

**NATIVE SEEDS/SOUTHWESTERN ENDANGERED
ARIDLAND RESOURCES CLEARING HOUSE, INC.**

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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Independent Auditors' Report

Board of Directors and Management
Native Seeds/Southwestern Endangered Aridland Resources Clearing House, Inc.
Tucson, Arizona

We have audited the accompanying financial statements of Native Seeds/Southwestern Endangered Aridland Resources Clearing House, Inc. (the Organization) which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards established by the AICPA Auditing Standards Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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 the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Native Seeds/Southwestern Endangered Aridland Resources Clearing House, Inc. as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 15 and 16 is presented for the purpose 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 audit 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 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.

Beach Fleischman PC

Tucson, Arizona
March 31, 2017

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 177,857	\$ 102,405
Accounts receivable	5,203	1,918
Pledges receivable	-	655
Inventory	49,243	67,003
Promises to give	107,500	37,500
Prepaid expenses	17,934	10,729
Other current assets	<u>193</u>	<u>2,264</u>
Total current assets	357,930	222,474
Property and equipment, net	1,329,268	1,366,893
Deposits	<u>4,228</u>	<u>4,228</u>
	<u>\$ 1,691,426</u>	<u>\$ 1,593,595</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Current portion of long-term debt	\$ 11,603	\$ 10,504
Accounts payable	38,411	22,339
Accrued expenses	38,794	24,429
Deferred revenue	<u>46,095</u>	<u>54,319</u>
Total current liabilities	134,903	111,591
Long-term debt, net of current portion	<u>322,062</u>	<u>332,770</u>
	<u>456,965</u>	<u>444,361</u>
Commitments		
Net assets:		
Unrestricted:		
Undesignated	(3,817)	(120,185)
Board designated for future reserves	50,000	100,000
Invested in property and equipment	<u>995,603</u>	<u>1,023,619</u>
	1,041,786	1,003,434
Temporarily restricted	191,675	144,800
Permanently restricted	<u>1,000</u>	<u>1,000</u>
	<u>1,234,461</u>	<u>1,149,234</u>
	<u>\$ 1,691,426</u>	<u>\$ 1,593,595</u>

See notes to financial statements.

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2016

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues and support:				
Store and catalog sales, net of cost of goods sold of \$198,343	\$ 411,492	\$ -	\$ -	\$ 411,492
Grants	34,540	301,890	-	336,430
Contributions	153,231	2,040	-	155,271
Membership dues	127,730	-	-	127,730
In-kind contributions	13,903	-	-	13,903
Tuition revenue	4,985	-	-	4,985
Other revenue	6,190	-	-	6,190
Special events revenue	3,748	-	-	3,748
Interest income	2,062	-	-	2,062
Net assets released from restrictions	<u>257,055</u>	<u>(257,055)</u>	<u>-</u>	<u>-</u>
	<u>1,014,936</u>	<u>46,875</u>	<u>-</u>	<u>1,061,811</u>
Expenses:				
Program services	768,087	-	-	768,087
Administration	98,157	-	-	98,157
Fundraising and membership	<u>110,340</u>	<u>-</u>	<u>-</u>	<u>110,340</u>
	<u>976,584</u>	<u>-</u>	<u>-</u>	<u>976,584</u>
Increase in net assets	38,352	46,875	-	85,227
Net assets, beginning	<u>1,003,434</u>	<u>144,800</u>	<u>1,000</u>	<u>1,149,234</u>
Net assets, ending	<u>\$ 1,041,786</u>	<u>\$ 191,675</u>	<u>\$ 1,000</u>	<u>\$ 1,234,461</u>

See notes to financial statements.

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues and support:				
Store and catalog sales, net of cost of goods sold of \$208,283	\$ 409,522	\$ -	\$ -	\$ 409,522
Grants	79,900	175,775	-	255,675
Contributions	161,670	2,040	-	163,710
Membership dues	142,952	-	-	142,952
In-kind contributions	10,327	-	-	10,327
Tuition revenue	9,613	-	-	9,613
Other revenue	6,720	-	-	6,720
Interest income	432	-	-	432
Net assets released from restrictions	<u>126,563</u>	<u>(126,563)</u>	<u>-</u>	<u>-</u>
	<u>947,699</u>	<u>51,252</u>	<u>-</u>	<u>998,951</u>
Expenses:				
Program services	791,605	-	-	791,605
Administration	113,983	-	-	113,983
Fundraising and membership	<u>149,695</u>	<u>-</u>	<u>-</u>	<u>149,695</u>
	<u>1,055,283</u>	<u>-</u>	<u>-</u>	<u>1,055,283</u>
Increase (decrease) in net assets	(107,584)	51,252	-	(56,332)
Net assets, beginning	<u>1,111,018</u>	<u>93,548</u>	<u>1,000</u>	<u>1,205,566</u>
Net assets, ending	<u>\$ 1,003,434</u>	<u>\$ 144,800</u>	<u>\$ 1,000</u>	<u>\$ 1,149,234</u>

