The Lakeview Pantry
(An Illinois Not-For-Profit Corporation)

Financial Statements
and Independent Auditor's Report

March 31, 2021
(With Comparative Information for 2020)

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The Lakeview Pantry
(An Illinois Not-For-Profit Corporation)

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Independent Auditor's Report

To the Board of Directors
The Lakeview Pantry

We have audited the accompanying financial statements of The Lakeview Pantry (a nonprofit organization), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lakeview Pantry as of March 31, 2021, 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.

Report on Summarized Comparative Information

We have previously audited The Lakeview Pantry's March 31, 2020 financial statements, and we expressed a qualified audit opinion on those audited financial statements in our report dated January 19, 2021. Due to the novel coronavirus ("COVID-19") pandemic, situations and measures were put in place which included an impact on the accessibility of The Lakeview's Pantry's inventory, and their March 31, 2020 scheduled inventory count was impractical to complete. We were unable to observe the counting of physical inventories at year-end, and unable to satisfy ourselves by alternative means concerning the inventory quantities held at March 31, 2020. In our opinion, outside of the matter previously described, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CohnReznick LLP

Chicago, Illinois
July 26, 2021

The Lakeview Pantry
(An Illinois Not-For-Profit Corporation)

Statement of Financial Position
Year Ended March 31, 2021
(With Comparative Information for 2020)

Assets

	2021	2020
Current assets		
Cash	$ 1,519,526	$ 1,628,747
Restricted cash	3,107,000	107,000
Inventory	558,883	325,150
Prepaid expenses	39,046	21,326
Promises to give - current	47,619	-
Total current assets	5,272,074	2,082,223
Other assets		
Fixed assets, net of accumulated depreciation	3,453,663	3,657,527
Promises to give - long-term	129,884	-
Deposits and other assets	23,009	23,899
Total other assets	3,606,556	3,681,426
Total assets	$ 8,878,630	$ 5,763,649

Liabilities and Net Assets

	2021	2020
Current liabilities		
Accounts payable	$ 9,626	$ 45,767
Accrued expenses	24,105	25,251
Loan payable, current	-	36,110
Total current liabilities	33,731	107,128
Long-term liabilities		
Loan payable, net of current portion	-	76,478
Total long-term liabilities	-	76,478
Total liabilities	33,731	183,606
Net assets		
Without donor restrictions		
Undesignated	5,737,899	5,473,043
Board-designated	3,107,000	107,000
Total net assets	8,844,899	5,580,043
Total liabilities and net assets	$ 8,878,630	$ 5,763,649

See Notes to Financial Statements.

The Lakeview Pantry
(An Illinois Not-For-Profit Corporation)

Statement of Activities
Year Ended March 31, 2021
(With Comparative Information for 2020)

	2021			2020
	Without donor restrictions	With donor restrictions	Total	Total
Revenue, support and contributions				
Contributions	$ 5,158,159	$ 305,598	$ 5,463,757	$ 2,490,063
In-kind donations - food donations	9,936,476	-	9,936,476	5,638,797
In-kind donations - services	10,001	-	10,001	20,802
Grants	1,511,914	469,276	1,981,190	1,112,851
Events	335,936	-	335,936	300,890
Less costs of direct benefits to event donors	(64,922)	-	(64,922)	(86,401)
Interest income	3,237	-	3,237	1,666
PPP loan forgiveness	280,918	-	280,918	-
Miscellaneous income	2,839	-	2,839	4,923
Net assets released from restrictions	774,874	(774,874)	-	-
Total revenue and support	17,949,432	-	17,949,432	9,483,591
Functional expenses				
Program services				
Food program	13,408,166	-	13,408,166	7,544,710
Total program services	13,408,166	-	13,408,166	7,544,710
Supporting services				
Management and general	702,758	-	702,758	511,606
Fundraising	573,652	-	573,652	542,324
Total supporting services	1,276,410	-	1,276,410	1,053,930
Total expenses	14,684,576	-	14,684,576	8,598,640
Increase in net assets	3,264,856	-	3,264,856	884,951
Net assets, beginning	5,580,043	-	5,580,043	4,695,092
Net assets, end	$ 8,844,899	$ -	$ 8,844,899	$ 5,580,043

See Notes to Financial Statements.

