

**SEED SAVERS EXCHANGE, INC.**

**FINANCIAL REPORT**

**OCTOBER 31, 2023**

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# Hacker Nelson & Co., CPAs

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors  
Seed Savers Exchange, Inc.  
Decorah, Iowa

### Opinion

We have audited the accompanying financial statements of Seed Savers Exchange, Inc. (a nonprofit organization), which comprise the statements of financial position as of October 31, 2023 and 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 financial statements referred to above present fairly, in all material respects, the financial position of Seed Savers Exchange, Inc. as of October 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 Savers Exchange, Inc. 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 U.S. generally accepted accounting principles, 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 Savers Exchange, Inc.'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 Savers Exchange, 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 Seed Savers Exchange, 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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information shown on pages 21 through 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Haeker, Nelson & Co., CPAs*

Decorah, Iowa  
April 9, 2024

SEED SAVERS EXCHANGE, INC.  
STATEMENTS OF FINANCIAL POSITION  
October 31, 2023 and 2022

ASSETS

	2023	2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,283,351	\$ 3,450,556
Investments	502,456	483,956
Accounts receivable, net of allowance for doubtful accounts: 2023 \$655; 2022 \$3,780	71,319	65,240
Accrued interest receivable	30,026	
Prepaid expenses	271,532	301,331
Inventory	1,686,130	1,500,335
<b>Total current assets</b>	<b>3,844,814</b>	<b>5,801,418</b>
<b>NONCURRENT ASSETS</b>		
Investments	3,203,106	1,422,428
<b>FIXED ASSETS AND EXHIBITS, net, at cost</b>	<b>3,106,023</b>	<b>2,865,498</b>
<b>FINANCE LEASE RIGHT-OF-USE ASSETS, net</b>	<b>62,884</b>	<b>95,951</b>
<b>OTHER ASSETS</b>		
Book publishing costs	45,911	101,137
<b>Total assets</b>	<b>\$ 10,262,738</b>	<b>\$ 10,286,432</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 145,994	\$ 87,733
Accrued expenses	18,527	33,404
Customer deposits, gift certificates and credit memos	234,484	229,729
Accrued wages	234,118	200,586
Deferred support and revenue	89,079	90,713
Current maturities of finance leases payable	30,215	
<b>Total current liabilities</b>	<b>752,417</b>	<b>642,165</b>
<b>NONCURRENT LIABILITIES</b>		
Deferred support and revenue	149,672	141,867
Finance leases payable, net of current maturities	32,818	95,951
<b>Total noncurrent liabilities</b>	<b>182,490</b>	<b>237,818</b>
<b>Total liabilities</b>	<b>934,907</b>	<b>879,983</b>
<b>NET ASSETS</b>		
Without donor restrictions	8,650,275	9,178,806
With donor restrictions	677,556	227,643
<b>Total net assets</b>	<b>9,327,831</b>	<b>9,406,449</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,262,738</b>	<b>\$ 10,286,432</b>

See Notes to Financial Statements.

SEED SAVERS EXCHANGE, INC.  
STATEMENTS OF ACTIVITIES  
Years Ended October 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Conference	\$ 16,203		\$ 16,203	\$ 10,115		\$ 10,115
Contributions:						
Corporations	546,850		546,850	512,850		512,850
General	375,391		375,391	473,222		473,222
Bequests	185,746		185,746			-
Foundation grants	276,900	\$ 177,500	454,400	207,000	\$ 226,000	433,000
Government grants	3,530		3,530	5,775		5,775
Investment income (loss)	184,190		184,190	(113,930)		(113,930)
Memberships	367,475		367,475	404,259		404,259
Fundraisers and sponsorships	101,343		101,343	54,177		54,177
Rental income	11,422		11,422	11,402		11,402
Sale of merchandise	3,944,422		3,944,422	5,320,816		5,320,816
Shipping and handling	336,550		336,550	440,613		440,613
Miscellaneous income	21,315		21,315	26,825		26,825
Net assets added to restrictions	(272,413)	272,413	-	210,575	(210,575)	-
<b>Total support and revenue</b>	<b>6,098,924</b>	<b>449,913</b>	<b>6,548,837</b>	<b>7,563,699</b>	<b>15,425</b>	<b>7,579,124</b>
<b>EXPENSE</b>						
Program services	4,416,282		4,416,282	4,529,579		4,529,579
General and administrative	1,585,503		1,585,503	1,916,380		1,916,380
Facilities	300,587		300,587	274,351		274,351
Fundraising	325,083		325,083	205,905		205,905
<b>Total expenses</b>	<b>6,627,455</b>	<b>-</b>	<b>6,627,455</b>	<b>6,926,215</b>	<b>-</b>	<b>6,926,215</b>
<b>Change in net assets</b>	<b>(528,531)</b>	<b>449,913</b>	<b>(78,618)</b>	<b>637,484</b>	<b>15,425</b>	<b>652,909</b>
<b>NET ASSETS, beginning of year</b>	<b>9,178,806</b>	<b>227,643</b>	<b>9,406,449</b>	<b>8,541,322</b>	<b>212,218</b>	<b>8,753,540</b>
<b>NET ASSETS, end of year</b>	<b>\$ 8,650,275</b>	<b>\$ 677,556</b>	<b>\$ 9,327,831</b>	<b>\$ 9,178,806</b>	<b>\$ 227,643</b>	<b>\$ 9,406,449</b>

See Notes to Financial Statements.

