

**GLEN ELLYN FOOD PANTRY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Glen Ellyn Food Pantry  
Glen Ellyn, Illinois

We have reviewed the accompanying financial statements of GLEN ELLYN FOOD PANTRY (an Illinois nonprofit organization), which comprise the statements of assets, liabilities and net assets as of December 31, 2021 and 2020, and the related statements of revenues, expenses and other changes in net assets, functional expenses, and cash flows for the years then ended, all on the modified cash basis of accounting, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of GLEN ELLYN FOOD PANTRY and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis accounting.

**Emphasis of Matter**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Warady & Davis LLP

August 15, 2022

## STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS

Modified Cash Basis

As of December 31

2021

2020

**ASSETS****CURRENT ASSETS**

Cash and Cash Equivalents	<u>\$ 1,659,369</u>	<u>\$ 1,117,631</u>
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**PROPERTY AND EQUIPMENT**

Property and Equipment, net	9,730	25,578
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Building Construction in Process	<u>281,123</u>	<u>17,366</u>
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Total Net Property and Equipment	<u>290,853</u>	<u>42,944</u>
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SOFTWARE, net	12,633	—
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<b>TOTAL ASSETS</b>	<u><b>\$ 1,962,855</b></u>	<u><b>\$ 1,160,575</b></u>
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**LIABILITIES AND NET ASSETS****LIABILITIES**

Payroll Protection Program Loan	\$ —	\$ 44,600
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Accrued Payroll Taxes	<u>3,231</u>	<u>10,631</u>
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Total Current Liabilities	<u>3,231</u>	<u>55,231</u>
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**NET ASSETS**

Without Donor Restrictions	1,303,512	670,398
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With Donor Restrictions	<u>656,112</u>	<u>434,946</u>
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Total Net Assets	<u>1,959,624</u>	<u>1,105,344</u>
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	<u><b>\$ 1,962,855</b></u>	<u><b>\$ 1,160,575</b></u>
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## STATEMENTS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS

Modified Cash Basis

For the Years Ended December 31

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT AND REVENUE</b>						
Building Campaign Contributions	\$ —	\$ 508,361	\$ 508,361	\$ —	\$ 356,883	\$ 356,883
Other Campaign Contributions	226,118	23,504	249,622	87,016	55,294	142,310
Other Contributions	611,070		611,070	745,079		745,079
In-Kind Donations	1,451,786		1,451,786	2,695,039		2,695,039
Special Event Revenue			—	20,521		20,521
	<u>2,288,974</u>	<u>531,865</u>	<u>2,820,839</u>	<u>3,547,655</u>	<u>412,177</u>	<u>3,959,832</u>
Other Revenue						
Investment Income	225		225	102		102
Payroll Protection Program Loan Forgiveness	44,600		44,600			
Total Other Revenues	<u>44,825</u>		<u>44,825</u>	<u>102</u>		<u>102</u>
Net Assets Released from Restriction	<u>310,699</u>	<u>(310,699)</u>	<u>—</u>	<u>86,659</u>	<u>(86,659)</u>	<u>—</u>
Total Support and Revenue	<u>2,644,498</u>	<u>221,166</u>	<u>2,865,664</u>	<u>3,634,416</u>	<u>325,518</u>	<u>3,959,934</u>
<b>EXPENSES</b>						
Program Expenses						
In-Kind	1,428,286		1,428,286	2,677,039		2,677,039
Other	421,673		421,673	364,869		364,869
Total Program Expenses	<u>1,849,959</u>		<u>1,849,959</u>	<u>3,041,908</u>		<u>3,041,908</u>
Management and General	82,653		82,653	74,815		74,815
Fundraising	78,772		78,772	63,799		63,799
Direct Expenses for Special Fundraising Event			—	7,532		7,532
Total Expenses	<u>2,011,384</u>		<u>2,011,384</u>	<u>3,188,054</u>		<u>3,188,054</u>
CHANGE IN NET ASSETS	633,114	221,166	854,280	446,362	325,518	771,880
Net Assets, Beginning of Year	670,398	434,946	1,105,344	224,036	109,428	333,464
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,303,512</u>	<u>\$ 656,112</u>	<u>\$ 1,959,624</u>	<u>\$ 670,398</u>	<u>\$ 434,946</u>	<u>\$ 1,105,344</u>

See accompanying notes and accountants' report.

