



Asheville, North Carolina

Report of Independent Auditor
and Financial Statements

Year Ended December 31, 2023



**SEED PROGRAMS, INC
D/B/A SEED PROGRAMS INTERNATIONAL**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Seed Programs, Inc. d/b/a Seed Programs International

Opinion

We have audited the accompanying financial statements of Seed Programs, Inc. d/b/a Seed Programs International (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities 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 Seed Programs, Inc. d/b/a Seed Programs International 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 Seed Programs, Inc. d/b/a Seed Programs International 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 Seed Programs, Inc. d/b/a Seed Programs International'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

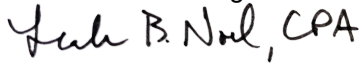
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance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

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 Seed Programs, Inc. d/b/a Seed Programs International'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 Seed Programs, Inc. d/b/a Seed Programs International'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.



Leah B. Noel, CPA, PC

Asheville, North Carolina

December 8, 2024

Seed Programs, Inc.
d/b/a Seed Programs International
Statement of Financial Position
As of December 31, 2023

Assets	
Current assets	
Cash and cash equivalents	\$ 211,043
Other receivables	1,890
Inventory, net	147,975
Total current assets	360,908
Total assets	\$ 360,908
Liabilities and net assets	
Current liabilities	
Accounts payable	\$ 3,861
Total current liabilities	3,861
Net assets	
Without donor restrictions	256,779
With donor restrictions	100,268
Total net assets	357,047
Total liabilities and net assets	\$ 360,908

Seed Programs, Inc.
d/b/a Seed Programs International
Statement of Financial Position
As of December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	TOTAL
Public support and revenue			
Contributions	\$ 115,588	\$ 6,212	\$ 121,800
Foundation and nonprofit grants	12,000	160,500	172,500
Interest income	12	-	12
Program service revenue	31,230	-	31,230
In-kind contributions	12,369	-	12,369
Net assets released from restrictions	161,992	(161,992)	-
Total revenue and support	333,191	4,720	337,911
Expenses			
Program services	269,351	-	269,351
Management and general	24,017	-	24,017
Fundraising	9,245	-	9,245
Total Expenses	302,613	-	302,613
Increase in total net assets	30,578	4,720	35,298
Net assets, beginning of period			
Without donor restrictions	226,201	-	226,201
With donor restrictions	-	95,548	95,548
Total net assets, beginning of period	226,201	95,548	321,749
Net assets, end of period			
Without donor restrictions	256,779	-	256,779
With donor restrictions	-	100,268	100,268
Total net assets, end of period	\$ 256,779	\$ 100,268	\$ 357,047

Seed Programs, Inc.
d/b/a Seed Programs International
Statement of Financial Position
As of December 31, 2023

	Supporting Services			Cost of Direct Benefits to Donors	Total
	Seed Programs	Management & General	Fundraising		
Salaries and Wages	\$ 36,427	\$ 6,913	\$ 6,061	\$ -	49,401
Payroll Taxes and Related Benefits	5,085	965	846	-	6,896
Seeds Distributed to International Projects	17,130	-	-	-	17,130
Grants and Specific Assistance	111,551	-	-	-	111,551
Bank and Merchant Service Charges	-	627	-	-	627
Computer and Internet	-	-	-	-	-
Contract Services	80,004	-	-	-	80,004
Dues and Subscriptions	2,691	684	84	-	3,459
Fundraising Campaigns	-	-	1,825	-	1,825
Insurance Expense	406	1,625	-	-	2,031
Marketing and Advertising	-	-	-	-	-
Meetings and Conferences	2,370	50	125	-	2,545
Occupancy Expenses	-	4,646	-	-	4,646
Office Supplies and Materials	1,128	70	9	-	1,207
Postage and Shipping	592	-	295	-	887
Professional Fees	-	8,048	-	-	8,048
Registration Fees	-	389	-	-	389
Seed Packaging	8,188	-	-	-	8,188
Seed Storage	2,776	-	-	-	2,776
Seed Orders	1,003	-	-	-	1,003
Total expenses by function	269,351	24,017	9,245	-	302,613
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	-	-	-	-	-
Total expenses included in expense section on the statement of activities	\$ 269,351	\$ 24,017	\$ 9,245	\$ -	\$ 302,613

The accompanying notes are an integral part of these statements.

