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Department of the Treasury  
Internal Revenue Service

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

► The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2012 calendar year, or tax year beginning JUL 1, 2012 and ending JUN 30, 2013**

<b>B</b> <input type="checkbox"/> Check if applicable  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b>		<b>D Employer identification number</b>		
	<b>The Sonoran Institute, Inc.</b>				
	<b>Doing Business As</b>		<b>86-0684610</b>		
	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite		
	<b>44 E. Broadway Blvd, Suite 350</b>				
	City, town, or post office, state, and ZIP code		<b>G Gross receipts \$ 3,714,064.</b>		
<b>Tucson, AZ 85701</b>					
<b>F Name and address of principal officer</b> <b>Bill Mitchell</b> <b>same as C above</b>		<b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>J Website:</b> ► <a href="http://www.sonoraninstitute.org">www.sonoraninstitute.org</a>		If "No," attach a list (see instructions)			
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		<b>H(c) Group exemption number</b> ►			
<b>L Year of formation:</b> 1990 <b>M State of legal domicile:</b> AZ					
<b>Part I Summary</b>					
<b>Activities &amp; Governance</b>  <b>EB</b>  <b>Expenses</b>  <b>Net Assets or Fund Balances</b>	1 Briefly describe the organization's mission or most significant activities: <b>The Sonoran Institute inspires and enables community decisions and public policies that respect the</b>				
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets				
	3 Number of voting members of the governing body (Part VI, line 1a)		3	19	
	4 Number of independent voting members of the governing body (Part VI, line 1b)		4	19	
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)		5	54	
	6 Total number of volunteers (estimate if necessary)		6	0	
	7a Total unrelated business revenue from Part VIII, column (C), line 12		7a	0.	
	b Net unrelated business taxable income from Form 990-T, line 34		7b	0.	
	8 Contributions and grants (Part VIII, line 1h)		Prior Year	Current Year	
	9 Program service revenue (Part VIII, line 2g)		4,522,345.	1,812,541.	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		1,285,546.	1,274,502.	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		1,546.	33,416.	
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		<20,119.>	<12,294.>	
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		5,789,318.	3,108,165.	
	14 Benefits paid to or for members (Part IX, column (A), line 4)		44,389.	219,540.	
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		0.	0.	
	16a Professional fundraising fees (Part IX, column (A), line 11e)		2,956,263.	2,624,279.	
	b Total fundraising expenses (Part IX, column (D), line 25) ► <b>232,592.</b>		0.	0.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		1,655,064.	1,469,521.	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		4,655,716.	4,313,340.		
19 Revenue less expenses Subtract line 18 from line 12		1,133,602.	<1,205,175.>		
<b>RECEIVED</b>					
84	JAN 27 2014	IRS-OSC			
Beginning of Current Year				End of Year	
20 Total assets (Part X, line 16)				4,036,106.	2,990,397.
21 Total liabilities (Part X, line 26)				811,889.	910,038.
22 Net assets or fund balances Subtract line 21 from line 20				3,224,217.	2,080,359.
<b>Part II Signature Block</b>					

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	 <u>Katie Shields</u> Signature of officer	Date <u>1/20/14</u>			
	 <u>Katie Shields, Chief Finance &amp; Admin Officer</u> Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name <u>Carla J. Keegan</u>	Preparer's signature  <u>CPA</u>	Date <u>1/20/14</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P00596839</u>
	Firm's name  <u>Keegan, Linscott &amp; Kenon, P.C.</u>			Firm's EIN  <u>86-0750225</u>	
	Firm's address  <u>33 N. Stone Avenue, Suite 1100 Tucson, AZ 85701</u>			Phone no. <u>(520) 884-0176</u>	

May the IRS discuss this return with the preparer shown above? (see instructions)

Yes  No

## Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III 1 Briefly describe the organization's mission:

The Sonoran Institute inspires and enables community decisions and public policies that respect land and people of western North America.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code       ) (Expenses \$ 523,855. including grants of \$ 15,500.) (Revenue \$ 168,493.)