## STATEMENTS OF FUNCTIONAL EXPENSES

Modified Cash Basis

For the Year Ended December 31, 2021

	Program	Management and General	Fundraising	Total Expenses
Salaries and Wages	\$ 194,586	\$ 48,654	\$ 12,655	\$ 255,895
Payroll Taxes	14,878	3,719	979	19,576
Bank Charges	—	197	—	197
Advertising	5,183	5,182	5,183	15,548
Depreciation and Amortization	15,151	553	144	15,848
Dues and Subscriptions	6,177	748	1,695	8,620
Education	—	10	—	10
Fundraising	—	—	4,967	4,967
Insurance	2,860	715	188	3,763
Repairs, Equipment and Maintenance	29,400	1,184	1,951	32,535
Office Expense	10,004	2,500	658	13,162
Office Supplies	3,279	820	215	4,314
Payroll Service Fees	—	1,106	—	1,106
Postage and Delivery	—	—	14,140	14,140
Printing and Reproduction	4,376	—	9,793	14,169
Professional Fees	27,294	14,321	19,647	61,262
Promotional Expense	—	—	27	27
Rent	41,580	1,485	6,435	49,500
Pantry Food and Supplies	1,488,895	—	—	1,488,895
Telephone and Utilities	4,540	459	95	5,094
Volunteer Appreciation	1,756	1,000	—	2,756
<b>TOTAL EXPENSES</b>	<b>\$ 1,849,959</b>	<b>\$ 82,653</b>	<b>\$ 78,772</b>	<b>\$ 2,011,384</b>

## STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

Modified Cash Basis

For the Year Ended December 31, 2020

	Program	Management and General	Fundraising	Direct Expenses for Special Event	Total Expenses
Salaries and Wages	\$ 159,620	\$ 37,156	\$ 15,205	\$ —	\$ 211,981
Payroll Taxes	12,211	2,843	1,163	—	16,217
Bank Charges	—	30	—	—	30
Advertising	181	181	181	—	543
Depreciation and Amortization	26,031	796	326	—	27,153
Dues and Subscriptions	—	6,292	—	—	6,292
Education	—	50	—	—	50
Special Fundraising Event	—	—	—	7,532	7,532
Insurance	2,467	574	235	—	3,276
Repairs, Equipment and Maintenance	23,708	55	1,917	—	25,680
Office Expense	11,339	2,639	1,080	—	15,058
Office Supplies	3,923	913	374	—	5,210
Payroll Service Fees	—	236	—	—	236
Postage and Delivery	—	—	10,705	—	10,705
Printing and Reproduction	2,621	—	6,116	—	8,737
Professional Fees	23,509	21,039	17,712	—	62,260
Promotional Expense	—	—	4,105	—	4,105
Rent	30,240	1,080	4,680	—	36,000
Pantry Food and Supplies	2,739,700	—	—	—	2,739,700
Telephone and Utilities	4,960	551	—	—	5,511
Volunteer Appreciation	1,398	380	—	—	1,778
<b>TOTAL EXPENSES</b>	<b>\$ 3,041,908</b>	<b>\$ 74,815</b>	<b>\$ 63,799</b>	<b>\$ 7,532</b>	<b>\$ 3,188,054</b>



## STATEMENTS OF CASH FLOWS

Modified Cash Basis

For the Years Ended December 31

2021

2020

## CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	<u>\$ 854,280</u>	<u>\$ 771,880</u>
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Adjustments to Reconcile Change in Net Assets to  
Net Cash Provided by Operating Activities

Depreciation and Amortization - Property and Equipment	15,848	27,153
Accrued Payroll Taxes	(7,400)	10,631
Donated Stock	(123,897)	(9,543)
Proceeds from Sale of Donated Stock	123,897	9,543
Payroll Protection Program Loan Forgiveness	<u>(44,600)</u>	<u>—</u>

Total Adjustments	<u>(36,152)</u>	<u>37,784</u>
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Net Cash Provided by Operating Activities	<u>818,128</u>	<u>809,664</u>
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## CASH FLOWS FROM INVESTING ACTIVITIES

Payments for Building Construction in Process	(263,757)	(10,666)
Purchases of Other Property and Equipment	—	(6,922)
Purchases of Software	<u>(12,633)</u>	<u>—</u>

Net Cash Used by Investing Activities	<u>(276,390)</u>	<u>(17,588)</u>
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## CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Payroll Protection Program Loan	<u>—</u>	<u>44,600</u>
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NET INCREASE IN CASH	541,738	836,676
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Cash and Cash Equivalents, Beginning	<u>1,117,631</u>	<u>280,955</u>
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CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,659,369</u>	<u>\$ 1,117,631</u>
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SUPPLEMENTAL DISCLOSURE OF  
CASH FLOW INFORMATION

Noncash Operating Activities  
Donated Goods

	<u>\$ 1,428,286</u>	<u>\$ 2,677,039</u>
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## NOTES TO FINANCIAL STATEMENTS

**NOTE 1—ORGANIZATION ACTIVITIES**

The Glen Ellyn Food Pantry (the Organization) is an Illinois not-for-profit corporation which provides groceries to families in need. The Organization is sponsored by 14 churches located in Glen Ellyn and receives monetary contributions from members of these various churches and others in the community, as well as donations of food and pantry supplies from local businesses.

