

Ruby's Place, Inc.

Financial Statements and Uniform Guidance Schedules
Together With Independent Auditors' Reports

June 30, 2024

Ruby's Place, Inc.

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Independent Auditors' Report

Board of Directors
Ruby's Place, Inc.

Opinion

We have audited the accompanying financial statements of Ruby's Place, Inc. ("RP"), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RP as of June 30, 2024 and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 RP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited RP's June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on 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 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 September 30, 2025, on our consideration of RP'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 solely 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 the effectiveness of RP's 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 RP's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

September 30, 2025

Ruby's Place, Inc.

Statement of Financial Position
June 30, 2024
(with comparative amounts at June 30, 2023)

	2024	2023
ASSETS		
Cash	\$ 1,828,982	\$ 1,672,740
Grants receivable	3,016,641	2,560,980
Other receivables	194	250
Prepaid expenses and deposits	102,558	165,650
Cash surrender value of life insurance	31,631	31,631
Deposits	27,300	28,863
Property and equipment, net	2,429,626	981,540
Right-of-use asset - operating leases, net	277,987	238,479
	\$ 7,714,919	\$ 5,680,133
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 84,470	\$ 123,378
Accrued liabilities	728,277	445,122
Refundable advances	54,701	149,691
Note payable	836,578	-
Leases payable	283,294	241,801
Total Liabilities	1,987,320	959,992
Net Assets		
Net Assets Without Donor Restrictions		
Without board designations	4,740,547	3,809,609
With board designations	750,000	470,891
Total Net Assets Without Donor Restrictions	5,490,547	4,280,500
With donor restrictions	237,052	439,641
Total Net Assets	5,727,599	4,720,141
	\$ 7,714,919	\$ 5,680,133

See notes to financial statements

Ruby's Place, Inc.

Statement of Activities
Year Ended June 30, 2024
(with summarized totals for the year ended June 30, 2023)

	2024			2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Government grants	\$ 14,435,203	\$ -	\$ 14,435,203	\$ 8,644,313
Foundation grants	2,000	70,000	72,000	800,041
Contributions	89,391	-	89,391	118,031
Contributed non-financial assets	15,574	-	15,574	40,761
Other income	4,690	-	4,690	18,986
Net assets released from restrictions	272,589	(272,589)	-	-
Total Revenue and Support	<u>14,819,447</u>	<u>(202,589)</u>	<u>14,616,858</u>	<u>9,622,132</u>
EXPENSES				
Program services	10,031,954	-	10,031,954	6,713,579
Management and general	3,355,434	-	3,355,434	1,478,600
Fundraising	222,012	-	222,012	123,840
Total Expenses	<u>13,609,400</u>	<u>-</u>	<u>13,609,400</u>	<u>8,316,019</u>
Change in Net Assets	1,210,047	(202,589)	1,007,458	1,306,113
NET ASSETS				
Beginning of year	<u>4,280,500</u>	<u>439,641</u>	<u>4,720,141</u>	<u>3,414,028</u>
End of year	<u>\$ 5,490,547</u>	<u>\$ 237,052</u>	<u>\$ 5,727,599</u>	<u>\$ 4,720,141</u>

See notes to financial statements

Ruby's Place, Inc.

Statement of Functional Expenses
Year Ended June 30, 2024
(with summarized totals for the year ended June 30, 2023)

	Program Services	Management and General	Fundraising	2024 Total	2023 Total
Salaries and wages	\$ 4,481,934	\$ 1,918,133	\$ 176,247	\$ 6,576,314	\$ 4,170,290
Payroll taxes and benefits	895,419	349,656	33,862	1,278,937	863,253
Program supplies	1,027,349	-	-	1,027,349	247,926
Grants	241,143	-	-	241,143	882,770
Occupancy	328,781	12,009	-	340,790	286,956
Maintenance and repairs	371,548	57,197	-	428,745	102,799
Professional services	670,296	47,476	-	717,772	155,059
Depreciation	81,814	-	-	81,814	67,680
Insurance	-	77,882	-	77,882	65,530
Other services	3,403	-	-	3,403	6,301
Conferences, training and meetings	198,071	8,567	199	206,837	164,701
Equipment	107,384	4,954	-	112,338	63,606
Travel and meals	-	68,853	-	68,853	47,709
Communications	-	54,842	-	54,842	29,512
Client paid rent	1,571,147	-	-	1,571,147	915,182
Advertising	30,680	36,804	3,702	71,186	7,264
Information technology	-	123,242	-	123,242	7,789
Dues, licenses and service fees	-	8,107	4,078	12,185	8,311
Software and subscriptions	-	-	-	-	138,805
Supplies	366	17,290	3,924	21,580	18,506
Bank fees	-	14,800	-	14,800	8,177
In-kind donations	15,154	420	-	15,574	40,761
Miscellaneous	-	47,505	-	47,505	14,764
Postage and shipping	2,781	328	-	3,109	2,368
Legal expenses	4,684	507,369	-	512,053	-
Total Expenses	\$ 10,031,954	\$ 3,355,434	\$ 222,012	\$ 13,609,400	\$ 8,316,019

