

**POLLINATOR PARTNERSHIP**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

POLLINATOR PARTNERSHIP  
For the years ended December 31, 2018 and 2017

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**Independent Auditor's Report**

To the Board of Trustees  
Pollinator Partnership  
San Francisco, California

I have audited the accompanying financial statements of Pollinator Partnership (a California nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 audits. I conducted my audits 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 from material misstatement.

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

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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, 2018 and 2017, and the changes in its net assets and its 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 5, 2019

**POLLINATOR PARTNERSHIP**  
**Statements of Financial Position**  
**December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$1,496,814	\$1,307,966
Contracts and accounts receivable	1,071	-
Grants and pledges receivable	45,698	286,157
Prepaid expenses	29,796	2,783
Investments	23,017	20,303
Total current assets	1,596,396	1,617,209
Deposits	8,363	8,363
Property and equipment, net of accumulated depreciation	2,034	-
<b>TOTAL ASSETS</b>	<b>\$1,606,793</b>	<b>\$1,625,572</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$21,495	\$41,744
Accrued compensation	1,678	1,520
<b>TOTAL LIABILITIES</b>	23,173	43,264
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	1,583,620	1,582,308
With donor restrictions:		
Purpose restrictions	-	-
<b>TOTAL NET ASSETS</b>	<b>1,583,620</b>	<b>1,582,308</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,606,793</b>	<b>\$1,625,572</b>

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

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

	<b>Without Donor Restrictions</b>	<b>2018 With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>2017 With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>						
Individual and group donations	\$304,327		\$304,327	\$244,518		\$244,518
Foundation grants	204,753		204,753	179,055		179,055
Corporate grants	381,267		381,267	303,753		303,753
Government grants	252,545		252,545	470,093		470,093
Contract income	30,000		30,000	46,051		46,051
Interest income	5,641		5,641	1,687		1,687
Registration, program and other revenue	15,804		15,804	19,380		19,380
In-kind donations	36,296		36,296	198,356		198,356
Net assets released from restriction	-	-		19,818	(19,818)	
<b>Total Support and Revenue</b>	<b>1,230,633</b>	<b>\$0</b>	<b>1,230,633</b>	<b>1,482,711</b>	<b>(19,818)</b>	<b>1,462,893</b>
<b>EXPENSES</b>						
North American Pollinator Protection Campaign	458,660		458,660	501,015		501,015
Corn Dust Research	1,166		1,166	11,909		11,909
Monarch	191,348		11,909	99,674		99,674
Pollinator Habitat and Research	239,226		239,226	204,188		204,188
Other Programs	154,239		154,239	118,234		217,908
	1,044,639		1,044,639	935,020		935,020
Management and general	76,688		76,688	127,445		127,445
Fund raising	107,993		107,993	208,673		208,673
<b>Total Expenses</b>	<b>1,229,320</b>		<b>1,229,320</b>	<b>1,271,138</b>		<b>1,271,138</b>
<b>Change in Net Assets</b>	<b>1,313</b>	<b>-</b>	<b>1,313</b>	<b>211,573</b>	<b>(19,818)</b>	<b>191,755</b>
<b>Net Assets - Beginning</b>	<b>1,582,308</b>	<b>\$0</b>	<b>1,582,308</b>	<b>1,370,735</b>	<b>19,818</b>	<b>1,390,553</b>
<b>Net Assets - Ending</b>	<b>\$1,583,621</b>	<b>\$0</b>	<b>\$1,583,621</b>	<b>\$1,582,308</b>	<b>\$0</b>	<b>\$1,582,308</b>

