

# ***POLLINATOR PARTNERSHIP***

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*FINANCIAL STATEMENTS*

*December 31, 2016 and 2015*

*with*

*INDEPENDENT AUDITOR'S REPORT*

**POLLINATOR PARTNERSHIP  
FINANCIAL STATEMENTS  
DECEMBER 31, 2016 and 2015**

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### Independent Auditor's Report on Financial Statements

To the Board of Directors  
Pollinator Partnership  
San Francisco, California

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of financial position of Pollinator Partnership, which comprise the statements of financial position as of December 31, 2016 and 2015 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements..

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of significant estimates by management, as well as evaluating the overall presentation of the financial statements.

I believe that my audit provides a reasonable basis for my audit opinion.

#### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pollinator Partnership as of December 31, 2016 and 2015, and changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Allan Liu*

Certified Public Accountant  
Millbrae, California

April 7, 2017

**POLLINATOR PARTNERSHIP**  
**Statements of Financial Position**  
**December 31, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$1,260,030	\$1,200,862
Contracts and accounts receivable	12,900	-
Grants and pledges receivable, current	121,328	90,960
Prepaid expenses	7,103	5,181
<b>Total current assets</b>	<b>1,401,361</b>	<b>1,297,003</b>
Grants and pledges receivable 2016-2017	0	15,000
Property and equipment, net of accumulated depreciation	0	0
Deposits	8,363	2,200
<b>TOTAL ASSETS</b>	<b>\$1,409,724</b>	<b>\$1,314,203</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$17,276	\$18,146
Accrued compensation	1,895	2,163
<b>TOTAL LIABILITIES</b>	<b>19,171</b>	<b>20,309</b>
<b>NET ASSETS</b>		
Unrestricted	1,370,735	890,861
Temporarily restricted	19,818	403,033
<b>TOTAL NET ASSETS</b>	<b>1,390,553</b>	<b>1,293,894</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,409,724</b>	<b>\$1,314,203</b>

The accompanying notes are an integral part of these financial statements.

**POLLINATOR PARTNERSHIP**  
**Statements of Activities**  
**Years Ended December 31**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Individual and group donations	\$206,993		\$206,993	\$113,908	\$50,113	\$164,021
Foundation grants	78,110		78,110	69,167	77,534	146,701
Corporate grants	77,989		77,989	10,519	464,425	474,944
Government grants	782,490		782,490		201,129	201,129
Contract income	17,449		17,449	24,849		24,849
Interest income	656		656	876		876
Registration, program and other revenue	66,920		66,920	33,546		33,546
In-kind donations	100,885		100,885	68,674		68,674
Net assets released from restriction	383,215	(383,215)		1,478,831	(1,478,831)	
<b>Total Support and Revenue</b>	<b>1,714,707</b>	<b>(383,215)</b>	<b>1,331,492</b>	<b>1,800,370</b>	<b>(685,630)</b>	<b>1,114,740</b>
<b>EXPENSES</b>						
North American Pollinator Protection Campaign	388,878		388,878	396,830		396,830
Corn Dust Research	125,234		125,234	248,918		248,918
Pollinator Habitat and Research	210,198		210,198	264,368		264,368
Other Programs	182,517		182,517	175,644		175,644
			906,827	1,085,760		1,085,760
Management and general	132,713		132,713	125,794		125,794
Fund raising	195,293		195,293	78,297		78,297
<b>Total Expenses</b>	<b>1,234,833</b>		<b>1,234,833</b>	<b>1,289,851</b>		<b>1,289,851</b>
<b>Change in Net Assets</b>	<b>479,874</b>	<b>(383,215)</b>	<b>96,659</b>	<b>510,519</b>	<b>(685,630)</b>	<b>(175,111)</b>
<b>Net Assets - Beginning</b>	<b>890,861</b>	<b>403,033</b>	<b>1,293,894</b>	<b>380,342</b>	<b>1,088,663</b>	<b>1,469,005</b>
<b>Net Assets - Ending</b>	<b>\$1,370,735</b>	<b>\$19,818</b>	<b>\$1,390,553</b>	<b>\$890,861</b>	<b>\$403,033</b>	<b>\$1,293,894</b>

The accompanying notes are an integral part of these financial statements.

