

SEASHARE

Financial Statements
December 31, 2023 and 2022

Table of Contents

	Page
Independent Auditor's Report	1 and 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-10

Amanda O'Rourke, CPA
Matt Smith, CPA
Claire Chow, CPA
Jason Mallon, CPA
Andrew Van Ness, CPA



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SeaShare
Bainbridge Island, Washington

Opinion

We have audited the accompanying financial statements of SeaShare (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SeaShare as of December 31, 2023, 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. 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 SeaShare and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of SeaShare as of December 31, 2022, were audited by other auditors whose report dated July 17, 2023, expressed an unmodified opinion on those statements.

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 SeaShare's ability to continue as a going concern within 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 generally accepted 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.

Amanda O'Rourke, CPA
Matt Smith, CPA
Claire Chow, CPA
Jason Mallon, CPA
Andrew Van Ness, CPA



In performing an audit in accordance with generally accepted 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 SeaShare'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 SeaShare'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.

Greenwood Ohlund

Seattle, Washington
March 4, 2024

SEASHARE

STATEMENTS OF FINANCIAL POSITION December 31, 2023 and 2022

ASSETS	2023	2022
Current Assets		
Cash and cash equivalents	\$ 383,300	\$ 614,654
Contributions and grants receivable	-	86,844
Donated seafood inventory	1,267,833	156,215
Total assets	<u>\$ 1,651,133</u>	<u>\$ 857,713</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,128	\$ 569
Net Assets		
Without donor restrictions	1,650,005	704,777
With donor restrictions	-	152,367
Total net assets	<u>1,650,005</u>	<u>857,144</u>
Total liabilities and net assets	<u>\$ 1,651,133</u>	<u>\$ 857,713</u>

See accompanying notes to financial statements.

SEASHARE

STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
In-kind seafood donations	\$ 4,908,122	\$ -	\$ 4,908,122	\$ 1,951,583	\$ -	\$ 1,951,583
Contributions and grants	937,453	-	937,453	639,678	45,000	684,678
Interest	1,142	-	1,142	201	-	201
Net assets released from restrictions	152,367	(152,367)	-	420,000	(420,000)	-
Total support and revenue	5,999,084	(152,367)	5,846,717	3,011,462	(375,000)	2,636,462
Expenses						
Program services	4,776,585	-	4,776,585	2,778,240	-	2,778,240
Management and general	36,938	-	36,938	36,174	-	36,174
Fundraising	240,333	-	240,333	223,324	-	223,324
Total expenses	5,053,856	-	5,053,856	3,037,738	-	3,037,738
Change in net assets	945,228	(152,367)	792,861	(26,276)	(375,000)	(401,276)
Net Assets, beginning of year	704,777	152,367	857,144	731,053	527,367	1,258,420
Net Assets, end of year	<u>\$ 1,650,005</u>	<u>\$ -</u>	<u>\$ 1,650,005</u>	<u>\$ 704,777</u>	<u>\$ 152,367</u>	<u>\$ 857,144</u>

See accompanying notes to financial statements.

SEASHARE

STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended December 31, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
In-kind seafood donations	\$ 3,796,504	\$ -	\$ -	\$ 3,796,504	\$ 1,949,208	\$ -	\$ -	\$ 1,949,208
Payroll, taxes, and benefits	188,506	31,417	224,971	444,894	177,734	29,623	206,601	413,958
Seafood processing	423,275	-	-	423,275	235,025	-	-	235,025
Fish projects (packaging, freight, and other)	271,866	-	-	271,866	331,880	-	-	331,880
Advertising	36,761	-	-	36,761	31,976	-	-	31,976
Rent	17,276	2,159	2,159	21,594	17,087	2,136	2,136	21,359
Professional services	15,501	1,938	1,938	19,377	17,007	2,126	2,126	21,259
Travel	15,511	-	-	15,511	8,221	1,027	1,028	10,276
Office supplies	9,001	1,125	1,124	11,250	8,062	1,007	1,011	10,080
Fundraising supplies	-	-	9,843	9,843	-	-	10,167	10,167
Insurance	2,384	299	298	2,981	2,040	255	255	2,550
Total expenses	\$ 4,776,585	\$ 36,938	\$ 240,333	\$ 5,053,856	\$ 2,778,240	\$ 36,174	\$ 223,324	\$ 3,037,738

See accompanying notes to financial statements.

