Nourishing Hope
(An Illinois Not-For-Profit Corporation)

Financial Statements
and Independent Auditor's Report

March 31, 2023 and 2022

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Nourishing Hope
(An Illinois Not-For-Profit Corporation)

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Independent Auditor's Report

To the Board of Directors
Nourishing Hope

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nourishing Hope (a nonprofit organization, formerly known as The Lakeview Pantry), which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Nourishing Hope as of March 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nourishing Hope 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 these 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 Nourishing Hope's ability to continue as a going concern for one year after the date that the financial statements are available to be 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 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 GAAS 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 Nourishing Hope'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 Nourishing Hope'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.

CohnReznick LLP

Chicago, Illinois
August 31, 2023

Nourishing Hope
(An Illinois Not-For-Profit Corporation)

Statements of Financial Position
March 31, 2023 and 2022

Assets

	2023	2022
Current assets		
Cash	$ 3,727,559	$ 4,339,948
Restricted cash	66,396	-
Inventory	355,986	349,641
Prepaid expenses	82,452	100,973
Other receivables	70,001	-
Promises to give - current	45,351	47,821
Total current assets	4,347,745	4,838,383
Other assets		
Fixed assets, net of accumulated depreciation	3,792,821	3,823,946
Right-of-use asset - leases, net	1,280,556	-
Promises to give - long-term	43,166	88,543
Deposits and other assets	76,659	78,600
Total other assets	5,193,202	3,991,089
Total assets	$ 9,540,947	$ 8,829,472

Liabilities and Net Assets

	2023	2022
Current liabilities		
Accounts payable	$ 53,924	$ 69,223
Accrued expenses	175,138	91,458
Operating lease liability, current	419,379	-
Total current liabilities	648,441	160,681
Long-term liabilities		
Operating lease liability, net of current portion	1,027,910	-
Total long-term liabilities	1,027,910	-
Total liabilities	1,676,351	160,681
Net assets		
Without donor restrictions		
Undesignated	7,864,596	8,668,791
Total liabilities and net assets	$ 9,540,947	$ 8,829,472

See Notes to Financial Statements.

Nourishing Hope
(An Illinois Not-For-Profit Corporation)

Statements of Activities
Year Ended March 31, 2023

	Without donor restrictions	With donor restrictions	Total
Revenue, support and contributions			
Contributions	$ 3,742,271	$ -	$ 3,742,271
In-kind donations - food donations	8,878,798	-	8,878,798
Grants	1,835,285	406,011	2,241,296
Events, net of costs	979,265	-	979,265
Interest income	40,695	-	40,695
Miscellaneous income	12,555	-	12,555
Net assets released from restrictions	406,011	(406,011)	-
Total revenue and support	15,894,880	-	15,894,880
Functional expenses			
Program services			
Food program	13,993,103	-	13,993,103
Total program services	13,993,103	-	13,993,103
Supporting services			
Management and general	1,617,678	-	1,617,678
Fundraising	1,088,294	-	1,088,294
Total supporting services	2,705,972	-	2,705,972
Total expenses	16,699,075	-	16,699,075
Decrease in net assets	(804,195)	-	(804,195)
Net assets, beginning	8,668,791	-	8,668,791
Net assets, end	$ 7,864,596	$ -	$ 7,864,596

Nourishing Hope
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Statements of Activities
Year Ended March 31, 2022

	Without donor restrictions	With donor restrictions	Total
Revenue, support and contributions			
Contributions	$ 3,478,988	$ -	$ 3,478,988
In-kind donations - food donations	7,936,529	-	7,936,529
Grants	1,854,642	-	1,854,642
Events, net of costs	514,720	-	514,720
Interest income	2,593	-	2,593
Miscellaneous income	2,798	-	2,798
Total revenue and support	13,790,270	-	13,790,270
Functional expenses			
Program services			
Food program	12,124,132	-	12,124,132
Total program services	12,124,132	-	12,124,132
Supporting services			
Management and general	998,511	-	998,511
Fundraising	843,735	-	843,735
Total supporting services	1,842,246	-	1,842,246
Total expenses	13,966,378	-	13,966,378
Increase (decrease) in net assets	(176,108)	-	(176,108)
Net assets, beginning	8,844,899	-	8,844,899
Net assets, end	$ 8,668,791	$ -	$ 8,668,791

See Notes to Financial Statements.

