The HOPE Program
(A Not-for-Profit Organization)

Financial Statements

Years Ended June 30, 2011 and 2010

(Together with Independent Auditors' Report)

Marks Paneth & Shron LLP
Certified Public Accountants & Consultants
IT ALL ADDS UP.

Marks Paneth & Shron LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The HOPE Program
One Smith Street
Brooklyn, New York 11201

We have audited the accompanying statement of financial position of The HOPE Program, a Not-for-Profit Organization ("Organization"), as of June 30, 2011, and the related statements of activities, functional expenses by natural classification and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2010 financial statements and, in our report dated September 20, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The HOPE Program as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Marks Paneth & Shron LLP

September 22, 2011

THE HOPE PROGRAM
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Statement of Financial Position

June 30, 2011
(With Comparative Totals for June 30, 2010)

	2011	2010
ASSETS		
Cash and cash equivalents - Note 1		
General operating cash	$ 2,058,098	$ 2,544,245
Designated reserve fund - Note 8	500,000	500,000
Total Cash and Cash Equivalents	2,558,098	3,044,245
Investments - Notes 1 and 4	563,599	372,804
Contributions receivable - Note 7	13,565	37,237
Property, equipment and leasehold improvements, net - Notes 1 and 2	174,412	191,748
Prepaid expenses and other assets - Note 12	55,210	55,920
Total Assets	$ 3,364,884	$ 3,701,954
LIABILITIES		
Accounts and accrued expenses payable	$ 22,297	$ 53,923
Accrued rent - Note 1	33,403	43,674
Total Liabilities	55,700	97,597
NET ASSETS		
Unrestricted:		
General operating	2,534,278	2,791,617
Designated reserve fund - Note 8	500,000	500,000
Total Unrestricted	3,034,278	3,291,617
Restricted:		
Temporarily restricted - Note 5	54,675	92,509
Permanently restricted - Note 6	220,231	220,231
Total Restricted	274,906	312,740
Total Net Assets	3,309,184	3,604,357
Total Liabilities and Net Assets	$ 3,364,884	$ 3,701,954

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

THE HOPE PROGRAM
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Statement of Activities

Year Ended June 30, 2011
(With Comparative Totals for June 30, 2010)

	2011				2010
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUES, INVESTMENT INCOME AND OTHER SUPPORT					
Foundation & corporate contributions - Notes 5 and 13	$ 502,400	$ 1,345,860	$ -	$ 1,848,260	$ 1,726,564
Individual contributions - Notes 11 & 13	369,189	-	-	369,189	467,060
Government grants - Note 11	-	154,549	-	154,549	113,872
Other not-for-profit organizations	30,000	-	-	30,000	38,219
Investment income (loss) - Note 4 & 13	110,887	8,532	-	119,419	44,460
Net assets released from restrictions:					
Satisfaction of program restrictions	1,546,775	(1,546,775)	-	-	-
Total Revenues, Investment Income (Loss) and Other Support	2,559,251	(37,834)	-	2,521,417	2,390,175
EXPENSES					
Program services - Notes 10, 11 & 13	2,334,046	-	-	2,334,046	1,785,269
Management and general	242,528	-	-	242,528	218,977
Fundraising	240,016	-	-	240,016	198,670
Total Expenses	2,816,590	-	-	2,816,590	2,202,916
Change in Net Assets	(257,339)	(37,834)	-	(295,173)	187,259
Net Assets at Beginning of Year	3,291,617	92,509	220,231	3,604,357	3,417,098
Net Assets at End of Year - Notes 5 and 6	$ 3,034,278	$ 54,675	$ 220,231	$ 3,309,184	$ 3,604,357

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

THE HOPE PROGRAM
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Statement of Functional Expenses by Natural Classification
Year Ended June 30, 2011
(With Comparative Totals for June 30, 2010)

