

SEED SAVERS EXCHANGE, INC.

FINANCIAL REPORT

OCTOBER 31, 2021

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses 2021	5
Statements of Functional Expenses 2020	6
Statements of Cash Flows	7
Notes to Financial Statements	8-18
SUPPLEMENTARY INFORMATION	
Statements of Activities Information	19
Statements of Functional Expenses Information 2021	20-22
Statements of Functional Expenses Information 2020	23-25



Hacker Nelson & Co., CPAs

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

Report on the Financial Statements

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, 2021 and 2020, and the related statements of activities, functional expenses 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.

Auditor's 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. 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 auditor's 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 Seed Savers Exchange, Inc. as of October 31, 2021 and 2020, 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.

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 19 through 25 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.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
April 11, 2022

SEED SAVERS EXCHANGE, INC.
STATEMENTS OF FINANCIAL POSITION
October 31, 2021 and 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,257,126	\$ 3,262,003
Investments	601,791	477,351
Accounts receivable, net of allowance for doubtful accounts: 2021 \$831; 2020 \$16,152	71,235	95,217
Prepaid expenses	133,258	128,881
Inventory	1,514,435	1,196,309
Total current assets	6,577,845	5,159,761
NONCURRENT ASSETS		
Investments	72,529	72,199
FIXED ASSETS AND EXHIBITS, net, at cost	3,021,930	2,927,044
OTHER ASSETS		
Book publishing costs	126,137	181,828
Total assets	\$ 9,798,441	\$ 8,340,832
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 115,152	\$ 79,182
Accrued expenses	24,363	36,536
Customer deposits, gift certificates and credit memos	229,530	147,774
Accrued wages	211,895	209,707
Accrued interest	2,381	2,381
Unrelated business income tax payable	106,128	72,738
Deferred support and revenue	84,465	82,508
Current maturities of long-term debt	17,852	302,300
Total current liabilities	789,385	933,126
NONCURRENT LIABILITIES		
Deferred support and revenue	128,193	120,239
Long-term debt, net of current maturities	127,323	292,199
Total noncurrent liabilities	255,516	412,438
Total liabilities	1,044,901	1,345,564
NET ASSETS		
Without donor restrictions	8,541,322	6,763,766
With donor restrictions	212,218	231,502
Total net assets	8,753,540	6,995,268
Total liabilities and net assets	\$ 9,798,441	\$ 8,340,832

See Notes to Financial Statements.

SEED SAVERS EXCHANGE, INC.
STATEMENTS OF ACTIVITIES
Years Ended October 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Conference	\$ 9,640		\$ 9,640	\$ 6,275		\$ 6,275
Contributions:						
Corporations	516,915		516,915	514,679		514,679
General	512,947		512,947	470,413		470,413
Bequests	139,663		139,663			-
Foundation grants	201,090	\$ 145,858	346,948	349,759	\$ 160,091	509,850
Government grants	295,456		295,456			-
Investment income	132,952		132,952	41,960		41,960
Memberships	369,666		369,666	300,465		300,465
Fundraisers and sponsorships	66,609		66,609	75,620		75,620
Rental income	11,616		11,616	12,163		12,163
Sale of merchandise	5,179,508		5,179,508	4,604,778		4,604,778
Shipping and handling	473,827		473,827	487,000		487,000
Paycheck Protection Program loan forgiveness	434,716		434,716			-
Miscellaneous income	30,807		30,807	45,654		45,654
Net assets released from restrictions	165,142	(165,142)	-	80,009	(80,009)	-
Total support and revenue	8,540,554	(19,284)	8,521,270	6,988,775	80,082	7,068,857
EXPENSE						
Program services	4,735,915		4,735,915	4,381,318		4,381,318
General and administrative	1,534,917		1,534,917	1,377,936		1,377,936
Facilities	283,903		283,903	245,742		245,742
Fundraising	208,234		208,234	179,471		179,471
Total expenses	6,762,969	-	6,762,969	6,184,467	-	6,184,467
Change in net assets	1,777,585	(19,284)	1,758,301	804,308	80,082	884,390
CHANGE IN NET ASSETS RELATED TO COLLECTION						
Items not capitalized:						
Collection items purchased	29	-	29	103	-	103
Change in net assets	1,777,556	(19,284)	1,758,272	804,205	80,082	884,287
NET ASSETS, beginning of year	6,763,766	231,502	6,995,268	5,959,561	151,420	6,110,981
NET ASSETS, end of year	\$ 8,541,322	\$ 212,218	\$ 8,753,540	\$ 6,763,766	\$ 231,502	\$ 6,995,268

See Notes to Financial Statements.

