

RUBY'S PLACE

**Financial Statements for the Years
Ended June 30, 2020 and 2019
and Independent Auditors' Report**

RUBY'S PLACE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Ruby's Place
Castro Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of Ruby's Place (a California nonprofit corporation) (the "Organization") which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Organization'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 Organization'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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus (“Covid-19”) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022, on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.

Karlsson & Lane, a.c.

Pleasanton, California

January 20, 2022

RUBY'S PLACE

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 1,143,737	\$ 827,632
Grants and contracts receivable	800,403	517,265
Prepaid expenses and deposits	<u>1,064</u>	<u>-</u>
Total current assets	1,945,204	1,344,897
DEPOSITS	15,200	15,200
PROPERTY AND EQUIPMENT, net	<u>422,646</u>	<u>477,198</u>
Total assets	<u>\$ 2,383,050</u>	<u>\$ 1,837,295</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 211,863	\$ 176,637
Current portion of notes payable	<u>-</u>	<u>1,392</u>
Total current liabilities	<u>211,863</u>	<u>178,029</u>
NOTES PAYABLE	<u>400,500</u>	<u>4,950</u>
Total liabilities	612,363	182,979
NET ASSETS		
Net assets without donor restrictions	1,491,667	1,306,316
Net assets with donor restrictions	<u>279,020</u>	<u>348,000</u>
Total net assets	<u>1,770,687</u>	<u>1,654,316</u>
Total liabilities and net assets	<u>\$ 2,383,050</u>	<u>\$ 1,837,295</u>

See notes to financial statements.

RUBY'S PLACE

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and support:		
Grants from government agencies	\$ 3,077,068	\$ 2,477,867
Contributions	403,533	869,898
In-kind goods and services	70,396	214,633
Other income	246	-
Total revenue and support	3,551,243	3,562,398
Net assets released from restrictions	143,980	-
Total revenues and net assets released from restrictions	3,695,223	3,562,398
Expenses:		
Program services	3,059,835	2,878,604
Supporting services:		
General and administrative	441,073	167,114
Fundraising	8,964	58,679
Total expenses	3,509,872	3,104,397
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	185,351	458,001
NET ASSETS WITH DONOR RESTRICTIONS		
Foundation grants	75,000	348,000
Net assets released from restrictions	(143,980)	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(68,980)	348,000
CHANGE IN NET ASSETS	116,371	806,001
NET ASSETS, BEGINNING OF YEAR	1,654,316	848,315
NET ASSETS, END OF YEAR	<u>\$ 1,770,687</u>	<u>\$ 1,654,316</u>

See notes to financial statements.

RUBY'S PLACE**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 1,799,299	400,342	-	\$ 2,199,641
Program supplies	624,689	1,547	1,181	627,417
Grants	281,802	-	-	281,802
Occupancy	117,930	13,434	-	131,364
Depreciation	54,552	-	-	54,552
Equipment	35,266	1,441	-	36,707
Other services	30,950	5,062	325	36,337
Professional services	24,288	1,531	-	25,819
Insurance	23,538	1,531	-	25,069
Conferences, training and meetings	16,754	1,550	-	18,304
Travel and meals	16,917	811	441	18,169
Maintenance and repairs	11,695	1,048	-	12,743
Communications	11,994	617	-	12,611
Information technology	6,211	2,031	-	8,242
Bank fees	2,560	4,049	-	6,609
Miscellaneous	-	5,909	45	5,954
Supplies	-	-	3,793	3,793
Postage	-	-	3,085	3,085
Dues, licenses and service fees	1,390	170	-	1,560
Copying and printing	-	-	94	94
Total	<u>\$ 3,059,835</u>	<u>\$ 441,073</u>	<u>\$ 8,964</u>	<u>\$ 3,509,872</u>

See notes to financial statements.

RUBY'S PLACE

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 1,637,915	134,340	-	\$ 1,772,255
Supplies	528,818	3,110	17,634	549,562
Grants	355,509	-	-	355,509
Occupancy	113,891	8,569	-	122,460
Depreciation	54,378	-	-	54,378
Other services	43,024	6,888	-	49,912
Travel and meals	24,309	3,121	4,291	31,721
Maintenance and repairs	26,049	655	-	26,704
Equipment	25,010	1,026	-	26,036
Direct fundraising	-	-	24,084	24,084
Professional services	19,634	713	-	20,347
Conferences, training and meetings	15,256	100	-	15,356
Communications	14,615	724	-	15,339
Insurance	12,661	1,520	-	14,181
Information technology	5,624	1,395	-	7,019
Copying and printing	-	-	5,109	5,109
Miscellaneous	-	1,875	2,705	4,580
Advertising	-	-	4,000	4,000
Bank fees	1,083	2,085	-	3,168
Dues, licenses and service fees	828	707	-	1,535
Postage	-	286	856	1,142
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 2,878,604	\$ 167,114	\$ 58,679	\$ 3,104,397

See notes to financial statements.