		Supporting Services			
	Program Services	Management and General	Fundraising	Total June 30, 2011	Total June 30, 2010
Salaries	$ 1,110,524	$ 131,332	$ 128,485	$ 1,370,341	$ 1,305,359
Payroll taxes & related benefits	200,943	20,668	23,767	245,378	188,824
Consultant fees	18,056	2,133	15,642	35,831	-
Professional fees	-	26,000	-	26,000	27,800
Rent - Notes 1 & 3	198,764	8,255	10,210	217,229	193,597
Insurance	26,310	2,257	2,597	31,164	30,941
Student travel & meals	84,589	-	-	84,589	83,758
Maintenance & security	18,140	1,529	1,673	21,342	26,267
Printing & postage	6,501	679	5,559	12,739	9,795
Utilities	23,201	964	1,192	25,357	23,559
Telephone	11,419	994	1,204	13,617	14,077
Food expense - Notes 11 & 13	53,982	242	406	54,630	51,117
Program expenses - Notes 11 & 13	79,112	-	-	79,112	70,851
Office expenses - Note 11	35,594	8,862	5,458	49,914	41,540
Miscellaneous	670	274	144	1,088	3,872
Transition/Strategic Plan - Note 11	376,813	33,331	38,174	448,318	40,008
Depreciation & amortization	89,428	5,008	5,505	99,941	91,551
Total Expenses	$ 2,334,046	$ 242,528	$ 240,016	$ 2,816,590	$ 2,202,916

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

THE HOPE PROGRAM
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Statement of Cash Flows

Year Ended June 30, 2011
(With Comparative Totals for June 30, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (295,173)	$ 187,259
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	99,941	91,551
Net realized and unrealized (gain) loss on investments	(97,055)	(24,830)
Contributions received as marketable equity securities	(13,854)	(110,411)
Contributions received as in-kind property and equipment	(38,250)	-
Increase (decrease) in cash flows due to changes in operating assets and liabilities:		
Contributions receivable	23,672	37,030
Prepaid expenses and other assets	(12,486)	(949)
Accounts and accrued expenses payable	(31,626)	33,229
Accrued rent	(10,271)	(26,641)
Net Cash Provided (Used) by Operating Activities	(375,102)	186,238
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, equipment and leasehold improvements	(31,160)	(9,576)
Investments - net	(79,885)	245,375
Net Cash Provided (Used) by Investing Activities	(111,045)	235,799
Net Increase (Decrease) in Cash and Cash Equivalents	(486,147)	422,037
Cash and Cash Equivalents at Beginning of Year	3,044,245	2,622,208
Cash and Cash Equivalents at End of Year	$ 2,558,098	$ 3,044,245

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

THE HOPE PROGRAM
(A Not-for-Profit Organization)

Notes to Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The HOPE Program, a Not-for-Profit Organization ("Organization"), was organized in November 1984 and incorporated pursuant to the laws of the State of New York on March 6, 1985. The purpose of the Organization is to empower New Yorkers living in poverty to achieve economic self-sufficiency through employment and advancement. The Organization provides direct services primarily to individuals who live in the five boroughs of New York City.

Principles of Accounting and Basis of Presentation

The Organization prepares its financial statements using the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America.

Net Assets

The Organization maintains its accounts in accordance with the following net asset groups:

Unrestricted Net Assets:

General Operating – represents unrestricted resources available for support of the Organization's operations over which the Board of Directors has discretionary control.

Designated Reserve Fund – represents funds that have been designated by the Board. These funds are to be used at the sole discretion of the Board for the benefit of the Organization in emergency situations.

Contributions are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Temporarily Restricted Net Assets:

The Organization reports gifts of cash and other assets, which have been received with donor stipulations that limit the use of the donated assets, as temporarily restricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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Notes to Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

Permanently Restricted Net Assets:

The Organization’s permanently restricted net assets consist of gifts received with the donor’s stipulation that the contribution must remain intact in perpetuity. Under the terms of such gifts, the principal is to be maintained intact and invested by management while the income received therefrom may be appropriated by the Board to unrestricted net assets.