See notes to financial statements

Ruby's Place, Inc.

Statement of Cash Flows
Year Ended June 30, 2024
(with comparative amounts for the year ended June 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,007,458	\$ 1,306,113
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	81,814	67,680
Amortization of right of use asset - operating lease	79,308	59,422
Changes in Operating Assets and Liabilities		
Grants receivable	(455,661)	(576,878)
Other receivables	56	(250)
Prepaid expenses and deposits	63,092	(136,635)
Deposits	1,563	(11,563)
Accounts payable	(38,908)	(32,966)
Accrued liabilities	283,155	63,907
Refundable advances	(94,990)	(51,937)
Leases payable	(77,323)	(56,100)
Net Cash from Operating Activities	849,564	630,793
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,529,900)	(296,656)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(3,422)	-
Receipt of note payable	840,000	-
Net Cash from Financing Activities	836,578	-
 Net Change in Cash	156,242	334,137
 CASH		
Beginning of year	1,672,740	1,338,603
End of year	\$ 1,828,982	\$ 1,672,740
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 26,801	\$ -

See notes to financial statements

Ruby's Place, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

1. Organization

Ruby's Place, Inc. (the "Organization") was incorporated on July 10, 1973 as a not-for-profit organization in California.

The Organization is focused on providing 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.

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Net Asset Presentation

The Organization reports information regarding financial position and activities in two classes of net assets: without and with donor restrictions.

Without donor restrictions – consist of resources available for the general support of the Organization's operations. Net assets without donor restrictions may be used at the discretion of the Organization's management and Board of Directors.

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require the Organization to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Ruby's Place, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment in excess of \$1,000 are recorded at cost and depreciated using the straight-line method over their useful life of 5 years.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount of the asset is not recoverable, the value is written down to the asset's fair value. There were no asset impairments for the years ended June 30, 2024 and 2023.

Contributions

The Organization records earned support and revenues on an accrual basis. In addition, the Organization records cash and promises to give as support and revenue, when they are received unconditionally at their fair value. Conditional contributions are recognized only when the conditions on which they depend are substantially met. Amounts received before conditions are substantially met are reported as refundable advances on the statement of financial position.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates applicable to the years in which the promises are received and consider market and credit risk as applicable. Amortization of the discount is included in contribution revenue over the life of the pledge.

Allowance for Doubtful Accounts

The Organization provides an allowance for doubtful accounts based upon prior experience and management's assessment of the collectability of specific accounts. Management deems all receivables to be collectible at June 30, 2024 and 2023.

Donated Goods and Services

Contributions of noncash assets are recorded at their fair values in the period received. Donated contributions of services that create or enhance nonfinancial assets or that require specialized skills, provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Leases

The Organization has both long-term and short-term lease agreements. At inception, the Organization evaluates each arrangement to determine whether it qualifies as a lease. Operating leases are recorded as right-of-use assets – operating leases, net ("ROU asset"), and as lease liabilities within the accompanying statement of financial position.

Ruby's Place, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

ROU asset represents the right to use an underlying asset for the lease term and leases payable represents the obligation to make lease payments arising from the leases. Operating lease ROU asset and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease does not provide an implicit borrowing rate. The Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease term may include options to extend the lease and when it is reasonably certain that the Organization will exercise that option, such amounts are included in ROU asset and leases payable. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately. Variable lease components in the leases are cleaning, utilities, and security and are recognized in operating expenses in the period in which the obligation is incurred.

The Organization applies the short-term lease exemption to all of its classes of underlying assets. During the years ended June 30, 2024 and 2023, short-term lease costs amounted to \$153,187 and \$127,095.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Specific expenses that are readily identifiable to a single program or activity are charged to that function. Certain expenses are attributable to more than one program or supporting function and have been allocated in reasonable ratios determined by management. These expenses include salaries and wages and payroll taxes and benefits, which are allocated based on estimates of time and effort.