RUBY'S PLACE**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 116,371	\$ 806,001
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	54,552	54,378
Forgiveness of debt	(6,342)	-
Changes in assets and liabilities that provided (used) cash:		
Grants and contracts receivable	(283,138)	(294,909)
Prepaid expenses	(1,064)	-
Accounts payable and accrued expenses	35,226	79,568
Net cash (used in) provided by operating activities	<u>(84,395)</u>	<u>645,038</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(50,327)
Payment of long term deposits	-	(6,800)
Net cash used in investing activities	<u>-</u>	<u>(57,127)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of note payable	400,500	-
Principal payments on note payable	-	(1,392)
Net cash provided by (used in) financing activities	<u>400,500</u>	<u>(1,392)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	316,105	586,519
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>827,632</u>	<u>241,113</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,143,737</u>	<u>\$ 827,632</u>

See notes to financial statements.

RUBY'S PLACE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

1. ORGANIZATION

Nature of Operation - Ruby's Place (the "Organization") is a California not-for-profit public benefit corporation that provides housing, shelter, food, counseling, and supportive services to survivors of domestic violence, human trafficking, and homelessness. The population served includes women, men and children throughout the San Francisco Bay Area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Organization are prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America specific to nonprofit organizations.

Classification of Net Assets - The Organization reports information regarding its financial position and activities according to two classes of net assets, as applicable: net asset without donor restrictions and net assets with donor restrictions.

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions.

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 the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value - ASC 820 includes a fair value hierarchy that is intended to increase the consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

Level 1 - instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2 - instrument valuations are obtained from readily-available pricing sources for comparable instruments.

Level 3 - instrument valuations are obtained without observable market values and require a high level of judgment to determine the fair value.

Cash - Cash and cash equivalents are all highly liquid investments with a maturity of three months or less.

Grants and Contracts Receivable - Grants and contracts receivable are recorded at the value of the revenue earned and are due upon presentation. Receivable balances with charges over thirty days old are considered delinquent and management begins collection efforts at this time. Delinquent accounts receivable invoices do not accrue interest. The Organization continually monitors the credit worthiness of each account and recognizes allowances for estimated bad debts on accounts that are no longer estimated to be collectible. The Organization adjusts any allowance for subsequent collections and final determination that a receivable is no longer collectible. There was no allowance considered necessary at June 30, 2020 or 2019, respectively.

Property and Equipment - Property and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment over \$1,000. The fair value of all donated property and equipment is similarly capitalized. Depreciation has been provided on the straight-line method based upon the following estimated useful lives of the assets:

Furniture and equipment	5 to 10 years
Building and improvements	5 to 30 years

Grants and contributions - Grants and contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions received are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Amounts outstanding that have been neither received nor recognized on conditional promises to give as of June 30, 2020 totaled \$3,197,369.

In-kind goods and services are recognized at fair value as contribution revenue and expense at the time of donation. Fair value is determined using Level 3 management estimates and similar third-party data. Any significant balances held at year end are capitalized as inventory and are expensed at the time of distribution.

Functional Expense Classification - The Organization charges and allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with the program or support service are assigned directly. Expenses common to several functions are allocated based on a measure of usage that best relates to the particular expense.

Income Taxes - The Organization is exempt from federal and California income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. In management's judgment there are no uncertain tax positions as of June 30, 2020.

Credit Risk - Financial instruments which potentially subject the Organization to credit risk consist principally of cash and equivalents and various balances receivable. The Organization’s cash is maintained in demand deposits in high quality financial institutions. Cash balances at June 30, 2020 exceeded federal insurance limits by approximately \$919,000. Grants and contracts receivable include three donors that comprise 73% of the balance at June 30, 2020. The remaining balance is primarily comprised of federal, state and local governments. The Organization generally does not maintain collateral for its receivable balances, and does not believe significant credit risk exists at June 30, 2020.