Comparative Financial Information

The financial statements include certain summarized comparative information from the prior year in total, but not by net asset class. Such information 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 the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived. Certain prior year items in the financial statements have been reclassified to conform to the current year presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers money market funds and all unrestricted highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents, except for money market funds held for long-term purposes.

Fair Value Measurements

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, accounting principles generally accepted in the United States of America established a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels, as described below:

Level 1: Valuations based on quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; or model derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. As of June 30, 2011 and 2010, respectively, the Organization had no financial assets or liabilities whose fair values were determined based on Level 2 inputs.

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Notes to Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs. As of June 30, 2011 and 2010, respectively, the Organization had no financial assets or liabilities whose fair values were determined based on Level 3 inputs.

Investments

The Organization reports its investments at fair value.

Concentration of Credit Risk

The Organization maintains its cash balances at several financial institutions. At June 30, 2011, accounts at the institutions were insured by the Federal Deposit Insurance Organization up to $250,000 per depositor. However, beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions, pursuant to Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As of June 30, 2011, the Organization’s uninsured bank balances totaled approximately $1,887,000.

Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements are recorded at cost less accumulated depreciation. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are depreciated using a straight-line method over the term of the lease.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization reports such contributions at their estimated value when received.

Contributions from one foundation amounted to approximately 20% and 21% of the Organization's total revenue for the years ended June 30, 2011 and 2010, respectively.

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Notes to Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Rents

The Organization leases real property under a lease expiring October 31, 2012. The difference between rental payments actually due under the lease and rent expense calculated on the straight-line basis is reflected in the accompanying financial statements as accrued rent. The total accrued rent from the commencement of the lease through June 30, 2011 is approximately $33,000. The annual rent expense (base rent excluding escalation charges) on a straight-line basis will be approximately $183,000 per year in future years.

In addition, the lease includes a tax escalation clause requiring the payment of 20% of the increase in the building's real estate taxes in excess of taxes in the base year (July 1, 2001 – June 30, 2002).

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing The HOPE Program services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited.

Income Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is no longer subject to federal, state or local tax examinations by tax authorities for years before the fiscal year ended June 30, 2008.

Subsequent Events

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through September 22, 2011, the date the financial statements were available to be issued.

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Notes to Financial Statements

NOTE 2: PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

As of June 30, property, equipment and leasehold improvements, net of accumulated depreciation, consisted of the following:

	2011	2010
Property and equipment - (3-5 years)	$ 273,711	$ 222,162
Leasehold improvements - (10 years)	543,131	543,131
	816,842	765,293
Less: Accumulated depreciation	642,430	573,545
	$ 174,412	$ 191,748

Depreciation expense for the years ended June 30, 2011 and 2010 was approximately $86,000 and $78,000, respectively. Fully depreciated property and equipment with an original cost of approximately $17,000 was disposed of during the year ended June 30, 2011.

NOTE 3: RENT

The Organization entered into a lease agreement at One Smith Street, Brooklyn, NY. The lease term expires October 31, 2012. Pursuant to the terms of the lease and amendment, the Organization's minimum obligations for future rental payments (excluding future real estate tax escalations as mentioned in Note 1) for the years ended June 30, are as follows:

2012	$ 201,871
2013	68,333
	$ 270,204

NOTE 4: INVESTMENTS AND INVESTMENT INCOME

In determining the fair value of its investments, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and it also considers counterparty credit risk (or other parties such as Counterparty in a swap) in its assessment of fair value (see Note 1 "Fair Value Measurements").

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Notes to Financial Statements

NOTE 4: INVESTMENTS AND INVESTMENT INCOME (continued)

Financial Assets carried at fair value (all Level 1 measurements, see Note 1 "Fair Value Measurements") at June 30, 2011 and 2010 are as follows:

	2011	2010
Mutual funds	$ 302,800	$ 181,248
Exchange traded funds	260,799	191,556
	$ 563,599	$ 372,804

Investments in money market funds, actively traded mutual funds, and exchange traded funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

	2011	2010
Investment income (loss) is comprised of the following:		
Interest and dividend income	$ 22,364	$ 19,630
Realized and unrealized gain (loss)	97,055	24,830
	$ 119,419	$ 44,460

Interest and dividend income includes interest earned on cash and cash equivalent balances.