Seed Programs, Inc.
d/b/a Seed Programs International
Statement of Financial Position
As of December 31, 2023

Cash flows from operating activities

Change in net assets	\$ 35,298
Adjustments to reconcile change in net assets to net cash from operating activities:	
(Increase) Decrease in operating assets:	
Contributions receivable	15,000
Inventory	4,761
Increase (Decrease) in operating liabilities:	
Accounts payable	(6,946)
Net cash provided by operating activities	48,113

Cash flows from investing activities

Maturities of certificates of deposits, net	25,603
Net cash provided by investing activities	25,603

Net cash from financing activities	-
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Change in cash and cash equivalents	73,716
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Cash and cash equivalents at beginning of period	137,327
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Cash and cash equivalents at end of period	\$ 211,043
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**SEED PROGRAMS INC.,
D/B/A SEED PROGRAMS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1. NATURE OF ORGANIZATION

Seed Programs Inc., d/b/a Seed Programs International (the Organization, "SPI") is a North Carolina not-for-profit corporation founded in 1998 to help existing organizations build and operate programs to provide seeds and the skills to grow gardens in communities throughout the world. The program provides packets of garden seed, planting instructions, and related information to the communities in need. The Organization is funded through procurement of donated seeds, grants and contributions, and payments for program services related to, but not limited to, seed inventory.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions**

Net assets without donor restrictions include resources available for the support of the Organization's operating activities.

- **Net Assets With Donor Restrictions**

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by action of the Organization and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, and are thus held in perpetuity.

Contributions are reported as increases in net assets without donor restriction if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid financial instruments with an initial maturity of three months or less, which are neither restricted by donors for long-term purposes or held because of contractual provisions, to be cash equivalents. Cash and highly liquid financial instruments restricted by donors for long-term purposes or held because of contractual provisions are excluded from this definition. The balances of these accounts have not exceeded federally insured limits.

Certificates of Deposit

Certificates of deposit consist of bank certificates with original maturities of less than twelve months. These certificates are recorded at historical cost. The balances of these certificates may exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to certificates of deposit.

Accounts Receivable

The Organization provides services to facilitate access to seed to other entities. The Organization does not accrue interest on these receivables. Amounts for which no payments have been received for several months are considered delinquent and when appropriate collection efforts are exhausted, the account is written-off. The Organization provides an allowance for doubtful accounts based on an analysis of amounts that may not be collected from these entities and a review of amounts currently outstanding. No amounts were outstanding at December 31, 2023.

**SEED PROGRAMS INC.,
D/B/A SEED PROGRAMS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

The inventory is comprised of bulk and packaged seed. The inventory is contributed by various seed companies and is recorded as in-kind support. Inventories are valued at the lower of cost or market value as received. At the time of receipt, the Organization records a valuation allowance for obsolete and slow-moving inventory to write down to the estimated net realizable value based on expected usage of seed inventory.

Shipping and Handling

Shipping and handling costs for seed sold or donated are expensed as incurred. These expenses are included in packaging expense in the accompanying statement of functional expenses.

Revenue Recognition

The Organization receives support and revenue from donors, grantors, seed support services, and the donation of seed. Support and revenue from the seed support services are recognized in the period when the performance obligation is complete which is when the service is performed.

The Organization recognizes government and private grants as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or not. For those recognized as contributions, revenue is recognized when a contract or grant becomes unconditional, that is, when the conditions on which they depend are substantially met. Contracts and grants that are treated as exchange transactions are reported as revenue without donor restrictions when expenses are incurred in accordance with the terms of the agreement. The excess of amounts received in exchange transactions over the amount of expenditures incurred is classified as deferred revenue in the statement of financial position.

If a contract or grant agreement contains a right of release from the respective obligation provision on the part of the grantor, and the agreement also contains a barrier to overcome, the Organization recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome. Funds received in advance of conditions being met are reported as deferred revenues in the statement of financial position. As of December 31, 2023, there were no contracts and grants for which the contractual performance obligations have not yet been met or the right to recognize revenue is dependent on future events.