**POLLINATOR PARTNERSHIP**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2016**

	North American Pollinator Protection	Corn Dust Research	Pollinator Habitat and Research	Other Programs	Management and General	Fund Raising	Shared	Total Expenses
Salaries	\$73,189	\$4,605	\$66,028	\$96,255	\$27,309	\$104,658	(\$268)	\$371,776
Payroll taxes	5,906	378	5,438	7,834	2,266	8,351	543	30,716
Employee benefits					32,671		192	32,863
Workers compensation					494		5,181	5,675
Grants distributed	55,274	117,322	20,772					193,368
Rent					8,621		\$77,324	85,945
Consultants:								
Government relations	29,750							29,750
Design and graphics	7,626		2,925	9,235		600		20,386
Computer and database	11,760		9,555		536	1,000	2,078	24,929
Development/FR	6,500					30,000	16	36,516
General	8,441		45,813	1,049	13,556			68,859
Telephone							8,017	8,017
Accounting				250	29,841			30,091
Legal					5,381			5,381
Travel	18,154		29,836	9,177		191		57,358
Photography	500				48			548
Meetings and conferences	19,199		1,120	124	15	554	432	21,444
Office supplies				219	35		5,545	5,799
Program supplies	3,355		3,389	14,464			23	21,231
Computer supplies				129			1,053	1,182
Insurance					2,475			2,475
Postage and delivery	364				1,032		17,765	19,161
Printing	22,914		3,439	1,767	196	10,274	1,599	40,189
Intern stipends	165							165
Web site			400	2,500	89		4,576	7,565
Service charges	1,313		97		12	2,085	1,461	4,968
Miscellaneous expenses			164	161	745		6,521	7,591
In-kind services	100,885							100,885
Shared costs allocated	23,583	2,929	21,222	39,353	7,391	37,580	(132,058)	-
	<b>\$388,878</b>	<b>\$125,234</b>	<b>\$210,198</b>	<b>\$182,517</b>	<b>\$132,713</b>	<b>\$195,293</b>	<b>\$0</b>	<b>\$1,234,833</b>

The accompanying notes are an integral part of these financial statements.

**POLLINATOR PARTNERSHIP**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2015**

	North American Pollinator Protection	Corn Dust Research	Pollinator Habitat and Research	Other Programs	Management and General	Fund Raising	Shared	Total Expenses
Salaries	\$96,924	\$9,514	\$59,214	\$98,367	\$39,037	\$42,764		\$345,820
Payroll taxes	5,555	579	3,742	6,049	2,404	2,755		21,084
Employee benefits	10,227	601	6,189	9,016	4,220	4,029		34,282
Workers compensation	1,010	63	606	2,901	778	434		5,792
Grants distributed	59,828	216,269						276,097
Rent							\$85,810	85,810
Consultants:								
Government relations	33,125							33,125
Design and graphics	8,010							8,010
Computer and database	75				2,674		4,196	6,945
Program development			18,000					18,000
Development/FR			5,814		9,700	6,500	36	22,050
General	9,700		66,060	5,236	6,500			87,496
Telephone							5,916	5,916
Accounting					35,422			35,422
Legal					1,625			1,625
Travel	33,106		21,404	8,172	443			63,125
Photography	2,300						60	2,360
Meetings and conferences	13,800		250		498		715	15,263
Office supplies	10						1,810	1,820
Program supplies	2,275		48,112	18,400		511	6,320	75,618
Computer supplies							3,183	3,183
Insurance					1,278		1,121	2,399
Postage and delivery			20	32		1,845	12,675	14,572
Printing	16,392		4,724	5,298		9,494	1,776	37,684
Intern stipends	510							510
Depreciation								-
Web site				1,450			7,871	9,321
Staff development				54	210		540	804
Service charges			15		3,037		1,806	4,858
Miscellaneous expenses	623			53	1,152		358	2,186
In-kind services	68,674							68,674
Shared costs allocated	34,686	21,892	30,218	20,616	16,816	9,965	(134,193)	-
	\$396,830	\$248,918	\$264,368	\$175,644	\$125,794	\$78,297	\$0	\$1,289,851

The accompanying notes are an integral part of these financial statements.

**POLLINATOR PARTNERSHIP**  
**Statements of Cash Flows**  
**Years Ended December 31**

	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$96,659	(\$175,111)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	-
(Increase)/Decrease in contracts and accounts receivable	2,100	5,173
(Increase)/Decrease in grants and pledges receivable	(30,368)	70,000
(Increase)/Decrease in prepaid expenses and deposits	(8,085)	1,408
Increase/(Decrease) in accounts payable and accrued expenses	(1,138)	(4,673)
<b>Net cash provided by operating activities</b>	<b>59,168</b>	<b>(103,203)</b>
<b>Net change in cash and cash equivalents</b>	<b>59,168</b>	<b>(103,203)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,200,862</b>	<b>1,304,065</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$1,260,030</b>	<b>\$1,200,862</b>

The accompanying notes are an integral part of these financial statements.

## POLLINATOR PARTNERSHIP

### Notes to Financial Statements

#### Note 1 – Organization

Pollinator Partnership (P2), formerly Coevolution Institute, was founded in 1997 in San Francisco, California as a 501(c)(3) nonprofit public benefit corporation to protect the diversity of life on Earth through education, conservation, and research. P2 expanded contract work for both private and public entities in 2010 and continues to do so. Program services for 2016 and 2015 were primarily the North American Pollinator Protection Campaign (NAPPC) and Corn Dust Research Consortium (CDRC). NAPPC is a growing, private-public collaboration of more than 120 diverse partners, with scientists, researchers, conservationists, government officials and stakeholder representatives working for over a decade to support the health of pollinating animals and the plants and habitat that they support. More information about NAPPC is available at NAPPC.org. CDRC came together in 2013 to fund and oversee research projects to better understand ideas for mitigating risks to honey bees from exposure to fugitive dust emitted from fan exhaust from machinery during corn planting.