Change in Accounting Principle - During 2020, the Organization adopted the Financial Accounting Standards Board’s Accounting (“FASB”) Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update assists organizations in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions. In addition, it provides new criteria to determine whether a contribution is conditional or unconditional. As a result, it enhances comparability of financial information among not-for-profit entities. The Organization has evaluated contributions received and contributions made and has determined that there is no change as a result of the adoption of the standard.

Subsequent Events - Subsequent events have been evaluated through January 20, 2022, which is the date the financial statements were available to be issued.

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2020 and 2019:

	2020	2019
Land	\$ 128,007	\$ 128,007
Buildings and improvements	1,232,899	1,232,899
Furniture and equipment	190,976	190,976
	1,551,882	1,551,882
Accumulated depreciation	(1,129,236)	(1,074,684)
Net property and equipment	\$ 422,646	\$ 477,198

Depreciation expense for the year ended June 30, 2020 and 2019 was \$54,552 and \$54,378 respectively.

4. LINE OF CREDIT

The Organization has a revolving bank line of credit with a maximum borrowing limit of \$500,000. The line of credit is secured by the Organization's receivables and fixed assets. Interest of prime plus 2% (5.25% at June 30, 2020) is payable monthly. There was no outstanding balance at June 30, 2020 and 2019, respectively. Subsequent to year end, the line of credit was renewed through September 2023 with a borrowing limit of \$500,000 and interest of prime plus 1.25%.

5. NOTE PAYABLE

In 2019, note payable consisted of a term note payable to a municipality. The note was collateralized by land, building, and related improvements of the Organization, and had a fixed annual interest rate of 3%. Interest and principal payments were payable upon sale or transfer of the secured land, building and related improvements. The balance of the note was forgiven in 2020.

In April 2020, the Organization obtained a forgivable loan under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). The loan proceeds of \$400,500 are presented as a note payable on the statements of financial position. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, maintains its payroll levels, and obtains formal forgiveness from the SBA. Funds not used for allowable expenses are repayable, and accrue interest at 1% annually. Subsequent to year end, \$190,820 was forgiven by the SBA.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are subject to donor-imposed stipulations that will be met by either actions of the Organization and/or the passage of time. At June 30, 2020 and 2019, net assets with donor restrictions consisted of the following:

	2020	2019
Capital campaign	\$ 95,000	\$ 75,000
Strategic development	31,020	-
Census outreach	15,000	-
Implied time restriction	138,000	273,000
Total	<u>\$ 279,020</u>	<u>\$ 348,000</u>

7. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year at June 30, 2020 consisted of the following:

Cash and cash equivalents	\$ 1,143,737
Grants and contracts receivable	<u>800,403</u>
	1,944,140
Less: Donor restricted for capital campaign	<u>(95,000)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,849,140</u>

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Organization maintains a minimum operating reserve fund that is available for general operations, equal to one payroll cycle, based off of average payroll costs over the last twelve months. A long-term goal is to have three months of operating expenses in the Operating Reserve Fund. The amount of the Operating Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the Finance Committee/Board of Directors, and included in the monthly financial reports.

The Organization maintains a \$500,000 line of credit (See Note 4) for necessary replacement and repair costs related to real property owned by the Organization.

8. IN-KIND CONTRIBUTIONS

Donors contributed programmatic supplies with a fair value of \$70,396 and \$214,633 during the years ended June 30, 2020 and 2019, respectively. The fair-value of the donations are included in the financial statements as contribution revenue and program supplies expense on the statements of functional expenses.

9. OPERATING LEASES

The Organization leases equipment and facilities under various cancelable and non-cancelable operating leases that expire through 2024. Rental expense for the equipment and facilities was approximately \$71,424 and \$58,974 for the years ended June 30, 2020 and 2019, respectively.

Future minimum non-cancelable lease payments are as follows:

<u>Year end June 30,</u>	
2022	\$ 67,035
2023	66,513
2024	<u>50,665</u>
Total	<u>\$ 184,213</u>

10. RETIREMENT PLANS

The Organization maintained a Simple IRA defined contribution plan for substantially all full-time employees through December 2019. The Organization matched 100% of the employees' contributions up to 4% of each employee's annual compensation. The Organization paid matching contributions of \$7,851 and \$11,941 during the years ended June 30, 2020 and 2019, respectively.

