

**POLLINATOR PARTNERSHIP**

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

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

POLLINATOR PARTNERSHIP  
For the years ended December 31, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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  
March 13, 2018

**POLLINATOR PARTNERSHIP**  
**Statements of Financial Position**  
**December 31, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$1,307,966	\$1,260,030
Contracts and accounts receivable	-	12,900
Grants and pledges receivable	286,157	121,328
Prepaid expenses	2,783	7,103
Investments	20,303	-
Total current assets	1,617,209	1,401,361
Deposits	8,363	8,363
<b>TOTAL ASSETS</b>	<b>\$1,625,572</b>	<b>\$1,409,724</b>
 <b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$41,744	\$17,276
Accrued compensation	1,520	1,895
<b>TOTAL LIABILITIES</b>	43,264	19,171
 <b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	1,582,308	1,370,735
With donor restrictions:		
Purpose restrictions	-	19,818
<b>TOTAL NET ASSETS</b>	1,582,308	1,390,553
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,625,572</b>	<b>\$1,409,724</b>

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

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

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Individual and group donations	\$244,518		\$244,518	\$206,993		\$206,993
Foundation grants	179,055		179,055	78,110		78,110
Corporate grants	303,753		303,753	77,989		77,989
Government grants	470,093		470,093	782,490		782,490
Contract income	46,051		46,051	17,449		17,449
Interest income	1,687		1,687	656		656
Registration, program and other revenue	19,380		19,380	66,920		66,920
In-kind donations	198,356		198,356	100,885		100,885
Net assets released from restriction	19,818	(19,818)		383,215	(383,215)	
<b>Total Support and Revenue</b>	<b>1,482,711</b>	<b>(19,818)</b>	<b>1,462,893</b>	<b>1,714,707</b>	<b>(383,215)</b>	<b>1,331,492</b>
<b>EXPENSES</b>						
North American Pollinator Protection Campaign	501,015		501,015	388,878		388,878
Corn Dust Research	11,909		11,909	125,234		125,234
Pollinator Habitat and Research	204,188		204,188	210,198		210,198
Other Programs	217,908		217,908	182,517		182,517
	935,020		935,020	906,827		906,827
Management and general	127,445		127,445	132,713		132,713
Fund raising	208,673		208,673	195,293		195,293
<b>Total Expenses</b>	<b>1,271,138</b>		<b>1,271,138</b>	<b>1,234,833</b>		<b>1,234,833</b>
<b>Change in Net Assets</b>	<b>211,573</b>	<b>(19,818)</b>	<b>191,755</b>	<b>479,874</b>	<b>(383,215)</b>	<b>96,659</b>
<b>Net Assets - Beginning</b>	<b>1,370,735</b>	<b>19,818</b>	<b>1,390,553</b>	<b>890,861</b>	<b>403,033</b>	<b>1,293,894</b>
<b>Net Assets - Ending</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>

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 Development/FR	4,500				2,645			7,145
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**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2016**

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

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



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

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$191,755	\$96,659
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	-
(Increase)/Decrease in contracts and accounts receivable	12,900	2,100
(Increase)/Decrease in grants and pledges receivable	(164,829)	(30,368)
(Increase)/Decrease in prepaid expenses and deposits	4,320	(8,085)
Increase/(Decrease) in accounts payable and accrued expenses	24,093	(1,138)
<b>Net cash provided by operating activities</b>	<b>68,239</b>	<b>59,168</b>
<b>Cash flows from investing activities:</b>		
Purchase of operating investments	(20,303)	-
<b>Net cash used by investing activities</b>	<b>(20,303)</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>47,936</b>	<b>59,168</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,260,030</b>	<b>1,200,862</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$1,307,966</b>	<b>\$1,260,030</b>

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

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2017 and 2016

(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 2017 and 2016 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.

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2017 and 2016

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, 2017 and 2016, cash included \$633,900 and \$131,990, 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.

*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 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.

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2017 and 2016

***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). There was no change in total net assets as of December 31, 2017.

***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.

POLLINATOR PARTNERSHIP  
 NOTES TO FINANCIAL STATEMENTS  
 For the years ended December 31, 2017 and 2016

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, 2017 and 2016 consists of the following:

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

(3) LEASE

On April 22, 2015, the Organization renewed the current office lease runs through June 2018 at \$8,363 per month for office space (\$103,464 in 2017 and \$52,182 in 2018) plus common area costs. On February 18<sup>th</sup>, 2016, the Organization entered into sub-sublease agreement from April 15, 2016 to June 30, 2018 and the sub-sublessee agrees to pay the sublessor monthly rents of \$4,300 to \$4,600

(4) NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restriction by incurring expenses satisfying the purpose specified by donors as follows:

Pollinator habitat and research	<u>\$19,818</u>
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(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.

POLLINATOR PARTNERSHIP  
NOTES TO FINANCIAL STATEMENTS  
For the years ended December 31, 2017 and 2016

(6) LIQUIDITY AND AVAILABILITY

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	\$1,307,966
Grants and pledge receivable	<u>286,157</u>
	<u>\$1,594,123</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

(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, 2016, the balances in Wells Fargo bank exceed the FDIC insurance limit by \$426,454.