

RAVENSWOOD COMMUNITY  
SERVICES, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2022  
(With summarized comparative  
information as of and for the year  
ended December 31, 2021)



CERTIFIED PUBLIC ACCOUNTANT

RAVENSWOOD COMMUNITY  
SERVICES, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2022  
(With summarized comparative  
information as of and for the year  
ended December 31, 2021)

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## Independent Auditor's Report

The Board of Directors  
Ravenswood Community Services, Inc.  
4550 W. Hermitage  
Chicago, Illinois 60640

### Opinion

We have audited the accompanying financial statements of Ravenswood Community Services, Inc., an Illinois not-for-profit organization, which comprise the statements of financial position as of December 31, 2022, and 2021, and the related statements of activities, functional expenses, and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ravenswood Community Services, Inc as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### 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 Ravenswood Community Services, Inc's ability to continue as a going concern for at least one year after the date the financial statements are issued.

### Auditor's 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 auditor's 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 GAAS 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

### In performing an audit in accordance with GAAS, 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 the Ravenswood Community Services, Inc 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 Ravenswood Community Services, Inc'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.

*BG Advisors CPA, Ltd*

BG Advisors CPA, Ltd

1250 E Diehl Rd, Suite 406

Naperville, IL 60563

July 24, 2023

RAVENSWOOD COMMUNITY SERVICES, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022  
(With summarized comparative totals as of December 31, 2021)

	As of December 31, 2022			Summarized Comparative Totals as of December 31, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	
<b><u>ASSETS</u></b>				
Current assets:				
Cash and cash equivalents (Note 6)	\$ 484,082	\$ 90,385	\$ 574,467	\$ 547,295
Certificate of deposit, original term to maturity less than one year (Note 6)	-	-	-	41,916
Receivables	128	-	128	-
Investments (Note 7)	228,652	-	228,652	171,943
Prepaid expenses and other	3,574	-	3,574	4,774
Total current assets	716,436	90,385	806,821	765,928
Facility improvements and equipment, net of accumulated depreciation (Note 8)	46,663	-	46,663	25,722
Other assets:				
Certificate of deposit, original term to maturity greater than one year (Note 6)	-	-	-	-
Total assets	\$ 763,099	\$ 90,385	\$ 853,484	\$ 791,650
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 7,068	\$ -	\$ 7,068	\$ 1,879
Due to affiliated organization (Note 9)	5,358	-	5,358	3,811
Total current liabilities	12,426	-	12,426	5,690
Net assets (Note 4)	750,673	90,385	841,058	785,960
Total liabilities and net assets	\$ 763,099	\$ 90,385	\$ 853,484	\$ 791,650

The accompanying notes are an integral part of these financial statements.

RAVENSWOOD COMMUNITY SERVICES, INC.  
STATEMENT OF ACTIVITIES  
AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(With summarized comparative totals for the year ended December 31, 2021)