SEED SAVERS EXCHANGE, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
Year Ended October 31, 2023

	Program Services					Supporting Services				
	Membership	Genetic Preservation Projects	Conferences	Merchandise and Catalog	Total Program Services	General and Administrative	Facilities	Fundraising and Special Events	Total Supporting Services	Total Expenses
<b>Compensation and related expenses:</b>										
Salaries and wages	\$ 48,839	\$ 724,652	\$ 11,374	\$ 1,020,448	\$ 1,805,313	\$ 368,817	\$ 133,575	\$ 144,492	\$ 646,884	\$ 2,452,197
Payroll taxes	3,736	54,108	837	75,637	134,318	24,357	9,752	10,405	44,514	178,832
Retirement		8,775	307	10,610	19,692	6,239	3,263	3,431	12,933	32,625
Employee benefits		50,970		49,440	100,410	30,957	11,210	8,380	50,547	150,957
Subtotal	52,575	838,505	12,518	1,156,135	2,059,733	430,370	157,800	166,708	754,878	2,814,611
Bank charges and marketing fees				152,276	152,276	2,239		10,572	12,811	165,087
Interest					-	8,705			8,705	8,705
Contract labor		37,843		4,081	41,924	353,954	18,622	42,238	414,814	456,738
Depreciation and amortization					-	237,504			237,504	237,504
Facilities:										
Property taxes					-		14,057		14,057	14,057
Rent		1,235		1,970	3,205		2,099	3,251	5,350	8,555
Repairs and maintenance		32,053		13,541	45,594	1,578	9,584		11,162	56,756
Telephone, taxes and licenses				4,000	4,000		2,020	50	2,070	6,070
Utilities					-		74,795		74,795	74,795
Insurance					-	105,202		917	106,119	106,119
Postage	24,826	11,828		134,356	171,010	890		9,353	10,243	181,253
Professional fees:										
Accounting fees					-	21,800			21,800	21,800
Consultants and conferences		684	3,600	165	4,449	12,874		8,500	21,374	25,823
Legal fees					-	13,337			13,337	13,337
Program:										
Advertising and promotion			225	509,910	510,135	5,810		1,300	7,110	517,245
Discounts				53,255	53,255				-	53,255
Cost of goods sold		2,559		532,513	535,072				-	535,072
Complimentary gifts	457	208	84	1,158	1,907	272		1,704	1,976	3,883
Printing	44,203	10,852		225,953	281,008			28,919	28,919	309,927
Germination testing				21,586	21,586				-	21,586
Shipping, handling and damages	147	4,279		363,662	368,088	452	356	484	1,292	369,380
Veterinary and feed expense		9,814			9,814				-	9,814
Staff development		2,188		23	2,211	6,750	23	660	7,433	9,644
Subscriptions and dues				223	223	3,319		20,050	23,369	23,592
Supplies	1,975	53,787		58,803	114,565	359,482	18,355	14,129	391,966	506,531
Office expense		1,104		1,643	2,747	915	169		1,084	3,831
Travel, lodging and trade shows		10,656	11	5,680	16,347	6,561		7,734	14,295	30,642
Meals and entertainment		3,026	356	1,189	4,571	2,188	55	8,514	10,757	15,328
Less overhead applied to FG				(2,029)	(2,029)				-	(2,029)
Fuel and miscellaneous		5,732		8,859	14,591	11,301	2,652		13,953	28,544
<b>Total expenses</b>	<b>\$ 124,183</b>	<b>\$ 1,026,353</b>	<b>\$ 16,794</b>	<b>\$ 3,248,952</b>	<b>\$ 4,416,282</b>	<b>\$ 1,585,503</b>	<b>\$ 300,587</b>	<b>\$ 325,083</b>	<b>\$ 2,211,173</b>	<b>\$ 6,627,455</b>
See Notes to Financial Statements.										

SEED SAVERS EXCHANGE, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
Year Ended October 31, 2022

	Program Services					Supporting Services				
	Membership	Genetic Preservation Projects	Conferences	Merchandise and Catalog	Total Program Services	General and Administrative	Facilities	Fundraising and Special Events	Total Supporting Services	Total Expenses
<b>Compensation and related expenses:</b>										
Salaries and wages	\$ 60,833	\$ 529,559	\$ 12,956	\$ 895,657	\$ 1,499,005	\$ 503,079	\$ 115,437	\$ 99,021	\$ 717,537	\$ 2,216,542
Payroll taxes	4,610	38,626	987	66,123	110,346	39,695	8,624	7,498	55,817	166,163
Retirement	504	8,174		10,110	18,788	12,113	2,477	1,449	16,039	34,827
Employee benefits		45,350		74,552	119,902	23,050	10,900	7,100	41,050	160,952
Subtotal	65,947	621,709	13,943	1,046,442	1,748,041	577,937	137,438	115,068	830,443	2,578,484
Bank charges and marketing fees				198,546	198,546	7,826		11,210	19,036	217,582
Interest					-	4,471			4,471	4,471
Contract labor		53,374	15,120	65,775	134,269	225,240	31,370	8,359	264,969	399,238
Depreciation					-	199,414			199,414	199,414
Facilities:										
Property taxes					-		13,072		13,072	13,072
Rent		1,082		168	1,250		1,432		1,432	2,682
Repairs and maintenance		36,051		12,860	48,911	1,982	8,672		10,654	59,565
Telephone, taxes and licenses				3,823	3,823		1,073		1,073	4,896
Utilities					-		66,376		66,376	66,376
Insurance					-	106,938			106,938	106,938
Postage	11,560	6,363		136,552	154,475	978		11,580	12,558	167,033
Professional fees:										
Executive Director search					-	53,998			53,998	53,998
Accounting fees					-	20,250			20,250	20,250
Consultants and conferences		3,217	1,000		4,217	15,434			15,434	19,651
Legal fees					-	160,748			160,748	160,748
Program:										
Advertising and promotion				507,926	507,926	8,519			8,519	516,445
Discounts				50,926	50,926				-	50,926
Cost of goods sold		2,454		848,071	850,525				-	850,525
Complimentary gifts	211	751	95	1,273	2,330	929		1,133	2,062	4,392
Printing	33,506	11,073		182,452	227,031			34,625	34,625	261,656
Germination testing		1,181		24,246	25,427				-	25,427
Shipping, handling and damages	2,187	3,585		434,701	440,473	194	441	826	1,461	441,934
Veterinary and feed expense		8,894			8,894				-	8,894
Staff development		1,370			1,370	14,614	467		15,081	16,451
Subscriptions and dues					-	4,163		13,585	17,748	17,748
Supplies	772	43,381	88	67,547	111,788	343,575	10,259	8,550	362,384	474,172
Office expense		1,634		2,289	3,923	1,362	280		1,642	5,565
Travel, lodging and trade shows		10,833	3,222	7,943	21,998	9,625	17	416	10,058	32,056
Meals and entertainment		5,585	934	1,306	7,825	2,010	254	553	2,817	10,642
Unrelated business income tax					-	136,506			136,506	136,506
Less overhead applied to FG		(39,314)			(39,314)				-	(39,314)
Fuel and miscellaneous		5,625		9,300	14,925	19,667	3,200		22,867	37,792
<b>Total expenses</b>	<b>\$ 114,183</b>	<b>\$ 778,848</b>	<b>\$ 34,402</b>	<b>\$ 3,602,146</b>	<b>\$ 4,529,579</b>	<b>\$ 1,916,380</b>	<b>\$ 274,351</b>	<b>\$ 205,905</b>	<b>\$ 2,396,636</b>	<b>\$ 6,926,215</b>
See Notes to Financial Statements.										