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 85,227	\$ (56,332)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	48,782	51,867
Loss on disposal of assets	1,025	605
Changes in operating assets and liabilities:		
Accounts receivable	(3,285)	(557)
Pledges receivable	655	4,845
Inventory	17,760	3,364
Promises to give	(70,000)	(37,500)
Prepaid expenses	(7,205)	1,214
Other current assets	2,071	(2,264)
Deposits	-	153
Accounts payable	16,072	(7,166)
Accrued expenses	14,365	(4,457)
Deferred revenue	(8,224)	3,091
Net adjustments	<u>12,016</u>	<u>13,195</u>
Net cash provided by (used in) operating activities	<u>97,243</u>	<u>(43,137)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(12,182)</u>	<u>(40,745)</u>
Net cash used in investing activities	<u>(12,182)</u>	<u>(40,745)</u>
Cash flows from financing activities:		
Principal payments on long-term debt	<u>(9,609)</u>	<u>(11,870)</u>
Net cash used in financing activities	<u>(9,609)</u>	<u>(11,870)</u>
Net increase (decrease) in cash and cash equivalents	75,452	(95,752)
Cash and cash equivalents, beginning	<u>102,405</u>	<u>198,157</u>
Cash and cash equivalents, ending	<u>\$ 177,857</u>	<u>\$ 102,405</u>

See notes to financial statements.

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

1. Description of organization and summary of significant accounting policies:

Organization:

Native Seeds/Southwestern Endangered Aridland Resources Clearing House, Inc. (Native Seeds or the Organization) was incorporated in Arizona in 1983 as a nonprofit corporation whose mission is to conserve, distribute and document the adapted and diverse varieties of agricultural crops and their wild relatives of the American Southwest and Northwest Mexico. Specifically, the goals of Native Seeds are to preserve specific genetic types, promote their use and that of their wild relatives by gathering, safeguarding and distributing their seeds to farming and gardening communities as well as working to preserve knowledge about their uses. Native Seeds' programs consist of the following:

Conservation - Conservation of rare arid lands crop seeds at the seed bank, including grow-outs at Native Seeds' farm.

Distribution - Retail seed, craft and food sales and seed donations to Native Americans; proceeds support Native Seeds' mission.

Membership and volunteers - Reaching out to the community through membership as well as volunteers.

Education - Increasing public awareness of seed stewardship through newsletters, social media, educational material, lectures, seed schools, salons and other means.

Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial statement presentation:

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

- Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

1. Description of organization and summary of significant accounting policies (continued):

Financial statement presentation (continued):

- Temporarily restricted - Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire through the passage of time.
- Permanently restricted - Net assets that are subject to donor-imposed stipulations that assets be maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the investment return of these assets on continuing operations which may be subject to certain restrictions.

Revenues and support:

Revenue is recognized when earned. Program service fees and payments under cost-reimbursement contracts received in advanced are deferred to the applicable period in which the related services are performed or expenditures are incurred.

Store and catalog sales revenue is recognized when the merchandise is sold or shipped.

The Organization sells annual memberships entitling the purchaser to discounts on retail purchases and a subscription to its quarterly newsletter. Fees for membership dues are recognized ratably and in the fiscal year to which the membership applies.

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Endowment contributions are reported as additions to permanently restricted net assets.

Support arising from donated goods and services is recognized in the financial statements at its fair value. Donated services are recognized when the services received meet one of the following criteria:

- (a) create or enhance nonfinancial assets
- (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Although the Organization utilizes the services of outside volunteers to perform a variety of tasks that assist the Organization, the fair value of all these services may not be reflected in the financial statements because the above criteria are not met.

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

1. Description of organization and summary of significant accounting policies (continued):

Cash and cash equivalents:

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents.