The Lakeview Pantry
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Statement of Functional Expenses
Year Ended March 31, 2021
(With Comparative Information for 2020)

	2021				
	Program services	Management and general	Fundraising	Total	2020 Total
Food program	$ 10,009,755	$ -	$ -	$ 10,009,755	$ 5,751,548
Salaries and benefits	1,726,535	369,574	317,025	2,413,134	1,793,520
Development	68,121	34,120	191,938	294,179	137,033
Administrative	129,290	33,260	24,585	187,135	164,772
Facilities expenses	390,224	21,679	21,679	433,582	312,618
Professional fees	75,063	225,187	-	300,250	190,343
Insurance	16,849	3,607	3,094	23,550	31,693
Depreciation	270,432	15,024	15,024	300,480	209,812
Interest expense	5,520	307	307	6,134	7,301
Covid-19 crisis response	716,377	-	-	716,377	-
Total functional expenses	$ 13,408,166	$ 702,758	$ 573,652	$ 14,684,576	$ 8,598,640

See Notes to Financial Statements.

The Lakeview Pantry
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Statement of Cash Flows
Year Ended March 31, 2021
(With Comparative Information for 2020)

	2021	2020
Cash flows from operating activities		
Increase in net assets	$ 3,264,856	$ 884,951
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	300,480	209,812
Changes in assets and liabilities		
(Increase) decrease in assets		
Inventory	(233,733)	(253,363)
Prepaid expenses	(17,720)	11,316
Promises to give	(177,503)	17,333
Deposits and other assets	890	1,652
Increase (decrease) in liabilities		
Accounts payable	(36,141)	(21,057)
Accrued expenses	(1,146)	3,296
Net cash provided by operating activities	3,099,983	853,940
Cash flows from investing activities		
Payments for fixed assets	(96,616)	(872,746)
Net cash used in investing activities	(96,616)	(872,746)
Cash flows from financing activities		
Payments on loan	(112,588)	(34,224)
Net cash used in financing activities	(112,588)	(34,224)
Net increase (decrease) in cash and restricted cash	2,890,779	(53,030)
Cash and restricted cash, beginning	1,735,747	1,788,777
Cash and restricted cash, end	$ 4,626,526	$ 1,735,747
Supplemental cash flow information		
Cash paid for interest	$ 4,940	$ 6,903

See Notes to Financial Statements.

Note 1 - Organization

The Lakeview Pantry (the "Pantry") was organized under the Illinois General Not-For-Profit Corporation Act and founded in 1970 by a small, dedicated group of Lakeview residents seeking to connect their low-income neighbors with the food they need. Today, the Pantry serves hundreds of thousands of people throughout Chicago per year with millions of meals, in addition to free mental and social services. The Pantry's mission is to eliminate hunger and poverty in Chicago by providing food to fill the basic needs of hungry people; empowering clients to gain independence through innovative social service programs; and raising awareness of hunger and poverty and working towards solutions to eliminate them. The primary source of the Pantry's revenues is contributions and sponsorships from the general public, corporations, and religious organizations. Inventory is primarily donated from the Greater Chicago Food Depository, large grocers, and various organizations.

Note 2 - Summary of significant account policies

Basis of presentation

The Pantry is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Additionally, information is required to segregate program service expenses from support expenses. Support expenses include management and general and fundraising expenses.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Promises to give

Unconditional promises to give are reported at net realizable value if at the time the promise is made payment is expected to be received in one year or less. Unconditional promises that are expected to be collected in more than one year are reported at their present value.

Inventory

Inventory consists of food and is stated at donated value. Any purchased inventory is stated at the lower of cost or market value.

Capitalization and depreciation

Building, vehicles, furniture and equipment and leasehold improvements are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. Assets are depreciated over their estimated service lives, except for leasehold improvements, which are depreciated over the lesser of their economic lives or the lease term. Any asset under construction is not depreciated until placed into service. The estimated service lives of the assets for depreciation purposes may be different than their actual economic useful lives.

