

POLLINATOR PARTNERSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

POLLINATOR PARTNERSHIP
For the years ended December 31, 2020 and 2019

C O N T E N T S

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 14

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, 2020 and 2019, 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, 2020 and 2019, 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 23, 2021

POLLINATOR PARTNERSHIP
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$1,431,903	\$1,346,011
Contracts and accounts receivable	0	152
Grants and pledges receivable	805,919	580,272
Prepaid expenses	30,843	30,447
Total current assets	2,268,665	1,956,882
Property and equipment, net of accumulated depreciation	3,377	1,450
TOTAL ASSETS	\$2,272,042	\$1,958,332
LIABILITIES		
Current Liabilities		
Accounts payable	\$19,694	\$16,200
Accrued compensation	7,312	1,870
TOTAL LIABILITIES	27,006	18,070
NET ASSETS		
Without donor restrictions:		
Undesignated	1,629,271	1,461,391
With donor restrictions:		
Purpose restrictions	615,765	478,871
TOTAL NET ASSETS	2,245,036	1,940,262
TOTAL LIABILITIES AND NET ASSETS	\$2,272,042	\$1,958,332

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	2020 Total	Without Donor Restrictions	With Donor Restrictions	2019 Total
SUPPORT AND REVENUE						
Individual and group donations	\$212,431		\$212,431	\$279,309		\$279,309
Foundation grants	160,297	99,569	259,866	292,311	74,500	366,811
Corporate grants	273,668		273,668	263,515		263,515
Government grants	81,565	210,000	291,565	60,529	404,371	464,900
Contract income	19,925		19,925	45,569		45,569
PPP loan	81,734		81,734	0		0
Interest income	2,270		2,270	10,142		10,142
Registration, program and other revenue	15,768		15,768	25,186		25,186
In-kind donations	9,125		9,125	37,647		37,647
Net assets released from restriction	172,675	(172,675)	-	-	-	-
Total Support and Revenue	1,029,458	136,894	1,166,352	1,014,208	478,871	1,493,079
EXPENSES						
North American Pollinator Protection Campaign	289,908		289,908	432,259		432,259
Bee Friendly Farming	115,601		115,601	55,192		55,192
Monarch	227,509		11,909	263,976		11,909
Pollinator Habitat and Research	89,962		89,962	119,356		119,356
Other Programs	68,269		68,269	169,875		169,875
	791,249		791,249	1,040,658		1,040,658
Management and general	43,037		43,037	66,644		66,644
Fund raising	27,292		27,292	29,136		29,136
Total Expenses	861,578		861,578	1,136,438		1,136,438
Change in Net Assets	167,880	136,894	304,774	(122,230)	478,871	356,641
Net Assets - Beginning	1,461,391	\$478,871	1,940,262	1,583,621	0	1,583,621
Net Assets - Ending	\$1,629,271	\$615,765	\$2,245,036	\$1,461,391	\$478,871	\$1,940,262

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

POLLINATOR PARTNERSHIP
Statement of Functional Expenses
Year Ended December 31, 2020

	North American Pollinator Protection	Bee Friendly Farming	Monarch	Pollinator Habitat and Research	Other Programs	Management and General	Fund Raising	Shared	Total Expenses
Salaries	\$133,053	\$58,790	\$112,598	\$47,210	\$23,216	\$7,981	\$15,110	\$5,441	\$403,399
Payroll taxes	10,407	4,587	8,868	3,684	1,832	626	1,194	-	31,200
Employee benefits	-	-	-	-	3,330	-	-	49,551	52,881
Workers compensation	-	-	-	-	-	5,420	-	(523)	4,897
Grants distributed	48,308	-	-	-	24,294	-	-	50	72,652
Rent	-	-	-	-	-	-	-	40,825	40,825
Consultants:	-	-	-	-	-	-	-	-	-
Government relations	14,775	-	-	-	-	-	-	-	14,775
Design and graphics	1,358	283	555	-	2,278	-	-	-	4,474
Program Development	-	27,809	-	-	-	-	-	-	27,809
Computer and database	-	-	-	-	-	-	-	2,389	2,389
General	3,000	-	45,742	19,438	-	-	-	-	68,180
Telephone	-	-	-	-	-	-	-	2,108	2,108
Accounting	-	-	-	-	-	25,002	-	-	25,002
Legal	-	-	-	-	-	992	-	-	992
Travel	1,249	1,589	5,296	3,352	-	-	-	-	11,486
Meetings and conferences	155	-	-	-	-	-	-	515	670
Office supplies	-	-	-	-	-	-	-	8,512	8,512
Program supplies	4,747	-	2,744	142	4,428	600	-	-	12,661
Computer supplies	-	-	-	-	-	-	-	150	150
Insurance	-	-	-	-	-	499	-	8,405	8,904
Postage and delivery	8,858	146	3,444	137	320	86	1,333	3,306	17,631
Printing	8,862	4,302	582	2	1,707	-	576	2,611	18,643
Depreciation	-	-	-	-	-	-	-	1,211	1,211
Web site	-	-	-	-	244	-	-	3,537	3,781
Service charges	1,164	399	68	257	54	-	2,420	-	4,362
Miscellaneous expenses	660	-	-	29	17	420	1,945	10,838	13,909
In-kind services	8,075	-	-	-	-	-	-	-	8,075
Shared costs allocated	45,236	17,695	47,611	15,711	6,549	1,412	4,714	(138,927)	-
	\$289,908	\$115,601	\$227,509	\$89,962	\$68,270	\$43,037	\$27,292	\$0	\$861,578