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

As of June 30, temporarily restricted net assets are available for the following purposes or periods:

	2011	2010
Program services	$ 31,775	$ 58,848
Organizational capacity building	2,900	13,661
For subsequent years' activities	20,000	20,000
	$ 54,675	$ 92,509

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Notes to Financial Statements

NOTE 6: PERMANENTLY RESTRICTED NET ASSETS

The Organization accounts for its permanently restricted endowment funds in accordance with accounting principles generally accepted in the United States of America and its interpretation of state law. The assets that are classified as permanently restricted endowment funds are included in cash and investments in the accompanying statement of financial position. The income from these assets is to be used for support of the Organization's general activities.

Accounting principles generally accepted in the United States of America provides guidance on the net asset classifications of donor-restricted endowment funds for not-for-profit organization that is subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). New York State enacted a version of UPMIFA on September 17, 2010. This law is commonly referred to as New York Prudent Management of Institutional Funds Act ("NYPMIFA").

The Board of Directors has interpreted New York State nonprofit law (UPMIFA prior to September 17, 2010 and NYPMIFA thereafter) as requiring the preservation of the historical dollar value of the original donor restricted endowment gift as of the gift date, absent explicit donor stipulations to the contrary. See Note 1 for how the Organization maintains its net assets.

In accordance with U.S GAAP, the Organization is required to disclose any deterioration of the fair value of assets associated with donor-restricted endowment funds that fall below the level the donor required the Organization to retain in perpetuity. These deficiencies can result from unfavorable market fluctuations that can occur in the economy as a whole which affect the donor-restricted endowment fund. As of June 30, 2011, there were no deficiencies in the Organization's endowment funds.

The Organization's investment objective is to diversify its investments without incurring volatility in the rate of return and to avoid undue risk concentration in any asset class. The Board of Directors has appointed a Finance Committee to manage its investments. They are assisted by an Investment Committee ("Investment Committee"), which includes several members of the Finance Committee as well as several additional (non-Board) members with experience in money management. The Investment Committee is chaired by a member of the Finance Committee.

The investment income from permanently restricted net assets is classified as temporarily restricted until appropriated for expenditure by the Board. The Board explicitly appropriated all earnings as of and prior to June 30, 2011, whether deemed spent or not as unrestricted. Beginning with the 2011 year, the Board (or a designated committee of the Board) determined (using a rolling 5-year average) how much of the earnings of such permanently restricted funds to appropriate for expenditure up to 7% as deemed prudent at the time. Any unappropriated earnings that would otherwise be considered unrestricted by the donor will be reflected as temporarily restricted until appropriated. At June 30, 2011, all earnings were unrestricted.

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Notes to Financial Statements

NOTE 7: CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2011 and 2010, in the amounts of $13,565 and $37,237 respectively, were reported as income in their respective fiscal years, in accordance with accounting principles generally accepted in the United States of America, although they were collected in the following fiscal year. These amounts, which are all collectible within 12 months, are reported in the statement of financial position as follows:

	2011	2010
Foundations and corporations	$ -	$ 6,000
Individuals	13,565	1,070
Government grants	-	30,167
	$ 13,565	$ 37,237

NOTE 8: DESIGNATED RESERVE FUND

The HOPE Program's Board of Directors maintains a $500,000 Designated Reserve Fund, solely for use in emergency situations, with the approval of the Board.