Estimated useful lives by classification:

	Estimated life	Method
Land	-	-
Building	40 years	Straight-line
Leasehold improvements	2 - 9 years	Straight-line
Furniture and equipment	5 - 7 years	Straight-line
Vehicles	5 years	Straight-line

Fixed asset classifications as of March 31, 2021 and 2020 are as follows:

	2021	2020
Land	$ 337,221	$ 337,221
Building	2,556,265	2,556,265
Leasehold improvements	988,985	935,006
Furniture and equipment	270,893	262,506
Vehicles	193,408	159,158
Total	4,346,772	4,250,156
Accumulated depreciation	(893,109)	(592,629)
Net book value	$ 3,453,663	$ 3,657,527

Net assets
The Pantry classifies net assets as without donor restrictions and with donor restrictions.

Without donor restrictions net assets of the Pantry are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

With donor restrictions net assets of the Pantry result (a) from contributions and other inflows of assets whose use by the Pantry is limited by donor-imposed stipulations that neither or either expire by passage of time or can be fulfilled and removed by actions of the Pantry pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Pantry pursuant to those stipulations.

Contributions
All contributions are considered to be available for the program or supporting services of the Pantry unless explicitly restricted by the donor. When a donor restriction expires, that is when a stipulated time restriction ends or the purpose for the restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Donations received and expended in the same year are classified as gifts without donor restrictions.

Revenue recognition

The Pantry recognizes revenue under Topic 606 when (or as) the promised services are transferred to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those services. To determine revenue recognition whether contracts are within scope of ASC 606, the Pantry performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the performance obligation(s) are satisfied. At contract inception, the Pantry assesses the services promised within each contract, assesses whether each promised service is distinct and identifies those that are performance obligations. The Pantry recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Contributions and grants, as well as reasonably collectible unconditional promises to give, are recognized at fair value in the year received. In-kind donations are recorded as support at their estimated fair market value when received.

Functional allocation of expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Category	Method of Allocation
Food program	100% related to Program
Salaries and benefits	Estimate of employee percentage of time spent related to each functional category
Development	Estimate of applicability to each area based on review of direct costs
Administrative	Estimate of applicability to each area based on review of direct costs
Facilities expenses	Based on estimated percentage of square footage allocated to office and pantry space
Professional fees	Specifically identified consulting costs allocated 100% to Management and General; other professional fees allocated evenly between Program and Management and General
Insurance	Allocated by the same percentages determined for salaries and benefits
Depreciation	Estimate of percentage of fixed assets applicable to each functional category
Interest expense	Percentage allocation based on terms of IFF loan
Covid-19 crisis response	100% related to Program

For the year ended March 31, 2021, COVID-related expenses included any items related to supporting the Pantry's clients and adjusted programming through the COVID-19 pandemic. About 46% of this amount went towards additional food and food-related expenses to meet the need of additional client demand. Another 16% went towards paying temporary staff to fill additional distribution slots to help get food to clients. For the year ended March 31, 2022, The Pantry does not expect significant continuation of these expenses as The Pantry has accounted for any program growth in the new budget.

Advertising costs

Advertising costs are charged to expense when incurred.

Operating leases

Operating lease payments are recorded at actual costs at the time the lease payments are due. Accounting principles generally accepted in the United States of America require that operating lease payments be amortized over the term of the lease using the straight-line method; however, the effect of recording lease payments at actual cost at the time the lease payments are due is not materially different from the results that would have been obtained under the straight-line method.

Income tax status
The Pantry is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and applicable state law and has been granted status as a publicly supported organization under Section 501(a)(1). The Pantry did not earn any unrelated business income during the fiscal year ended March 31, 2021. The Pantry's Form 990, Return of Organization Exempt from Income Tax, for the years ended 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Recent accounting pronouncements
The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09") in May 2014, providing new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. ASU 2014-09 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted.