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

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of management who is responsible for their integrity and objectivity.

**BASIS OF ACCOUNTING**

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. Contributions collected on behalf of the Organization by third party fundraising platforms are not recognized as revenue until the collections have been remitted to the Organization. In addition, property and equipment and intangibles have been capitalized and depreciated/amortized. Payroll tax deferrals authorized by a COVID-19 presidential memorandum in 2021 and 2020 were expensed as incurred and the liability was accrued as of December 31, 2021 and 2020.

**FINANCIAL STATEMENT PRESENTATION**

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC) topic related to *Financial Statements of Not-for-Profit Organizations*. Under the Codification, the Organization is required to report information regarding its financial position and activities, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without donor restriction - Net assets that are not subject to donor-imposed stipulations plus those resources for which temporarily donor-imposed stipulations have been satisfied. Net assets without donor restriction may be designated by action of the Board of Directors.

With donor restriction - Net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Organization (purpose restrictions) and/or the passage of time (time restrictions). As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying financial statements as net assets released from restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****CASH AND CASH EQUIVALENTS**

The Organization considers all highly-liquid investments purchased with original maturities of three months or less to be cash equivalents. Cash equivalents consist of money market funds.

**INVESTMENTS**

The Organization follows the provisions of the FASB codification for accounting for investments held by not-for-profit organizations. Accordingly, the Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values. Fair value is based on quoted market prices. Realized gains and losses are the differences between the proceeds received and the cost of investments sold. Unrealized gains and losses are the differences between the fair value and the cost of investments and are included in earnings. There were no investments at December 31, 2021 and 2020.

**PROPERTY AND EQUIPMENT**

Property and equipment purchases of \$500 or more are stated at cost when purchased or fair value as of the date of the gift, if donated. Depreciation/amortization is calculated on the straight-line method over the estimated useful lives of the assets or the life of the lease for leasehold improvements as follows:

<u>Asset</u>	<u>Years</u>
Furniture and Equipment.....	3 – 7
Leasehold Improvements .....	5
Office Equipment.....	5

**SOFTWARE**

Software consists of an IT infrastructure and a client service tracker database. The IT infrastructure is stated at the cost of its design and was amortized using the straight-line method over five years. This software is fully amortized. Software also includes the cost of a new client service tracker database, which was still in process at December 31, 2021, and was subsequently placed in service during the first quarter of 2022.

**RECOGNITION OF SUPPORT AND REVENUES**

The Organization accounts for contributions received and unconditional promises to give under the provisions of the FASB Codification topic related to contributions made and received. In accordance with the Codification and the Organization's modified cash basis of accounting, unconditional contributions are recognized as support revenue when received. Contributions received are recorded as support with or without donor restriction, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with time or purpose restriction are reclassified to net assets without donor restriction and reported in the statements of revenues, expenses and other changes in net assets as net assets released from restrictions.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****CONCENTRATION OF CREDIT RISK**

The Organization's cash balances, at times, may exceed federally-insured limits. The Organization has not experienced any losses in these accounts and its management believes it is not exposed to any significant credit risk on cash.

**DONATED GOODS AND FACILITIES**

The Organization reports the fair value of gifts of donated food and other supplies as public support without restriction and, shortly thereafter, as expense when distributed to families in need. During the year ended December 31, 2021, the Organization received and distributed approximately 740,044 pounds of donated goods valued at \$1,428,286. During the year ended December 31, 2020, the donated goods accounted for approximately 886,437 pounds valued at \$2,677,039. The amounts are included in in-kind donations on the statements of revenues, expenses and other changes in net assets, and in pantry food and supplies on the statements of functional expenses. The approximate average value of one pound of donated goods for 2020 was estimated to be \$3.02 per pound. During 2021, the Organization changed its valuation technique for estimating the fair value of its donated food and supplies. The approximate average value of one pound of donated goods for 2021 was estimated to be \$1.93 per pound.

