating fundraising goals to be approved by the board, and achieving those goals.

The financial performance of the organization in this fiscal year has led the board to adopt a 2023-2024 budgeted deficit. As previously mentioned, ongoing donations and current cash reserves are acceptable to provide for the ongoing operations in the short term. We project, with no change, the organization could continue to operate for no more than 2.5 years. The board and sustainability committee recognize this, and the need to source additional and expanded funding sources in the coming year.

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 2020-2021 fiscal year.