SEED SAVERS EXCHANGE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended October 31, 2021

	Program Services					Supporting Services				
	Membership	Genetic	Conferences	Merchandise and Catalog	Total	General and Administrative	Facilities	Fundraising and Special Events	Total	Total Expenses
		Preservation Projects			Program Services				Supporting Services	
Compensation and related expenses:										
Salaries and wages	\$ 60,466	\$ 664,587	\$ 6,432	\$ 977,161	\$ 1,708,646	\$ 375,951	\$ 115,274	\$ 114,923	\$ 606,148	\$ 2,314,794
Payroll taxes	4,582	48,990	481	70,474	124,527	27,295	8,670	8,499	44,464	168,991
Retirement		14,193		13,751	27,944	10,617	2,465	781	13,863	41,807
Employee benefits		64,100		82,900	147,000	40,612	11,800	4,800	57,212	204,212
Subtotal	65,048	791,870	6,913	1,144,286	2,008,117	454,475	138,209	129,003	721,687	2,729,804
Bank charges and marketing fees				193,816	193,816	3,448		13,103	16,551	210,367
Interest					-	6,820			6,820	6,820
Contract labor		46,629		51,208	97,837	92,433	25,845		118,278	216,115
Depreciation					-	242,205			242,205	242,205
Facilities:										
Property taxes					-		13,067		13,067	13,067
Rent		1,702		888	2,590		858	300	1,158	3,748
Repairs and maintenance		35,786		12,628	48,414	1,779	6,269		8,048	56,462
Telephone, taxes and licenses				11,805	11,805		2,169		2,169	13,974
Utilities					-		61,701		61,701	61,701
Insurance					-	99,260			99,260	99,260
Postage	22,604	11,350		122,207	156,161	870		12,845	13,715	169,876
Professional fees:										
Accounting fees					-	19,100			19,100	19,100
Consultants and conferences		1,950	1,425		3,375	16,370			16,370	19,745
Legal fees					-	21,923			21,923	21,923
Program:										
Advertising and promotion				516,821	516,821	4,560			4,560	521,381
Discounts	3,483			58,134	61,617				-	61,617
Cost of goods sold		1,692		780,912	782,604				-	782,604
Complimentary gifts		1,082	50	988	2,120	1,129		926	2,055	4,175
Printing	27,330	6,504		170,056	203,890			25,940	25,940	229,830
Germination testing		42		25,607	25,649				-	25,649
Shipping, handling and damages	1,039	5,349		460,183	466,571	631	409	1,482	2,522	469,093
Veterinary and feed expense		6,289			6,289				-	6,289
Staff development		4,339		152	4,491	12,079	90	115	12,284	16,775
Subscriptions and dues	675				675	4,045		11,639	15,684	16,359
Supplies	2,132	70,799		88,952	161,883	348,937	32,657	12,712	394,306	556,189
Office expense		1,165		1,876	3,041	1,078	204		1,282	4,323
Travel, lodging and trade shows		806			806	6,543	70		6,613	7,419
Meals and entertainment		2,491	315	103	2,909	2,473		169	2,642	5,551
Unrelated business income tax					-	180,128			180,128	180,128
Less overhead applied to FG		(1,184)		(40,521)	(41,705)				-	(41,705)
Fuel and miscellaneous		5,338		10,801	16,139	14,631	2,355		16,986	33,125
Total expenses	\$ 122,311	\$ 993,999	\$ 8,703	\$ 3,610,902	\$ 4,735,915	\$ 1,534,917	\$ 283,903	\$ 208,234	\$ 2,027,054	\$ 6,762,969
See Notes to Financial Statements.										

SEED SAVERS EXCHANGE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended October 31, 2020