NOTE 9: SAVINGS INCENTIVE MATCH PLAN

The Organization has a savings incentive match plan ("SIMPLE") for its employees. Participation in the savings part of the plan is voluntary. Employees are automatically eligible to participate after completing three months of service, provided there is a reasonable expectation they will receive at least $5,000 in compensation for the calendar year. The Organization will contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation. The Organization, at its discretion, may reduce the 3% limit for the calendar year provided (1) The limit is not reduced below 1%; (2) The limit is not reduced for more than 2 calendar years during the 5 year period ending with the calendar year the reduction is effective, and (3) Each employee is notified of the reduced limit within a reasonable period of time before the employee's 60 day election period for the calendar year. During the year ending June 30, 2011, the employer matching contribution limit was maintained at 3%. Employer contributions during the years ended June 30, 2011 and 2010 were approximately $23,570 and $18,900, respectively.

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Notes to Financial Statements

NOTE 10: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. For the years ended June 30, major program services include the following:

	2011	2010
Work readiness services	$ 1,444,102	$ 1,017,625
Job placement and retention services	625,441	508,295
Greater impact	264,503	259,349
	$ 2,334,046	$ 1,785,269

NOTE 11: IN-KIND SUPPORT

Foundation and corporate contributions include in-kind contributions received by the Organization in fiscal years 2011 and 2010 of approximately $448,600 and $9,300, respectively. A portion of these amounts are offset by like amounts included in the statement of functional expenses as follows:

	2011	2010
Transition/Strategic Plan	$ 410,350	$ 6,000
Food Expense	-	3,300
Total	$ 410,350	$ 9,300

Transition/Strategic Plan expenses include approximately $402,000 in support for consulting firm services related to a Strategic Planning process undertaken by the Organization during the year ended June 30, 2011. Also included is $8,000 in support for expenses related to the hiring of a new Executive Director. These amounts were allocated along with approximately $38,000 of other Transition/Strategic Plan expenses in the Statement of Functional expenses in the accompanying financial statements.

The remaining $38,250 of the support is in the form of software licenses donated by a corporation. That amount is offset by a like amount included in property and equipment on the Statement of Financial Position.

Government grants include in-kind contributions received by The HOPE Program during fiscal years 2011 and 2010 of approximately $16,500 and $15,500, respectively. The support is in the form of a line of credit to acquire foods from approved vendors. The amounts reflected in the accompanying financial statements as government grants are offset by like amounts included in program services as food expense.

Individual contributions include in-kind contributions received by The HOPE Program during fiscal years 2011 of approximately $900. The support is in the form of program related supplies donated by an individual. The amount reflected in the accompanying financial statements as individual contributions is offset by a like amount included in program services as program expenses.

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Notes to Financial Statements

NOTE 12: PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets are comprised of the following:

	2011	2010
Security deposits	$ 34,335	$ 23,375
Deferred leasing expenses – net	1,815	4,071
Prepaid expenses	19,060	17,535
Website development costs – net	-	10,939
	$ 55,210	$ 55,920

Deferred leasing expenses represent legal fees relating to lease negotiations and preparation and are amortized using the straight-line method, over the term of the lease. The deferred leasing expenses shown above are net of accumulated amortization of approximately $21,600 and $19,300 at June 30, 2011 and 2010, respectively. Website development costs represent costs related to the design of The HOPE Program website and are amortized using the straight-line method, over its estimated useful life of 3 years. The website development costs shown above are net of accumulated amortization of approximately $32,800 and $21,900 at June 30, 2011 and 2010, respectively.

NOTE 13: RELATED PARTY TRANSACTIONS

A member of the Board of Directors owns a New York catering business which provided food to The HOPE Program for one strategic planning event during fiscal year 2011 and food, beverages and related catering services to The HOPE Program for one fundraising event during fiscal year 2010. During fiscal year 2011 The HOPE Program received approximately $300 in in-kind contributions in the form of food. The in-kind contribution is reflected in foundation and corporate contributions as $300 of in-kind contributions. An equal amount is included in transition and strategic planning expenses. During fiscal year 2010, The HOPE Program paid $3,120 for these services and received $3,300 of in-kind contributions in the form of these services. The in-kind contributions are reflected in foundation and corporate contributions as $3,300 of in-kind contributions. The total expense of $6,420 arising from these transactions is included in fundraising as food expense.