	Fiscal Year Ended December 31, 2022			Summarized Comparative Totals, Fiscal Year Ended December 31, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	
Public support and revenue:				
Public support:				
Grants and contributions (Note 10)	\$ 182,163	\$ -	\$ 182,163	\$ 286,670
Contributions from affiliated organization (Note 5 and Note 11)	16,640	-	16,640	16,640
Contributions, in-kind (Note 11)	367,814	-	367,814	357,806
Fundraising events, net of direct expenses (Note 12)	<u>108,479</u>	<u>-</u>	<u>108,479</u>	<u>31,994</u>
Total public support	<u>675,095</u>	<u>-</u>	<u>675,095</u>	<u>693,110</u>
Net assets released from restrictions upon satisfaction of program requirements	<u>34,516</u>	<u>(34,516)</u>	<u>-</u>	<u>-</u>
Revenue:				
Investment income and gains over losses (Note 7)	-	-	-	12,465
Interest income	6,928	-	6,928	553
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>160</u>
Total revenue	<u>6,928</u>	<u>-</u>	<u>6,928</u>	<u>13,178</u>
Total public support and revenue	<u>716,539</u>	<u>(34,516)</u>	<u>682,023</u>	<u>706,288</u>
Expenses:				
Program services	<u>557,753</u>	<u>-</u>	<u>557,753</u>	<u>518,947</u>
Supporting services:				
General management & administration	48,425	-	48,425	53,254
Resource development	<u>20,747</u>	<u>-</u>	<u>20,747</u>	<u>24,168</u>
Total supporting services expenses	<u>69,172</u>	<u>-</u>	<u>69,172</u>	<u>77,422</u>
Total expenses	<u>626,925</u>	<u>-</u>	<u>626,925</u>	<u>596,369</u>
Net public support and revenue over (under) expenses	<u>89,614</u>	<u>(34,516)</u>	<u>55,098</u>	<u>109,919</u>
Net increase in net assets	89,614	(34,516)	55,098	109,919
Net assets:				
Beginning of the year	<u>661,059</u>	<u>124,901</u>	<u>785,960</u>	<u>676,041</u>
End of the year	<u>\$ 750,673</u>	<u>\$ 90,385</u>	<u>\$ 841,058</u>	<u>\$ 785,960</u>

The accompanying notes are an integral part of these financial statements.

RAVENSWOOD COMMUNITY SERVICES, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(With summarized comparative totals for the year ended December 31, 2021)

	Supporting Services				Grand Totals	
	Program Services	General Mgmt. & Admin	Recource Development	Total Supporting Services	2022	2021
Staffing (Note 9)	\$ 88,210	\$ 34,820	\$ 13,301	\$ 48,121	\$ 136,331	\$ 131,502
Employer payroll taxes	7,522	2,268	1,135	3,403	10,924	10,380
Cost of food distributed, in-kind (Note 11)	308,618	-	-	-	308,618	357,806
Cost of food distributed, purchased	32,272	-	-	-	32,272	36,366
In-kind expenses	59,126	-	-	-	59,126	-
Kitchen and pantry supplies	2,326	-	-	-	2,326	3,563
Fund Raising events	17,002	-	-	-	17,002	-
Tuesday Night Clinic	2,016	-	-	-	2,016	-
School Market	6,488	-	-	-	6,488	-
Facility occupancy (Note 9)	6,185	265	200	466	6,650	6,650
Scavenger and pest control	3,444	-	-	-	3,444	2,526
Insurance	8,943	385	288	673	9,616	7,373
Professional fees	-	7,025	5,454	12,479	12,479	22,204
Contract services	2,454	969	369	1,338	3,792	1,397
Mailings, postage, and courier	-	90	-	90	90	117
Telecommunications	-	600	-	600	600	600
Supplies and materials	2,250	-	-	-	2,250	2,250
Computer, internet, database, and maintenance	-	948	-	948	948	948
Promotion and outreach	1,220	-	-	-	1,220	1,393
Volunteer support	-	-	-	-	-	272
Board and staff development	86	-	-	-	86	107
Dues and subscriptions	1,359	-	-	-	1,359	1,309
Depreciation (Note 7)	8,234	-	-	-	8,234	7,176
Bank and credit card transaction processing fees	-	-	-	-	-	1,027
Miscellaneous	-	1,055	-	1,055	1,055	1,403
Total functional expenses	<u>\$ 557,753</u>	<u>\$ 48,425</u>	<u>\$ 20,747</u>	<u>\$ 69,172</u>	<u>\$ 626,925</u>	<u>\$ 596,369</u>

The accompanying notes are an integral part of these financial statements.