All cash and cash equivalents are placed with various credit institutions. At times, such amounts may be in excess of the FDIC insurance limits; however, management does not believe they are exposed to any significant credit risk on cash and cash equivalents.

Cash and cash equivalents includes \$41,991 held in a separate account for the conservation internship program per the grant award.

Inventory:

Inventory is comprised of program related merchandise held for sale in the gift shop and is stated at the lower of cost or market determined by the first-in, first-out method.

Accounts receivable:

Accounts receivable consist primarily of noninterest-bearing amounts due for educational programs. Native Seeds considers accounts over 30 days to be past due.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific doubtful accounts and the aging of accounts receivable. Receivables are written off when deemed uncollectible. The Organization has recorded allowances for doubtful accounts of \$0 at September 30, 2016 and 2015.

Promises to give:

Unconditional promises to give are recognized as revenues at their estimated net realizable value when notice of the promise is received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional. Promises to give that are collectible over future periods are discounted to their net present value. The provision for uncollectible promises to give is based on management's estimate of current economic factors, applied as a percentage to gross revenues. Promises to give are periodically reviewed for collectibility and written off to the provision at the time of such determination. Promises to give are considered fully collectible by management; therefore, no allowance for doubtful promises to give has been provided.

Property and equipment:

Property and equipment are stated at cost except for donated equipment, which is recorded at its fair market value at the date of gift. Property and equipment with a value of greater than or equal to \$1,000 and a useful life of more than one year is capitalized. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets.

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

1. Description of organization and summary of significant accounting policies (continued):

Functional expenses:

Expenses that can be identified with a specific program are charged directly to the program according to their natural expense classification. Costs incurred that share a common purpose are allocated to programs. Allocation bases include employee count, salary expenses, square footage and other operating expenses.

Advertising:

Advertising costs are expensed as incurred. Total advertising expense was \$5,013 and \$13,315 for 2016 and 2015.

Tax exempt status:

The Organization is exempt from income taxes under both federal (Internal Revenue Code Section 501(c)(3)) and Arizona income tax laws, and is classified as other than a private foundation. Accordingly, no provision for federal and state income taxes is made. Income from certain activities not directly related to the Organization's tax-exempt purpose, however, may be subject to taxation as unrelated business taxable income (UBTI).

GAAP requires management to perform an evaluation of all tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. This evaluation is required to be performed for all open tax years, as defined by the various statutes of limitations, for federal and state purposes.

The Organization is only subject to income taxes on UBTI as applicable. As a result, the Organization is required to file informational returns for federal and state purposes and, if it has UBTI, federal and state income tax returns. Management has performed its evaluation of tax positions taken on all open tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard.

From time to time, the Organization may be subject to penalties and interest assessed by various taxing authorities, which are classified as administration expenses if they occur.

Subsequent events:

The Organization's management has evaluated the events that have occurred subsequent to September 30, 2016 through March 31, 2017, the date that the financial statements were available to be issued. Management has no responsibility to update these financial statements for events and circumstances occurring after this date.

2. Promises to give:

Promises to give consist of two pledges which are expected to be collected in less than one year.

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

3. Property and equipment:

	<u>2016</u>	<u>2015</u>
Land	\$ 77,855	\$ 77,855
Building	1,433,222	1,429,540
Equipment	386,471	380,297
Leasehold improvements	<u>11,263</u>	<u>11,263</u>
	1,908,811	1,898,955
Less accumulated depreciation	<u>579,543</u>	<u>532,062</u>
	<u>\$ 1,329,268</u>	<u>\$ 1,366,893</u>

4. Deferred revenue:

	<u>2016</u>	<u>2015</u>
Deferred memberships	\$ 38,327	\$ 41,646
Deferred tuition	160	1,310
Other	100	5,100
Unredeemed gift certificates	<u>7,508</u>	<u>6,263</u>
	<u>\$ 46,095</u>	<u>\$ 54,319</u>

5. Long-term debt:

	<u>2016</u>	<u>2015</u>
Note payable, National Bank of Arizona, payable in monthly installments of \$2,344 including interest at 5.2% through May 2025, at which time a balloon payment of \$220,500 is due. Secured by real property.	\$ 333,665	\$ 343,274
Less current portion	<u>11,603</u>	<u>10,504</u>
	<u>\$ 322,062</u>	<u>\$ 332,770</u>