The Pollinator's Partnership's mission is to promote the health of pollinators, critical to food and ecosystems, through conservation, education, and research.. Since its inception P2 has established itself as an innovator in biodiversity protection. P2 works to promote the adoption of widespread collaborative stewardship practices on open and working lands, within institutions and among individuals. For more information, visit Pollinator.org, your source for pollinator information including the following:

*Pollinators are essential to life.*

Nearly 80% of our world's crop plants require pollination. Birds, bees, butterflies, but also beetles, mosquitoes, and even bats transfer pollen between seed plants. This function is vital for plant reproduction.

*Pollinators need protection.*

Without pollinators, humans and ecosystems cannot survive. Due to biodiversity threats such as land development, pollution, and pesticide poisoning, we are losing pollinators around the world at an alarming rate. Greater awareness and global action are required now to change this trend.

*Learn about pollinators at our website and get involved.*

Whether you are gardener, a farmer, a resource manager, an educator, or simply an interested consumer, the Pollinator Partnership provides news, resources, programs, and an extensive digital library to support you in helping pollinators. From small daily actions to larger organized activities, you can get involved in many ways.

#### Note 2 - Summary of Significant Accounting Policies

- (a) Accrual Basis - The financial statements of Pollinator Partnership have been prepared on the accrual basis.
- (b) Basis of Presentation - Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Pollinator Partnership and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Pollinator Partnership and/or the passage of time. Temporarily restricted net assets as of December 31, 2016 and 2015 were \$19,818 and \$403,033, respectively.

**POLLINATOR PARTNERSHIP**  
**Notes to Financial Statements**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by Pollinator Partnership. Pollinator Partnership had no permanently restricted net assets as of December 31.

- (c) Recognition of Revenue – Contributions are recognized when the donor makes an unconditional promise to give to Pollinator Partnership. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no conditional grants as of December 31.
- (d) Contributed Services - Pollinator Partnership records contributed services, at fair value, if the services 1) create or enhance a non-financial asset or 2) that would require special skills, are provided by individuals with those skills, and would otherwise be purchased by the Pollinator Partnership. The financial statements include such amounts as part of in-kind donation revenues and expenses, primarily related to specialized services provided by volunteers for NAPPC. In addition, Pollinator Partnership receives a substantial amount of services donated by volunteers in developing and operating Pollinator Partnership programs and carrying out functions which do not fall under the above criteria. These services are an important segment of Pollinator Partnership operations. While Pollinator Partnership does receive significant benefit from these services, the estimated cost of these services are not included in the financial statements.
- (e) Property and Equipment – Property and equipment are stated at cost at date of acquisition or fair value if acquired through donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method of depreciation.
- (f) Income Tax Status – Pollinator Partnership is exempt from Federal and State income tax laws and regulations whereby only unrelated business income is subject to tax. All income received has been for exempt purposes. Accordingly, no provision for income taxes has been made in these financial statements. The most recent three years are open to examination.
- (g) Functional Allocation of Expenses - Salaries, prorata share of payroll taxes and employee benefits are allocated to program and supporting services based on time worked in programs and supporting services.
- (h) Cash and Cash Equivalents - Cash and cash equivalents include funds in demand deposit, savings and money market accounts. As of December 31, 2016 and 2015, cash included \$912,209 and \$117,276, respectively in money market accounts. Such accounts are not FDIC insured but are SIPC insured. Deposits in Wells Fargo bank in excess of \$250,000 are not covered by Federal Deposit Insurance (FDIC). Pollinator Partnership maintains its bank accounts at various financial institutions to minimize credit risk, however, balances may periodically exceed FDIC limits. Pollinator Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**POLLINATOR PARTNERSHIP**  
**Notes to Financial Statements**

- (i) Estimates - Preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Note 3 – Property and Equipment**

Property and equipment at December 31, 2016 and 2015 consisted of:

Equipment and furniture	\$23,033
Less accumulated depreciation	<u>(23,033)</u>
	<u>\$0</u>

**Note 4 - Temporarily Restricted Net Assets**

Temporarily restricted net assets at December 31, were available for the following purposes:

	<u>2016</u>	<u>2015</u>
NAPPC conference, research and projects	\$ 0	\$102,194
Corn Dust Research Consortium	0	100,000
Pollinator habitat and research	19,818	185,839
School pollinator garden kits	<u>0</u>	<u>15,000</u>
	<u>\$19,818</u>	<u>\$403,033</u>

**Note 5 – Commitments, Concentrations and Contingencies**

On April 22, 2015, the Organization renewed the current office lease runs through June 2018 at \$8,363 per month for office space (\$103,464 in 2017 and \$52,182 in 2018) plus common area costs. On February 18<sup>th</sup>, 2016, the Organization entered into sub-sublease agreement from April 15, 2016 to June 30, 2018 and the sub-sublessee agrees to pay the sublessor monthly rents of \$4,300 to \$4,600. A substantial portion of annual revenues have been from a limited number of sources. The Organization is seeking to broaden its financial backing in order to further support and continue its programs. Accounts receivable and investments are subject to credit risk. No allowance for bad debts has been provided because management believes that all receivables are collectible in full. Subsequent events have been evaluated through April 7, 2017.