SEED SAVERS EXCHANGE, INC.  
STATEMENTS OF CASH FLOWS  
Years Ended October 31, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (78,618)	\$ 652,909
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	237,504	199,414
Donated investments	(32,673)	(44,310)
Unrealized gain on investments	6,035	168,106
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(6,079)	5,995
Accrued interest receivable	(30,026)	
Prepaid expenses	29,799	(168,073)
Publishing costs	55,226	25,000
Inventory	(185,795)	14,100
Increase (decrease) in:		
Deferred patronage dividend receivable	(40)	(56)
Deferred revenue	10,926	20,121
Accounts payable and accrued expenses	76,916	(29,687)
Unrelated business income tax payable		(106,128)
	83,175	737,391
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(1,804,580)	(1,399,450)
Proceeds from investments	32,080	43,646
Purchase of property and equipment	(444,962)	(42,982)
	(2,217,462)	(1,398,786)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt	(32,918)	(145,175)
	(2,167,205)	(806,570)
CASH, beginning of year	3,450,556	4,257,126
CASH, end of year	\$ 1,283,351	\$ 3,450,556
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 8,705	\$ 4,471
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Equipment	\$ -	\$ 95,951
Lease obligation	\$ -	\$ 95,951
Donated investments	\$ 32,673	\$ 44,310

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

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1. Organization

Seed Savers Exchange, Inc. (SSE) was founded in 1975 in the state of Missouri. The organization currently operates in Iowa as a nonprofit organization primarily to preserve “heirloom” garden seeds from extinction. Over 9,000 SSE’s members grow and distribute heirloom varieties of vegetables, fruits, and grains. SSE’s main focus is on varieties gardeners and farmers brought to North America when their families immigrated, and traditional varieties grown by Native Americans, Mennonites, and Amish. SSE members receive four publications each year, as well as an annual yearbook through which 400 SSE’s members offer over 25,000 rare varieties of vegetables and fruits. SSE’s publications have created a national awareness of heirloom varieties and efforts to conserve them. SSE and Heritage Farm have provided the models and resources for genetic preservation projects and alternative seed companies throughout the United States and 30 other countries.

Heritage Farm, SSE’s scenic 890-acre headquarters near Decorah, Iowa, is a living museum of historic varieties open to the public. This unique educational center is designed to maintain and display endangered food crops and collection items. Each summer over 15,000 gardeners and orchardists tour Heritage Farm’s organic preservation Gardens and Historic Orchard.

More than 20,000 rare vegetable varieties are being maintained at Heritage Farm. Each summer, selected seeds are grown out, as necessary, to replenish seed supplies and keep germination at optimum levels.

Twin Valleys, which is part of adjoining Heritage Farm, is home to the Lillian Goldman Visitors Center with a large gift shop, educational exhibits, and an Amish-built oak post-and-beam frame. The property also includes two narrow valleys where SSE has developed a network of 20 certified organic isolation gardens covering more than 20 acres. They are at least one-quarter mile apart, to prevent cross-pollination and contamination from genetically modified crops. Ecological restoration projects recently completed include prairie and savannah plantings, and cold-water stream restoration.

In 1900, there were 20,000 named varieties of apples in the United States, but less than 4,000 of them remain and are steadily dying out. In an attempt to halt this constant genetic erosion, SSE had developed the most diverse public orchard in the U.S., where 1,000 19<sup>th</sup> century apples and 200 hardy grapes are maintained and displayed.

SSE maintains two breeding herds of approximately 70 Ancient White Park Cattle. These extremely rare and threatened cattle roamed the British Isles over 2,000 years ago.

2. Summary of Significant Accounting Policies

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

a. Basis of Accounting

The financial statements of Seed Savers Exchange, Inc. have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

b. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. **Summary of Significant Accounting Policies (Continued)**

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows (continued):

c. **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

d. **Cash and Cash Equivalents**

For financial statement purposes, Seed Savers Exchange, Inc. considers all highly liquid investments with an initial maturity of three months or less, when purchased, to be cash and cash equivalents.

e. **Accounts Receivable and Allowance for Uncollectible Accounts**

Accounts receivable is stated at the amounts expected to be collected, based on prior years' experience. Receivables are recorded at amounts billed and are due 30 to 90 days from the date of sale, depending upon the sales agreement, after which time they are considered delinquent. Management periodically reviews receivables, and any amounts that become uncollectible are charged to operations when that determination is made. Accounts are considered uncollectible based on how recently payments have been received, on individual credit evaluation, and on specific circumstances of the customer/donor. An allowance for doubtful accounts was provided for the years ended October 31, 2023 and 2022 in the amount of \$655 and \$3,780, respectively.

f. **Inventory**

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2015-11, *Inventory*, which is detailed in Note 5, is stated at the lower of cost (first-in, first-out method) or net realizable value. Inventory consists primarily of heirloom seeds, self-published books, and other resale items.

g. **Property and Equipment**

Property and equipment are recorded at actual cost or the fair market value at the date of gift. Depreciation has not been provided for historical exhibits or artifacts. Expenditures for maintenance repairs and minor replacements are charged to the current period, while major replacements and betterments costing over \$5,000, effective July 2022, per item are capitalized. Previously, the organization's capitalization policy was major replacements and betterments costing over \$1,000 per item were capitalized. Depreciation is computed using both the straight-line and accelerated cost recovery systems over the estimated useful life of the asset. Asset lives range from 3 to 39 years.