Nourishing Hope
(An Illinois Not-For-Profit Corporation)

Statement of Functional Expenses
Year Ended March 31, 2023

	Program services	Management and general	Fundraising	Total
Food costs	$ 9,281,017	$ -	$ -	$ 9,281,017
Salaries and benefits	2,873,730	703,727	586,478	4,163,935
Development	106,323	94,171	348,298	548,792
Administrative	325,792	79,428	66,489	471,709
Facilities expenses	890,058	258,330	51,666	1,200,054
Professional fees	114,775	344,323	-	459,098
Insurance	50,433	12,350	10,293	73,076
Depreciation	350,975	125,349	25,070	501,394
Total functional expenses	$ 13,993,103	$ 1,617,678	$ 1,088,294	$ 16,699,075

Nourishing Hope
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Statement of Functional Expenses
Year Ended March 31, 2022

	Program services	Management and general	Fundraising	Total
Food costs	$ 8,417,208	$ -	$ -	$ 8,417,208
Salaries and benefits	2,429,191	570,771	515,312	3,515,274
Development	57,437	61,541	228,330	347,308
Administrative	223,536	55,596	47,420	326,552
Facilities expenses	583,901	32,439	32,439	648,779
Professional fees	85,806	257,419	-	343,225
Insurance	22,373	5,257	4,746	32,376
Depreciation	278,793	15,488	15,488	309,769
COVID-19 crisis response	25,887	-	-	25,887
Total functional expenses	$ 12,124,132	$ 998,511	$ 843,735	$ 13,966,378

See Notes to Financial Statements.

Nourishing Hope
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Statements of Cash Flows
Years Ended March 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Decrease in net assets	$ (804,195)	$ (176,108)
Adjustments to reconcile decrease in net assets to net cash (used in) provided by operating activities		
Depreciation	501,394	309,769
Changes in assets and liabilities		
(Increase) decrease in assets		
Right-of-use asset - amortization	551,239	-
Inventory	(6,345)	209,242
Prepaid expenses	18,521	(61,927)
Promises to give	47,847	41,139
Other receivables	(70,001)	-
Deposits and other assets	1,941	(55,591)
Increase (decrease) in liabilities		
Lease liability	(384,506)	-
Accounts payable	(15,299)	59,597
Accrued expenses	83,680	67,353
Net cash (used in) provided by operating activities	(75,724)	393,474
Cash flows from investing activities		
Payments for fixed assets	(470,269)	(680,052)
Net cash used in investing activities	(470,269)	(680,052)
Net decrease in cash and restricted cash	(545,993)	(286,578)
Cash and restricted cash, beginning	4,339,948	4,626,526
Cash and restricted cash, end	$ 3,793,955	$ 4,339,948
Significant noncash activities		
Increase in right-of-use assets - leases	$ (1,831,795)	$ -
Increase in operating lease liability	1,831,795	-
Total	$ -	$ -

See Notes to Financial Statements.