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

**POLLINATOR PARTNERSHIP**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2018**

	<b>North American Pollinator Protection</b>	<b>Corn Dust Research</b>	<b>Monarch</b>	<b>Pollinator Habitat and Research</b>	<b>Other Programs</b>	<b>Management and General</b>	<b>Fund Raising</b>	<b>Shared</b>	<b>Total Expenses</b>
Salaries	\$186,023	\$745	\$97,058	\$108,207	\$84,368	\$28,833	\$47,225	\$158	\$552,617
Payroll taxes	13,427	58	6,924	7,756	6,092	2,048	3,455		39,760
Employee benefits					645	7,709		52,678	61,032
Workers compensation								6,041	6,041
Grants distributed	49,916								49,916
Rent								\$71,878	71,878
Consultants:									
Government relations	21,746						1,750		23,496
Design and graphics	4,329		2,096		2,952		1,038	15	10,430
Computer and database Development/FR			324				5,858	3,250	9,432
General	1,000		2,740	19,908			6,017	2,000	31,665
Telephone	24			18	188		223	9,034	9,487
Accounting						22,923			22,923
Legal						121			121
Travel	28,991		8,789	7,051	2,034		3,313	19,472	69,650
Photography	360						530		890
Meetings and conferences	21,068		39	520	253	457	3,610	2,455	28,402
Office supplies	65		195	32	1,623		1,000	6,255	9,170
Program supplies	2,784		23,361	42,025	6,014			119	74,303
Computer supplies					305			6,509	6,814
Insurance								6,550	6,550
Postage and delivery	1,286		516	134	9		550	19,062	21,557
Printing	(653)		1,960	502	8,418		444	10,263	20,934
Depreciation						884			884
Web site								36,335	36,335
Service charges	2,008		114	162	146		2,083		4,513
Miscellaneous expenses	140			184	49	27	665	15,753	16,818
In-kind services	35,109						7,063		42,172
Shared costs allocated	91,037	363	47,232	52,727	41,143	13,686	23,169	(269,357)	-
	<b>\$458,660</b>	<b>\$1,166</b>	<b>\$191,348</b>	<b>\$239,226</b>	<b>\$154,239</b>	<b>\$76,688</b>	<b>\$107,993</b>	<b>\$0</b>	<b>\$1,229,320</b>

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

**POLLINATOR PARTNERSHIP**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2017**

	<b>North American Pollinator Protection</b>	<b>Corn Dust Research</b>	<b>Pollinator Habitat and Research</b>	<b>Other Programs</b>	<b>Management and General</b>	<b>Fund Raising</b>	<b>Shared</b>	<b>Total Expenses</b>
Salaries	\$90,174	\$7,300	\$69,387	\$104,694	\$38,235	\$117,180	(\$375)	\$426,595
Payroll taxes	7,068	596	5,510	8,458	3,028	9,361		34,021
Employee benefits				343	(2,702)		36,224	33,865
Workers compensation							5,639	5,639
Grants distributed	57,812		38,422	15,455				111,689
Rent							\$60,920	60,920
Consultants:								
Government relations	21,750					2,500		24,250
Design and graphics	2,999			11,221				14,220
Computer and database	4,500				2,645			7,145
Development/FR						3,000		3,000
General	16,095	1,555	31,610	3,203	31,479	12,363	5,230	101,535
Telephone				130			5,581	5,711
Accounting					26,586			26,586
Legal					3,755			3,755
Travel	18,224		14,784	13,049	6,160	1,999	427	54,643
Photography								-
Meetings and conferences	32,962		2,670	1,811	1,850	642	108	40,043
Office supplies	36			1,434			4,271	5,741
Program supplies	3,332		7,499	9,600	20	2,155		22,606
Computer supplies							2,452	2,452
Insurance							2,235	2,235
Postage and delivery	15		584	782			14,540	15,921
Printing	18,623		460	7,179	1,779	8,567	2,744	39,352
Intern stipends								-
Web site				99			6,075	6,174
Service charges	1,638		17	74	215	2,526		4,470
Miscellaneous expenses	73		191	137	3,262	98	16,453	20,214
In-kind services	188,356					10,000		198,356
Shared costs allocated	37,358	2,458	33,054	40,239	11,133	38,282	(162,524)	-
	<b>\$501,015</b>	<b>\$11,909</b>	<b>\$204,188</b>	<b>\$217,908</b>	<b>\$127,445</b>	<b>\$208,673</b>	<b>\$0</b>	<b>\$1,271,138</b>

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



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

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$1,312	\$191,755
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	883	-
(Increase)/Decrease in contracts and accounts receivable	(1,071)	12,900
(Increase)/Decrease in grants and pledges receivable	240,459	(164,829)
(Increase)/Decrease in prepaid expenses and deposits	(27,013)	4,320
Increase/(Decrease) in accounts payable and accrued expenses	(20,091)	24,093
<b>Net cash provided by operating activities</b>	<b>194,479</b>	<b>68,239</b>
<b>Cash flows from investing activities:</b>		
Purchase of operating investments	(2,714)	(20,303)
<b>Net cash used by investing activities</b>	<b>(2,714)</b>	<b>(20,303)</b>
<b>Cash flows from financing activities:</b>		
Purchase of fixed assets	(2,917)	-
<b>Net cash used by financing activities</b>	<b>(2,917)</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>188,848</b>	<b>47,936</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,307,966</b>	<b>1,260,030</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$1,496,814</b>	<b>\$1,307,966</b>

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

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2018 and 2017

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**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 2018 and 2017 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.