The organization reviews property and equipment for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds fair value less costs to sell.

2. Summary of Significant Accounting Policies (Continued)

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows (continued):

h. Leases

SSE determines if an arrangement is a lease at inception. When a lease exists, SSE classifies it as a finance lease or operating lease and records a right-of-use (ROU) asset and a corresponding lease liability at lease commencement. SSE has elected not to record lease assets or liabilities for leases with a term of less than 12 months. Accordingly, lease payments for these short-term leases are recorded as expense.

On the organization's balance sheets, finance lease assets are presented similar to property and equipment and finance lease liabilities are presented within current and long-term debt. Lease assets are subject to review for impairment within the related long-lived asset group.

For operating leases that have a lease term greater than one year, SSE initially recognizes operating lease liabilities and ROU assets at the lease commencement date, which is the date that the lessor makes an underlying asset available for use by SSE. ROU assets represent SSE's right to use an underlying asset for the lease term and lease liabilities represent the value of SSE's obligation to make lease payments, primarily escalating fixed payments, over the lease term.

The discount rate used to determine the present value of the lease payments is generally SSE's incremental borrowing rate because the rate implicit in the lease is generally not readily determinable. The incremental borrowing rate for the lease term is determined by adjusting SSE's unsecured borrowing rate for a similar term to approximate a collateralized borrowing rate.

SSE's lease terms for each of its leases represents the noncancelable period for which SSE has the right to use an underlying asset, together with the following: (i) periods covered by an option to extend the lease if SSE is reasonably certain to exercise that option; (ii) periods covered by an option to terminate the lease if SSE is reasonably certain not to exercise that option; and (iii) periods covered by an option to extend (or not to terminate) the lease in which exercise of the option is controlled by the lessor. SSE recognizes lease payments as lease expense on a straight-line basis over the lease term.

SSE does not have any operating leases for the years ended October 31, 2023 and 2022.

i. Income Tax Status

Seed Savers Exchange, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to SSE's tax-exempt purpose is subject to taxation as unrelated business income. SSE was liable for \$0 and \$136,506 of unrelated business income tax for the tax years ended October 31, 2023 and 2022, respectively. In addition, SSE qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization other than a private foundation within the meaning of Section 509(a) of the Code. SSE's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

2. **Summary of Significant Accounting Policies (Continued)**

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows (continued):

j. **Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period the contribution is received, the organization reports the support as unrestricted.

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Noncash donations totaled \$32,673 and \$44,310 for the years ended October 31, 2023 and 2022, respectively.

k. **Deferred Revenue**

Income from membership fees is deferred and recognized over the periods to which the memberships relate.

l. **Net Assets**

SSE reports its information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- 1) Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of SSE's Board of Directors.
- 2) Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SSE or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

2. **Summary of Significant Accounting Policies (Continued)**

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows (continued):

m. **Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, an organization recognizes revenue for the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services.

The ending accounts receivable balances were as follows as of October 31:

	2023	2022	2021
Accounts receivable	\$ 71,319	\$ 65,240	\$ 71,235

n. **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Payroll expenses are allocated based on time and effort. Office supplies are allocated based on usage.

o. **Shipping and Handling**

Shipping and handling costs billed to customers are classified as revenue in the statements of activities. Shipping and handling costs incurred by the organization are included in expenses.

p. **Advertising**

SSE uses advertising to promote its programs and products for the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended October 31, 2023 and 2022, advertising costs totaled \$517,245 and \$516,445, respectively.

3. **Cash and Cash Equivalents**

SSE maintains cash accounts at several commercial banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each bank. As of October 31, 2023 and 2022, cash in the amount of \$1,681,370 and \$65,088 was not insured by the FDIC, respectively.

NOTES TO FINANCIAL STATEMENTS

4. **Investments**

Investments as of October 31, 2023 and 2022 are carried at fair value and consisted of the following:

	2023		2022	
	Cost	Fair Value (Level 1)	Cost	Fair Value (Level 1)
Investments whose use is limited:				
Mutual funds:				
Bond funds	\$ 165,147	\$ 139,321	\$ 159,363	\$ 137,943
Equity funds	297,215	363,135	279,344	346,013
Total	\$ 462,362	\$ 502,456	\$ 438,707	\$ 483,956

Fair value of assets measured on a recurring basis at October 31, 2023 and 2022 consist of mutual funds shown above. Fair value for short-term investments is determined by level 1 inputs by reference to quoted market prices in active markets for identical assets and other relevant information generated by market transactions.