Colorado River Delta Program - In the last year, 40 acres of land was restored to enhance cottonwood and mesquite habitat, 5 acres were part of a hydroseeding demonstration project to evaluate alternative revegetation techniques that utilized native tree seeds to restore cottonwood and willow habitat. The remaining 5-acres were restored with native habitat as part of a community recreation area. These restoration efforts in the Colorado River Delta laid the foundation for the signing of Minute 319 (in November 2012), a binational agreement between Mexico and the US that aims to allocate water to the Colorado River and expand restoration efforts in the Delta. Restoration initiatives will include 750 restoration acres over a 5-year period and will promote a 1200-acre nature preserve. In

4b (Code       ) (Expenses \$ 502,312. including grants of \$ 860.) (Revenue \$ 502,312.)

Lincoln Joint Venture - This program is a Joint Venture with the Lincoln Institute of Land Policy. In the past year, we participated in multiple scenario planning workshops. The goal of these workshops was to present proposed methodology, compare notes with other LILP Joint Venture partners (CBI and RPA), and to give and receive criticism on current and planned scenario activities. Our program has also conducted 30 interviews with a diverse set of experts on Intermountain West change drivers and compiled information for use in the Determinants of Change workshop, which presented an extensive list of key change drivers in the IMW, along with a set of scenario outlines. The key components were compiled into a working paper draft delivered in June 2013.

4c (Code       ) (Expenses \$ 403,377. including grants of \$ 2,500.) (Revenue \$ 65,799.)

Colorado Rockies Program - In the past year, the Colorado program has focused on a combination of training, community assistance, research, communications and outreach. Training Projects: Our training projects have focused on helping local leaders link community planning with economic development. The program has held four multi-week (typically 8) community leadership trainings that engaged 20-25 leaders from the community in a series of seminars that address important planning and development issues in the community, as well as providing tools for effective leadership and decision-making. Over the summer, the program received an award for these trainings from the Colorado branch of the American Planning Association.

Community Assistance: This year the Colorado program has been working

4d Other program services (Describe in Schedule O)

(Expenses \$ 1,694,830. including grants of \$ 200,680.) (Revenue \$ 555,577.)

4e Total program service expenses ► 3,124,374.

## Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1 <input checked="" type="checkbox"/>	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2 <input checked="" type="checkbox"/>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3 <input checked="" type="checkbox"/>	
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4 <input checked="" type="checkbox"/>	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5 <input checked="" type="checkbox"/>	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6 <input checked="" type="checkbox"/>	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7 <input checked="" type="checkbox"/>	
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8 <input checked="" type="checkbox"/>	
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9 <input checked="" type="checkbox"/>	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10 <input checked="" type="checkbox"/>	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	11a <input checked="" type="checkbox"/>	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b <input checked="" type="checkbox"/>	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	11c <input checked="" type="checkbox"/>	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	11d <input checked="" type="checkbox"/>	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e <input checked="" type="checkbox"/>	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	11f <input checked="" type="checkbox"/>	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a <input checked="" type="checkbox"/>	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b <input checked="" type="checkbox"/>	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13 <input checked="" type="checkbox"/>	
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a <input checked="" type="checkbox"/>	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b <input checked="" type="checkbox"/>	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15 <input checked="" type="checkbox"/>	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16 <input checked="" type="checkbox"/>	
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	17 <input checked="" type="checkbox"/>	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18 <input checked="" type="checkbox"/>	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19 <input checked="" type="checkbox"/>	
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a <input checked="" type="checkbox"/>	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b <input checked="" type="checkbox"/>	

## Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21 X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22 X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23 X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25	24a X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a X	
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b X	
26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26 X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III	27 X	
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a X	
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b X	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c X	
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29 X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30 X	
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31 X	
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32 X	
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33 X	
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	34 X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36 X	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37 X	
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	38 X	

**Note.** All Form 990 filers are required to complete Schedule O

Form 990 (2012)

## Part V Statements Regarding Other IRS Filings and Tax Compliance

• Check if Schedule O contains a response to any question in this Part V 

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	92
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	54
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</i>	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
	If "Yes," enter the name of the foreign country ► <u>Mexico</u>		
	See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7a	X
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	X
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
9	<b>Sponsoring organizations maintaining donor advised funds.</b>	9b	
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter.	10a	
a	Initiation fees and capital contributions included on Part VIII, line 12	10b	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	<b>Section 501(c)(12) organizations.</b> Enter:	11a	
a	Gross income from members or shareholders	11b	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	13a	
a	Is the organization licensed to issue qualified health plans in more than one state?		
	<i>Note. See the instructions for additional information the organization must report on Schedule O</i>		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions
Check if Schedule O contains a response to any question in this Part VI **Section A. Governing Body and Management**