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

5. Long-term debt: (continued):

Future maturities of long-term debt are as follows:

Year ending September 30,	
2017	\$ 11,063
2018	11,652
2019	12,273
2020	12,926
2021	13,615
Thereafter	<u>272,136</u>
	<u>\$ 333,665</u>

6. Temporarily restricted net assets:

	2016			
	Beginning balance	Contributions/ increases	Releases/ appropriations	Ending balance
Purpose restrictions:				
Capacity building for resilience	\$ -	\$ 200,000	\$ (94,821)	\$ 105,179
Seed expression	8,047	-	(8,047)	-
Crop diversity	70,811	-	(54,362)	16,449
Bean trials	12,775	-	-	12,775
Seed distribution	50,000	-	(50,000)	-
Education programs	2,512	-	(2,512)	-
Conservation internship	-	98,930	(41,658)	57,272
Time restrictions	<u>655</u>	<u>5,000</u>	<u>(5,655)</u>	<u>-</u>
	<u>\$ 144,800</u>	<u>\$ 303,930</u>	<u>\$ (257,055)</u>	<u>\$ 191,675</u>

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

6. Temporarily restricted net assets (continued):

	2015			
	Beginning balance	Contributions/ increases	Releases/ appropriations	Ending balance
Purpose restrictions:				
Conserve heritage seeds	\$ 75,048	\$ -	\$ (75,048)	\$ -
Seed expression	10,000	-	(1,953)	8,047
Enhancing flavor and food security	8,000	-	(8,000)	-
Dr. Scholl Foundation	-	5,000	(5,000)	-
Crop diversity	-	75,000	(4,189)	70,811
Bean trials	-	12,775	-	12,775
The Left Tilt Fund	-	5,000	(5,000)	-
Seed distribution	-	50,000	-	50,000
Education programs	-	25,000	(22,488)	2,512
Spader	-	1,000	(1,000)	-
Greenhouse purchase	-	2,000	(2,000)	-
Time restrictions	500	2,040	(1,885)	655
	<u>\$ 93,548</u>	<u>\$ 177,815</u>	<u>\$ (126,563)</u>	<u>\$ 144,800</u>

7. Permanently restricted net assets:

At September 30, 2016 and 2015, permanently restricted net assets consist of \$1,000 received to start an endowment.

8. Operating leases:

Native Seeds leases retail space and equipment under various noncancelable operating leases that expire at various dates through February 2019. Lease expense for retail space and equipment for the years ended September 30, 2016 and 2015 was \$51,074 and \$52,221.

Future minimum lease payments under operating leases are as follows:

Year ending <u>September 30,</u>	
2017	\$ 43,791
2018	45,086
2019	<u>19,015</u>
	<u>\$ 107,892</u>

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

9. Statement of cash flows:

Supplemental disclosure of cash flow information:

Cash paid for interest during 2016 and 2015 was \$18,515 and \$19,923.

Noncash investing and financing information:

During 2015, Native Seeds refinanced a long-term note payable in the amount of \$347,000.

10. Concentrations:

For the year ended September 30, 2016, one agency comprised 19% of total revenue and 93% of the promises to give at September 30, 2016.

11. Related party transactions:

During 2016 and 2015, Native Seeds purchased inventory in the amount of \$5,707 and \$4,276 from a company owned by a board member. Native Seeds also purchased inventory in the amount of \$6,332 and \$8,130 from another company owned by another board member during 2016 and 2015.

During 2016 and 2015, the Organization paid \$5,000 and \$3,400 for advertising in a magazine publication owned by a board member.