The following tabulation summarizes the relationship between cost and fair value of investment assets:

	Cost	Fair Value	Excess of Fair Value Over Cost
Balance, beginning of period	\$ 438,707	\$ 483,956	\$ 45,249
Decrease in unrealized gain on investments			(5,155)
Balance, end of period	\$ 462,362	\$ 502,456	\$ 40,094

Long-term investments at October 31, 2023 and 2022 are carried at cost and are composed of the following:

	2023	2022
Certificates of deposit	\$ 2,411,384	\$ 632,944
Government bonds	789,792	787,706
Deferred patronage dividend: Farmers Winneshiek Coop	1,930	1,778
Total	\$ 3,203,106	\$ 1,422,428

NOTES TO FINANCIAL STATEMENTS

5. Inventory

Inventory consisted of the following for years ended October 31, 2023 and 2022:

	2023	2022
<b>Books:</b>		
SSE	\$ 39,568	\$ 11,378
Chelsea Green (distributor)	89,232	75,410
	128,800	86,788
Merchandise	219,297	224,560
Seed	1,288,781	1,140,498
Seed spoilage valuation	(58,192)	(58,192)
Supplies	52,427	53,761
Seed packets, empty	55,017	52,920
	1,557,330	1,413,547
<b>Total</b>	<b>\$ 1,686,130</b>	<b>\$ 1,500,335</b>

6. Collections

In conformity with the practice followed by many museums, artifacts purchased and donated are not included in the statements of financial position. SSE does not capitalize its collections; the values of the objects acquired by gift are not recognized in the statements of activities. For each of the years ended October 31, 2023 and 2022, there were no purchases of artifacts.

SSE's collection database is publicly accessible by researchers, genetic preservation projects, alternative seed companies, and others who are interested in saving heirloom garden seeds from extinction. SSE employs curators to ensure the collections are protected, multiplied for seed, and preserved. In the normal course, collection items are not sold but rather maintained in perpetuity. However, should SSE's Board deem it appropriate to dispose of any item, any proceeds from the disposal are used to purchase new items for the collection or for maintenance of existing items.

7. Fixed Assets

Fixed assets consisted of the following at October 31, 2023 and 2022. Depreciation expense for the years ended October 31, 2023 and 2022 was \$204,437 and \$199,414, respectively.

	2023	2022
Land	\$ 1,159,136	\$ 1,159,136
Buildings and improvements	3,671,129	3,661,836
Machinery	382,717	342,017
Equipment	3,026,283	2,631,314
Total at cost	8,239,265	7,794,303
Less accumulated depreciation	(5,133,242)	(4,928,805)
<b>Net</b>	<b>\$ 3,106,023</b>	<b>\$ 2,865,498</b>



NOTES TO FINANCIAL STATEMENTS

8. Finance Lease Right-of-Use Assets

As of November 1, 2022, SSE changed its accounting method for leases as a result of implementing the requirements in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*, as amended, using the modified retrospective transition method. There was no cumulative effect adjustment to SSE's balance sheets as of November 1, 2022. Comparative information has been restated to reflect the accounting change. Finance lease right-of-use assets at October 31, 2023 and 2022 consist of the following:

	2023	2022
Office equipment	\$ 147,640	\$ 147,640
Less accumulated amortization	84,756	51,689
Total	\$ 62,884	\$ 95,951

Amortization of the right-of-use assets is included in general and administrative expenses and totaled \$33,067 for the year ended October 31, 2023.

9. Book Publishing Costs

The organization has incurred costs to publish new books that will not be sold within the next twelve months. These costs will be expensed as the sales of books occur. The organization estimates the number of books that may be sold and expensed on a per book basis.

10. Finance Leases Payable

Details of long-term liabilities as of October 31, 2023 are as follows:

	Balance Due	
	Total	Current
<b>Marco Technologies</b>		
Finance lease payable, due in monthly installments of \$1,936, including interest at 0.86%, through September 2025, collateralized by office equipment.	\$ 42,251	\$ 22,964
<b>Great America Financial Services</b>		
Finance leases payable, due in monthly installments ranging from \$219 to \$298, including interest at 0.35% to 1.26%, with maturities varying through March 2027, collateralized by office equipment.	14,414	5,260
<b>Quadient Leasing</b>		
Finance lease payable, due in monthly installments of \$170, including interest at 0.91%, through January 2027, collateralized by office equipment.	6,368	1,991
Total	\$ 63,033	\$ 30,215

NOTES TO FINANCIAL STATEMENTS

10. Finance Leases Payable (Continued)

Aggregate maturities of finance leases payable during the years following October 31, 2023 are as follows:

Year Ending October 31,	Amount
2024	\$ 30,215
2025	26,601
2026	4,964
2027	1,253
Total	\$ 63,033

11. Notes Payable

During the fiscal year ended October 31, 2022, SSE paid off long-term debt with a principal balance of \$145,175.

12. Deferred Revenue

The change in SSE's deferred revenue account for the years ended October 31, 2023 and 2022 are comprised of the following:

	2023	2022
Balance, beginning of period	\$ 232,580	\$ 212,658
Deferred portion of life-time memberships	7,804	13,675
Change in deferred portion of annual memberships	(1,633)	6,247
Balance, end of period	\$ 238,751	\$ 232,580
Deferred support and revenue:		
Current	\$ 89,079	\$ 90,713
Long-term	149,672	141,867
Book value	\$ 238,751	\$ 232,580

13. Donated Services

A substantial number of unpaid volunteers have made significant contributions of their time to develop SSE's programs, principally in membership development and educational programs. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition under accounting standards. In fiscal year 2022, SSE adopted FASB ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard did not impact net assets.

14. Fundraising Development Expenses

The organization established a department in 2013 to develop fundraising activities. Costs allocated to fundraising events for the years ended October 31, 2023 and 2022 were \$325,083 and \$205,905, respectively.

NOTES TO FINANCIAL STATEMENTS

15. **Related Party Transactions**

Included in support and revenue for the years ended October 31, 2023 and 2022 are gross contributions of \$1,600 and \$22,390, respectively, received from SSE's officers and directors. There were no promises to give from these individuals as of October 31, 2023 and 2022.