		Yes	No
1a	19		
1b	19		
2		X	
3		X	
4		X	
5		X	
6		X	
7a		X	
7b		X	
8a	X		
8b	X		
9		X	

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code)

	Yes	No
10a		X
10b		
11a	X	
12a	X	
12b	X	
12c		X
13	X	
14	X	
15a	X	
15b		X
16a		X
16b		

**Section C. Disclosure**

17	List the states with which a copy of this Form 990 is required to be filed ► <u>AZ</u>
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply
	<input checked="" type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► <u>The Organization - 520-290-0828</u>
	<u>44 E. Broadway Blvd., Suite 350, Tucson, AZ 85701</u>

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**
 Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**
**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation

Enter 0- in columns (D), (E), and (F) if no compensation was paid

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee"

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order. individual trustees or directors, institutional trustees; officers, key employees, highest compensated employees; and former such persons

 Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(1) Phil Allsopp <u>Director</u>	1.00	X					0.	0.	0.
(2) Patsy Batchelder <u>Director</u>	1.00	X					0.	0.	0.
(3) Henri Bisson <u>COO, Director</u>	40.00	X	X				68,200.	0.	0.
(4) Andrew Downs <u>Director</u>	1.00	X					0.	0.	0.
(5) Louise Glasser <u>Director</u>	1.00	X					0.	0.	0.
(6) Ann Hunter-Welborn <u>Director</u>	1.00	X					0.	0.	0.
(7) Nyda Jones-Church <u>Treasurer</u>	1.00	X	X				0.	0.	0.
(8) Joseph Kalt <u>Member at Large</u>	1.00	X					0.	0.	0.
(9) Suzanne Lewis <u>Director</u>	1.00	X					0.	0.	0.
(10) Dennis Minano <u>Vice-Chair</u>	1.00	X	X				0.	0.	0.
(11) Bill Mitchell <u>Chair</u>	1.00	X	X				0.	0.	0.
(12) Bryan Morgan <u>Director</u>	1.00	X					0.	0.	0.
(13) Alan Nicholson <u>Member at Large</u>	1.00	X					0.	0.	0.
(14) Laurinda Oswald <u>Director</u>	1.00	X					0.	0.	0.
(15) Chris Perez <u>Director</u>	1.00	X					0.	0.	0.
(16) Louise Benz Plank <u>Director</u>	1.00	X					0.	0.	0.
(17) Buzz Thompson <u>Director</u>	1.00	X					0.	0.	0.

## Part VII

## Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(18) Martin Yenawine <u>Secretary</u>	1.00	X	X				0.	0.	0.
(19) Jane Lerner <u>Director</u>	1.00	X					0.	0.	0.
(20) Luther Propst <u>Chief Executive Officer</u>	40.00			X			121,578.	0.	0.
(21) Beth Frantz <u>Chief Finance and Accounting Officer</u>	40.00			X			79,891.	0.	0.
(22) Katherine Shields <u>Chief Finance and Accounting Officer</u>	40.00			X			67,297.	0.	0.
<b>1b Sub-total</b>							<b>336,966.</b>	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b>							<b>0.</b>	<b>0.</b>	<b>0.</b>
<b>d Total (add lines 1b and 1c)</b>							<b>336,966.</b>	<b>0.</b>	<b>0.</b>

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 2

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	X

## Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	NONE	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 0

## **Part VIII Statement of Revenue**

Check if Schedule O contains a response to any question in this Part VIII.

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>						
1 a Federated campaigns	1a					
b Membership dues	1b					
c Fundraising events	1c					
d Related organizations	1d					
e Government grants (contributions)	1e	391,943.				
f All other contributions, gifts, grants, and similar amounts not included above	1f	1,420,598.				
g Noncash contributions included in lines 1a-1f \$						
<b>h Total. Add lines 1a-1f</b>			1,812,541.			
<b>Program Service Revenue</b>		<b>Business Code</b>				
2 a <b>Contract Income</b>	900099	1,260,776.	1,260,776.			
b <b>Program Service Income</b>	900099	13,726.	13,726.			
c						
d						
e						
f All other program service revenue						
<b>g Total. Add lines 2a-2f</b>			1,274,502.			
3 Investment income (including dividends, interest, and other similar amounts)			41,304.			41,304.
4 Income from investment of tax-exempt bond proceeds						
5 Royalties						
6 a Gross rents	(i) Real	(ii) Personal				
b Less: rental expenses						
c Rental income or (loss)						
d Net rental income or (loss)						
7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
b Less cost or other basis and sales expenses	557,729.	500.				
c Gain or (loss)	565,067.	1,050.				
d Net gain or (loss)	<7,338.	<550.				
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	9,809.				
b Less direct expenses	b	39,782.				
c Net income or (loss) from fundraising events			<29,973.			<29,973.
9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b					
c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>	<b>Business Code</b>					
11 a <b>Other Income</b>	900099	18,274.	18,274.			
b <b>Loss on Exchange Rate</b>	900099	<595.	<595.			
c						
d All other revenue						
e <b>Total. Add lines 11a-11d</b>		17,679.				
<b>12 Total revenue. See instructions.</b>		3,108,165.	1,292,181.	0.	3,443.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX 

