

**POLLINATOR PARTNERSHIP**

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

**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

POLLINATOR PARTNERSHIP  
For the years ended December 31, 2019 and 2018

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**ALLAN LIU, CPA**  
**201 Willow Avenue Millbrae, California 94030**

Member American Institute of Certified Public Accountants  
Member California Society of Certified Public Accountants

E Mail: Allan\_Liu@msn.com  
Tel: (650) 692-1172/Fax: (650) 692-1194

**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, 2019 and 2018, 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, 2019 and 2018, 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 15, 2020

**POLLINATOR PARTNERSHIP**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$1,346,011	\$1,496,814
Contracts and accounts receivable	152	1,071
Grants and pledges receivable	580,272	45,698
Prepaid expenses	30,447	29,796
Investments	0	23,017
Total current assets	1,956,882	1,596,396
Deposits	0	8,363
Property and equipment, net of accumulated depreciation	1,450	2,034
<b>TOTAL ASSETS</b>	<b>\$1,958,332</b>	<b>\$1,606,793</b>
 <b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$16,200	\$21,495
Accrued compensation	1,870	1,678
<b>TOTAL LIABILITIES</b>	<b>18,070</b>	<b>23,173</b>
 <b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	1,461,391	1,583,620
With donor restrictions:		
Purpose restrictions	478,871	0
<b>TOTAL NET ASSETS</b>	<b>1,940,262</b>	<b>1,583,620</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,958,332</b>	<b>\$1,606,793</b>

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

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

	Without Donor Restrictions	With Donor Restrictions	2019 Total	Without Donor Restrictions	With Donor Restrictions	2018 Total
<b>SUPPORT AND REVENUE</b>						
Individual and group donations	\$279,309		\$279,309	\$304,327		\$304,327
Foundation grants	292,311	74,500	366,811	204,753		204,753
Corporate grants	263,515		263,515	381,267		381,267
Government grants	60,529	404,371	464,900	252,545		252,545
Contract income	45,569		45,569	30,000		30,000
Interest income	10,142		10,142	5,641		5,641
Registration, program and other revenue	25,186		25,186	15,804		15,804
In-kind donations	37,647		37,647	36,296		36,296
Net assets released from restriction	-	-	-	-	-	-
<b>Total Support and Revenue</b>	<b>1,014,208</b>	<b>478,871</b>	<b>1,493,079</b>	<b>1,230,633</b>	<b>0</b>	<b>1,230,633</b>
<b>EXPENSES</b>						
North American Pollinator Protection Campaign	432,259		432,259	458,660		458,660
Corn Dust Research	-	-	-	1,166		1,166
Bee Friendly Farming	55,192		55,192	-	-	-
Monarch	263,976		11,909	191,348		11,909
Pollinator Habitat and Research	119,356		119,356	239,226		239,226
Other Programs	169,875		169,875	154,239		154,239
	1,040,658		1,040,658	1,044,639		1,044,639
Management and general	66,644		66,644	76,688		76,688
Fund raising	29,136		29,136	107,993		107,993
<b>Total Expenses</b>	<b>1,136,438</b>		<b>1,136,438</b>	<b>1,229,320</b>		<b>1,229,320</b>
<b>Change in Net Assets</b>	<b>(122,230)</b>	<b>478,871</b>	<b>356,641</b>	<b>1,313</b>	<b>-</b>	<b>1,313</b>
<b>Net Assets - Beginning</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>
<b>Net Assets - Ending</b>	<b>\$1,461,391</b>	<b>\$478,871</b>	<b>\$1,940,262</b>	<b>\$1,583,621</b>	<b>\$0</b>	<b>\$1,583,621</b>

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

**POLLINATOR PARTNERSHIP**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2019**

	<b>North American Pollinator Protection</b>	<b>Bee Friendly Farming</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	\$136,944	\$36,177	\$107,432	\$61,448	\$25,971	\$7,611	\$16,743	\$192	\$392,518
Payroll taxes	10,814	2,886	8,518	4,982	2,086	572	1,373		31,231
Employee benefits	111							59,549	59,660
Workers compensation					171	5,189			5,360
Grants distributed	50,000				112,203				162,203
Rent								\$68,213	68,213
Consultants:									
Government relations	20,850								20,850
Design and graphics	3,430	385	1,511		7,346				12,672
Computer and database								5,564	5,564
General	4,007	292	29,674	17,385				16,679	68,037
Telephone					632			5,970	6,602
Accounting						27,050			27,050
Legal		1,415				20,837			22,252
Travel	32,591	1,336	11,834	6,380	1,226		50	2,595	56,012
Meetings and conferences	24,413		279	1,149				636	26,477
Office supplies	724		244		521			8,303	9,792
Program supplies	1,857		26,316		1,684			40	29,897
Computer supplies								500	500
Insurance						2,626			2,626
Postage and delivery			2,054	28				20,500	22,582
Printing	26,933		1,830		5,752		3,644	3,382	41,541
Depreciation								584	584
Web site	1,500				15			7,176	8,691
Service charges	1,661	224	16	107	301	(392)		3,238	5,155
Miscellaneous expenses	300		399		96			11,927	12,722
In-kind services	37,122							525	37,647
Shared costs allocated	79,002	12,477	73,869	27,877	11,871	2,960	7,326	(215,382)	-
	<b>\$432,259</b>	<b>\$55,192</b>	<b>\$263,976</b>	<b>\$119,356</b>	<b>\$169,875</b>	<b>\$66,453</b>	<b>\$29,136</b>	<b>\$191</b>	<b>\$1,136,438</b>