16. **Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor, board, or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following as of October 31, 2023 and 2022:

	2023	2022
<b>Financial assets at year-end:</b>		
Cash and cash equivalents	\$ 1,283,351	\$ 3,450,556
Short-term investments	502,456	483,956
Accounts receivable	71,319	65,240
Accrued interest receivable	30,026	
	<u>1,887,152</u>	<u>3,999,752</u>
Less amounts unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Grants	160,048	215,691
Amy Goldman Fowler Endowment	517,508	
Digital Orchard Campaign		11,952
	<u>677,556</u>	<u>227,643</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,209,596</u>	<u>\$ 3,772,109</u>

As part of SSE'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, cash in excess of daily requirements is invested in savings and money market accounts and certificates of deposit.

NOTES TO FINANCIAL STATEMENTS

17. Net Assets

Details of net assets at October 31, 2023 and 2022 are as follows:

	2023	2022
Net assets without donor restrictions:		
Undesignated	\$ 8,650,275	\$ 9,178,806
Net assets with donor restrictions:		
For purpose restrictions:		
Collection Project Grant	141,048	145,140
Chanticleer Foundation		3,667
Digital Orchard Campaign		11,952
Amy Goldman Fowler Grant		21,000
Silos & Smokestacks National Heritage	14,000	14,000
Winneshiek County Community Foundation	5,000	
Shipping Room Automation		9,884
Amy Goldman Fowler Endowment	517,508	
Morgan Stanley Gift Fund/Jeff Dawson		22,000
Net assets with donor restrictions	677,556	227,643
Total net assets	\$ 9,327,831	\$ 9,406,449

18. Retirement Plan

Employees who are at least eighteen years of age, have worked for SSE for at least twelve months, and have worked more than 1,000 hours during the eligibility period can participate. The plan has a matching retirement contribution component. SSE follows the policy of funding the retirement plan as accrued. The amount of pension cost recognized during the years ended October 31, 2023 and 2022 was \$32,625 and \$34,827, respectively. The plan provides for a six-year graded vesting schedule for employer matching contributions as follows:

Years	%
0 - 1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

19. **Endowments**

SSE’s endowment consists of one individual donor-restricted fund. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of SSE has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, SSE classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by SSE in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, SSE considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of SSE, and (7) SSE’s investment policies.

Endowment net asset composition as of October 31, 2023 is as follows:

	Total
Donor-restricted endowment funds:	
Original donor-restricted gift amount	\$ 256,000
Accumulated investment gains	261,508
<b>Total</b>	<b>\$ 517,508</b>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). SSE has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. Deficiencies of this nature, which result primarily from unfavorable market fluctuations and continued appropriations deemed prudent by SSE’s Board of Directors, are reported as unrestricted net assets. There were no such deficiencies as of October 31, 2023.

20. Commitments and Contingencies

SSE receives grants for specific purposes that are subject to review and audit by oversight agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

On March 10, 2020, the National Philanthropic Trust awarded SSE a grant of up to \$765,000. The grant term runs through December 31, 2024. For each of the years ended October 31, 2023 and 2022, SSE received \$155,000 which is included in foundation grants on the statements of activities. Additional annual payments will be made to SSE upon receipt and approval of an annual report submitted to the National Philanthropic Trust. The grant shall be used to support increasing SSE's seed collection documentation to guide its seed regenerations, evaluation, and distribution efforts.

As of October 31, 2023 and 2022, SSE had no commitments to purchase seeds.

21. Concentrations

A substantial amount of SSE's contract growing is done outside of the United States. As a result, there is the potential for a severe impact due to negative effects of the economic and political forces within the market or geographic area. SSE also has geographic exposure to catastrophic losses caused by various events, including windstorms, hail, severe weather, and the incidence and severity of catastrophes, which are inherently unpredictable. The extent of losses from a catastrophe is a function of both the total amount of uninsured exposure in the area affected by the event and the severity of the event. A substantial amount of SSE's revenue comes from the sale of merchandise consisting primarily of heirloom seeds. As a result, competition from other seed companies and changes in customer preferences could have a negative impact on activities.

22. Risk Management

SSE is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are minimized by the purchase of commercial insurance from third parties. SSE assumes liability for any deductibles and claims in excess of coverage limits. Settled claims for these risks have not exceeded commercial insurance coverage for the past two years. The collections were insured for losses up to \$2,998,167 for each of the years ended October 31, 2023 and 2022.

23. Subsequent Events

Management has evaluated subsequent events through April 9, 2024, the date these financial statements were available to be issued.

**Supplementary Information**

SEED SAVERS EXCHANGE, INC.  
 STATEMENTS OF ACTIVITIES INFORMATION  
 Years Ended October 31, 2023 and 2022

	2023	2022
<b>CATALOG SALES</b>		
Books	\$ 92,354	\$ 201,681
Products	78,520	99,114
Seeds	3,469,532	4,785,039
Seed rack	8,452	17,962
	3,648,858	5,103,796
<b>LILLIAN GOLDMAN VISITORS CENTER SALES</b>		
Books	17,750	16,134
Products	96,306	87,522
Seeds	100,680	87,909
Transplants	47,270	4,161
Garlic	1,017	
Potatoes		350
	263,023	196,076
Livestock, hay and grain sales	32,541	20,944
Total sale of merchandise	\$ 3,944,422	\$ 5,320,816

See Independent Auditor's Report.