Donated facilities are recorded annually at their fair value for the year the facilities were used. Donated facilities were \$23,500 for 2021 and \$18,000 for 2020, which are included as in-kind donations on the statements of revenues, expenses and other changes in net assets and in rent expense on the statements of functional expenses.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and other activities are presented on a functional basis in the statements of revenues, expenses and other changes in net assets. Accordingly, certain expenses have been allocated among the programs and supporting services benefited, based on direct charges or appropriate methods determined by management. These allocation methods include allocation of personnel and any other costs deemed to be related to time and efforts expended by employees on the different functional categories and allocation of occupancy and related costs using space utilization percentages occupied by the various functions.

**INCOME TAX STATUS**

The Organization is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is similarly classified by the State of Illinois. Accordingly, the accompanying financial statements do not reflect income tax expense. The Organization files its form 990 in the federal jurisdiction. The Organization is exempt from filing with the office of the Illinois Attorney General due to its religious affiliation status.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 3—LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at December 31:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents.....	\$ 1,659,369	\$ 1,117,631
Net Assets With Donor Restrictions.....	<u>(656,112)</u>	<u>(439,946)</u>
	<u>\$ 1,003,257</u>	<u>\$ 677,685</u>

As part of its liquidity management plan, the Organization has a policy of maintaining sufficient cash to meet at least three months of normal operating needs.

**NOTE 4—PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	<u>2021</u>	<u>2020</u>
Furniture and Fixtures .....	\$ 12,151	\$ 12,151
Leasehold Improvements .....	91,215	91,215
Office Equipment.....	67,724	67,724
Building Construction in Process .....	<u>281,123</u>	<u>17,366</u>
	452,213	188,456
Less Accumulated Depreciation and Amortization.....	<u>161,360</u>	<u>145,512</u>
	<u>\$ 290,853</u>	<u>\$ 42,944</u>
Depreciation and Amortization Expense .....	<u>\$ 15,848</u>	<u>\$ 27,153</u>

**NOTE 5—NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2021, net assets with donor restrictions of \$631,112 are available to use for the new facility and \$25,000 for making the Organization's facility easily accessible. In 2021, net assets of \$287,195 were released from restriction by incurring expenses that met the donor's restriction for use on the new facility, \$300 for holiday baskets, \$17,500 for new staff, pandemic-related equipment/supplies and additional food, and \$5,704 for software and food scales.

As of December 31, 2020, net assets with donor restrictions of \$409,946 are available to use for the new facility and \$25,000 for making the Organization's facility easily accessible. In 2020, net assets of \$31,365 were released from restriction by incurring expenses that met the donor's restriction for use on the new facility, \$8,050 for new freezers and shopping carts, \$5,000 for direct service to client, and \$42,244 for increased food demand and cleaning costs due to COVID-19.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 6—OPERATING LEASES**

The Organization leases space in one of its sponsoring churches on a month-to-month basis. In 2021, the Organization rented additional storage space at the church on a month-to-month basis, increasing the monthly payments from \$1,500 to \$2,000 as of February 1, 2021. Rent expense at this facility was \$23,500 for 2021 and \$18,000 for 2020.

The Organization entered into a lease agreement for an additional facility on May 15, 2019 for forty-five years at annual payments of \$55, including five ten-year renewal options. The Organization is responsible for the operating and repair expenses. As noted in Note 2, an in-kind donation of \$23,500 was recorded in 2021 and \$18,000 in 2020 for the fair value of the facilities in excess of the discounted annual payments. The related expense is reflected as rent expense on the statements of functional expenses for 2021 and 2020.

**NOTE 7—PAYROLL PROTECTION PROGRAM LOAN**

On April 16, 2020, the Organization applied for and was awarded a Payroll Protection Program (PPP) loan from the U.S. Small Business Administration (SBA) of \$44,600. The loan accrues interest at a fixed rate of 1.00% per annum, but payments were not required to begin for ten months after the end of the loan forgiveness covered period, as defined in the SBA regulations. The Organization was eligible for loan forgiveness up to 100% of the loan, upon meeting certain requirements to the extent of applicable payroll and other covered costs. The Organization applied for and was granted full forgiveness of the entire loan amount plus interest on January 13, 2021.

As permitted under U.S. Generally Accepted Accounting Principles, the Organization accounted for the PPP loan as debt under FASB ASC 470. Under this standard, the proceeds from the loan remained reported as a liability on the statements of financial position until the SBA legally forgave the loan.

**NOTE 8—RECLASSIFICATIONS**

Certain prior period amounts have been reclassified to conform to current year presentation.

**NOTE 9—SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 15, 2022, the date which the financial statements were available for issue. Except for the new intangible asset placed in service during 2022, as disclosed in Note 1, there were no other subsequent events which require disclosure.