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2016

	Program services				Total program services	Supporting services			Total expenses
	Conservation	Distribution	Volunteers	Education		Administration	Fundraising and membership	Total supporting services	
Salaries	\$ 140,520	\$ 184,417	\$ 1,737	\$ 33,091	\$ 359,765	\$ 51,447	\$ 39,651	\$ 91,098	\$ 450,863
Payroll taxes and employee benefits	27,204	30,657	389	3,927	62,177	12,745	8,470	21,215	83,392
	<u>167,724</u>	<u>215,074</u>	<u>2,126</u>	<u>37,018</u>	<u>421,942</u>	<u>64,192</u>	<u>48,121</u>	<u>112,313</u>	<u>534,255</u>
Advertising	400	1,850	-	468	2,718	-	2,295	2,295	5,013
Depreciation	29,298	4,322	-	6,303	39,923	3,917	4,942	8,859	48,782
Dues and subscriptions	-	133	-	48	181	5	88	93	274
In-kind	1,878	6,996	-	506	9,380	1,366	3,157	4,523	13,903
Insurance	8,851	6,856	617	2,000	18,324	2,280	5,202	7,482	25,806
Interest	8,724	1,853	-	2,763	13,340	1,852	3,323	5,175	18,515
Miscellaneous	38	15,192	-	-	15,230	1,849	1,667	3,516	18,746
Office	22,431	10,762	11	6,148	39,352	2,373	706	3,079	42,431
Postage and printing	4,338	33,046	-	2,862	40,246	675	14,024	14,699	54,945
Professional fees	11,083	12,853	360	21,651	45,947	14,502	20,307	34,809	80,756
Rent	5,085	43,283	-	934	49,302	651	1,121	1,772	51,074
Repairs and maintenance	12,083	3,114	-	876	16,073	1,295	1,752	3,047	19,120
Taxes and licenses	237	2,472	-	-	2,709	385	165	550	3,259
Telephone and utilities	17,620	17,494	-	2,757	37,871	1,841	3,308	5,149	43,020
Training and development	2,477	800	200	500	3,977	-	-	-	3,977
Travel	4,718	542	27	6,285	11,572	974	162	1,136	12,708
	<u>\$ 296,985</u>	<u>\$ 376,642</u>	<u>\$ 3,341</u>	<u>\$ 91,119</u>	<u>\$ 768,087</u>	<u>\$ 98,157</u>	<u>\$ 110,340</u>	<u>\$ 208,497</u>	<u>\$ 976,584</u>

NATIVE SEEDS/SOUTHWESTERN ENDANGERED ARIDLAND RESOURCES CLEARING HOUSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2015

	Program services				Total program services	Supporting services			Total expenses
	Conservation	Distribution	Volunteers	Education		Administration	Fundraising and membership	Total supporting services	
Salaries	\$ 188,536	\$ 186,075	\$ 1,496	\$ 38,013	\$ 414,120	\$ 62,280	\$ 65,203	\$ 127,483	\$ 541,603
Payroll taxes and employee benefits	28,931	27,791	566	5,083	62,371	6,269	5,672	11,941	74,312
	<u>217,467</u>	<u>213,866</u>	<u>2,062</u>	<u>43,096</u>	<u>476,491</u>	<u>68,549</u>	<u>70,875</u>	<u>139,424</u>	<u>615,915</u>
Advertising	-	4,572	30	-	4,602	-	8,713	8,713	13,315
Depreciation	31,152	4,595	-	6,701	42,448	4,165	5,254	9,419	51,867
Dues and subscriptions	775	-	-	-	775	79	1,009	1,088	1,863
In-kind	1,439	5,492	-	86	7,017	779	2,531	3,310	10,327
Insurance	10,548	6,485	97	416	17,546	2,428	7,490	9,918	27,464
Interest	9,381	1,992	-	2,983	14,356	1,992	3,575	5,567	19,923
Miscellaneous	101	17,637	-	13	17,751	6,542	1,519	8,061	25,812
Office	23,549	2,438	95	1,015	27,097	3,086	799	3,885	30,982
Postage and printing	8,076	13,287	2	462	21,827	4,083	30,488	34,571	56,398
Professional fees	15,728	19,241	210	4,831	40,010	13,668	10,789	24,457	64,467
Rent	3,689	45,597	-	1,062	50,348	598	1,275	1,873	52,221
Repairs and maintenance	11,097	1,559	-	1,115	13,771	875	1,182	2,057	15,828
Taxes and licenses	597	440	-	56	1,093	147	68	215	1,308
Telephone and utilities	14,228	15,898	-	2,674	32,800	2,100	3,218	5,318	38,118
Training and development	9,745	-	-	-	9,745	2,875	-	2,875	12,620
Travel	11,555	337	35	2,001	13,928	2,017	910	2,927	16,855
	<u>\$ 369,127</u>	<u>\$ 353,436</u>	<u>\$ 2,531</u>	<u>\$ 66,511</u>	<u>\$ 791,605</u>	<u>\$ 113,983</u>	<u>\$ 149,695</u>	<u>\$ 263,678</u>	<u>\$ 1,055,283</u>