The Pantry adopted the new revenue recognition guidance as of April 1, 2020 using the full retrospective method of transition for all contracts that were completed as of that date. The impact on the revenue recognition has been immaterial compared to the prior revenue recognition policy.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which requires lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will continue to primarily depend on its classification as a finance or operating lease. However, unlike current U.S. GAAP, which requires only capital leases to be recognized on the balance sheet, ASU 2016-02 will require both types of leases to be recognized on the balance sheet. ASU 2016-02 also requires disclosures about the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. As part of the election to defer the standard, ASU 2016-02 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Pantry is currently evaluating the effect the updated standard will have on its financial statements.

Note 3 - Availability and liquidity

The following represents the Pantry's financial assets at March 31, 2021 and 2020:

	2021	2020
Financial assets at year-end		
Cash	$ 1,519,526	$ 1,628,747
Restricted cash	3,107,000	107,000
Promises to give - current	47,619	-
Total financial assets	4,674,145	1,735,747
Less amounts not available to be used within one year		
Board-designated net assets	(3,107,000)	(107,000)
Financial assets not available to be used within one year	(3,107,000)	(107,000)
Financial assets available to meet general expenditures within one year	$ 1,567,145	$ 1,628,747

Liquidity management

The Pantry maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Pantry continuously reviews current obligations to ensure the adequacy of financial assets available to liquidate in the event of an unforeseen circumstance.

As more fully described in Note 11, the Pantry has an undrawn and committed line of credit in the amount of $500,000, which it could draw upon in the event of an unanticipated liquidity need.

Note 4 - Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset classes. 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 Pantry's financial statements for the year ended March 31, 2020, from which the summarized information was derived. During the year ended March 31, 2020, due to the COVID-19 pandemic, situations and measures were put in place which included an impact on the accessibility of The Lakeview Pantry's inventory, and their March 31, 2020 scheduled inventory count was impractical to complete. As a result, the Pantry's financial statements for the year ended March 31, 2020, dated January 19, 2021, expressed a qualified opinion on those statements.

Note 5 - Restricted cash

Restricted cash consists of the following as of March 31, 2021 and 2020:

	2021	2020
Cash held in checking account designated by the Board for specific purpose (Note 9)	$ 3,107,000	$ 107,000

Note 6 - Capital campaign and promises to give

On January 27, 2015, the Pantry purchased a building in Lakeview for $1,000,000, which serves as its main operating food pantry and office space. The Pantry also made rehabilitation improvements to the building. The Pantry completed the improvements and occupied the new space in June 2016. The Pantry conducted a capital campaign to call for contributions to fund the purchase and rehabilitation of its new facility. As a result, the Pantry has received various promises to give payable over multiple years. The promises to give are recorded at net present value using a discount rate of 5%. During the year ended March 31, 2020, the Pantry wrote off the remaining promises to give in the net amount of $17,333.

On November 5, 2020, the Pantry was promised a gift of $250,000, which is to be used to support the mental health services team, to be paid in five installments of $50,000. The first installment of the pledge was received during the year ended March 31, 2021. Funds from the promised gift will primarily support a mental health counselor. The promise to give is recorded at net present value using a discount rate of 5%.

The net present value of the total promises to give as of March 31, 2021 and 2020 was $177,503 and $0, respectively.

Less than one year	$	50,000
One to five years		150,205
More than five years		-
Subtotal		200,205
Less present value discount		(22,702)
Total contributions receivable	$	177,503

Note 7 - Loan payable

The Pantry secured a loan from IFF in the amount of $1,500,000 to cover any rehabilitation costs of the new facility not covered by contributions. The Pantry entered into a loan agreement with IFF, dated January 27, 2015, for a principal sum of $1,500,000, of which $854,146 was drawn upon prior to the year ended March 31, 2020. No future draws on the loan are available. The loan bears interest at 5.375% per annum. Principal and interest are payable in monthly installments of $10,423, beginning on May 1, 2017, modified to monthly installments of principal and interest of $3,440 beginning October 1, 2018, and continue through the first recalculation date, at which time the interest rate will be adjusted according to the note. The loan matures on January 27, 2030, at which time all unpaid principal and interest is due. The loan is secured by the building. On March 25, 2021, the loan was paid in full. As of March 31, 2021 and 2020, the balance on the loan was $0 and $112,588, respectively.