SEED SAVERS EXCHANGE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION

PROGRAM SERVICE EXPENSES

Year Ended October 31, 2023

	Membership	Genetic Preservation Projects							
	Seed Savers				Tissue	Education	General and		Community
Year Ended October 31, 2023	Exchange, Inc.	Garden	Orchard	Livestock	Culture	Outreach	Evaluation	Seed Lab	Seed
					Club				Resource
<b>Compensation and related expenses:</b>									
Salaries and wages	\$ 48,839	\$ 127,229	\$ 76,106	\$ 33,223	\$ 33,089	\$ 40,825	\$ 303,512	\$ 110,668	
Payroll taxes	3,736	9,586	5,541	2,511	2,414	3,029	22,674	8,353	
Retirement		108	399	10		876	5,588	1,794	
Employee benefits		5,860	9,200		2,220	4,600	19,890	9,200	
Subtotal	52,575	142,783	91,246	35,744	37,723	49,330	351,664	130,015	\$ -
<b>Bank charges and marketing fees</b>									
Contract labor			8,510	15,548	150	510	13,125		
<b>Facilities:</b>									
Rent			665		570				
Repairs and maintenance		2,195	1,253	10,610			17,995		
Telephone, taxes and licenses									
Postage	24,826					2,903	8,925		
<b>Professional fees:</b>									
Consultants and conferences						95	589		
<b>Program:</b>									
Advertising and promotion									
Discounts									
Cost of goods sold							2,559		
Complimentary gifts	457					83	125		
Printing	44,203					443	10,409		
Germination testing									
Shipping, handling and damages	147		178				1,770	658	1,673
Veterinary and feed expense				9,814					
Staff development		363	282			1,393	150		
<b>Subscriptions and dues</b>									
Supplies	1,975	5,527	5,833	11,290	4,699	18,840	6,356	1,183	59
Office expense						732	372		
Travel, lodging and trade shows			380			3,785	5,698	793	
Meals and entertainment		73		155	28	1,001	1,659	110	
Less overhead applied to FG									
Fuel and miscellaneous			709	2,418			2,605		
Total expenses	\$ 124,183	\$ 150,941	\$ 109,056	\$ 85,579	\$ 43,170	\$ 79,115	\$ 424,001	\$ 132,759	\$ 1,732
See Independent Auditor's Report.									

## SEED SAVERS EXCHANGE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION (Continued)

## PROGRAM SERVICE EXPENSES

Year Ended October 31, 2023

	Conferences	Merchandise and Catalog							
	Annual	Catalog		Seed Rack				Garden-Seed	Garden-
Year Ended October 31, 2023	Convention	and Marketing	Seeds	Seeds	Seed Rack	SSE Books	Products	House	Garlic
<b>Compensation and related expenses:</b>									
Salaries and wages	\$ 11,374	\$ 195,388	\$ 441,682	\$ 41,369				\$ 50,215	
Payroll taxes	837	14,159	33,014	3,023				3,497	
Retirement	307	4,788	3,361					49	
Employee benefits		13,800	12,850	4,600				4,600	
Subtotal	12,518	228,135	490,907	48,992	\$ -	\$ -	\$ -	58,361	\$ -
Bank charges and marketing fees			144,735						
Contract labor		4,081							
<b>Facilities:</b>									
Rent			570						
Repairs and maintenance			12,215						
Telephone, taxes and licenses			4,000						
Postage		134,354	2						
<b>Professional fees:</b>									
Consultants and conferences	3,600	165							
<b>Program:</b>									
Advertising and promotion	225	475,582	31,913	2,415					
Discounts			41,845						
Cost of goods sold			195,823	82,808	9,645	88,210	44,727	3,235	
Complimentary gifts	84	339	486						
Printing		225,697		256					
Germination testing			21,586						
Shipping, handling and damages		912	361,811	274		436	150	48	
Veterinary and feed expense									
Staff development		23							
Subscriptions and dues		223							
Supplies		579	40,778		421			4,287	
Office expense		557	1,086						
Travel, lodging and trade shows	11	578	88	4,791					
Meals and entertainment	356	312	360	477				40	
Less overhead applied to FG								(2,029)	
Fuel and miscellaneous			5,249					3,091	
Total expenses	\$ 16,794	\$ 1,071,537	\$ 1,353,454	\$ 140,013	\$ 10,066	\$ 88,646	\$ 44,877	\$ 67,033	\$ -
See Independent Auditor's Report.									

## SEED SAVERS EXCHANGE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION (Continued)

## PROGRAM SERVICE EXPENSES

Year Ended October 31, 2023

	Merchandise and Catalog (Continued)							Total
Year Ended October 31, 2023	Garden-Potatoes	Eating Beans	Data Entry	Visitor Center	Mail Room	Scions	Transplants	Program Services
Compensation and related expenses:								
Salaries and wages			\$ 92,718	\$ 81,125	\$ 117,951			\$ 1,805,313
Payroll taxes			6,919	6,188	8,837			134,318
Retirement			1,946	7	459			19,692
Employee benefits			4,600	8,990				100,410
Subtotal	\$ -	\$ -	106,183	96,310	127,247	\$ -	\$ -	2,059,733
Bank charges and marketing fees				7,541				152,276
Contract labor								41,924
Facilities:								
Rent				1,400				3,205
Repairs and maintenance				1,326				45,594
Telephone, taxes and licenses								4,000
Postage								171,010
Professional fees:								
Consultants and conferences								4,449
Program:								
Advertising and promotion								510,135
Discounts				11,410				53,255
Cost of goods sold				108,065				535,072
Complimentary gifts				333				1,907
Printing								281,008
Germination testing								21,586
Shipping, handling and damages				31				368,088
Veterinary and feed expense								9,814
Staff development								2,211
Subscriptions and dues								223
Supplies				3,906	8,042		790	114,565
Office expense								2,747
Travel, lodging and trade shows				223				16,347
Meals and entertainment								4,571
Less overhead applied to FG								(2,029)
Fuel and miscellaneous					519			14,591
Total expenses	\$ -	\$ -	\$ 106,183	\$ 230,545	\$ 135,808	\$ -	\$ 790	\$ 4,416,282
See Independent Auditor's Report.								