Note 1 - Organization

Nourishing Hope (the "Company"), formally known as The Lakeview 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 Company serves hundreds of thousands of people throughout Chicago per year with millions of meals, in addition to free mental and social services. The Company'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 Company'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 Company 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, 2023 and 2022 are as follows:

	2023	2022
Land	$ 337,221	$ 337,221
Building	2,556,265	2,556,265
Leasehold improvements	1,752,584	988,985
Furniture and equipment	594,325	275,886
Vehicles	256,698	256,698
Construction in progress	-	611,769
Total	5,497,093	5,026,824
Accumulated depreciation	(1,704,272)	(1,202,878)
Net book value	$ 3,792,821	$ 3,823,946

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

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

With donor restrictions net assets of the Company are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions
All contributions are considered to be available for the program or supporting services of the Company 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 Company 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 Company 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 Company assesses the services promised within each contract, assesses whether each promised service is distinct and identifies those that are performance obligations. The Company 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
COVID-19 crisis response	100% related to Program

For the year ended March 31, 2022, COVID-related expenses included any items related to supporting the Company'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.

Advertising costs

Advertising costs are charged to expense when incurred.

Operating leases

Operating lease expense is 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 expense be amortized over the term of the lease using the straight-line method; however, the effect of recording lease expense 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 Company 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 Company did not earn any unrelated business income during the fiscal year ended March 31, 2023. The Company's Form 990, Return of Organization Exempt from Income Tax, for the years ended 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed. Management has analyzed the tax positions taken by the Company and has concluded that, as of March 31, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

New accounting pronouncements
The Company adopted Accounting Standards Update 2016-02 (as amended), *Leases* ("Topic 842") on April 1, 2022 (the "Adoption Date"). Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for most leases. Additionally, the Company elected and applied the following practical expedients on the Adoption Date:

- The package of practical expedients permitting the Company to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

- To apply the provisions of Topic 842 at the Adoption Date, instead of applying them to the earliest comparative period presented in the financial statements.

- To make an accounting policy to use its incremental borrowing rate and elected to use risk-free rates as the discount rate for all its leases. The Company uses rates on U.S. government securities for periods comparable with lease terms as risk-free rates.

The Company accounted for its existing leases as operating leases under Topic 842. The Company presents its right-of-use assets and lease liabilities for operating leases separately on its statement of financial position. Adopting Topic 842 in accounting for operating leases did not result in adjustments to the prior financial statements.

The Company made the following adjustments as of the adoption date in connection with transitioning to Topic 842:

	As of April 1, 2022
Increase in right-of-use assets	$ 1,615,651
Increase in lease liability	(1,615,651)
Total	$ -

Right-of-use assets are amortized over the term of the lease using the straight-line method. The right-of-use asset amortization expense is included in facilities expenses on the statement of functional expenses.

For the year ended March 31, 2023, the Company adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard provides guidance on the presentation of contributed nonfinancial assets in the statement of activities and additional disclosure requirements for each type of contributed nonfinancial asset. The ASU provides transparency on the measurement of the contributed nonfinancial assets of the organization and will not change existing recognition and measurement requirements. The Company has implemented the provisions of ASU 2020-07 applicable to all contributed nonfinancial assets, which has been applied retrospectively to all periods presented.

Note 3 - Availability and liquidity

The following represents the Company's financial assets at March 31, 2023 and 2022:

	2023	2022
Financial assets at year-end		
Cash	$ 3,727,559	$ 4,339,948
Restricted cash	66,396	-
Promises to give - current	45,351	47,821
Financial assets available to meet general expenditures within one year	$ 3,839,306	$ 4,387,769

Liquidity management

The Company maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Company continuously reviews current obligations to ensure the adequacy of financial assets available to liquidate in the event of an unforeseen circumstance. The board-designated net assets can also be made available by approval of the board, if needed for liquidity.

As more fully described in Note 7, the Company 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 - Capital campaign and promises to give

On November 5, 2020, the Company 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 second installment of the pledge was received during the year ended March 31, 2022, and the third installment was received during the year ended March 31, 2023. 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, 2023 and 2022 was $88,517 and $136,364, respectively. The remaining installments is as follows:

Less than one year	$ 50,000
One to five years	49,970
Subtotal	99,970
Less present value discount	(11,453)
Total contributions receivable	$ 88,517

Note 5 - Net assets with donor restrictions

During the years ended March 31, 2023 and 2022, the Company received contributions and grants of $406,011 and $0, respectively, that were donor restricted. These contributions and grants were restricted for specific purposes, for which the restriction was met in the period received.