	Program Services					Supporting Services				
		Genetic Preservation		Merchandise and Catalog	Total Program Services	General and Administrative	Facilities	Fundraising and Special Events	Total Supporting Services	Total Expenses
Year Ended October 31, 2020	Membership	Projects	Conferences							
Compensation and related expenses:										
Salaries and wages	\$ 41,334	\$ 548,385	\$ 4,160	\$ 869,608	\$ 1,463,487	\$ 407,260	\$ 102,866	\$ 120,407	\$ 630,533	\$ 2,094,020
Payroll taxes	3,438	40,417	318	62,413	106,586	26,769	7,609	9,077	43,455	150,041
Retirement	356	8,364		11,524	20,244	5,594	2,300	743	8,637	28,881
Employee benefits		57,800		80,700	138,500	33,727	12,250	4,800	50,777	189,277
Subtotal	45,128	654,966	4,478	1,024,245	1,728,817	473,350	125,025	135,027	733,402	2,462,219
Bank charges and marketing fees				163,264	163,264	1,401		11,646	13,047	176,311
Interest					-	11,463			11,463	11,463
Contract labor		57,783	800	42,346	100,929	105,315	16,987	750	123,052	223,981
Depreciation					-	267,002			267,002	267,002
Facilities:										
Property taxes					-		12,277		12,277	12,277
Rent		1,645		1,143	2,788		520	134	654	3,442
Repairs and maintenance		20,758		17,275	38,033	2,631	6,948		9,579	47,612
Telephone, taxes and licenses				3,476	3,476	10	1,548		1,558	5,034
Utilities					-		61,720		61,720	61,720
Insurance					-	79,114			79,114	79,114
Postage	21,298	4,841		114,696	140,835	735		7,986	8,721	149,556
Professional fees:										
Accounting fees					-	17,800			17,800	17,800
Curator		(621)			(621)				-	(621)
Consultants and conferences		4,389	800		5,189	11,179		1,700	12,879	18,068
Legal fees					-	13,016			13,016	13,016
Program:										
Advertising and promotion		230		517,045	517,275	1,189			1,189	518,464
Discounts				50,672	50,672				-	50,672
Cost of goods sold		1,775		791,356	793,131				-	793,131
Complimentary gifts		279		1,148	1,427	553		862	1,415	2,842
Printing	30,674	10,191		168,238	209,103			14,597	14,597	223,700
Germination testing		441		27,765	28,206				-	28,206
Shipping, handling and damages		3,286		470,825	474,111	800	273	(19)	1,054	475,165
Veterinary and feed expense		6,031			6,031				-	6,031
Staff development		564		76	640	6,389	117	668	7,174	7,814
Subscriptions and dues	387				387	4,161		250	4,411	4,798
Supplies	2,033	41,992	142	90,565	134,732	298,158	17,559	3,999	319,716	454,448
Office expense		1,388		1,877	3,265	1,157	231		1,388	4,653
Travel, lodging and trade shows		7,199		500	7,699	1,266	65	1,385	2,716	10,415
Meals and entertainment		1,959	127	12	2,098	59		486	545	2,643
Unrelated business income tax					-	72,738			72,738	72,738
Less overhead applied to FG		(77)		(39,543)	(39,620)				-	(39,620)
Fuel and miscellaneous		3,268		6,183	9,451	8,450	2,472		10,922	20,373
Total expenses	\$ 99,520	\$ 822,287	\$ 6,347	\$ 3,453,164	\$ 4,381,318	\$ 1,377,936	\$ 245,742	\$ 179,471	\$ 1,803,149	\$ 6,184,467
See Notes to Financial Statements.										

SEED SAVERS EXCHANGE, INC.
STATEMENTS OF CASH FLOWS
Years Ended October 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,758,272	\$ 884,287
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	242,205	267,002
Donated investments	(38,146)	(35,397)
Collection items purchased	29	103
Unrealized gain on investments	(104,972)	(19,525)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	23,982	(44,175)
(Increase) decrease in prepaid expenses	(4,377)	25,475
Decrease in publishing costs	55,691	25,000
Decrease in deferred compensation		(19,000)
Increase in inventory	(318,126)	(190,853)
Increase in deferred patronage dividend receivable	(20)	(38)
Increase in deferred revenue	91,667	27,449
Increase in accounts payable and accrued expenses	23,604	36,068
Increase in unrelated business income tax payable	33,390	72,738
	1,763,199	1,029,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(20,193)	(10,693)
Proceeds from investments	38,562	38,539
Purchase of collection items	(29)	(103)
Donated pasture road	(283,686)	
Purchase of property and equipment	(53,405)	(145,889)
	(318,751)	(118,146)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt		442,367
Payments on long-term debt	(449,325)	(24,672)
	(449,325)	417,695
Net increase in cash	995,123	1,328,683
CASH, beginning of year	3,262,003	1,933,320
CASH, end of year	\$ 4,257,126	\$ 3,262,003
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 6,820	\$ 9,082
Noncash investing and financing activities:		
Donated investments	\$ 38,146	\$ 35,397
Donated pasture road	283,686	
Paycheck Protection Program loan forgiveness	434,716	
Donated equipment		6,300
	\$ 756,548	\$ 41,697

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

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, a 716-acre property 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 19th 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, 2021 and 2020 in the amount of \$831 and \$16,152, respectively.

