

**SEASHARE**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT ACCOUNTANTS'  
REVIEW REPORT**

**DECEMBER 31, 2017 AND 2016**



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
SeaShare  
Bainbridge Island, Washington

We have reviewed the accompanying financial statements of SeaShare (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's 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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, 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 accounting principles generally accepted in the United States of America.

*Jones & Associates PLLC, CPAs*

Jones & Associates PLLC, CPAs  
April 5, 2018

**SEASHARE**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 and 2016**

	2017	2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 493,660	\$ 444,948
Accounts receivable	-	33,445
Pledges receivable	15,000	53,001
Product donation inventory	424,135	312,252
	\$ 932,795	\$ 843,646
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,163	\$ 180
 <b>NET ASSETS</b>		
Unrestricted	829,288	674,458
Unrestricted - Board designated	21,225	56,000
Total unrestricted	850,513	730,458
Temporarily restricted	81,119	113,008
	931,632	843,466
	\$ 932,795	\$ 843,646

**SEASHARE**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>UNRESTRICTED NET ASSETS</b>		
<b>REVENUE AND SUPPORT</b>		
In-kind donations received	\$ 2,973,585	\$ 3,169,591
Foundation and corporation grants	340,810	506,033
Individual donations	127,355	117,249
Interest	11	-
Reimbursed costs contributions	120,210	263,328
	3,561,971	4,056,201
Net assets released from restriction:		
Satisfaction of time and program requirements	96,889	83,493
	3,658,860	4,139,694
 <b>EXPENSES</b>		
Program services	3,337,340	3,671,998
Management and general	28,900	28,896
Fund-raising	172,565	166,534
	3,538,805	3,867,428
 <b>CHANGE IN UNRESTRICTED NET ASSETS</b>	120,055	272,266
 <b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Foundation and corporation grants	65,000	20,000
Net assets released from restriction:		
Satisfaction of time and program requirements	(96,889)	(83,493)
	(31,889)	(63,493)
 <b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	(31,889)	(63,493)
 <b>CHANGE IN NET ASSETS</b>	88,166	208,773
 <b>NET ASSETS</b>		
Beginning of the year	843,466	634,693
End of the year	\$ 931,632	\$ 843,466

*See accompanying notes and independent accountants' review report.*

**SEASHARE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**YEAR ENDED DECEMBER 31, 2017**

	Program Services	Support Services			Total
		Management and General	Fund- raising	Total	
In-kind donations made	\$ 2,849,703	\$ -	\$ -	\$ -	\$ 2,849,703
Personnel	148,852	24,810	156,889	181,699	330,551
Fish projects	137,754	-	-	-	137,754
Seafood processing	134,238	-	-	-	134,238
Advertising	23,100	-	-	-	23,100
Rent	15,600	1,950	1,950	3,900	19,500
Fundraising	-	-	11,586	11,586	11,586
Travel	10,970	-	-	-	10,970
Office supplies	8,552	1,068	1,069	2,137	10,689
Professional services	6,577	822	822	1,644	8,221
Insurance	1,994	250	249	499	2,493
	<u>\$ 3,337,340</u>	<u>\$ 28,900</u>	<u>\$ 172,565</u>	<u>\$ 201,465</u>	<u>\$ 3,538,805</u>

**YEAR ENDED DECEMBER 31, 2016**

	Program Services	Support Services			Total
		Management and General	Fund- raising	Total	
In-kind donations made	\$ 3,001,019	\$ -	\$ -	\$ -	\$ 3,001,019
Personnel	148,217	24,704	153,360	178,064	326,281
Fish projects	180,988	-	-	-	180,988
Seafood processing	268,944	-	-	-	268,944
Advertising	15,425	-	-	-	15,425
Rent	15,120	1,890	1,890	3,780	18,900
Fundraising	-	-	8,982	8,982	8,982
Travel	23,873	-	-	-	23,873
Office supplies	9,531	1,192	1,192	2,384	11,915
Professional services	7,017	877	877	1,754	8,771
Insurance	1,864	233	233	466	2,330
	<u>\$ 3,671,998</u>	<u>\$ 28,896</u>	<u>\$ 166,534</u>	<u>\$ 195,430</u>	<u>\$ 3,867,428</u>