As of March 31, 2023 and 2022, there were no net assets with donor restrictions.

Note 6 - Leases

On November 28, 2018, the Company 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 Company was entitled to an abatement of rent payments for the first five months of the lease.

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

On September 17, 2021, the Company entered into an operating lease agreement at a headquarter facility in the West Town neighborhood in Chicago, Illinois. The lease term commenced on October 1, 2021 and concludes on December 31, 2026. The lease provides for monthly base rent payments of $22,360, increasing annually. As part of the lease agreement, the Company is entitled to an abatement of rent payments for the first four months of the lease.

On October 20, 2022, the Company entered into an operating lease agreement with Ryder to lease a vehicle. The lease term commenced on October 20, 2022 and concludes in September 2029. The lease provides for monthly lease payments of $2,935.

At lease commencement, the Company recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs and lease incentives. The Company remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract. The Company determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Company estimates its incremental borrowing rate as the discount rate. The Company's incremental borrowing rate, which is determined at either lease commencement or when a lease liability is remeasured, is an estimate of the interest rate it would pay on a collateralized borrowing, for an amount equal to the amount and currency of denomination of the lease payments, over a period commensurate with the lease term and in a similar economic environment. For the leases, the Company used rates of 2.55% and 3.97% for its incremental borrowing rate.

The following provides information about the Company's right-of-use asset and lease liability for its operating leases as of March 31, 2023:

Right-of-use assets - lease, net	$ 1,280,556
Lease liability	$ 1,447,289

The components of the Company's lease cost for the year ended March 31, 2023 are as follows:

Right-of-use asset amortization	$ 551,239
Interest	40,171
Total lease expense (in Facilities expense)	$ 591,410

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

March 31, 2024	$ 453,134
2025	416,448
2026	330,960
2027	236,668
2028	35,222
Thereafter	52,833
Total minimum lease payments	1,525,265
Amount representing interest	(77,976)
Present value of minimum lease payments	$ 1,447,289

Note 7 - Line of credit

On April 4, 2012, the Company 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 Company closed the line of credit with PNC Bank, NA, and on May 21, 2020, the Company 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 Company has not drawn on the line of credit and maintains it to provide cash flow flexibility, including for emergency cash flow purposes.

Note 8 - In-kind donations

During the years ended March 31, 2023 and 2022, the Company received $8,878,798 and $7,936,529, respectively, in food donations. The food was recorded at fair value and recognized as a contribution when received. Fair value was estimated using an average of one pound of donated food product at $2 based on recent national studies of wholesalers' prices.

Note 9 - Donated services

During the years ended March 31, 2023 and 2022, the Company received 80,199 and 80,438 hours, respectively, of volunteer service, which are not considered specializing or enhancing to a nonfinancial asset and are, therefore, not recorded in the financial statements.

Note 10 - Construction contract

During the year ended March 31, 2022, the Company entered into a construction contract with Oakwood Development Corporation to perform construction services on the new headquarters. The contract price is $585,696. During the years ended March 31, 2023 and 2022, the Company incurred and paid construction costs of $286,108 and $268,383, respectively.

Note 11 - Concentration of revenue

During the year ended March 31, 2023, approximately 78% of all food donations were received from four entities: Greater Chicago Food Depository, Sam's Club, Trader Joe's and Walmart.

During the year ended March 31, 2022, approximately 87% of all food donations were received from six entities: Greater Chicago Food Depository, Imperfect Foods, Target, Testa, Trader Joe's, and Walmart.

Note 12 - Concentration of credit risk

The Company 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 Company 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, 2023.

Note 13 - 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 Company evaluated subsequent events through August 31, 2023, 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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