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	219,540.	219,540.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,204,917.	1,658,362.	427,248.	119,307.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	21,628.	17,105.	3,643.	880.
9 Other employee benefits	202,049.	150,553.	42,331.	9,165.
10 Payroll taxes	195,685.	150,069.	35,709.	9,907.
11 Fees for services (non-employees):				
a Management				
b Legal	23,678.		23,678.	
c Accounting	35,199.	13,359.	21,840.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	679,678.	503,047.	103,990.	72,641.
12 Advertising and promotion				
13 Office expenses	52,511.	26,540.	24,116.	1,855.
14 Information technology				
15 Royalties				
16 Occupancy	164,390.	92,367.	72,023.	
17 Travel	144,728.	113,216.	26,555.	4,957.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	72,782.	55,015.	16,316.	1,451.
20 Interest	2,928.		2,928.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	45,136.		45,136.	
23 Insurance	13,643.	3,591.	10,052.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>Bad Debt</u>	46,580.	3,685.	42,895.	
b <u>Telephone</u>	45,121.	28,728.	16,134.	259.
c <u>Printing and Photocopy</u>	31,545.	20,339.	3,766.	7,440.
d <u>Utilities</u>	19,919.	9,657.	10,262.	
e All other expenses	91,683.	59,201.	27,752.	4,730.
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>4,313,340.</b>	<b>3,124,374.</b>	<b>956,374.</b>	<b>232,592.</b>
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ►  if following SOP 98-2 (ASC 958-720)

## Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X 

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	748,178.	1	465,379.
	2 Savings and temporary cash investments	208,772.	2	170,737.
	3 Pledges and grants receivable, net	1,733,565.	3	1,007,733.
	4 Accounts receivable, net	33.	4	11,478.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	40,098.	9	9,508.
	10a Land, buildings, and equipment. cost or other basis Complete Part VI of Schedule D	357,947.		
	b Less: accumulated depreciation	263,267.	10c	94,680.
	11 Investments - publicly traded securities	990,406.	11	1,071,386.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	204,535.	15	159,496.
16 Total assets. Add lines 1 through 15 (must equal line 34)	4,036,106.	16	2,990,397.	
Liabilities	17 Accounts payable and accrued expenses	366,760.	17	305,872.
	18 Grants payable		18	
	19 Deferred revenue	415,217.	19	491,783.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	10,347.	23	103,181.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	19,565.	25	9,202.
	26 Total liabilities. Add lines 17 through 25	811,889.	26	910,038.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	301,183.	27	<9,782.>
	28 Temporarily restricted net assets	1,795,264.	28	937,304.
	29 Permanently restricted net assets	1,127,770.	29	1,152,837.
	Organizations that do not follow SFAS 117 (ASC 958), check here ► <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	3,224,217.	33	2,080,359.
	34 Total liabilities and net assets/fund balances	4,036,106.	34	2,990,397.

Form 990 (2012)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI 

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,108,165.
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,313,340.
3	Revenue less expenses Subtract line 2 from line 1	3	<1,205,175.>
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,224,217.
5	Net unrealized gains (losses) on investments	5	61,317.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,080,359.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII 

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____		
	If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	<input checked="" type="checkbox"/>
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both.		
	<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
b	Were the organization's financial statements audited by an independent accountant?	2b	<input checked="" type="checkbox"/>
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both		
	<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	<input checked="" type="checkbox"/>
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	<input checked="" type="checkbox"/>
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	

Form 990 (2012)

**SCHEDULE A**  
(Form 990 or 990-EZ)

## Public Charity Status and Public Support

Department of the Treasury  
Internal Revenue Service

**Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.**

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2012

**Open to Public  
Inspection**

**Name of the organization**

**Employer identification number**

## The Sonoran Institute, Inc.

86-0684610

**Part I** **Reason for Public Charity Status** (All organizations must complete this part) See instructions

**The organization is not a private foundation because it is:** (For lines 1 through 11, check only one box.)

1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).