Advertising

Advertising is expensed as incurred.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only when they are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2021.

Ruby's Place, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 30, 2025.

3. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 639,307	\$ 128,007
Buildings and improvements	2,924,838	1,906,238
Furniture and equipment	<u>272,284</u>	<u>272,284</u>
	3,836,429	2,306,529
Accumulated depreciation	<u>(1,406,803)</u>	<u>(1,324,989)</u>
	<u>\$ 2,429,626</u>	<u>\$ 981,540</u>

During the year ended June 30, 2024 the Organization purchased a property in Alameda County, California for \$1,200,000. In connection with this purchase, the Organization capitalized land valued at \$511,300 and a building valued at \$688,700. Additionally, the Organization also purchased 4 tiny homes totaling \$329,900 for programmatic usage.

4. Line of Credit

As of June 30, 2023, the Organization maintained a \$500,000 revolving line of credit with a financial institution. This agreement expired on December 3, 2023, and was subsequently renewed for \$1,000,000 through March 3, 2025. The line of credit was secured by the Organization's receivables and fixed assets. Borrowings under the agreement bore interest at the Wall Street Journal prime rate plus 0.50%, payable monthly. There were no outstanding balances as of June 30, 2024. In 2025, the revolving line of credit was reduced to \$500,000, with a new expiration date of December 3, 2025. Borrowings under this arrangement bear interest at the Wall Street Journal prime rate plus 0.50%, payable monthly.

Ruby's Place, Inc.

Notes to Financial Statements June 30, 2024 and 2023

5. Note Payable

In connection with the purchase of a property in Alameda County, California, during the year ended June 30, 2024, the Organization obtained a \$840,000 commercial real estate loan with a lender. The loan bears interest at an adjustable rate of 7.112% per annum through January 1, 2029, the next scheduled rate adjustment date. Thereafter, the rate will reset, subject to a maximum of 15.112% under the terms of the agreement.

Monthly payments of \$5,652 are required through the next rate change date, at which time the payment amount will be recalculated based on the updated interest rate. All remaining principal and accrued interest are due upon maturity on January 1, 2034. Interest expense for the year ended June 30, 2024, was \$26,801.

The principal payments for the next five years and thereafter are as follows:

2025	\$	8,601
2026		9,233
2027		9,911
2028		10,640
2029		11,421
Thereafter		<u>786,772</u>
		<u>\$ 836,578</u>

6. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following at June 30:

2024				
Purpose/Restriction	Beginning of Year	Additions	Net Assets Released	End of Year
Youth services	\$ 47,589	\$ 70,000	\$ (72,589)	\$ 45,000
Life story initiative	192,052	-	(100,000)	92,052
Time restriction	<u>200,000</u>	<u>-</u>	<u>(100,000)</u>	<u>100,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 439,641</u>	<u>\$ 70,000</u>	<u>\$ (272,589)</u>	<u>\$ 237,052</u>
2023				
Purpose/Restriction	Beginning of Year	Additions	Net Assets Released	End of Year
Youth services	\$ 19,954	\$ 50,000	\$ (22,365)	\$ 47,589
Life story initiative	-	282,052	(90,000)	192,052
Time restriction	<u>164,250</u>	<u>200,000</u>	<u>(164,250)</u>	<u>200,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 184,204</u>	<u>\$ 532,052</u>	<u>\$ (276,615)</u>	<u>\$ 439,641</u>

Ruby's Place, Inc.

Notes to Financial Statements June 30, 2024 and 2023

7. Net Assets with Board Designations

During 2022, the Board of Directors established three reserves designated for the following purposes.

The Organization maintains a minimum operating reserve fund that is available for general operations, equal to two payroll cycles, 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 Board of Directors. The Capital Improvement Fund shall be maintained at a minimum of \$100,000 for long term projects such as infrastructure or property changes, development of transitional housing, and capacity building. The Program Reserve Fund shall have funding set aside for specific programs and initiatives as established by state and federal awards.

The amounts of the reserves are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Operating reserve fund	\$ 650,000	\$ 370,891
Capital improvement fund	<u>100,000</u>	<u>100,000</u>
	<u>\$ 750,000</u>	<u>\$ 470,891</u>

The Program Reserve Fund did not have a balance at June 30, 2024 and 2023.

8. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year are as follows at June 30:

Financial Assets:	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,828,982	\$ 1,672,740
Grants receivable	3,016,641	2,560,980
Other receivables	194	250
Cash surrender value of life insurance	<u>31,631</u>	<u>31,631</u>
Total Financial Assets	4,877,448	4,265,601
Less: Restricted Amounts		
Board designated	(750,000)	(470,891)
Net assets with donor restrictions	<u>(237,052)</u>	<u>(439,641)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 3,890,396</u>	<u>\$ 3,355,069</u>

Ruby's Place, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

8. Liquidity and Availability of Financial Assets *(continued)*

The Organization receives significant support and revenue, unrestricted and restricted, from private donors and government agencies which are available to meet cash needs for expenditures. The Organization also has access to a line of credit to help alleviate liquidity needs (see Note 4). 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.

9. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and receivables. The Organization places its cash and cash equivalents with high credit quality financial institutions which, at times, may exceed federally insured limits prescribed by the Federal Deposit Insurance Corporation ("FDIC"). The Organization has not experienced losses. At June 30, 2024 and 2023, the Organization's cash and cash equivalent balances on deposit exceeded the federal insurance limits by approximately \$1,544,000 and \$1,387,000.

Grants receivable credit risk is limited due to the nature of these receivables which consist principally of amounts due from government and foundation grants. The Organization considers all receivables to be collectible.

10. Donated Goods and Services

The Organization received donated contributions and services as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>	<u>Usage in Program/Activities</u>	<u>Donor Restriction</u>
Program supplies	\$ 15,574	\$ 39,161	Program and administration	None
Donated services	-	1,600	Program and administration	None
	<u>\$ 15,574</u>	<u>\$ 40,761</u>		

The donated services relate to work performed by third - party volunteers. The fair value of the services is based on current rates for similar services.

The fair value of program supplies received is based on the estimated wholesale values that would have been received for selling similar products.

The Organization does not sell in-kind contributions.

Ruby's Place, Inc.

Notes to Financial Statements June 30, 2024 and 2023

11. Operating Leases

The Organization has two long term facility operating leases expiring in fiscal 2026 and fiscal 2027.

The Organization amortizes the operating lease right-of-use asset over the remaining life of the lease agreement. The right-of-use asset consists of the following at June 30:

	2024	2023
Right-of-use asset - operating leases	\$ 357,295	\$ 297,901
Less: accumulated amortization	(79,308)	(59,422)
	\$ 277,987	\$ 238,479

The facility is operated under a non-cancellable operating lease requiring future minimum payments as follows for the years ending June 30:

2025	\$ 127,899
2026	114,258
2027	52,713
Total Undiscounted Cash Flows	294,870
Less: imputed interest	(11,576)
Total Lease Liabilities	\$ 283,294

Occupancy expense consists of the following for the years ended June 30:

	2024	2023
Operating lease costs	\$ 87,114	\$ 67,114
Short-term lease costs	153,187	127,095
Variable occupancy costs	100,489	92,747
	\$ 340,790	\$ 286,956

The weighted average discount rate and remaining lease terms of the leases are as follows at June 30:

	2024	2023
Weighted Average:		
Discount rate	3.43%	2.88%
Remaining leases term in years	2.40	3.75

Ruby's Place, Inc.

Notes to Financial Statements June 30, 2024 and 2023

11. Operating Leases (continued)

Supplemental cash flow information related to operating leases was as follows for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 85,130	\$ 63,792
ROU assets recognized during the year	\$ 118,816	\$ 297,901

12. Retirement Plans

The Organization has adopted a tax-sheltered annuity plan for qualifying employees pursuant to Section 403(b) of the Internal Revenue Code. Employer discretionary contributions totaled \$111,573 and \$70,567 for the years ended June 30, 2024 and 2023.

13. Deferred Compensation

The Organization entered into a 457(f) deferred compensation arrangement with the Organization's Executive Director. Under the current arrangement, the Organization makes contributions to a split-dollar life insurance policy in which the Executive Director is named as a beneficiary. The policy and underlying cash surrender values are assets of the Organization until the Executive Director is fully vested under the plan. Contributions to the plan by the Organization totaled \$20,000 for the each of the years ended June 30, 2024 and 2023. The balance of the 457(f) assets totaled \$31,631 as of June 30, 2024 and 2023, and the associated liability is included in accrued liabilities on the accompanying statement of financial position.

14. Contingencies

The Organization has been involved in certain legal actions in the ordinary course of business. A claim has been brought against the Organization and management, together with the Organization's counsel, are negotiating settlement despite management's belief that the accusations are without merit.