f. Inventory

In accordance with the 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 \$1,000 per item are 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. 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 \$180,128 and \$72,738 of unrelated business income tax for the tax years ended October 31, 2021 and 2020, 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.

i. 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 \$321,832 and \$41,697 for the years ended October 31, 2021 and 2020, respectively.

j. Deferred Revenue

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

k. 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):

l. 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.

m. 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.

n. 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.

o. 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, 2021 and 2020, advertising costs totaled \$521,381 and \$518,464, respectively.

p. Recent Accounting Pronouncements

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an organization to recognize 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 new standard is effective for SSE's year ended October 31, 2021. The adoption of the new standard was implemented and did not have a material effect on the organization's financial position, results of operations or cash flows.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lease assets and liabilities to be recorded on the statements of financial position. Certain qualitative and quantitative disclosures are required, as well as a retrospective recognition and measurement of impacted leases. The new standard is effective for SSE's year ending October 31, 2023. The organization is currently evaluating the effect that implementation of the new standard will have on its financial statements and disclosures.

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, 2021 and 2020, cash in the amount of \$2,639,145 and \$1,734,999 was not insured by the FDIC, respectively.

NOTES TO FINANCIAL STATEMENTS

4. **Investments**

Investments as of October 31, 2021 and 2020 are carried at fair value and consisted of the following:

	2021		2020	
	Cost	Fair Value (Level 1)	Cost	Fair Value (Level 1)
Investments whose use is limited:				
Mutual funds:				
Bond funds	\$ 151,852	\$ 160,008	\$ 143,805	\$ 154,972
Equity funds	252,657	441,783	241,142	322,379
Total	\$ 404,509	\$ 601,791	\$ 384,947	\$ 477,351

Fair value of assets measured on a recurring basis at October 31, 2021 and 2020 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	\$ 384,947	\$ 477,351	\$ 92,404
Increase in unrealized gain on investments			104,878
Balance, end of period	\$ 404,509	\$ 601,791	\$ 197,282

Long-term investments at October 31, 2021 and 2020 are carried at cost and are composed of the following:

	2021	2020
Certificates of deposit	\$ 70,807	\$ 70,497
Deferred patronage dividend:		
Farmers Winneshiek Coop	1,722	1,702
Total	\$ 72,529	\$ 72,199

NOTES TO FINANCIAL STATEMENTS

5. Inventory

Inventory consisted of the following for years ended October 31, 2021 and 2020:

	2021	2020
Books:		
SSE	\$ 55,032	\$ 44,479
Chelsea Green (distributor)	39,893	34,059
	94,925	78,538
Merchandise	148,717	151,809
Seed	1,195,599	918,342
Seed spoilage valuation	(58,192)	(58,192)
Supplies	58,459	43,431
Seed packets, empty	74,927	62,381
	1,419,510	1,117,771
Total	\$ 1,514,435	\$ 1,196,309

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. During the years ended October 31, 2021 and 2020, purchases of artifacts totaled \$29 and \$103, respectively.

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, 2021 and 2020:

	2021	2020
Land	\$ 1,159,136	\$ 875,450
Buildings and improvements	3,628,360	3,616,177
Machinery	342,017	309,990
Equipment	2,617,850	2,612,613
Construction in progress	3,958	
	7,751,321	7,414,230
Less accumulated depreciation	(4,729,391)	(4,487,186)
	\$ 3,021,930	\$ 2,927,044
Net	\$ 3,021,930	\$ 2,927,044

NOTES TO FINANCIAL STATEMENTS

7. **Fixed Assets (Continued)**

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. The balance of construction in progress was made up of the following as of October 31, 2021 and 2020:

	2021	2020
Greenhouse	<u>\$ 3,958</u>	<u>\$ -</u>

No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into service.

Depreciation expense for the years ended October 31, 2021 and 2020 was \$242,205 and \$267,002, respectively.

8. **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.

9. **Lease Obligations**

SSE enters into various operating lease arrangements for office equipment. SSE has lease arrangements as follows:

- November 2016 through November 2021 at \$2,096 per month.
- August 2018 through November 2023 at \$298 per month.
- September 2020 through November 2025 at \$219 per month.
- September 2021 through September 2025 at \$1,762 per month.
- October 2021 through January 2027 at \$170 per month.

SSE also engages in short-term leases as needed. Lease expense for the years ended October 31, 2021 and 2020 was \$32,869 and \$28,682, respectively.

