

# Financial Statements

Lasagna Love, Inc.  
(a nonprofit organization)  
December 31, 2021 and 2020



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Lasagna Love Inc.  
Williamstown, Massachusetts

### Opinion

We have audited the financial statements of Lasagna Love Inc., which comprise the statement of financial position as of December 31, 2021, 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 present fairly, in all material respects, the financial position of Lasagna Love Inc. as of December 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Lasagna Love Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lasagna Love Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will





always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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, 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 Lasagna Love Inc.'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 Lasagna Love Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Other Matter – Summarized Comparative Information**

The 2020 financial statements were reviewed by us and our report thereon, dated June 30, 2021, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. A review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

*Harris CPAs*

Meridian, Idaho  
August 31, 2022

**LASAGNA LOVE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2021**  
**With Comparative Totals as of December 31, 2020 (Reviewed)**

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|                                   | <u>2021</u>       | <u>2020</u>      |
|-----------------------------------|-------------------|------------------|
| <b>ASSETS</b>                     |                   |                  |
| <b>Current Assets</b>             |                   |                  |
| Cash                              | \$ 133,777        | \$ 85,483        |
| Inventory                         | <u>7,082</u>      | <u>0</u>         |
| Total Current Assets              | 140,859           | 85,483           |
| <b>Equipment, net</b>             | <u>1,844</u>      | <u>0</u>         |
| Total Assets                      | <u>\$ 142,703</u> | <u>\$ 85,483</u> |
| <b>LIABILITIES AND NET ASSETS</b> |                   |                  |
| <b>Current Liabilities</b>        |                   |                  |
| Accounts Payable                  | \$ 15,331         | \$ 11,312        |
| Accrued Liabilities               | <u>2,462</u>      | <u>11,554</u>    |
| Total Liabilities                 | 17,793            | 22,866           |
| <b>Net Assets</b>                 |                   |                  |
| Without donor restrictions        | <u>124,910</u>    | <u>62,617</u>    |
| Total Liabilities and Net Assets  | <u>\$ 142,703</u> | <u>\$ 85,483</u> |

See accompanying notes and independent accountants' review report.

**LASAGNA LOVE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for the Year Ended December 31, 2020 (Reviewed)**

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|                                   | <u>2021</u>       | <u>2020</u>      |
|-----------------------------------|-------------------|------------------|
| <b>Without Donor Restrictions</b> |                   |                  |
| <b>Revenues and Other Support</b> |                   |                  |
| Contributions                     | \$ 294,780        | \$ 74,517        |
| In-kind donations                 | 2,966,345         | 282,160          |
| Grants and contracts              | 2,500             | 0                |
| Other income                      | <u>20,081</u>     | <u>2,447</u>     |
| Total Revenue and Other Support   | 3,283,706         | 359,124          |
| <b>Expenses</b>                   |                   |                  |
| Program services                  | 3,177,912         | 289,052          |
| Supporting services               |                   |                  |
| Administrative                    | 37,635            | 7,383            |
| Fundraising                       | <u>5,866</u>      | <u>72</u>        |
| Total Supporting services         | <u>43,501</u>     | <u>7,455</u>     |
| Total Expenses                    | <u>3,221,413</u>  | <u>296,507</u>   |
| Change in Net Assets              | 62,293            | 62,617           |
| <b>Net Assets</b>                 |                   |                  |
| Beginning of Year                 | <u>62,617</u>     | <u>0</u>         |
| End of Year                       | <u>\$ 124,910</u> | <u>\$ 62,617</u> |

See accompanying notes and independent accountants' review report.

**LASAGNA LOVE, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for the Year Ended December 31, 2020 (Reviewed)**

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|                           | <u>Program</u>      | <u>Support Services</u> |                    | <u>2021</u>         | <u>2020</u>       |
|---------------------------|---------------------|-------------------------|--------------------|---------------------|-------------------|
|                           |                     | <u>Administrative</u>   | <u>Fundraising</u> | <u>Total</u>        | <u>Total</u>      |
| In-kind donations         | \$ 2,966,346        | \$                      | \$                 | \$ 2,966,346        | \$ 282,160        |
| Contractor expenses       | 115,118             |                         |                    | 115,118             | 0                 |
| Program expenses          | 34,500              | 4,313                   | 4,313              | 43,126              | 0                 |
| Professional fees         |                     | 24,839                  |                    | 24,839              | 126               |
| Direct Costs              | 22,298              |                         |                    | 22,298              | 0                 |
| Advertising and Promotion | 12,420              | 1,553                   | 1,553              | 15,526              | 707               |
| Information Technology    | 11,978              |                         |                    | 11,978              | 1,603             |
| Office Expense            | 8,526               | 2,132                   |                    | 10,658              | 5,788             |
| Insurance                 |                     | 2,703                   |                    | 2,703               | 775               |
| Depreciation              |                     | 414                     |                    | 414                 | 0                 |
| Other expenses            | <u>6,726</u>        | <u>1,681</u>            |                    | <u>8,407</u>        | <u>5,348</u>      |
| Total Expenses            | <u>\$ 3,177,912</u> | <u>\$ 37,635</u>        | <u>\$ 5,866</u>    | <u>\$ 3,221,413</u> | <u>\$ 296,507</u> |