15. Subsequent Events

Subsequent to June 30, 2024, the Organization purchased a property in Castro Valley, California on July 21, 2025 for \$1,079,000. In connection with the purchase, the Organization obtained a \$750,000 mortgage loan with a lender. Interest is calculated as 0.5% above the Wall Street Journal Prime Rate and the interest rate cannot fall lower than 8% per annum during the term of the agreement. The loan requires monthly payments of accrued interest only until the loan maturity date of August 1, 2026.

Ruby's Place, Inc.

Uniform Guidance
Schedules and Reports

June 30, 2024

Ruby's Place, Inc.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Continuum of Care Program	14.267		\$ -	\$ 2,273,639
Pass-through from City of Hayward				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	23-103	-	45,141
Community Development Block Grants/Entitlement Grants	14.218	21-056	-	149,192
Total City of Hayward			-	194,333
Total U.S. Department of Housing and Urban Development			-	2,467,972
U.S. Department of Justice				
Services for Trafficking Victims	16.320		-	628,981
Pass-through from the State of California - Governor's Office of Emergency Services				
Crime Victim Assistance	16.575	DV 23 15 8631	-	42,741
Crime Victim Assistance	16.575	XD20 03 8631	-	170,746
Crime Victim Assistance	16.575	XD23 02 8631	-	169,785
Crime Victim Assistance	16.575	XH21 04 8631	-	211,785
Crime Victim Assistance	16.575	XH23 02 8631	-	111,959
Crime Victim Assistance	16.575	KE22 01 8631	-	156,511
Crime Victim Assistance	16.575	KE23 02 8631	-	101,943
Crime Victim Assistance	16.575	UV22 01 8631	-	131,823
Crime Victim Assistance	16.575	UV23 02 8631	-	70,121
Total State of California - Governor's Office of Emergency Services			-	1,167,414
Crime Victim Assistance/Discretionary Grants	16.582		-	28,849
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736		-	280,441
Total U.S. Department of Justice			-	2,105,685
U.S. Department of Health and Human Services				
Demonstration Grants for Domestic Victims of Human Trafficking	93.327		73,884	53,355
Family Violence Prevention and Services/Domestic Violence Shelter And Supportive Services	93.671		-	4,192,245
Pass-through from U.S. Office of Refugee Resettlement				
Unaccompanied Children Program	93.676	90ZU0522-01-00	-	1,472,905
Unaccompanied Children Program	93.676	90ZU0522-02-00	-	286,097
Total U.S. Office of Refugee Resettlement			-	1,759,002
Total U.S. Department of Health and Human Services			73,884	6,004,602
U.S. Department of Homeland Security				
Pass-through from The United Way				
Emergency Food and Shelter National Board Program	97.024	Not Available	-	25,000
Emergency Food and Shelter National Board Program	97.024	Not Available	-	30,000
Total U.S. Department of Homeland Security			-	55,000
U.S. Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027		-	109,000
Total Expenditures of Federal Awards			\$ 73,884	\$ 10,742,259

See independent auditors' report and notes to schedule of expenditures of federal awards

Ruby's Place, Inc.

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Ruby's Place, Inc. ("RP") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with 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 RP, it is not intended to and does not present the financial position, changes in net assets or cash flows of RP.

2. Summary of Significant Accounting Policies

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. Pass-through entity identifying numbers are presented where available.

3. Nonmonetary Assistance

Nonmonetary assistance is reported in the Schedule based on the amount disbursed or received. RP received no nonmonetary assistance for the year ended June 30, 2024.

4. Indirect Cost Rate

RP has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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*

Independent Auditors' Report

**Board of Directors
Ruby's Place, Inc.**

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, Inc. ("RP"), which comprise the statement of financial position as of June 30, 2024, 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 September 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RP'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 RP's internal control. Accordingly, we do not express an opinion on the effectiveness of RP'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RP's financial statements are free from 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

Ruby's Place's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on RP's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. RP's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of 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 RP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

September 30, 2025

**Report on Compliance for Each Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

Independent Auditors' Report

Board of Directors
Ruby's Place, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ruby's Place, Inc.'s ("RP") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of RP's major federal programs for the year ended June 30, 2024. RP's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, RP 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, 2024.

Basis for Opinion on Each Major Federal Program

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 audit 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of RP and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of RP's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to RP's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RP's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RP's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding RP's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of RP's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 RP's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

PKF O'Connor Davies, LLP

September 30, 2025

Ruby's Place, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X no

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? yes X no

Identification of major federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.676	Unaccompanied Children Program
93.671	Family Violence Prevention and Services

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

Auditee qualified as low-risk auditee? yes X no

Ruby's Place, Inc.