2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)

3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).

4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state. \_\_\_\_\_

5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II)

6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).

7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II)

8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II)

9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III)

10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).

11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h

a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Non-functionally integrated

e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

**LHA For Paperwork Reduction Act Notice, see the Instructions for  
Form 990 or 990-EZ.**

**Schedule A (Form 990 or 990-EZ) 2012**

232021  
12-04-12

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►

	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants")	3,685,368.	3,356,720.	4,545,246.	4,501,991.	1,812,541.	17,901,866.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	3,685,368.	3,356,720.	4,545,246.	4,501,991.	1,812,541.	17,901,866.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						5,083,341.
6 Public support. Subtract line 5 from line 4						12,818,525.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►

	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4	3,685,368.	3,356,720.	4,545,246.	4,501,991.	1,812,541.	17,901,866.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	6,775.	274.	1,029.	33,390.	41,304.	82,772.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)	40,567.	5,692.			18,274.	64,533.
11 Total support. Add lines 7 through 10						18,049,171.
12 Gross receipts from related activities, etc (see instructions)				12	6,210,740.	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						► <input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	71.02	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	68.12	%
16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			► <input checked="" type="checkbox"/>
b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			► <input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			► <input type="checkbox"/>
b 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			► <input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			► <input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2012

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%
19a <b>33 1/3% support tests - 2012.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>b</b> <b>33 1/3% support tests - 2011.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		



**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768  
(election under section 501(h)).

A Check ►  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ►  if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	38,771.													
c	Total lobbying expenditures (add lines 1a and 1b)	38,771.													
d	Other exempt purpose expenditures	4,319,168.													
e	Total exempt purpose expenditures (add lines 1c and 1d)	4,357,939.													
f	Lobbying nontaxable amount Enter the amount from the following table in both columns.	367,897.													
<table border="1"> <tr> <td>If the amount on line 1e, column (a) or (b) is:</td> <td>The lobbying nontaxable amount is:</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)	91,974.													
h	Subtract line 1g from line 1a If zero or less, enter -0-	0.													
i	Subtract line 1f from line 1c If zero or less, enter -0-	0.													
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

## 4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

## Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount	394,228.	379,672.	383,833.	367,897.	1,525,630.
b Lobbying ceiling amount (150% of line 2a, column(e))					2,288,445.
c Total lobbying expenditures	17,215.	47,802.	2,322.	38,771.	106,110.
d Grassroots nontaxable amount	98,557.	94,918.	95,958.	91,974.	381,407.
e Grassroots ceiling amount (150% of line 2d, column (e))					572,111.
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2012

**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?		
5 Taxable amount of lobbying and political expenditures (see instructions)	4	
	5	

**Part IV** Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information

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**SCHEDULE D**  
(Form 990)Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

**2012**Open to Public  
Inspection

Name of the organization

**The Sonoran Institute, Inc.**Employer identification number  
**86-0684610****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the

organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  Yes  No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  Yes  No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)  Preservation of an historically important land area  
 Protection of natural habitat  Preservation of a certified historic structure  
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
2a	1
2b	1,920.00
2c	0
2d	0

a Total number of conservation easements  
b Total acreage restricted by conservation easements  
c Number of conservation easements on a certified historic structure included in (a)  
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► 0

4 Number of states where property subject to conservation easement is located ► 1

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► 5

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ 500.

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_  
(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_  
b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a  Public exhibition  
 b  Scholarly research  
 c  Preservation for future generations

d  Loan or exchange programs  
 e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

c Beginning balance  
 d Additions during the year  
 e Distributions during the year  
 f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21?

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Yes  No

	Amount
1c	
1d	
1e	
1f	

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	1,127,770.				
b Contributions	25,067.	150,150.	977,620.		
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,152,837.	1,127,770.	977,620.		

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ► .00 %  
 b Permanent endowment ► 100.00 %  
 c Temporarily restricted endowment ► .00 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations  
 (ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds

	Yes	No
3a(i)	X	
3a(ii)	X	
3b		

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land					
b Buildings					
c Leasehold improvements		3,125.	3,125.	0.	
d Equipment		258,517.	181,110.	77,407.	
e Other		96,305.	79,032.	17,273.	