Future minimum lease payments during the years following October 31, 2021 are as follows:

Year Ending October 31,	Amount
2022	\$ 29,390
2023	29,464
2024	28,005
2025	30,120
Total	\$ 116,979

NOTES TO FINANCIAL STATEMENTS

10. Notes Payable

Long-term debt consists of the following:

	Balance Due	
	Total	Current
Decorah Bank & Trust Company 4.25% note payable to Decorah Bank & Trust Company, \$1,979 monthly through April 2029, collateralized by a general business security agreement.	\$ 145,174	\$ 17,852

Future maturities of long-term debt are as follows:

Year Ending October 31,	Amount
2022	\$ 17,852
2023	18,637
2024	19,443
2025	20,310
2026	21,203
2027 and thereafter	47,729
Total	\$ 145,174

11. Deferred Revenue

The change in SSE's deferred revenue account for the years ended October 31, 2021 and 2020 are comprised of the following:

	2021	2020
Balance, beginning of period	\$ 202,747	\$ 175,298
Deferred portion of life-time memberships	7,954	5,424
Change in deferred portion of annual memberships	1,957	22,025
Balance, end of period	\$ 212,658	\$ 202,747
Deferred support and revenue:		
Current	\$ 84,465	\$ 82,508
Long-term	128,193	120,239
Book value	\$ 212,658	\$ 202,747

12. 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.

NOTES TO FINANCIAL STATEMENTS

13. **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, 2021 and 2020 were \$208,234 and \$179,471, respectively.

14. **Related Party Transactions**

Included in support and revenue for the years ended October 31, 2021 and 2020 are gross contributions of \$1,594 and \$3,980, respectively, received from SSE's officers and directors. There were no promises to give from these individuals as of October 31, 2021 and 2020.

15. **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, 2021 and 2020:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,257,126	\$ 3,262,003
Short-term investments	601,791	477,351
Accounts receivable	71,235	95,217
Total financial assets	4,930,152	3,834,571
Less amounts unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Grants	191,362	196,003
Digital Orchard Campaign	20,856	35,499
	212,218	231,502
Financial assets available to meet general expenditures over the next twelve months	\$ 4,717,934	\$ 3,603,069

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

16. Net Assets

Details of net assets at October 31, 2021 and 2020 are as follows:

	2021	2020
Net assets without donor restrictions:		
Undesignated	\$ 8,541,322	\$ 6,763,766
Net assets with donor restrictions:		
For purpose restrictions:		
Collection Project Grant	104,686	92,419
Chanticleer Foundation	3,667	
Digital Orchard Campaign	20,856	35,499
Amy Goldman Fowler Grant	21,000	50,940
Iowa Culture Affairs Cares Act		499
Blooming Prairie Grant	6,000	7,236
Marketing Lab, Development Director Search, Board Development and Recruitment, Development Software and Data Mitigation, and Shipping Room Automation	22,883	35,909
The 1772 Foundation	32,526	
MiEnergy Cooperative	500	
Tracy Dostal	100	
Susan Friedenberg's Seed Rematriation		9,000
Net assets with donor restrictions	212,218	231,502
Total net assets	\$ 8,753,540	\$ 6,995,268

17. Employee Benefit Plan

SSE adopted the non-qualified retirement plan for Diane Ott Whealy ("plan") effective December 5, 2012. The plan, intended to comply with IRS Code 457(b), was established solely for the purpose of providing a supplement co-founder retirement plan for Diane Ott Whealy, participant of plan and co-founder of SSE. \$33,000 was accrued for contributions in 2012, 2013, and 2014 for a total of \$99,000. No additional contributions by SSE are required under the plan. Participant shall receive five equal annual installments beginning on the first day of the second month following the month in which the participant incurred a separation of service. As of October 31, 2020, SSE had made all five payments of \$20,000 to the participant.

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, 2021 and 2020 was \$41,809 and \$28,881, respectively. The plan provides for a six-year graded vesting schedule for employer matching contributions as follows:

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

19. 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. As of October 31, 2021 and 2020, SSE received \$144,000 and \$145,500, respectively, 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, 2021 and 2020, SSE had no commitments to purchase seeds.

20. 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.

21. 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, 2021 and 2020.

22. Other Matter

The recent COVID-19 outbreak in the United States has disrupted SSE's operations. While the disruption is expected to be temporary, there is considerable uncertainty around the duration. Accordingly, SSE expects this matter to impact its net assets, however, the related financial impact and duration cannot be reasonably estimated at this time. SSE has applied for and received a Paycheck Protection Program loan to help it through the disruption. The loan was subsequently forgiven in full on November 2, 2020.