The Organization recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets. Promises to give that have both (a) a barrier to be overcome and (b) a right of return or right of release element present are considered conditional, therefore they are not included as revenue or promises to give until such time as the conditions have been substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions. As of December 31, 2023, the Organization had no outstanding balances related to unconditional promises to give due in less than one year.

**SEED PROGRAMS INC.,
D/B/A SEED PROGRAMS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Donations

The Organization's policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets and materials are recognized at fair value when received. The organization does not sell donated in-kind gifts. In-kind donations of \$12,369 were recorded for the year ended December 31, 2023 and consisted of donated seed inventory.

Functional Expense Classification

The Organization's functional expense classification and allocation policy is based on a review of the current organizational structure, and the identification, reclassification and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas.

Income Taxes

The Organization is a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of December 31, 2023.

The Organization files its form 990 with federal authorities. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2020.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Recent Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*. The ASU and all subsequently issued clarifying ASUs (collectively, "ASC 606") replaced most existing revenue recognition guidance in GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Organization elected to adopt the new standard effective January 1, 2021 in accordance with ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash, cash equivalents, and restricted cash, accounts receivable, accrued liabilities, accounts payable, advances and deferred revenue, and compensated absences approximate their fair value because of the relatively short maturity of these financial instruments.

**SEED PROGRAMS INC.,
D/B/A SEED PROGRAMS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3. LIQUIDITY

The Organization's primary source of support are public donations and non-profit grants. 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. In addition, the Organization receives annual resources without donor restrictions that may be used in the event of an immediate liquidity need.

The Organization's financial assets available to meet cash needs for general expenditures within one year from the balance sheet date are as of December 31, 2023:

Cash and cash equivalents	\$ 211,043
Other receivables	1,890
Financial assets, at year end	<u>212,933</u>
Restricted by donor	(100,268)
Financial assets available to meet general expenditures within the next 12 months	<u>\$ 112,665</u>

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions are restricted for the following purposes. The balances subject to expenditures for a specified purpose were as follows for the year ended December 31, 2023:

Global giving-supported programs	\$ 39,768
Garden in a Box	2,500
Young Living	50,000
Mary Lynn Richardson Foundation	8,000
Total Net Assets Time-restricted for future periods	<u>\$ 100,268</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended December 21, 2023:

Satisfaction of purpose restrictions	
Global giving-supported programs	\$ 37,492
Garden in a Box	35,000
Young Living	50,000
Uganda Grant	10,500
Weyerhaeuser Foundation	29,000
	<u>\$ 161,992</u>

**SEED PROGRAMS INC.,
D/B/A SEED PROGRAMS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5. SEEDS DISTRIBUTED TO DOMESTIC AND INTERNATIONAL PROJECTS

The Organization facilitates access to vegetable seed combined with local training, tools and support to international projects. During the year ending December 31, 2023, the Organization's cost of seed distributed to domestic and international projects was \$17,130. The cost of the seeds distributed to domestic and international projects is calculated based on the value of the distributed seeds.

NOTE 6. RELATED-PARTY TRANSACTIONS

During 2022, the Organization entered into a management services agreement with a Company, Ag Science Insights, LLC ("ASI"), that is wholly owned by two Officers, whereby ASI provides certain management, administrative, regulatory, privacy and consulting services to SPI. These services include, but are not limited to, duties of an Executive Director, Strategy and Operations Director and fundraising. Pursuant to such agreement, SPI pays ASI a fee monthly via submitted invoices for services provided. Additionally, the agreement provides for an incentive fee arrangement that ranges from \$20,000 to \$300,000 for any given year based on SPI's total support revenue for the year. For the year ended December, 31, 2023 ASI received \$80,004 for these services and no incentive fee. The agreement has a term of one year and automatically renews unless terminated by either party.

NOTE 7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 8, 2024, which is the date the financial statements were issued. Hurricane Helene, a tropical storm event, devastated much of Western North Carolina, other parts of NC and neighboring states of Virginia, Tennessee, Georgia, South Carolina and Florida. Severe flooding and landslides occurred leaving some communities in ruin. Management is closely monitoring their liquidity and are actively working to minimize any impact as a result of this event. There were no adjustments to fair value as a result of this event and the Organization believes the accounts to be accurately stated. No other items noted.