See accompanying notes and independent accountants' review report.

**LASAGNA LOVE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for the Year Ended December 31, 2020 (Reviewed)**

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|  | <u>2021</u>       | <u>2020</u>      |
|--|-------------------|------------------|
| <b>Cash Flow From Operating Activities</b>   |                   |                  |
| Change in net assets   | \$ 62,293         | \$ 62,617        |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: |                   |                  |
| Depreciation expense   | 414               | 0                |
| Changes in operating assets and liabilities:   |                   |                  |
| Inventory  | (7,082)           | 0                |
| Related party payable  | (9,092)           | 11,554           |
| Credit card payable  | <u>4,019</u>      | <u>11,312</u>    |
| Net Cash Provided (Used) by Operating Activities   | 50,552            | 85,483           |
| <b>Cash Flows From Investing Activities</b>  |                   |                  |
| Purchase of equipment  | <u>(2,258)</u>    | <u>0</u>         |
| Net Change in Cash and Cash Equivalents  | 48,294            | 85,483           |
| <b>Cash and Cash Equivalents</b>   |                   |                  |
| Beginning of Year  | <u>85,483</u>     | <u>0</u>         |
| End of Year  | <u>\$ 133,777</u> | <u>\$ 85,483</u> |

See accompanying notes and independent accountants' review report.



# **LASAGNA LOVE, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **Note A – Summary of Significant Accounting Policies**

#### *Nature of Organization*

Lasagna Love, Inc., (the Organization) is a Massachusetts nonprofit corporation. The specific purpose of the organization is to connect people in communities through cooking and delivering meals to those in need. Lasagna Love Inc. started in September of 2020 due to the need in the community to help out moms during the pandemic. It has since turned into an international movement; serving all 50 states with over 20,000 volunteers.

#### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### *Basis of Presentation*

The Organization reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

#### *Cash and Cash Equivalents*

The Organization considers all short-term investments purchased with maturity of three months or less to be cash equivalents.

#### *Concentration of Credit Risk and Income*

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and investments. Accounts at these financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2021 and 2020, the Organization's cash balance was fully insured.

#### *In-kind Contributions*

The Organization receives in-kind contributions consisting of food products. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

**LASAGNA LOVE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A – Summary of Significant Accounting Policies (Continued)**

*Fair Value*

The Organization uses fair value reporting for financial assets and liabilities. A hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established, prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

*Functional Allocation of Expenses*

The costs of providing the program 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. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are office expense based on the use of office supplies for program services. Advertising is allocated based on the expense specifically allocated for the program. General and administrative expenses include any overhead costs incurred for the overall support and direction of the Organization.

*Income Taxes*

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

*Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of that position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2021 and 2020. The Organization files Form 990 in the U.S. federal jurisdiction.

**LASAGNA LOVE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A – Summary of Significant Accounting Policies (Continued)**

*Presentation of Certain Taxes*

The Organization collects various taxes from customers and remits these amounts to applicable taxing authorities. The Organization’s accounting policy is to exclude these taxes from income and program expenses.

*Subsequent Events*

The Organization has evaluated subsequent events through August 31, 2022 which is the date the financial statements were available to be issued.

**Note B – Liquidity and Availability of Resources**

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

|  |                          |
|--|--------------------------|
| Cash and cash equivalents                        | \$ <u>133,777</u>        |
| Total financial assets available within one year | \$ <u><u>133,777</u></u> |

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2021, all net assets were without donor restrictions.

**Note C – Related Parties**

Lasagna Love Inc. received funds for startup costs from a Company owned by the founder. The amount is due when the Organization has the appropriate cash flow to begin payments. As of December 31, 2021 and 2020, the amount due to the related party was \$2,318 and \$6,561.