23. Subsequent Events

Management has evaluated subsequent events through April 11, 2022, the date these financial statements were available to be issued.

Supplementary Information

SEED SAVERS EXCHANGE, INC.
 STATEMENTS OF ACTIVITIES INFORMATION
 Years Ended October 31, 2021 and 2020

	2021	2020
CATALOG SALES		
Books	\$ 139,850	\$ 137,721
Eating beans		8,813
Products	98,373	78,733
Scions	(90)	15,953
Seeds	4,653,920	3,990,699
Transplants		10,770
Garlic	(860)	198,178
Potatoes		94,256
Seed rack	20,764	9,325
	4,911,957	4,544,448
LILLIAN GOLDMAN VISITORS CENTER SALES		
Books	19,783	2,172
Eating beans		136
Products	113,384	18,154
Seeds	87,457	9,448
Transplants	28,901	20,245
Garlic	1,299	18
Potatoes	1,327	
	252,151	50,173
Livestock, hay and grain sales	15,400	10,157
Total sale of merchandise	\$ 5,179,508	\$ 4,604,778

See Independent Auditor's Report.

SEED SAVERS EXCHANGE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION

PROGRAM SERVICE EXPENSES

Year Ended October 31, 2021

	Membership	Genetic Preservation Projects							
	Seed Savers				Tissue Culture	Education	General and		Community
Year Ended October 31, 2021	Exchange, Inc.	Garden	Orchard	Livestock	Club	Outreach	Evaluation	Seed Lab	Seed Resource
Compensation and related expenses:									
Salaries and wages	\$ 60,466	\$ 193,642	\$ 31,433	\$ 15,861	\$ 28,427	\$ 96,563	\$ 242,244	\$ 56,417	
Payroll taxes	4,582	14,346	2,332	1,200	2,174	6,987	17,691	4,260	
Retirement		5,890	580	29	131	2,179	5,384		
Employee benefits		17,600	4,800			9,600	28,900	3,200	
Subtotal	65,048	231,478	39,145	17,090	30,732	115,329	294,219	63,877	\$ -
Bank charges and marketing fees									
Contract labor			34,112	9,947		1,500	1,070		
Facilities:									
Rent			444	320	938				
Repairs and maintenance		6,248	814	18,239	150		10,335		
Telephone, taxes and licenses									
Postage	22,604					3,838	7,512		
Professional fees:									
Consultants and conferences						1,950			
Program:									
Advertising and promotion									
Discounts	3,483								
Cost of goods sold							1,692		
Complimentary gifts						669	413		
Printing	27,330					206	6,298		
Germination testing								42	
Shipping, handling and damages	1,039	2,897	20				1,252	797	383
Veterinary and feed expense				6,289					
Staff development			120			3,666	553		
Subscriptions and dues	675								
Supplies	2,132	25,525	6,106	12,692	4,487	9,820	10,195	1,732	242
Office expense						777	388		
Travel, lodging and trade shows						806			
Meals and entertainment				71		2,292	128		
Less overhead applied to FG		(1,184)							
Fuel and miscellaneous		403	428	1,532			2,975		
Total expenses	\$ 122,311	\$ 265,367	\$ 81,189	\$ 66,180	\$ 36,307	\$ 140,853	\$ 337,030	\$ 66,448	\$ 625
See Independent Auditor's Report.									

SEED SAVERS EXCHANGE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION (Continued)

PROGRAM SERVICE EXPENSES

Year Ended October 31, 2021

	Conferences	Merchandise and Catalog							
	Annual	Catalog		Seed Rack				Garden-Seed	Garden-
Year Ended October 31, 2021	Convention	and Marketing	Seeds	Seeds	Seed Rack	SSE Books	Products	House	Garlic
Compensation and related expenses:									
Salaries and wages	\$ 6,432	\$ 161,510	\$ 454,564	\$ 63,319					\$ 9,228
Payroll taxes	481	11,624	24,589	4,079				\$ 9,025	673
Retirement		3,087	4,561	851				866	48
Employee benefits		13,600	30,400	6,600				4,800	
Subtotal	6,913	189,821	514,114	74,849	\$ -	\$ -	\$ -	14,691	9,949
Bank charges and marketing fees			186,883						
Contract labor		4,626	44,826						638
Facilities:									
Rent			888						
Repairs and maintenance			10,846						
Telephone, taxes and licenses			11,805						
Postage		122,169		38					
Professional fees:									
Consultants and conferences	1,425								
Program:									
Advertising and promotion		483,207	30,764	2,850					
Discounts			43,961	855					
Cost of goods sold			333,505	93,053	19,934	110,870	51,401	1,845	80,341
Complimentary gifts	50	289	127	100					
Printing		170,056							
Germination testing			25,567						40
Shipping, handling and damages		885	448,737	474		482		140	9,188
Veterinary and feed expense									
Staff development			72						
Subscriptions and dues									
Supplies		2,221	31,490		584			19,726	1,594
Office expense		587	1,289						
Travel, lodging and trade shows									
Meals and entertainment	315		103						
Less overhead applied to FG								(40,521)	
Fuel and miscellaneous			4,975					5,368	
Total expenses	\$ 8,703	\$ 973,861	\$ 1,689,952	\$ 172,219	\$ 20,518	\$ 111,352	\$ 51,401	\$ 1,249	\$ 101,750
See Independent Auditor's Report.									