Schedule of Findings and Questioned Costs (*continued*)
Year Ended June 30, 2024

Section II – Financial Statement Findings

2024-001: Timely Submission of Uniform Guidance Audit Package (*Repeat*)

Criteria

RP is required to submit its Data Collection Form ("SF-SAC"), along with the Uniform Guidance reporting package, by the mandated due date of March 31, 2025.

Condition

RP did not submit the SF-SAC and Uniform Guidance reporting package by the required due date of March 31, 2025.

Cause

Due to delays in completing the 2023 audit, the fiscal year 2024 audit was not finalized until after the submission deadline for the SF-SAC and Uniform Guidance reporting package.

Effect

Failure to submit the SF-SAC in a timely manner caused RP to be noncompliant with Uniform Guidance reporting requirements.

Recommendation

We recommend that management initiate the audit process earlier to allow sufficient time for completion and ensure timely submission of all required reports.

Views of Responsible Officials

See Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

During our audit, we noted no material instances of noncompliance and none of the costs reported in the federal financially assisted programs are questioned or recommended to be disallowed.

* * * * *

Ruby's Place, Inc.

Summary Schedule of Prior Audit Findings Year Ended June 30, 2024

Appendix A

2023-001: Timely Submission of Uniform Guidance Audit Package

Condition: RP did not submit its SF-SAC together with the Uniform Guidance reporting package by the mandated due date of March 31, 2024.

Status: The finding has not yet been corrected, please refer to 2024-001 in Section II.

2023-002: Audit Preparedness

Condition: A complete and accurate final 2023 general ledger and supporting schedules were not readily available. In addition, reconciliations of significant accounts were either not prepared and/or updated throughout the year. As a result, this caused major delays in finalizing the audit.

Status: The finding has been corrected.

2023-003: Improper Revenue Recognition (With and Without Donor Restrictions)

Condition: Certain revenue was not recognized in the correct period and necessitated a material adjustment.

Status: The finding has been corrected.

2023-004: Timely and Accurate Bank Reconciliations

Condition: Two bank accounts contained significant monthly variances that continued to exist over an extended period of time.

Status: The finding has been corrected.

2023-005: Subrecipient Monitoring

FALN: 16.320

Program or Cluster Name: Services for Trafficking Victims

Agency: U.S. Department of Justice

Condition: Subrecipient monitoring is being done by RP for each subrecipient organization. However, a routine and comprehensive checklist is not maintained for each subrecipient organization that RP works with. Furthermore, RP did not consistently communicate reporting timelines as outlined by the federal awarding agencies. Finally, while there was evidence of subrecipient review, signed reports indicating evidence of review by multiple RP personnel were not consistently maintained.

Status: The finding has been corrected.

**CORRECTIVE ACTION PLAN
APPENDIX B
Year Ended June 30, 2024**

Date: September 30, 2025

TO: US Department of Justice

FROM: Debi Himovitz, Associate Executive Director, Ruby's Place

SUBJECT: Corrective Action Plan

Section II - Financial Statement Findings

2024-001: Timely Submission of Uniform Guidance Audit Package

Criteria: RP is required to submit its data collection form ("SF-SAC") together with the Uniform Guidance reporting package by the mandated due date of March 31, 2025.

Condition: RP did not submit its SF-SAC together with the Uniform Guidance reporting package by the mandated due date of March 31, 2025.

Cause: Due to delays in completing the prior year audit, the fiscal year 2024 audit was not finalized until after the submission deadline for the SF-SAC and Uniform Guidance reporting package.

Effect: Failure to submit the SF-SAC in a timely manner caused RP to be noncompliant with Uniform Guidance reporting requirements.

Recommendation: We recommend management begin the audit process earlier to ensure that the audit process can be completed in time for the due date.

Views of Responsible Officials:

RP has implemented a structured month-end, quarter-end, and year-end closing process to ensure financial records are updated promptly. A closing checklist has been implemented to track key tasks, including reconciliations, review of reporting schedules, and ledger finalization. As part of this process, RP will ensure the timely submission of the certification of the data collection form to the federal audit clearing house.

Due to the delay in completing our FY23 audit, the FY24 audit was inevitably submitted late. However, we are already on track with completing our FY25 audit.



Debi Himovitz, Associate Executive Director
Ruby's Place