

SEASHARE

Financial Statements
December 31, 2024 and 2023

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Matt Smith, CPA
Claire Chow, CPA
Jason Mallon, CPA
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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 statements of financial position as of December 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of SeaShare as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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.

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.

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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
June 26, 2025

SEASHARE

STATEMENTS OF FINANCIAL POSITION December 31, 2024 and 2023

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	\$ 946,751	\$ 383,300
Contributions and grants receivable	53,803	-
Donated seafood inventory	723,405	1,267,833
Total assets	<u>\$ 1,723,959</u>	<u>\$ 1,651,133</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 181,340	\$ 1,128
Net Assets without Donor Restrictions	<u>1,542,619</u>	<u>1,650,005</u>
Total liabilities and net assets	<u>\$ 1,723,959</u>	<u>\$ 1,651,133</u>

See accompanying notes to financial statements.

SEASHARE

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
In-kind seafood donations	\$ 5,894,181	-	\$ 5,894,181	\$ 4,908,122	-	\$ 4,908,122
Contributions and grants	2,019,088	-	2,019,088	937,453	-	937,453
Interest	378	-	378	1,142	-	1,142
Net assets released from restrictions	-	-	-	152,367	(152,367)	-
Total support and revenue	7,913,647	-	7,913,647	5,999,084	(152,367)	5,846,717
Expenses						
Program services	7,717,881	-	7,717,881	4,776,585	-	4,776,585
Management and general	57,681	-	57,681	36,938	-	36,938
Fundraising	245,471	-	245,471	240,333	-	240,333
Total expenses	8,021,033	-	8,021,033	5,053,856	-	5,053,856
Change in net assets	(107,386)	-	(107,386)	945,228	(152,367)	792,861
Net Assets, beginning of year	1,650,005	-	1,650,005	704,777	152,367	857,144
Net Assets, end of year	\$ 1,542,619	\$ -	\$ 1,542,619	\$ 1,650,005	\$ -	\$ 1,650,005

See accompanying notes to financial statements.

SEASHARE

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2024 and 2023

	2024			2023				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
In-kind seafood donations	\$ 6,438,609	\$ -	\$ -	\$ 6,438,609	\$ 3,796,504	\$ -	\$ -	\$ 3,796,504
Seafood processing	620,602	-	-	620,602	423,275	-	-	423,275
Payroll, taxes, and benefits	221,859	35,509	233,678	491,046	188,506	31,417	224,971	444,894
Fish projects (packaging, freight, and other)	338,777	-	-	338,777	271,866	-	-	271,866
Professional services	34,802	9,340	4,350	48,492	15,501	1,938	1,938	19,377
Advertising	23,471	-	-	23,471	36,761	-	-	36,761
Office and other	10,386	11,271	-	21,657	9,001	1,125	1,124	11,250
Travel	16,893	-	-	16,893	15,511	-	-	15,511
Rent	10,197	1,275	1,275	12,747	17,276	2,159	2,159	21,594
Fundraising supplies	-	-	5,882	5,882	-	-	9,843	9,843
Insurance	2,285	286	286	2,857	2,384	299	298	2,981
Total expenses	\$ 7,717,881	\$ 57,681	\$ 245,471	\$ 8,021,033	\$ 4,776,585	\$ 36,938	\$ 240,333	\$ 5,053,856

See accompanying notes to financial statements.

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STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Cash received from:		
Donors and grantors	\$ 1,965,285	\$ 1,024,297
Interest	378	1,142
Cash paid for:		
Personnel	(491,046)	(444,894)
Vendors	(911,166)	(811,899)
	<u>563,451</u>	<u>(231,354)</u>
Net cash flows from operating activities and change in cash and cash equivalents	563,451	(231,354)
Cash and Cash Equivalents, beginning of the year	<u>383,300</u>	<u>614,654</u>
Cash and Cash Equivalents, end of the year	<u>\$ 946,751</u>	<u>\$ 383,300</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 Restrictions

Net assets with donor restrictions consist of unexpended contributions and grants restricted for particular purposes or time periods. There are no net assets with donor restrictions at December 31, 2024 or 2023.

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 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.

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, although the Organization does not believe it is exposed to any significant credit risk.

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NOTES TO FINANCIAL STATEMENTS

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 within 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, 2024 or 2023.

At December 31, 2024, all contributions and grants receivable were due from one donor.

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 per pound through March 31, 2024. The rate then increased to \$3.11 per pound through December 31, 2024.

The total value of donated seafood received by the Organization for the years ending December 31, 2024 and 2023, was \$5,894,191 and \$4,908,122, 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 recognition in the financial statements.

Contributions and Grants Revenue Recognition

Contributions and grants (including those from government agencies) are recognized as revenue in the period the unconditional award is received.

Revenue from government agencies is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. No such adjustments were made during the years ended December 31, 2024 and 2023.

Conditional promises to give—that is, those with a measurable performance-related barrier or other measurable barrier and a right of return—are not recognized until the conditions on which they depend have been met. At December 31, 2024, the Organization had approximately \$7,200,000 in outstanding conditional awards of which it was notified during the year then ended. These promises are conditional upon the Organization achieving certain goals related to specific programs run by the Organization. Due to the uncertainty of meeting the conditions, revenue was not recognized for these contributions during the year ended December 31, 2024.

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NOTES TO FINANCIAL STATEMENTS

The Organization received 43% of total contributions and grants from two donors during the year ended December 31, 2024, and 40% of total contributions and grants from one donor during the year ended December 31, 2023.

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 and professional services 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).

Subsequent Events

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was June 26, 2025.

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, which are typically 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 needs. Reaching the level of reserves activates an immediate Board review and reassessment.

At December 31, 2024 and 2023, the Organization's financial assets available for general expenditures within one year were as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 946,751	\$ 383,300
Contributions and grants receivable	53,803	-
	<u>\$ 1,000,554</u>	<u>\$ 383,300</u>

Note 3 – Related Party Transactions

During the years ended December 31, 2024 and 2023, the Organization purchased produce processing and other services totaling \$462,934 and \$471,595, respectively, from companies under significant influence by members of the Board of Directors. All purchases were performed at arms-length.