SEED SAVERS EXCHANGE, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION (Continued)
 PROGRAM SERVICE EXPENSES
 Year Ended October 31, 2021

Merchandise and Catalog (Continued)								
Year Ended October 31, 2021	Garden- Potatoes	Eating Beans	Data Entry	Visitor Center	Mail Room	Scions	Transplants	Total Program Services
Compensation and related expenses:								
Salaries and wages			\$ 75,699	\$ 89,667	\$ 123,006		\$ 168	\$ 1,708,646
Payroll taxes			5,232	6,053	9,187		12	124,527
Retirement			1,553	2,426	359			27,944
Employee benefits			9,600	16,800	1,100			147,000
Subtotal	\$ -	\$ -	92,084	114,946	133,652	\$ -	180	2,008,117
Bank charges and marketing fees				6,933				193,816
Contract labor				1,118				97,837
Facilities:								
Rent								2,590
Repairs and maintenance				1,782				48,414
Telephone, taxes and licenses								11,805
Postage								156,161
Professional fees:								
Consultants and conferences								3,375
Program:								
Advertising and promotion								516,821
Discounts				13,318				61,617
Cost of goods sold				89,204		(30)	789	782,604
Complimentary gifts			100	372				2,120
Printing								203,890
Germination testing								25,649
Shipping, handling and damages				240	37			466,571
Veterinary and feed expense								6,289
Staff development				80				4,491
Subscriptions and dues								675
Supplies				6,123	27,413		(199)	161,883
Office expense								3,041
Travel, lodging and trade shows								806
Meals and entertainment								2,909
Less overhead applied to FG								(41,705)
Fuel and miscellaneous					458			16,139
Total expenses	\$ -	\$ -	\$ 92,184	\$ 234,116	\$ 161,560	\$ (30)	\$ 770	\$ 4,735,915
See Independent Auditor's Report.								

SEED SAVERS EXCHANGE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION

PROGRAM SERVICE EXPENSES

Year Ended October 31, 2020

	Membership	Genetic Preservation Projects							
	Seed Savers				Tissue Culture	Education	General and		Community
Year Ended October 31, 2020	Exchange, Inc.	Garden	Orchard	Livestock	Club	Outreach	Evaluation	Seed Lab	Seed Resource
Compensation and related expenses:									
Salaries and wages	\$ 41,334	\$ 187,300	\$ 7,030	\$ 20,380	\$ 24,735	\$ 43,394	\$ 212,908	\$ 52,638	
Payroll taxes	3,438	13,943	519	1,487	1,889	3,084	15,514	3,981	
Retirement	356	3,180	180			155	4,849		
Employee benefits		18,000	800			4,800	29,400	4,800	
Subtotal	45,128	222,423	8,529	21,867	26,624	51,433	262,671	61,419	\$ -
Bank charges and marketing fees									
Contract labor		1,234	37,330	7,738		6,000	5,481		
Facilities:									
Rent			492	10	1,143				
Repairs and maintenance		2,108	84	8,339	1,450		8,777		
Telephone, taxes and licenses									
Postage	21,298	109				3	4,729		
Professional fees:									
Curator					(621)				
Consultants and conferences						4,389			
Program:									
Advertising and promotion						230			
Discounts									
Cost of goods sold							1,775		
Complimentary gifts						213	66		
Printing	30,674					350	9,841		
Germination testing								441	
Shipping, handling and damages		185	90				1,381	693	937
Veterinary and feed expense				6,031					
Staff development		133	232				199		
Subscriptions and dues	387								
Supplies	2,033	10,215	17,298	427	1,238	3,783	7,971	1,060	
Office expense						925	463		
Travel, lodging and trade shows			73			7,126			
Meals and entertainment		11				1,948			
Less overhead applied to FG		(77)							
Fuel and miscellaneous		360		929			1,979		
Total expenses	\$ 99,520	\$ 236,701	\$ 64,128	\$ 45,341	\$ 29,834	\$ 76,400	\$ 305,333	\$ 63,613	\$ 937
See Independent Auditor's Report.									