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ► 94,680.

Schedule D (Form 990) 2012

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		

Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ►

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ►

**Part IX Other Assets.** See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) Advance to Rincon Institute	148,092.
(2) Deposits	11,404.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►

159,496.

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Capital Lease Obligation	9,202.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►

9,202.

2. FIN 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	3,214,081.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	61,317.
b	Donated services and use of facilities	2b	4,817.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	39,782.
e	Add lines 2a through 2d	2e	105,916.
3	Subtract line 2e from line 1	3	3,108,165.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	3,108,165.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	4,357,939.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	4,817.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	39,782.
e	Add lines 2a through 2d	2e	44,599.
3	Subtract line 2e from line 1	3	4,313,340.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	4,313,340.

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4; Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information

Part II, line 9: No disclosure of the conservation easement has been

made on the organization's financial statements as the easement does not  
provide any future benefit to the organization.

Part V, line 4: The investment earnings from the endowment gift will  
be used for general institutional support.

Part X, Line 2: The Institute is exempt from federal income tax under

Schedule D (Form 990) 2012

**Part XIII Supplemental Information (continued)**

Section 501(c)(3), as confirmed by a determination letter issued by the Internal Revenue Service and is classified as other than a private foundation under IRC Section 509(a)(1). The Institute also qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(a).

Management evaluated the Institute's tax positions in accordance with the accounting standard on accounting for uncertainty in income taxes and concluded that the Institute had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the accounting standard. With few exceptions, the Institute is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2008.

The Institute recognizes interest and penalties related to unrecognized tax benefits in miscellaneous expenses and accrued expenses in the accompanying financial statements. During the year ended June 30, 2013 and 2012, the Institute did not recognize any interest and penalties.

**Part XI, Line 2d - Other Adjustments:**

Special Event Expenses 39,782.

**Part XII, Line 2d - Other Adjustments:**

Special Event Expenses 39,782.

**SCHEDULE F**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Statement of Activities Outside the United States**

► Complete if the organization answered "Yes" to Form 990,

Part IV, line 14b, 15, or 16.

► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

**2012**Open to Public  
Inspection

Name of the organization

Employer identification number

The Sonoran Institute, Inc.86-0684610**Part I General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States

3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
Mexico	1	17	Mexico Field Office	Field Activities	523,855.
3 a Sub-total	1	17			523,855.
b Total from continuation sheets to Part I	0	0			0.
c Totals (add lines 3a and 3b)	1	17			523,855.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2012

232071  
12-10-12

**Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

**Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter

3 Enter total number of other organizations or entities

Schedule F (Form 990) 2012

**Part III Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16

Part III can be duplicated if additional space is required.

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**Part IV Foreign Forms**

1 Was the organization a U S. transferor of property to a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 926, *Return by a U.S. Transferor of Property to a Foreign Corporation* (see Instructions for Form 926)  Yes  No

2 Did the organization have an interest in a foreign trust during the tax year? If "Yes," the organization may be required to file Form 3520, *Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts*, and/or Form 3520-A, *Annual Information Return of Foreign Trust With a U.S. Owner* (see Instructions for Forms 3520 and 3520-A)  Yes  No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 5471, *Information Return of U S Persons With Respect To Certain Foreign Corporations* (see Instructions for Form 5471)  Yes  No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? If "Yes," the organization may be required to file Form 8621, *Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund* (see Instructions for Form 8621)  Yes  No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? If "Yes," the organization may be required to file Form 8865, *Return of U S Persons With Respect To Certain Foreign Partnerships* (see Instructions for Form 8865)  Yes  No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? If "Yes," the organization may be required to file Form 5713, *International Boycott Report*. (see Instructions for Form 5713)  Yes  No

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Schedule F (Form 990) 2012

**Part V** **Supplemental Information**

• Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region), Part II, line 1 (accounting method); Part III (accounting method), and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

**SCHEDULE I**  
(Form 990)

Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States  
Department of the Treasury  
Internal Revenue Service

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
► Attach to Form 990.