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

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

	North American Pollinator Protection	Corn Dust Research	Pollinator Habitat and Research			Other Programs	Management and General	Fund Raising	Shared	Total Expenses
			Monarch							
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	1,530	1,530	
General	1,000		2,740	19,908			6,017	3,250	9,432	
Telephone	24			18	188		223	2,000	31,665	
Accounting								9,034	9,487	
Legal						22,923			22,923	
Travel	28,991		8,789	7,051	2,034		121		121	
Photography	360						3,313	19,472	69,650	
Meetings and conferences	21,068		39	520	253	457	530	3,610	2,455	
Office supplies	65		195	32	1,623		3,610	2,455	28,402	
Program supplies	2,784		23,361	42,025	6,014		1,000	6,255	9,170	
Computer supplies					305			119	74,303	
Insurance								6,509	6,814	
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)	-	
	\$458,660	\$1,166	\$191,348	\$239,226	\$154,239	\$76,688	\$107,993	\$0	\$1,229,320	

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



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

	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$356,642	\$1,312
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	584	883
(Increase)/Decrease in contracts and accounts receivable	919	(1,071)
(Increase)/Decrease in grants and pledges receivable	(534,574)	240,459
(Increase)/Decrease in prepaid expenses and deposits	7,712	(27,013)
Increase/(Decrease) in accounts payable and accrued expenses	(5,103)	(20,091)
<b>Net cash provided by operating activities</b>	<b>(173,820)</b>	<b>194,479</b>
<b>Cash flows from investing activities:</b>		
Operating investments	23,017	(2,714)
<b>Net cash used by investing activities</b>	<b>23,017</b>	<b>(2,714)</b>
<b>Cash flows from financing activities:</b>		
Purchase of fixed assets	0	(2,917)
<b>Net cash used by financing activities</b>	<b>0</b>	<b>(2,917)</b>
<b>Net change in cash and cash equivalents</b>	<b>(150,803)</b>	<b>188,848</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,496,814</b>	<b>1,307,966</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$1,346,011</b>	<b>\$1,496,814</b>

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

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

(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 2019 and 2018 were primarily the North American Pollinator Protection Campaign (NAPPC), Monarch Butterfly Conservation, and Bee Friendly Farming (BFF). NAPPC is a growing, private-public collaboration of more than 170 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 [www.NAPPC.org](http://www.NAPPC.org). Monarch butterflies are an iconic species, easily recognized by their large and vibrant orange wings. Unfortunately, the monarch butterfly migration is declining and P2's works to protect and sustain future populations. BFF is a certification program working with farmers to help protect, preserve and promote pollinator health. BFF helps farmers incorporate affordable, simple, science-based guidelines, like offering nutrition and habitats for bees, and integrated pest management strategies.

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 [www.Pollinator.org](http://www.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:

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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

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, 2019 and 2018, cash included \$670,967 and \$638,013, 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 \$ 0 and \$23,017, as of 2019 and 2018 respectively, 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.

POLLINATOR PARTNERSHIP  
 NOTES TO FINANCIAL STATEMENTS  
 For the years ended December 31, 2019 and 2018

**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 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.

**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.

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.

(2) PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$22,180	\$22,180
Less accumulated depreciation	<u>(20,730)</u>	<u>(20,146)</u>
	<u>\$ 1,450</u>	<u>\$ 2,034</u>

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

(3) SUBLEASE

On May 2<sup>nd</sup>, 2019, the Organization entered into an agreement of sublease of three mutually agreed-to offices and one cubicle located at 475 Sansome Street, San Francisco, California. The two-year sublease started on June 1, 2019 and ends on June 1, 2021. The sublease requires payments of \$3,000 payable the 1<sup>st</sup> of each month.

(4) NET ASSETS WITH DONOR RESTRICTIONS

With donor restrictions were as follows:

<u>Restriction</u>	<u>Balance at 12/31/2018</u>	<u>2019 Additions</u>	<u>2019 Releases</u>	<u>Balance at 12/31/2019</u>
Wildlife Conservation Bd.	\$ 0	\$ 478,871	\$ -	\$ 478,871
G & D Donnelly Fd.	0	74,971	-	74,971
National Fish & Wildlife Fd.	<u>0</u>	<u>74,500</u>	<u>-</u>	<u>74,500</u>
Total	<u>\$ 0</u>	<u>\$ 478,871</u>	<u>\$ -</u>	<u>\$ 478,871</u>

(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.

(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 market funds.

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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	\$1,346,011
Grants and pledge receivable	<u>101,401</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$1,447,412</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, 2019, the balances in Wells Fargo bank exceed the FDIC insurance limit by \$419,813.

(8) SUBSEQUENT EVENTS

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 April 15, 2020, which is the date the financial statements were available to be issued.