In December 2019, the Organization adopted a tax-sheltered annuity plan for qualifying employees pursuant to Section 403(b) of the Internal Revenue Code. Employer discretionary contributions totaled \$16,566 for the year ended June 30, 2020.

11. DEFERRED COMPENSATION

In 2020, the Organization entered into a 457(f) deferred compensation agreement with the Organization's executive director. Under the current agreement, the Organization makes contributions to a split-dollar life insurance policy in which the executive director names a beneficiary. The policy, and underlying cash surrender value are the assets of the Organization until the executive director is fully vested under the plan. Contributions to the plan totaled \$20,000 during the year ended June 30, 2020. There was no cash surrender value, and therefore no deferred compensation liability recognized at June 30, 2020.

12. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2020, the Organization paid life insurance premiums of \$20,000 to an insurance company for which a board member received a commission.

13. RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus (“Covid-19”) a global pandemic and recommended containment and mitigation measures worldwide. The Covid-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including California, where the Organization is headquartered.

Impacts to the Organization’s operations include disruptions and restrictions on employee’s ability to work. While the disruption from Covid-19 is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders and the ultimate financial impact. It is at least reasonably possible that this matter will negatively impact the Organization. However, the final impact and duration cannot be reasonably estimated at this time.

RUBY’S PLACE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor Program Title/Pass-Through Grantor Program Title	Assistance Listing Number	Pass-through Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development:				
Supportive Housing Program passed through County of Alameda - Emergency Food and Shelter Program	14.235	18076/19757	34,262	-
Covid - 19 Community Development Block Grants/Entitlement Grants passed through City of Hayward	14.218		<u>\$ 12,523</u>	<u>\$</u>
Total U.S. Department of Housing and Urban Development			<u>46,785</u>	<u>-</u>
U.S. Department of Justice:				
Services for Trafficking Victims	16.320		<u>594,898</u>	<u>112,426</u>
Crime Victim Assistance passed through State of California - Governor’s Office of Emergency Services	16.575	DV18108631	78,678	-
Crime Victim Assistance passed through State of California - Governor’s Office of Emergency Services	16.575	DV19118631	284,642	
Crime Victim Assistance passed through State of California - Governor’s Office of Emergency Services	16.575	KD170018631	61,031	
Crime Victim Assistance passed through State of California - Governor’s Office of Emergency Services	16.575	XD19028631	181,632	

(continued)

Crime Victim Assistance passed through State of California - Governor's Office of Emergency Services	16.575	XH19028631	152,769	
Crime Victim Assistance passed through State of California - Governor's Office of Emergency Services	16.575	XH20038631	155,259	-
Crime Victim Assistance passed through State of California - Governor's Office of Emergency Services	16.575	KU19018631	5,441	-
Covid - 19 Crime Victim Assistance passed through California Partnership to end Domestic Violence	16.575	E23491D4	<u>30,648</u>	
Total Crime Victim Assistance	16.575		<u>950,100</u>	-
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736		<u>181,601</u>	-
Total U.S. Department of Justice			<u>1,726,599</u>	-
U.S. Department of Homeland Security:				
Emergency Food and Shelter National Board Program passed through The United Way	97.024	Phase 36	<u>29,765</u>	-
Total U.S. Department of Homeland Security			<u>29,765</u>	-
Total expenditures of federal awards			<u>\$ 1,803,149</u>	<u>\$ 112,426</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

RUBY'S PLACE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2020

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes federal award activity of the Organization under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note B - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Ruby's Place
Castro Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Ruby's Place (a nonprofit organization) (the "Organization") which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope and our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrison & Lane, a.c.

Pleasanton, California
January 20, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Ruby's Place
Castro Valley, California

Report on Compliance for Each Major Federal Program

We have audited Ruby's Place's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harlsson & Lane, a.c.

Pleasanton, California
January 20, 2022

RUBY'S PLACE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared according to U.S. GAAP: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified:	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be a material weakness?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	<u> </u> Yes	<u> X </u> None Reported

Type of auditors' report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major federal programs:

<u>CDFR Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.575	Crime Victim Assistance passed through State of California
16.320	Services for Trafficking Victims

Dollar threshold used to distinguish between type A and type B programs: **\$750,000**

Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No
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(continued)

RUBY'S PLACE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

II. Financial Statement Findings

None.

III. Federal Awards Findings and Questioned Costs

None.

IV. Prior Year Findings

Not applicable.