**Basis of Accounting** – The accompanying financial statements are presented using the accrual method of accounting.

**Financial Statement Presentation** – In accordance with U.S. Generally Accepted Accounting Principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*Use of Estimates* – The preparation of financial statements, in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents* – Cash and cash equivalents include funds in demand deposit, savings and money market accounts. As of December 31, 2018 and 2017, cash included \$638,013 and \$633,900, 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.

*Fair Value Measurements* – Generally accepted accounting principles provide guidance on how fair value should be determined on financial statement elements that are required to be measured at fair value. There are three levels to the fair value hierarchy based on the degree of objectivity of inputs used with each level:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets or liability either directly or indirectly; and
- Level 3: Unobservable inputs which reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability, based on the best information available.

P2 has all of its investment as Level 1 because they comprise of equities with readily determinable fair values based on daily redemption values.

*Office Equipment and Furniture* – Office equipment and furniture are stated at cost. Contributed property and equipment are recorded at their estimated fair market values at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Pollinator Partnership uses \$2,000 as its capitalization threshold for office equipment and furniture.

*Revenue Recognition* – All contributions are considered available for general programs unless specifically restricted by the donor. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Amounts received that are designated for future periods or restricted by the donor are reported as

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support with donor restrictions. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

***Promises to Give*** – Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

***Donated Services and In-Kind Donations***–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 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 costs of these services are not included in the financial statements

***Functional Allocation of Expenses*** – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Recent Accounting Guidance*** – During the year ended December 31, 2017, the Organization adopted Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958). The Organization applied the change on a retrospective basis beginning in the year ended December 31, 2017. The main provisions of this Update require: presentation on the statement of financial position of amounts for two classes of net assets at the end of the period; presentation on the statement of activities of the amount of the change in each of the two classes of net assets; and enhanced disclosures about (1) the amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits, (2) the composition of net assets with donor restrictions and how the restrictions affect the use of resources, (3) qualitative information that communicates how the Organization manages its liquid resources available to meet cash needs for general expenditures within one year of the statement of financial position date, (4) quantitative information that communicates the availability of the Organization’s financial assets at the statement of financial position date to meet cash needs for general expenditures within one year of the balance sheet date. The effect of this retrospective adoption of the Update was to reclassify previously stated temporarily restricted net assets of \$19,818 to net assets with donor restrictions (purpose restrictions) for 2017. There was no change in total net assets as of December 31, 2018.

***Income Taxes*** – The Organization is exempt from Federal income and California franchise taxes under provisions of Section 501(c) (3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, respectively. However, tax-exempt organizations are subject to Federal income and California franchise taxes for unrelated business taxable income.

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Management has considered its tax positions and believes that all of the positions taken in the federal and state tax returns are more likely than not to be sustained upon examination. The federal and state taxing authorities generally can examine the tax returns for three years and four years after they are filed or the due date of the return, whichever is later, respectively.

*Subsequent Events* – Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affects the financial statements. Such events have been evaluated through March 13, 2018, which is the date the financial statements were available to be issued.

(2) PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2018 and 2017 consists of the following:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$22,180	\$23,033
Less accumulated depreciation	<u>(20,146)</u>	<u>(23,033)</u>
	<u>\$ 2,034</u>	<u>\$ 0</u>

(3) LEASE

The Organization has an extension on the current office lease which runs through June 2019 at \$8,864 per month for office space (\$53,184 in 2019) plus common area costs.

(4) NET ASSETS WITH DONOR RESTRICTIONS

There were no donor restrictions as of June 30, 2018, as all expenses released from donor restriction by incurring expenses satisfying the purpose specified by donors in 2018 would be considered unrestricted as the restrictions were met in the same year as received.

(5) CONTINGENCIES

Pollinator Partnership receives funds from various government sources that are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, Pollinator Partnership has no provision for the possible disallowance of program costs in their financial statements. 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.

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(6) LIQUIDITY AND AVAILABILITY

As part of Pollinator Partnership's liquidity management, its goal is to maintain cash and short-term investments on hand to meet 90 days of normal operating expense, which on average is \$300,000. In addition, any cash in excess of the daily requirements is invested in short-term investments, CD's, or money market funds.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$1,496,814
Grants and pledge receivable	<u>45,698</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$1,542,512</u>

(7) CONCENTRATION OF CREDIT RISK

Pollinator Partnership maintains its cash and cash equivalents at financial institutions, but mostly at two major banks. Federal Deposit Insurance Corporation (FDIC) provides insurance for \$250,000 per depositor, per insured bank.

At December 31, 2018, the balances in Wells Fargo bank exceed the FDIC insurance limit by \$816,980.