Name of the organization

**The Sonoran Institute, Inc.**

**Part I General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

**Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed**

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Sage Gardeners 1112 S. Willson Bozeman, MT 59715	27-2082510	501(c)(3)	6,250.	0.			Gap Grant Award
Bozeman School District 404 West Main Street Bozeman, MT 59715	81-6000413	501(c)(3)	6,250.	0.			Gap Grant Award
Bridger Ski Foundation P.O. Box 1234 Bozeman, MT 59771	81-0384359	501(c)(3)	6,250.	0.			Gap Grant Award
Gallatin County Department of Planning - 311 West Main #208 - Bozeman, MT 59715	81-6001363		20,000.	0.			Gap Grant Award
Interactive Water Use & Resource Conservation Center - 7539 Pioneer Way, Ste B - Bozeman, MT 59718	45-2078352	501(c)(3)	6,250.	0.			Gap Grant Award
Yes on Prop. 119	45-5639397		15,000.	0.			Donation for Proposition 110 Campaign

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

3 Enter total number of other organizations listed in the line 1 table

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

**Schedule I (Form 990) (2012)**

## Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
T. Carmichael, PC 421 E. University Drive Mesa, AZ 85201			5,000.	0.			Donation to outreach campaign to pass Prop 119
Sonoran Institute Mexico A.C. Magisterio #627-A Col. Profesores Mexicali, MEXICO 21370			5,000.	0.			Contribution for GETH & organizational support of the A.C.
The Nature Conservancy of Colorado 2424 Spruce Street Boulder, CO 80302			7,500.	0.			Contribution to the Water Trust

Comments can not be removed from the information contained in Part I, Part II, Part III, column (h) and any other additional information

Schedule I, Part I, Line 2: Sonoran Institute screens applicants by using an application for describing the grant requirements and availability. The application requests many details including applicant qualifications, expectations, 501(c)(3) status, and financial information. Successful applicants receive a grant award letter which enumerates major requirements. Final reports summarizing their efforts, results, and spending are required.

## Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
► Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

The Sonoran Institute, Inc.

Employer identification number  
86-0684610

### Form 990, Part I, Line 1, Description of Organization Mission:

land and people of western North America.

### Form 990, Part III, Line 4a, Program Service Accomplishments:

addition to restoration efforts, Minute 319 initiatives aim at  
acquiring 1,000 acre-feet of water in 2013 and a total of 5,000  
acre-feet over the next three years.

Other projects included monthly ecological monitoring in Las Arenitas  
and Estuary, as well as the establishment of GETH (Grupo Especializado  
de Trabajo en Humedades) or the Specialized Group Working on Wetlands  
during the summer of 2012. GETH was collectively created by Sonoran  
Institute, the Mexican government, NGOs, community members, the private  
sector and academia to guarantee the sustainability of hydrolic  
resources through the sustainable use and conservation of wetlands.

### Form 990, Part III, Line 4b, Program Service Accomplishments:

Last, SCOTie has added nine key new partners and now has 186 case  
studies. SCOTie has added numerous resources that link to the work of  
the SCOTie partners, which includes Sonoran Institute. In addition to  
new case studies and resources, SCOTie launched a month-long outreach  
event titled "Success in the West." Success in the West featured case  
studies from SCOTie on various planning topics. We highlighted these  
case studies through SCOTie twitter feed, SCOTie blog, and also hosted  
two webinars during the month. This helped to increase our visibility  
on social media as well as engaged our SCOTie partners on the project.

Name of the organization

The Sonoran Institute, Inc.

Employer identification number  
86-0684610Form 990, Part III, Line 4c, Program Service Accomplishments:

in partnership with the cities of Rifle and Glenwood Springs on downtown revitalization projects. Our work in Glenwood Springs has focused on redevelopment of a critical area adjacent to the downtown called the Confluence. In Rifle, we have been working as part of a larger team to spur downtown redevelopment that supports the city's goal of creating a walk-able, mixed-use downtown, and diversifying its economic base.

Research: Working in partnership with the Northern Rockies program, we completed a study of housing trends in the Rocky Mountain region. The study, called Reset: Assessing Housing Market Trends in the Rockies, examined market demand for compact walk-able development, as well as ways that public and private entities can respond to changing market trends.

Form 990, Part VI, Section B, line 11: Before the 990 is signed and filed, it is given to the Finance/Audit Committee for their review.

Form 990, Part VI, Section B, Line 15a: In determining the compensation for the Executive Director, the board of directors completed a job evaluation, reviewed compensation data for comparable positions, and documented their actions in the board minutes.

Form 990, Part VI, Section C, Line 19: Documents are available upon request.