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

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

	North American Pollinator Protection	Bee Friendly Farming	Monarch	Pollinator Habitat and Research	Other Programs	Management and General	Fund Raising	Shared	Total Expenses
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	191	191	11,736	12,913
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)	-
	\$432,259	\$55,192	\$263,976	\$119,356	\$169,875	\$66,644	\$29,327	\$0	\$1,136,629

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

POLLINATOR PARTNERSHIP
Statements of Cash Flows
Years Ended December 31

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$304,774	\$356,642
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,211	584
(Increase)/Decrease in contracts and accounts receivable	152	919
(Increase)/Decrease in grants and pledges receivable	(225,647)	(534,574)
(Increase)/Decrease in prepaid expenses and deposits	(396)	7,712
Increase/(Decrease) in accounts payable and accrued expenses	8,936	(5,103)
Net cash provided by operating activities	89,030	(173,820)
Cash flows from investing activities:		
Operating investments	0	23,017
Net cash used by investing activities	0	23,017
Cash flows from financing activities:		
Purchase of fixed assets	(3,138)	0
Net cash used by financing activities	(3,138)	0
Net change in cash and cash equivalents	85,892	(150,803)
Cash and cash equivalents - beginning of year	1,346,011	1,496,814
Cash and cash equivalents - end of year	\$1,431,903	\$1,346,011

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

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2020 and 2019

(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 2020 and 2019 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. 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, 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, 2020 and 2019

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, 2020 and 2019, cash included \$673,136 and \$670,967, 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 had no assets or liabilities recorded at fair values as of December 31, 2020.

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, 2020 and 2019

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 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.

Recent Accounting Guidance - In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Pollinator Partnership has adjusted the presentation of these statements accordingly.

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2020 and 2019

During the year ended December 31, 2020, Pollinator Partnership adopted Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), using the retrospective method. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. Analysis of various provisions of this standard resulted in no significant changes in the way Pollinator Partnership recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The change in accounting principle was adopted on a retrospective prospective basis on January 1, 2019. There was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2020.

(2) PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$16,243	\$22,180
Less accumulated depreciation	<u>(12,866)</u>	<u>(20,730)</u>
	<u>\$ 3,377</u>	<u>\$ 1,450</u>

(3) SUBLEASE

On May 2nd, 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 1st of each month.

(4) NET ASSETS WITH DONOR RESTRICTIONS

With donor restrictions were as follows:

<u>Restriction</u>	<u>Balance at</u> <u>12/31/2019</u>		<u>2020</u> <u>Additions</u>		<u>2020</u> <u>Releases</u>		<u>Balance at</u> <u>12/31/2020</u>
Wildlife Conservation Bd.	\$ 329,400	\$	-	\$	(46,032)	\$	283,368
G & D Donnelly Fd.	74,971		-		(60,500)		14,471

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2020 and 2019

USDA-NRCS	0	210,000	(29,167)	180,833
2019 NFWF	74,500	-	(36,977)	37,523
2020 NFWF	<u>0</u>	<u>99,570</u>	<u>-</u>	<u>99,570</u>
Total	<u>\$ 478,871</u>	<u>\$ 309,570</u>	<u>\$ (172,676)</u>	<u>\$ 615,765</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.

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	\$1,431,903
Grants and pledge receivable	<u>850,919</u>
Financial assets available to meet cash need for general expenditures within one year	<u>2,282,822</u>
Restricted by donor with time or purpose restrictions	<u>(615,765)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,665,057</u>

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2020 and 2019

(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, 2020, the balances in Wells Fargo bank exceed the FDIC insurance limit by \$499,731.

(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 23, 2021, which is the date the financial statements were available to be issued.

On March 16, 2020, Public health officers from six Bay Area counties, including San Francisco County, announced at 1 p.m. Monday that the region would “shelter in place” beginning 12:01 a.m. Tuesday to slow the spread of COVID-19, colloquially known as the coronavirus and until further notice, workplaces and businesses should implement telecommuting and teleconferencing for their employees, where appropriate and feasible and that only those employees performing essential duties that cannot be performed by telecommuting should physically come to work. Furthermore, state and local public health directives banned gatherings in any formal setting. As a result of the state and local public health directives, Pollinator Partnership has:

- Beginning on March 18, 2020 changed to a reduced schedule. Staff are present on a rotating schedule with teleworking provided for those working at home.
- Developed different 2021 budget scenarios to determine the best path forward to ensure organizational financial stability for 2021 and beyond in the emerging COVID-19 recession. This process resulted in a revised budget for 2021 and new fund development strategies to support effective organizational functioning and staff retention and address potential budget shortfalls caused by loss of revenue connected to annual in-person performances and recession impacts on philanthropic giving. Future potential impacts may include a continued requirement for employees to work remotely, adjustments to Pollinator Partnership’ annual goals, strategic actions and budget to meet the evolving and emerging needs of people struggling the most to make ends meet, and an impairment of its ability to hold future in person events.

Management and Pollinator Partnership’ Board of Directors continue to carefully monitor the situation, conduct financial scenario planning, and evaluate Pollinator Partnership’s options during this time.

On May 11, 2020, Pollinator Partnership received loan proceeds in the amount of approximately \$81,734 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty weeks as

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2020 and 2019

long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

Pollinator Partnership's management chooses not to follow FASB ASC 470 by representing the full amount as a liability, as Pollinator Partnership expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven, thus they account for the PPP loans in accordance with FASB ASC 958-605 as a conditional contribution. The PPP loan of \$81,734 has been recognized as revenue the balance of the loan is \$84,240 as of June 30, 2020. Management believes that the expenses are for eligible purposes to be forgiven.

On March 4, 2021, Pollinator Partnership received a second loan under the Paycheck Protection Program ("PPP") from the U.S. Small Business Administration through Well Fargo America for \$92,047 for COVID-19 payable, due March 4, 2026, bearing interest at 1.00% per year.