SEED SAVERS EXCHANGE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION (Continued)

PROGRAM SERVICE EXPENSES

Year Ended October 31, 2020

	Conferences	Merchandise and Catalog							
	Annual	Catalog		Seed Rack				Garden-Seed	Garden-
Year Ended October 31, 2020	Convention	and Marketing	Seeds	Seeds	Seed Rack	SSE Books	Products	House	Garlic
Compensation and related expenses:									
Salaries and wages	\$ 4,160	\$ 163,014	\$ 272,919	\$ 46,853		\$ 209	\$ 451	\$ 106,938	\$ 12,961
Payroll taxes	318	11,817	20,167	3,183		15	31	8,006	931
Retirement		2,787	4,528	215				675	25
Employee benefits		14,400	18,050	6,600				4,800	
Subtotal	4,478	192,018	315,664	56,851	\$ -	224	482	120,419	13,917
Bank charges and marketing fees			162,519						
Contract labor	800	19,295	23,051						
Facilities:									
Rent			1,143						
Repairs and maintenance			16,805						
Telephone, taxes and licenses			3,446						
Postage		113,950		746					
Professional fees:									
Curator									
Consultants and conferences	800								
Program:									
Advertising and promotion		481,100	35,020	925					
Discounts			45,535						
Cost of goods sold			382,052	67,241	9,833	103,791	43,064	3,210	87,450
Complimentary gifts		887	90	132					
Printing		166,986							
Germination testing			27,625						140
Shipping, handling and damages		2,860	449,309	526		783	95	704	4,096
Veterinary and feed expense									
Staff development			76						
Subscriptions and dues									
Supplies	142	562	33,625	327	1,413			12,589	3,743
Office expense		720	1,157						
Travel, lodging and trade shows		326	174						
Meals and entertainment	127							12	
Less overhead applied to FG								(34,263)	
Fuel and miscellaneous			2,585					2,824	
Total expenses	\$ 6,347	\$ 978,704	\$ 1,499,876	\$ 126,748	\$ 11,246	\$ 104,798	\$ 43,641	\$ 105,495	\$ 109,346
See Independent Auditor's Report.									

SEED SAVERS EXCHANGE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES INFORMATION (Continued)

PROGRAM SERVICE EXPENSES

Year Ended October 31, 2020

Merchandise and Catalog (Continued)								
	Garden- Potatoes	Eating Beans	Data Entry	Visitor Center	Mail Room	Scions	Transplants	Total Program Services
Year Ended October 31, 2020								
Compensation and related expenses:								
Salaries and wages	\$ 10,215		\$ 70,505	\$ 82,904	\$ 97,503	\$ 1,048	\$ 4,088	\$ 1,463,487
Payroll taxes	766		4,742	5,488	6,885	79	303	106,586
Retirement			1,494	394	1,406			20,244
Employee benefits			9,600	16,650	10,600			138,500
Subtotal	10,981	\$ -	86,341	105,436	116,394	1,127	4,391	1,728,817
Bank charges and marketing fees				745				163,264
Contract labor								100,929
Facilities:								
Rent								2,788
Repairs and maintenance				470				38,033
Telephone, taxes and licenses						30		3,476
Postage								140,835
Professional fees:								
Curator								(621)
Consultants and conferences								5,189
Program:								
Advertising and promotion								517,275
Discounts				5,137				50,672
Cost of goods sold	18,759	3,429		34,850		5,890	31,787	793,131
Complimentary gifts				39				1,427
Printing	1,252							209,103
Germination testing								28,206
Shipping, handling and damages	2,746			6	9,700			474,111
Veterinary and feed expense								6,031
Staff development								640
Subscriptions and dues								387
Supplies	2,175			5,034	21,987	807	8,303	134,732
Office expense								3,265
Travel, lodging and trade shows								7,699
Meals and entertainment								2,098
Less overhead applied to FG						(5,280)		(39,620)
Fuel and miscellaneous					774			9,451
Total expenses	\$ 35,913	\$ 3,429	\$ 86,341	\$ 151,717	\$ 148,855	\$ 2,574	\$ 44,481	\$ 4,381,318
See Independent Auditor's Report.								