

# Financial Statements

Lasagna Love, Inc.  
(a nonprofit organization)  
December 31, 2022 and 2021



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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, 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 present fairly, in all material respects, the financial position of Lasagna Love, Inc. as of December 31, 2022, 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.

### **Report on Summarized Comparative Information**

We have previously audited Lasagna Love, Inc.'s December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Harris CPAs*

Meridian, Idaho  
August 31, 2023

**LASAGNA LOVE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2022**  
**With Comparative Totals as of December 31, 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 96,198	\$ 133,777
Inventory	4,006	7,082
Prepaid Expenses	<u>1,382</u>	<u>0</u>
Total Current Assets	101,586	140,859
<b>Equipment, net</b>	<u>1,392</u>	<u>1,844</u>
Total Assets	<u>\$ 102,978</u>	<u>\$ 142,703</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 10,284	\$ 15,331
Accrued Liabilities	<u>19,120</u>	<u>2,462</u>
Total Liabilities	29,404	17,793
<b>Net Assets</b>		
Without donor restrictions	71,574	124,910
With donor restrictions	<u>2,000</u>	<u>0</u>
Total Net Assets	<u>73,574</u>	<u>124,910</u>
Total Liabilities and Net Assets	<u>\$ 102,978</u>	<u>\$ 142,703</u>

See notes to the financial statements.

**LASAGNA LOVE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2022**  
**With Comparative Totals for the Year Ended December 31, 2021**

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	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2022</u> <u>Total</u>	<u>2021</u> <u>Total</u>
<b>Revenues and Other Support</b>				
Contributions	\$ 399,428	\$ 0	\$ 399,428	\$ 294,780
Contributed nonfinancial assets	3,751,063		3,751,063	2,966,345
Grants and contracts	7,916	12,000	19,916	2,500
Other income	<u>25,141</u>	<u>          </u>	<u>25,141</u>	<u>20,081</u>
	4,183,548	12,000	4,195,548	3,283,706
Net assets released from restriction	<u>10,000</u>	<u>(10,000)</u>	<u>0</u>	<u>0</u>
Total Revenue	4,193,548	2,000	4,195,548	3,283,706
<b>Expenses</b>				
Program services	4,126,721		4,126,721	3,177,912
Supporting services				
Administrative	81,475		81,475	37,635
Fundraising	<u>38,688</u>	<u>          </u>	<u>38,688</u>	<u>5,866</u>
Total Supporting services	<u>120,163</u>	<u>0</u>	<u>120,163</u>	<u>43,501</u>
Total Expenses	<u>4,246,884</u>	<u>0</u>	<u>4,246,884</u>	<u>3,221,413</u>
Change in Net Assets	(53,336)	2,000	(51,336)	62,293
<b>Net Assets</b>				
Beginning of Year	<u>124,910</u>	<u>0</u>	<u>124,910</u>	<u>62,617</u>
End of Year	<u>\$ 71,574</u>	<u>\$ 2,000</u>	<u>\$ 73,574</u>	<u>\$ 124,910</u>

See notes to the financial statements.

**LASAGNA LOVE, INC.****STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

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	<u>Program</u>	<u>Support Services</u>		<u>2022 Total</u>	<u>2021 Total</u>
		<u>Administrative</u>	<u>Fundraising</u>		
Contributed nonfinancial assets	\$ 3,723,434	\$ 0	\$ 0	\$ 3,723,434	\$ 2,966,346
Program expenses	298,544	37,318	37,318	373,180	43,126
Professional fees		33,817		33,817	24,839
Contractor expenses	32,020			32,020	115,118
Direct costs	26,597			26,597	22,298
Office expense	14,232	3,558		17,790	10,658
Information technology	14,257			14,257	11,978
Advertising and promotion	10,957	1,370	1,370	13,697	15,526
Insurance		3,290		3,290	2,703
Rent expense	542	135		677	0
Depreciation		452		452	414
Other expenses	<u>6,138</u>	<u>1,535</u>		<u>7,673</u>	<u>8,407</u>
Total Expenses	<u>\$ 4,126,721</u>	<u>\$ 81,475</u>	<u>\$ 38,688</u>	<u>\$ 4,246,884</u>	<u>\$ 3,221,413</u>

See notes to the financial statements.

**LASAGNA LOVE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2022**  
**With Comparative Totals for the Year Ended December 31, 2021**

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	<u>2022</u>	<u>2021</u>
<b>Cash Flow From Operating Activities</b>		
Change in net assets	\$ (51,336)	\$ 62,293
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	452	414
Changes in operating assets and liabilities:		
Inventory	3,076	(7,082)
Prepaid expenses	(1,382)	0
Related party payable	16,658	(9,092)
Credit card payable	<u>(5,047)</u>	<u>4,019</u>
Net Cash Provided (Used) by Operating Activities	(37,579)	50,552
<b>Cash Flows From Investing Activities</b>		
Purchase of equipment	<u>0</u>	<u>(2,258)</u>
Net Change in Cash and Cash Equivalents	(37,579)	48,294
<b>Cash and Cash Equivalents</b>		
Beginning of Year	<u>133,777</u>	<u>85,483</u>
End of Year	<u>\$ 96,198</u>	<u>\$ 133,777</u>

See notes to the financial statements.



# 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.

#### *Accounting Pronouncements Adopted*

For the year ended December 31, 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires not-for-profit entities to disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. The Organization must also disclose qualitative info about whether the contributed nonfinancial assets were monetized or utilized during the reporting period, the Organization policy about monetizing contributed nonfinancial assets, a description of any donor imposed restrictions, the valuation method used, and the principal or most advantageous market used for the valuation if it is a market in which the recipient Organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. There was no material impact on the Organization's activities or financial position upon adoption of the new standard.

#### *Cash and Cash Equivalents*

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

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

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

*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, 2022 and 2021, the Organization's cash balance was fully insured.

*Contribution of Nonfinancial Assets*

The Organization receives in-kind contributions consisting of food products and services. The Organization records in-kind goods based on the fair value as described in generally accepting accounting principles. The Organization recognizes contributed services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

*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.

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

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

*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 2022 and 2021. The Organization files Form 990 in the U.S. federal jurisdiction.

*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.

*Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

*Subsequent Events*

The Organization has evaluated subsequent events through August 31, 2023 which is the date the financial statements were available to be issued.

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

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**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:

Total financial assets available within one year		
Cash and cash equivalents	\$	96,198
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions		<u>(2,000)</u>
Total financial assets available within one year after restriction	\$	<u>94,198</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. The Organization also operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**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, 2022 and 2021, the amount due to the related party was \$0 and \$2,318.

**Note D – Contributed Nonfinancial Assets**

For the years ended December 31, 2022 and 2021, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2022</u>	<u>2021</u>
Materials	\$ 3,722,279	\$ 2,958,230
Services	<u>28,784</u>	<u>8,115</u>
	<u>\$ 3,751,063</u>	<u>\$ 2,966,345</u>

The Organization recognized contributed nonfinancial assets within revenue, including donated food and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

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

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**Note D – Contributed Nonfinancial Assets (Continued)**

Contributed materials are comprised of donated food used in the Organization’s various programs. In valuing food, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed services recognized comprise professional services from web developers assisting in the development of the Organization’s website and Rhiannon’s donated time as the Executive Director. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.