SEASHARE

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Cash received from:		
Donors and grantors	\$ 1,024,297	\$ 1,152,129
Interest	1,142	201
Cash paid for:		
Personnel	(444,894)	(413,958)
Vendors	(811,899)	(675,296)
	<u>(231,354)</u>	<u>63,076</u>
Cash and Cash Equivalents, beginning of the year	<u>614,654</u>	<u>551,578</u>
Cash and Cash Equivalents, end of the year	<u>\$ 383,300</u>	<u>\$ 614,654</u>

See accompanying notes to financial statements.

SEASHARE

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

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 (recognized as a contribution), 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.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Financial Statement Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets with and without Donor Restriction

Net assets with donor restrictions consist of unexpended contributions and grants restricted for particular purposes or time periods. Net assets with donor restrictions consist of the following at December 31:

	2023	2022
COVID-19 Relief	\$ -	\$ 130,000
Future periods (time restriction)	-	22,367
	<u>\$ -</u>	<u>\$ 152,367</u>

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

SEASHARE

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

Cash and cash equivalents represent cash in banks. The Organization considers all short-term securities with an original maturity of three months or less to be cash. On occasion, the Organization has amounts deposited with financial institutions in excess of federally insured limits.

Contributions and Grants Receivable

Unconditional promises to give (pledges) are recognized as revenues in the period the pledge is received. Contributions and grants receivable that are expected to be collected in one year are recorded at net realizable value. Management reviews the collectability of contributions receivable on a periodic basis and determines the appropriate amount of any allowance. The Organization charges off receivables to the allowance when management determines that the receivables are not collectible. No allowance for accounts receivable was considered necessary at December 31, 2023 or 2022.

Donated Seafood Inventory and In-kind Seafood Donations

Donated seafood inventory is stated at the lower of cost or net realizable value. Cost is estimated based on the fair value for donated goods at the time of donation, which is based on the average wholesale value placed on one pound of donated product (including processing, freight and storage) listed in the annual report for national hunger-relief agencies. The Organization used a rate of \$2.96 and \$1.79 per pound for 2023 and 2022, respectively.

The total value of donated seafood received by the Organization for the years ending December 31, 2023 and 2022, was \$4,908,122 and \$1,951,583, respectively.

Donated Services

A substantial number of unpaid volunteers have made significant contributions of their time in conjunction with Organization programs and services. The value of these contributions is not included in these financial statements as the nature of these services does not meet the accounting criteria for inclusion in the financial statements.

Contributions and Grants Revenue Recognition

Contributions and grants are recognized as revenue in the period the unconditional award is received. Conditional contributions and grants are not recognized until the conditions on which they depend are substantially met.

The Organization received 40% of total contributions and grants from one donor during the year ended December 31, 2023. There were no concentrations from contributions and grants during the year ended December 31, 2022.

SEASHARE

NOTES TO FINANCIAL STATEMENTS

Functional Allocation of Expenses

The statements of functional expenses present expenses by functional and natural classification. Certain categories of expenses are attributed to more than one program or supporting function and have been allocated among the programs and supporting services benefited. Salaries and wages, payroll taxes, and benefits are allocated based on estimates of time and effort; rent is allocated based on estimates of square footage; and other expenses are allocated proportionately to direct costs.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Reclassifications

Certain prior year balances have been reclassified in order to conform to the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was March 4, 2024.

Note 2 – Liquidity and Availability of Resources

The Organization's total financial assets have seasonal variations during the year attributed to the timing of receipt of contributions and grants. The timing of receipt is heavily weighted to November and December. The Organization has an informal operating reserve that the Board of Directors has dedicated with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. Reaching the level of reserves activates an immediate Board review and reassessment.

At December 31, 2023 and 2022, the Organization's financial assets available for general expenditures were as follows:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 383,300	\$ 614,654
Contributions and grants receivable	-	86,844
	383,300	701,498
Amounts not available for general use within one year:		
Net assets with purpose restrictions	-	(130,000)
	<u>\$ 383,300</u>	<u>\$ 571,498</u>

SEASHARE

NOTES TO FINANCIAL STATEMENTS

Note 3 – Related Party Transactions

During the years ended December 31, 2023 and 2022, the Organization purchased produce processing and other services totaling \$471,595 and \$309,409, respectively, from companies under significant influence by members of the Board of Directors. All purchases were performed at arms-length.