Form 990, Part IX, Line 11g, Other Fees:Consulting:232212  
01-04-13

Schedule O (Form 990 or 990-EZ) (2012)

Name of the organization

The Sonoran Institute, Inc.

Employer identification number

86-0684610

<u>Program service expenses</u>	<u>426,095.</u>
<u>Management and general expenses</u>	<u>46,335.</u>
<u>Fundraising expenses</u>	<u>72,641.</u>
<u>Total expenses</u>	<u>545,071.</u>

Outside Services:

<u>Program service expenses</u>	<u>76,952.</u>
<u>Management and general expenses</u>	<u>57,655.</u>
<u>Fundraising expenses</u>	<u>0.</u>
<u>Total expenses</u>	<u>134,607.</u>
<u>Total Other Fees on Form 990, Part IX, line 11g, Col A</u>	<u>679,678.</u>



**Part III**  
**Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related

Part II

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year)

100

## Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a <input checked="" type="checkbox"/>	1a <input type="checkbox"/>
b Gift, grant, or capital contribution to related organization(s)	1b <input checked="" type="checkbox"/>	1b <input type="checkbox"/>
c Gift, grant, or capital contribution from related organization(s)	1c <input checked="" type="checkbox"/>	1c <input type="checkbox"/>
d Loans or loan guarantees to or for related organization(s)	1d <input checked="" type="checkbox"/>	1d <input type="checkbox"/>
e Loans or loan guarantees by related organization(s)	1e <input checked="" type="checkbox"/>	1e <input type="checkbox"/>
f Dividends from related organization(s)	1f <input checked="" type="checkbox"/>	1f <input type="checkbox"/>
g Sale of assets to related organization(s)	1g <input checked="" type="checkbox"/>	1g <input type="checkbox"/>
h Purchase of assets from related organization(s)	1h <input checked="" type="checkbox"/>	1h <input type="checkbox"/>
i Exchange of assets with related organization(s)	1i <input checked="" type="checkbox"/>	1i <input type="checkbox"/>
j Lease of facilities, equipment, or other assets to related organization(s)	1j <input checked="" type="checkbox"/>	1j <input type="checkbox"/>
k Lease of facilities, equipment, or other assets from related organization(s)	1k <input checked="" type="checkbox"/>	1k <input type="checkbox"/>
l Performance of services or membership or fundraising solicitations for related organization(s)	1l <input checked="" type="checkbox"/>	1l <input type="checkbox"/>
m Performance of services or membership or fundraising solicitations by related organization(s)	1m <input checked="" type="checkbox"/>	1m <input type="checkbox"/>
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n <input checked="" type="checkbox"/>	1n <input type="checkbox"/>
o Sharing of paid employees with related organizations	1o <input checked="" type="checkbox"/>	1o <input type="checkbox"/>
p Reimbursement paid to related organization(s) for expenses	1p <input checked="" type="checkbox"/>	1p <input type="checkbox"/>
q Reimbursement paid by related organization(s) for expenses	1q <input checked="" type="checkbox"/>	1q <input type="checkbox"/>
r Other transfer of cash or property to related organization(s)	1r <input checked="" type="checkbox"/>	1r <input type="checkbox"/>
s Other transfer of cash or property from related organization(s)	1s <input checked="" type="checkbox"/>	1s <input type="checkbox"/>

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(1) The Rincon Institute

(2)	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
		D	148,092	Cash Value
(3)				
(4)				
(5)				
(6)				

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

**Part VI Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

**Part VII Supplemental Information**

• Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Application for Extension of Time To File an  
Exempt Organization Return

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only 

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print  File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions.  <b>The Sonoran Institute, Inc.</b>	Employer identification number (EIN) or  <b>86-0684610</b>
	Number, street, and room or suite no. If a P O. box, see instructions.  <b>44 E. Broadway Blvd, Suite 350</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.  <b>Tucson, AZ 85701</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

**0 | 1**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**The Organization**

- The books are in the care of ► 44 E. Broadway Blvd., Suite 350 - Tucson, AZ 85701

Telephone No. ► 520-290-0828 FAX No. ► 

- If the organization does not have an office or place of business in the United States, check this box

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ► . If it is for part of the group, check this box ►  and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until

February 15, 2014, to file the exempt organization return for the organization named above. The extension

is for the organization's return for:

►  calendar year  or►  tax year beginning JUL 1, 2012, and ending JUN 30, 2013.2 If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 1-2013)