RAVENSWOOD COMMUNITY SERVICES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(With summarized comparative totals for the year ended December 31, 2021)

	Fiscal Year Ended 2022	Fiscal Year Ended 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net increase (decrease) in net assets	\$ 55,098	\$ 109,919
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	8,234	7,176
(Increase) decrease in:		
Receivables	(128)	-
Certificate of deposit, original term to maturity less than one year (Note 6)	41,916	-
Prepaid expenses and other	1,200	3,433
Increase (decrease) in:		
Accounts payable and accrued expenses	5,189	(122)
Due to affiliated organization	1,547	2,779
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>113,056</b>	<b>123,185</b>
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Purchase certificate of deposit, including interest income reinvested	-	(487)
Purchases of investments	(56,709)	(100,000)
Investment earnings reinvested	-	(12,465)
Purchase of capitalized food service equipment, office equipment and facility upgrades	(29,175)	-
Total cash used in investing activities	(85,884)	(112,952)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>27,172</b>	<b>10,233</b>
<b>CASH, BEGINNING OF THE YEAR</b>	<b>547,295</b>	<b>537,062</b>
<b>CASH, END OF THE YEAR</b>	<b>\$ 574,467</b>	<b>\$ 547,295</b>

The accompanying notes are an integral part of these financial statements.



RAVENSWOOD COMMUNITY SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 1 - HISTORY AND NATURE OF THE ORGANIZATION**

Ravenswood Community Services (RCS) began as an outreach program of All Saints Episcopal Church (ASEC) in Chicago's northside Ravenswood neighborhood. In 2001, RCS incorporated as an Illinois not-for-profit organization.

RCS' primary activity is the operation of a food pantry and community kitchen located within ASEC. RCS also provides social services in conjunction with the food pantry and community kitchen.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting and presentation**

The financial statements are prepared on the accrual basis of accounting.

Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification (ASC) No. 958-605 and No. 958-205.

Under ASC No. 958-605 contributions are recognized in the period received, or in the period in which an unconditional promise to give is made.

Under ASC 958-205, RCS is required to report information regarding its financial position according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. The classification of net assets is based on the absence or existence of donor-imposed restrictions.

**Donor-imposed restrictions**

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor-restricted support which increases that net asset class. However, donor-restricted support that is received and completely fulfilled within the same fiscal year is reported as support without donor restrictions.

**Income taxes**

RCS is exempt from federal taxes under Section 501(c)3 of the Internal Revenue Code. Contributions to RCS qualify as charitable contributions under Section 170(b)(1)(A)(vi). RCS is classified as an organization that is not a private foundation under Section 509(a)(2). RCS' management has determined that FASB ASC 740-10, which addresses accounting for uncertainty in income taxes, has no effect on its financial statements due to RCS' tax-exempt status.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures. Actual results could differ from those estimates.

**Donated Services**

During the year ended December 31, 2022, 300 individuals donated 6,148 of service time to RCS to help meet the organization's goals and objectives. These donated services are not reported as contributions in the financial statements because they do not meet the criteria of skilled services required to be reported under FASB ASC 958-605-25-16.

RAVENSWOOD COMMUNITY SERVICES  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events**

RCS has evaluated subsequent events through July 24, 2023, the date financial statements were available to be issued.

**Functional expense allocation**

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Expenses specifically identifiable as A program, general management & administrative, or resource development are fully allocated to those respective categories. Staffing is allocated on the basis of estimated time and effort. General overhead expenses such as office rent and other such expenses are allocated on the basis of square footage of the space utilized.

**NOTE 3 - PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

The financial statements include certain prior-year summarized information presented for comparative purposes. Such comparative information is in total but not by net asset class, and therefore, does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with RCS' financial statements for the year ended December 31, 2021, from which the summarized comparative information was derived.

**NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with temporary donor restrictions as of December 31, 2022, and December 31, 2021, are as follows:

	December 31, 2022	December 31, 2021
<u>See Note 4A below:</u>		
Kitchen equipment and furniture	\$ 19,263	\$ 19,263
Facility upgrades and improvements	35,500	35,500
Kitchen and pantry staffing	10,622	11,626
Program food costs	-	7,012
Operating reserve	25,000	25,000
Subtotal	90,385	98,401
Purchase of new van	-	26,500
Total	\$ 90,385	\$ 124,901

Note 4A - In the year 2015 RCS received a contribution of \$180,000 designated by the donor for specific program activities. The remaining unspent portion of this contribution as of December 31, 2022, and December 31, 2021, is \$90,385 and \$98,401, respectively.

RAVENSWOOD COMMUNITY SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 5 - CONCENTRATION OF RISK**

For the years 2022 and 2021, RCS recognized \$337,842 and \$351,173, respectively, of in-kind food and grocery donations from the Greater Chicago Food Depository. These in-kind contributions comprised 47% and 50% of RCS' total public support and revenues for the years 2022 and 2021, respectively.

**NOTE 6 - CASH AND CASH EQUIVALENTS AND CERTIFICATE OF DEPOSIT**

Cash and cash equivalents consist of interest-bearing demand deposits in financial institutions. The certificate of deposit consists of one certificate of deposit with an original term of 22 months. As of December 31, 2022, and December 31, 2021, the aggregate total of RCS' cash and certificate of deposit balances exceeded the FDIC-insured limit of \$250,000 by \$75,222 and \$84,788, respectively.

**NOTE 7 - INVESTMENTS FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that RCS has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- ✓ quoted prices for similar assets in active markets,
- ✓ quoted prices for similar or identical assets in inactive markets,
- ✓ inputs other than quoted prices that are observable for the asset,
- ✓ inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2022, and December 31, 2021, RCS' sole investment consisted of 3,155.3317 and 2,295.4744 units in a collective investment fund (the "Fund"), respectively. The Fund's asset mix, as reported by the Fund, consisted of mutual funds traded in active markets that the Fund has the ability to access. The Fund reported a per unit value of \$62.39 and \$74.91 as of December 31, 2022, and December 31, 2021, respectively. The per-unit value reported by the Fund is equal to the aggregate value of the underlying assets divided by the number of units held by investors. RCS has the ability to purchase or sell units on a calendar quarterly basis.

(Continued on the following page)

RAVENSWOOD COMMUNITY SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 7 - INVESTMENTS FAIR VALUE MEASUREMENTS (continued)

The following tables set forth by level, within the fair value hierarchy, RCS' investments as of December 31, 2022 and December 31, 2021:

Investments at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Units held in collective Investment				
Fund	\$ <u>          -</u>	\$ <u>      228,652</u>	\$ <u>          -</u>	\$ <u>      228,652</u>

Investments at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Units held in collective Investment				
Fund	\$ <u>          -</u>	\$ <u>      171,943</u>	\$ <u>          -</u>	\$ <u>      171,943</u>

Investment income and gains over losses for the years ended December 31, 2022, and December 31, 2021, consist of the following:

	2022	2021
Interest and dividends	\$ <u>      6,710</u>	\$ <u>      2,770</u>
Net increase in the fair market value of investments held	\$ <u>          -</u>	\$ <u>      9,695</u>
Total in-kind contributions	\$ <u>      6,710</u>	\$ <u>     12,465</u>

NOTE 8 - FACILITY IMPROVEMENTS AND EQUIPMENT, net of accumulated depreciation.

Facility improvements and equipment are recorded at cost. In-kind contributions of capitalizable facility improvements and equipment are recorded at the fair market value on the date received. Depreciation is provided on a straight-line basis over the estimated useful life of the asset. The estimated useful lives of the assets listed below range from 5 to 7 years. RCS' capitalization policy requires a per-item minimum value of \$500. As of December 31, 2022, and 2021, facility improvements and equipment, net of accumulated depreciation were as follows:

	December 31, 2022	December 31, 2021
Facility improvements	\$ <u>      91,220</u>	\$ <u>      91,220</u>
Equipment	\$ <u>      50,520</u>	\$ <u>      21,345</u>
Total cost of facility improvements and equipment	\$ <u>     141,740</u>	\$ <u>     112,565</u>
Less accumulated depreciation	\$ <u>     (95,077)</u>	\$ <u>     (86,843)</u>
Facility improvements and equipment, net of accumulated depreciation	\$ <u>      46,663</u>	\$ <u>      25,722</u>

RAVENSWOOD COMMUNITY SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 9 - DUE TO AFFILIATED ORGANIZATION**

RCS is located within facilities owned by All Saints Episcopal Church (ASEC). As of December 31, 2022, and December 31, 2021, no Board member of RCS was also a Board member of ASEC.

RCS rents its primary operating space from ASEC on a month-to-month basis. Rent expenses for the years 2022 and 2021 were \$6,650.

RCS reimburses ASEC for its pro rata share of salary/wages, payroll taxes, and employee benefits related to shared employees. Staffing expenses related to these shared employees for the years 2022 and 2021 were \$7,932.

During 2022 and 2021 ASEC made discretionary contributions of \$15,990 and \$16,640, respectively, to RCS in the form of a credit against the amount owed by RCS to ASEC for facility rent, shared staffing costs above, and other expenses.

The cumulative net amount owed by RCS to ASEC as of December 31, 2022, and December 31, 2021; \$5,358 and \$3,811 respectively, is the net effect of rent, staffing, other expenses, and ASEC's discretionary contributions.

**NOTE 10 - GRANTS AND CONTRIBUTIONS**

RCS recognized monetary grants and contributions from the following benefactors for the years ended December 31, 2022, and December 31, 2021, respectively:

<u>Benefactor:</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Maximus Foundation	\$ 5,000	\$ -
Church of Atonement	2,450	-
Episcopal Charities and Community Services	15,900	15,000
Greater Chicago Food Depository	-	25,265
Sandcastle Foundation	5,000	5,000
St. Michael's Episcopal Church	6,106	5,561
Washingtonian Health Care Foundation	9,000	9,000
Winnetka Congregational Church	10,000	7,000
Anonymous donor(s)	15,990	27,000
Various individuals, each \$5,000 or more.	44,236	42,039
Others under \$5,000 each (both years)	122,963	150,805
Total grants and contributions	\$ <u>236,645</u>	\$ <u>286,670</u>

RAVENSWOOD COMMUNITY SERVICES  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 11 - CONTRIBUTIONS, IN-KIND**

RCS recognized in-kind contributions of food and groceries from the following benefactors for the years ended December 31, 2022, and December 31, 2021:

<u>Benefactor:</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Greater Chicago Food Depository	\$ 337,842	\$ 351,173
Per Lori Gee, fundraiser expenses	16,000	-
Others under \$10,000 each	13,972	6,633
Total in-kind contributions	<u>\$ 367,814</u>	<u>\$ 357,806</u>

In-kind contributions are valued at the estimated fair market value on the date of receipt and are reflected in the statement of activities and change in net assets as revenue and a corresponding expenditure, resulting in a zero effect on net assets.

In 2020, RCS received an in-kind contribution of kitchen equipment that had an estimated value of \$4,550 on the date received. This donated equipment was recorded as a capitalizable asset and is being depreciated over a seven-year estimated useful life under the straight-line method. There was no donated kitchen equipment during the years ended December 31, 2022 and 2021.

**NOTE 12 - FUNDRAISING EVENTS, net of direct expenses.**

Revenues and direct expenses for fundraising events held during the year ended December 31, 2022, and December 31, 2021, are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Revenues:		
Ticket sales, monetary donations, and other revenues	\$ 125,480	\$ 34,133
Direct Expenses:		
Food and catering, printing, and other direct expenses	<u>(17,002)</u>	<u>(2,139)</u>
Fundraising event revenues net of direct expenses	<u>\$ 108,479</u>	<u>\$ 31,994</u>