

POLLINATOR PARTNERSHIP

FINANCIAL STATEMENTS

December 31, 2015 and 2014

with

INDEPENDENT AUDITOR'S REPORT

**POLLINATOR PARTNERSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

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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, 2015 and 2014 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, 2015 and 2014, 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

March 11, 2016

POLLINATOR PARTNERSHIP
Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$1,200,862	\$1,304,065
Contracts and accounts receivable	-	5,173
Grants and pledges receivable, current	90,960	75,960
Prepaid expenses	5,181	6,589
Total current assets	1,297,003	1,391,787
Grants and pledges receivable 2016-2017	15,000	100,000
Property and equipment, net of accumulated depreciation	0	0
Deposits	2,200	2,200
TOTAL ASSETS	\$1,314,203	\$1,493,987
LIABILITIES		
Current Liabilities		
Accounts payable	\$18,146	\$23,311
Accrued compensation	2,163	1,671
TOTAL LIABILITIES	20,309	24,982
NET ASSETS		
Unrestricted	890,861	380,342
Temporarily restricted	403,033	1,088,663
TOTAL NET ASSETS	1,293,894	1,469,005
TOTAL LIABILITIES AND NET ASSETS	\$1,314,203	\$1,493,987

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

POLLINATOR PARTNERSHIP
Statements of Activities
Years Ended December 31

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Individual and group donations	\$113,908	\$50,113	\$164,021	\$76,877	\$79,408	\$156,285
Foundation grants	69,167	77,534	146,701	72,118	125,042	197,160
Corporate grants	10,519	464,425	474,944	7,335	1,072,262	1,079,597
Government grants		201,129	201,129	80,630	133,006	213,636
Contract income	24,849		24,849	27,456		27,456
Interest income	876		876	979		979
Registration, program and other revenue	33,546		33,546	7,205		7,205
In-kind donations	68,674		68,674	114,974		114,974
Net assets released from restriction	1,478,831	(1,478,831)		1,053,784	(1,053,784)	
Total Support and Revenue	1,800,370	(685,630)	1,114,740	1,441,358	355,934	1,797,292
EXPENSES						
North American Pollinator Protection Campaign	396,830		396,830	486,976		486,976
Corn Dust Research	248,918		248,918	435,486		435,486
Pollinator Habitat and Research	264,368		264,368	226,371		226,371
Other Programs	175,644		175,644	90,964		90,964
	1,085,760		1,085,760	1,239,797		1,239,797
Management and general	125,794		125,794	88,051		88,051
Fund raising	78,297		78,297	40,846		40,846
Total Expenses	1,289,851		1,289,851	1,368,694		1,368,694
Change in Net Assets	510,519	(685,630)	(175,111)	72,664	355,934	428,598
Net Assets - Beginning	380,342	1,088,663	1,469,005	307,678	732,729	1,040,407
Net Assets - Ending	\$890,861	\$403,033	\$1,293,894	\$380,342	\$1,088,663	\$1,469,005

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
Statement of Functional Expenses
Year Ended December 31, 2014

	North American Pollinator Protection	Corn Dust Research	Pollinator Habitat and Research	Other Programs	Management and General	Fund Raising	Shared	Total Expenses
Salaries	\$129,310	\$16,108	\$68,763	\$45,609	\$25,987	\$26,026		\$311,803
Payroll taxes	11,017	1,409	5,739	3,882	2,195	2,173		26,415
Employee benefits	11,894	1,241	4,903	4,565	4,560	1,913		29,076
Workers compensation	1,530	191	814	540	321	308		3,704
Grants distributed	42,732	375,395						418,127
Rent							\$63,103	63,103
Consultants:								
Government relations	43,395							43,395
Design and graphics	4,980							4,980
Computer and database					1,058			1,058
Program development			18,101	22,500				40,601
Development/FR			1,850					1,850
General	16,973	6,727	41,049				1,412	66,161
Telephone					250		6,035	6,285
Accounting					31,410			31,410
Legal					726			726
Travel	25,232		21,455	2,292	737			49,716
Mileage and parking	771		8,377		44		50	9,242
Meetings and conferences	15,674		620		1,939			18,233
Office supplies	2,922			184	214		4,918	8,238
Program supplies	198		22,456	2,468				25,122
Computer supplies					278		5,781	6,059
Insurance					1,009		1,121	2,130
Postage and delivery			119				13,129	13,248
Printing	28,684		4,285	2,553	1,930	7,931		45,383
Intern stipends	1,836		125	78	2,255	84		4,378
Depreciation								-
Web site			2,500	96			9,946	12,542
Staff development								-
Service charges	200		15		4,893	27		5,135
Miscellaneous expenses	4,149		389	55	314		692	5,599
In-kind services	104,295						10,680	114,975
Shared costs allocated	41,184	34,415	24,811	6,142	7,931	2,384	(116,867)	-
	\$486,976	\$435,486	\$226,371	\$90,964	\$88,051	\$40,846	\$0	\$1,368,694

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

POLLINATOR PARTNERSHIP
Statements of Cash Flows
Years Ended December 31

	2015	2014
Cash flows from operating activities:		
Change in net assets	(\$175,111)	\$428,598
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	-
(Increase)/Decrease in contracts and accounts receivable	5,173	30,214
(Increase)/Decrease in grants and pledges receivable	70,000	17,540
(Increase)/Decrease in prepaid expenses and deposits	1,408	(975)
Increase/(Decrease) in accounts payable and accrued expenses	(4,673)	5,292
Net cash provided by operating activities	(103,203)	480,669
Net change in cash and cash equivalents	(103,203)	480,669
Cash and cash equivalents - beginning of year	1,304,065	823,396
Cash and cash equivalents - end of year	\$1,200,862	\$1,304,065

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 2014 and 2013 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.

P2's mission is to catalyze stewardship of biodiversity. 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, 2015 and 2014 were \$403,033 and \$1,088,663, respectively.

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, 2015 and 2014, cash included \$117,276 and \$112,817, 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.
- (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, 2015 and 2014 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>2015</u>	<u>2014</u>
NAPPC conference, research and projects	\$102,194	\$382,156
Corn Dust Research Consortium	100,000	448,756
Pollinator habitat and research	185,839	235,875
School pollinator garden kits	<u>15,000</u>	<u>23,277</u>
	<u>\$403,033</u>	<u>\$1,090,063</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 (\$101,460 in 2016,\$103,464 in 2017 and \$52,182 in 2018) plus common area costs. 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 March 11, 2016.