Note 8 - Net assets with donor restrictions

During the years ended March 31, 2021 and 2020, the Pantry received contributions and grants of $774,874 and $786,837, respectively. These contributions and grants were restricted for specific purposes.

As of March 31, 2021 and 2020, there were no net assets with donor restrictions.

Note 9 - Board-designated net assets

Unrestricted net assets have been designated for a specific purpose, and certain assets have been set aside accordingly as follows at March 31, 2021 and 2020:

	2021	2020
Restricted cash	$ 3,107,000	$ 107,000

Note 10 - Lease commitments

The Pantry operated in the Lakeview neighborhood in Chicago, Illinois, where the Pantry entered into an operating lease agreement through July 31, 2019. The lease provided for monthly rent payments of $1,089 through June 30, 2017, $1,143 through June 30, 2018 and $1,200 through July 31, 2019. The lease was not renewed by the Pantry.

On November 28, 2018, the Pantry entered into an operating lease agreement for additional warehouse space in the Ravenswood neighborhood in Chicago, Illinois. The lease term commenced on December 1, 2018 and concludes on November 30, 2024. The lease provides for monthly rent payments of $10,323, increasing annually. As part of the lease agreement, the Pantry is entitled to an abatement of rent payments for the first five months of the lease.

On June 25, 2020, the Panty entered an operating lease for temporary space at 2718 W Roscoe in Chicago, Illinois. The lease ends on September 30, 2021. Rent per month at the temporary space is $3,000.

Future minimum lease payments for the ensuing fiscal years are as follows:

March 31, 2022	$ 149,240
2023	134,474
2024	137,812
2025	93,389
Total	$ 514,915

Note 11 - Line of credit

On April 4, 2012, the Pantry opened a line of credit in the amount of $100,000 with PNC Bank, NA. The line of credit bore interest at a variable rate equal to the prime rate plus 4.5%. The line of credit renewed annually in May. The Pantry closed the line of credit with PNC Bank, NA, and on May 21, 2020, the Pantry opened a line of credit with BMO Harris Bank N.A., in the amount of $500,000, which bears interest at a variable rate equal to the prime rate plus .1%. The Pantry has not drawn on the line of credit and maintains it to provide cash flow flexibility, including for emergency cash flow purposes.

Note 12 - In-kind donations

During the years ended March 31, 2021 and 2020, the Pantry received $9,936,476 and $5,638,797, respectively, in food donations. The food was recorded at fair value and recognized as a contribution when received.

Note 13 - Concentration of revenue

During the year ended March 31, 2021, approximately 74% of all food donations were received from seven entities: Cloverleaf Farms, Greater Chicago Food Depository, USDA, Imperfect Foods, Target, Testa and Trader Joe's.

During the year ended March 31, 2020, approximately 57% of all food donations were received from five entities: Imperfect Produce, Snap 36, Greater Chicago Food Depository, Tyson, and Green City Markets.

Note 14 - Concentration of credit risk

The Pantry maintains its cash balances in several accounts in various banks. The cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000 at each bank, with the funds held with Wintrust Bank insured up to $3,750,000 as part of the MaxSafe program. At times, these balances may exceed the federal insurance limits; however, the Pantry has not experienced losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at March 31, 2021.

Note 15 - Paycheck Protection Program loan

On April 20, 2020, the Pantry received loan proceeds in the amount of $280,918 under the Paycheck Protection Program ("PPP"), with an interest rate of 1%. Established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. No interest payment is required on the loan for the ten months following the date of the loan; however, interest shall continue to accrue during those first ten months and shall be paid in equal monthly installments during the remaining twelve months of the loan. Payments for the principal and interest on the unpaid principal balance shall be made monthly on the eleventh month from the date of the loan through the twenty-fourth month from the date of the loan. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The Pantry initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was released. The Pantry recognized $280,918 of loan forgiveness income for the year ending March 31, 2021. As of March 31, 2021, no principal and interest payments will be required to be made.

Note 16 - Subsequent events

Events that occur after the financial position date but before the financial statements have been issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial position date require disclosure in the accompanying notes. The Pantry evaluated subsequent events through July 26, 2021, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

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