**SEASHARE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from donations and grants	\$ 571,166	\$ 733,282
Cash received from reimbursements	153,655	229,883
Cash received from interest	11	-
Cash paid to employees and suppliers	(676,120)	(861,629)
	48,712	101,536
NET CHANGE IN CASH AND CASH EQUIVALENTS	48,712	101,536
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	444,948	343,412
End of the year	\$ 493,660	\$ 444,948
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 88,166	\$ 208,773
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in:		
Accounts receivable	33,445	(33,445)
Pledges receivable	38,001	90,000
Product donation inventory	(111,883)	(163,083)
Accounts payable	983	(709)
	\$ 48,712	\$ 101,536

**SEASHARE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

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**Note 1 – Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities** – SeaShare (the Organization) is a Washington not-for-profit corporation chartered in 1994 as a hunger-relief facilitator. Its purpose is to increase the use of seafood by individuals and families served by food banks, feeding centers, and similar nonprofit agencies in the United States. The Organization solicits donations of goods, services, and funds from within the seafood industry. The Organization combines and coordinates those donations to generate volumes of distributable products that would otherwise not be available to the food bank network. When seafood donations cannot be fully donated (at \$0 cost), the Organization obtains reimbursement for a portion of its program costs, such as re-processing, packaging, storage, and freight, from the various hunger-relief agencies receiving the products. The Organization also arranges donative funding from individuals, as well as grants, for administrative and project-related expenses.

**Basis of Accounting and Presentation** – The financial statements of the Organization have been prepared on the accrual basis of accounting and report information regarding its financial position and activities according to three classes of net assets, depending on the existence and nature of donor restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There are no permanently restricted net assets at December 31, 2017 and 2016. Board designated funds are internally designated to be used on special projects in Alaska.

**Cash and Cash Equivalents** – For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash equivalents include checking accounts deposited with major financial institutions. At times, cash and cash equivalents may exceed federally insured limits.

**Product Donation Inventory** – Inventory consists of seafood products donated to the Organization for its mission. The Organization values inventory and in-kind donations received and made at the finished weight. These values are estimated based on the average wholesale value placed on one pound of donated product listed in the annual report for national hunger-relief agencies. The Organization used a rate of \$1.72 per pound for 2017 and 2016.

**Revenue Recognition** – Donations and grants are recorded as increases in unrestricted or temporarily restricted net assets, depending on the existence and/or nature of donor or grantor restrictions. When a restriction expires, that is when a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. It is the Organization's policy to recognize restricted contributions in the unrestricted net asset class if the restrictions have been met in the same year.

**Expense Allocation** – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**SEASHARE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

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**Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

**Estimates** – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Income Tax Status** – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

**Subsequent Events** – Subsequent events were evaluated through April 5, 2018, which is the date the financial statements were available to be issued.

**Note 2 – In-Kind Donations Received and Made**

The Organization receives donations of fish, processing, freight, and storage from various companies and organizations. Management considers all such donations to be restricted for donations to various food banks and similar nonprofit agencies. The Organization also receives donated services from professionals whose work meets the requirement for recognition. The benefit of these donations is reflected in the amount of donations made to food banks and similar nonprofits throughout the year.

Management has estimated the value of these donations, based on quoted market value of similar products and services, as follows for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Donations Received		
Contributed fish and processing costs	\$ 2,961,585	\$ 3,164,103
Advertising and other services	12,000	5,488
	<u>\$ 2,973,585</u>	<u>\$ 3,169,591</u>
Donations Made		
Seafood and processing	<u>\$ 2,849,703</u>	<u>\$ 3,001,019</u>



**SEASHARE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

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**Note 3 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes or periods at December 31:

	<u>2017</u>	<u>2016</u>
Time restriction	\$ 52,500	\$ 20,000
Purpose restriction: development	28,619	93,008
	<u>\$ 81,119</u>	<u>\$ 113,008</u>

**Note 4 – Commitments**

The Organization has a non-cancelable operating lease for its office space on Bainbridge Island, which expires June 30, 2018. The future minimum rental under this lease is \$9,900 through the lease expiration in June 2018.

Total rent paid is \$19,500 and \$17,700 for the years ended December 31, 2017 and 2016, respectively.

**Note 5 – Related Party Transactions**

The Organization received product donations of \$337,345 and cash donations of \$74,350 from Board members and employees of related companies during the year ended December 31, 2017. The Organization also purchased product processing, and other services totaling \$74,841 from companies with representation on the Board of Directors during the year ended December 31, 2017.

The Organization received product donations of \$633,352 and cash donations of \$79,148 from Board members and employees of related companies during the year ended December 31, 2016. The Organization also purchased product processing, and other services totaling \$197,955 from companies with representation on the Board of Directors during the year ended December 31, 2016.