## SEED SAVERS EXCHANGE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION

## PROGRAM SERVICE EXPENSES

Year Ended October 31, 2022

	Membership	Genetic Preservation Projects							
	Seed Savers				Tissue	Education	General and		Community
Year Ended October 31, 2022	Exchange, Inc.	Garden	Orchard	Livestock	Culture	Outreach	Evaluation	Seed Lab	Seed
					Club			Resource	
<b>Compensation and related expenses:</b>									
Salaries and wages	\$ 60,833	\$ 91,725	\$ 41,482	\$ 15,695	\$ 27,109	\$ 84,976	\$ 215,028	\$ 53,544	
Payroll taxes	4,610	6,612	3,094	1,188	2,068	6,087	15,488	4,089	
Retirement	504	2,099	481		39	1,332	4,106	117	
Employee benefits		9,100	5,750		1,800	6,200	22,500		
Subtotal	65,947	109,536	50,807	16,883	31,016	98,595	257,122	57,750	\$ -
<b>Bank charges and marketing fees</b>									
Contract labor			10,175	12,560		1,864	28,775		
<b>Facilities:</b>									
Rent			584	330	168				
Repairs and maintenance		7,114	350	16,980			11,607		
Telephone, taxes and licenses									
Postage	11,560					6,046	317		
<b>Professional fees:</b>									
Consultants and conferences						2,817	400		
<b>Program:</b>									
Advertising and promotion									
Discounts									
Cost of goods sold							2,454		
Complimentary gifts	211					730	21		
Printing	33,506					10,221	852		
Germination testing								1,181	
Shipping, handling and damages	2,187	17	44			1,384	967	584	589
Veterinary and feed expense				8,894					
Staff development		150				520		700	
Supplies	772	7,761	6,789	3,589	1,057	18,569	5,189	368	59
Office expense						1,089	545		
Travel, lodging and trade shows		136				2,734	7,234	729	
Meals and entertainment		46	109			1,120	4,057	253	
Less overhead applied to FG		(39,314)							
Fuel and miscellaneous			634	3,543			1,448		
Total expenses	\$ 114,183	\$ 85,446	\$ 69,492	\$ 62,779	\$ 32,241	\$ 145,689	\$ 320,988	\$ 61,565	\$ 648
See Independent Auditor's Report.									

## SEED SAVERS EXCHANGE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION (Continued)

## PROGRAM SERVICE EXPENSES

Year Ended October 31, 2022

	Conferences	Merchandise and Catalog							
	Annual	Catalog		Seed Rack				Garden-Seed	Garden-
Year Ended October 31, 2022	Convention	and	Seeds	Seeds	Seed Rack	SSE Books	Products	House	Garlic
		Marketing							
<b>Compensation and related expenses:</b>									
Salaries and wages	\$ 12,956	\$ 174,107	\$ 366,083	\$ 25,605				\$ 49,657	
Payroll taxes	987	12,731	27,379	1,801				3,770	
Retirement		2,780	3,509	480				245	
Employee benefits		15,100	25,400	5,150				6,200	
<b>Subtotal</b>	<b>13,943</b>	<b>204,718</b>	<b>422,371</b>	<b>33,036</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>59,872</b>	<b>\$ -</b>
Bank charges and marketing fees			191,013						
Contract labor	15,120	65,172	603						
<b>Facilities:</b>									
Rent			168						
Repairs and maintenance			11,548						
Telephone, taxes and licenses			3,823						
Postage		136,507		45					
<b>Professional fees:</b>									
Consultants and conferences	1,000								
<b>Program:</b>									
Advertising and promotion		486,927	18,699	2,300					
Discounts			42,002						
Cost of goods sold			470,404	93,462	20,307	145,217	61,425		42
Complimentary gifts	95	367	694	17					
Printing		182,452							
Germination testing			24,246						
Shipping, handling and damages		635	429,860	1,615		2,031		560	
Veterinary and feed expense									
Staff development									
Supplies	88	2,010	27,237		1,929			2,739	
Office expense		872	1,417						
Travel, lodging and trade shows	3,222	262	207	7,474					
Meals and entertainment	934		626	680					
Less overhead applied to FG									
Fuel and miscellaneous			5,127					3,309	
<b>Total expenses</b>	<b>\$ 34,402</b>	<b>\$ 1,079,922</b>	<b>\$ 1,650,045</b>	<b>\$ 138,629</b>	<b>\$ 22,236</b>	<b>\$ 147,248</b>	<b>\$ 61,425</b>	<b>\$ 66,480</b>	<b>\$ 42</b>
See Independent Auditor's Report.									

## SEED SAVERS EXCHANGE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION (Continued)

## PROGRAM SERVICE EXPENSES

Year Ended October 31, 2022

	Merchandise and Catalog (Continued)							Total
Year Ended October 31, 2022	Garden-Potatoes	Eating Beans	Data Entry	Visitor Center	Mail Room	Scions	Transplants	Program Services
Compensation and related expenses:								
Salaries and wages			\$ 82,401	\$ 82,479	\$ 115,325			\$ 1,499,005
Payroll taxes			5,996	5,951	8,495			110,346
Retirement			1,914	650	532			18,788
Employee benefits			3,850	14,352	4,500			119,902
Subtotal	\$ -	\$ -	94,161	103,432	128,852	\$ -	\$ -	1,748,041
Bank charges and marketing fees				7,533				198,546
Contract labor								134,269
Facilities:								
Rent								1,250
Repairs and maintenance				1,312				48,911
Telephone, taxes and licenses								3,823
Postage								154,475
Professional fees:								
Consultants and conferences								4,217
Program:								
Advertising and promotion								507,926
Discounts				8,924				50,926
Cost of goods sold				57,214				850,525
Complimentary gifts				195				2,330
Printing								227,031
Germination testing								25,427
Shipping, handling and damages								440,473
Veterinary and feed expense								8,894
Staff development								1,370
Supplies				2,782	30,825	25		111,788
Office expense								3,923
Travel, lodging and trade shows								21,998
Meals and entertainment								7,825
Less overhead applied to FG								(39,314)
Fuel and miscellaneous					864			14,925
Total expenses	\$ -	\$ -	\$ 94,161	\$ 181,392	\$ 160,541	\$ 25	\$ -	\$ 4,529,579
See Independent Auditor's Report.								