

POLLINATOR PARTNERSHIP

FINANCIAL STATEMENTS

December 31, 2011

with

INDEPENDENT AUDITOR'S REPORT

*POLLINATOR PARTNERSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2011*

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Independent Auditor's Report

To the Board of Directors
Pollinator Partnership
San Francisco, California

I have audited the accompanying statements of financial position of Pollinator Partnership as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I have conducted my audit in accordance with U. S. generally accepted auditing standards. 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 includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my 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, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with U. S. generally accepted accounting principles.

Carl M. Arntzen, CPA

Carl M. Arntzen, CPA
April 2, 2012

POLLINATOR PARTNERSHIP
Statements of Financial Position
December 31, 2011 and 2010

	2011	2010
ASSETS		
Current Assets		
Cash and cash equivalents	\$344,295	\$287,087
Contracts receivable	59,834	145,118
Grants and pledges receivable, current	147,590	35,000
Other receivables		196
Prepaid expenses	6,345	3,776
Total current assets	558,064	471,177
Grants and pledges receivable 2013-2015	185,000	
Property and equipment, net of accumulated depreciation	704	1,354
Deposits	2,200	2,200
TOTAL ASSETS	\$745,968	\$474,731
LIABILITIES		
Current Liabilities		
Accounts payable	\$8,667	\$9,909
Accrued compensation	3,607	3,416
TOTAL LIABILITIES	12,274	13,325
NET ASSETS		
Unrestricted	155,500	380,547
Temporarily restricted	578,194	80,859
TOTAL NET ASSETS	733,694	461,406
TOTAL LIABILITIES AND NET ASSETS	\$745,968	\$474,731

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

POLLINATOR PARTNERSHIP
Statements of Activities
Years Ended December 31

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Individual and group donations	\$14,619	\$3,939	\$18,558	\$33,662	\$882	\$34,544
Foundation grants	600	352,050	352,650	11,000	4,375	15,375
Corporate grants	50	327,220	327,270	610	118,016	118,626
Government grants	117,575	10,500	128,075	19,697		19,697
Contract income	164,596		164,596	347,924		347,924
Membership	26,301	5,246	31,547	20,212	4,750	24,962
Interest income	315		315	385		385
Registration, program and other revenue	32,026	290	32,316	44,613		44,613
In-kind donations	80,391		80,391	44,786		44,786
Net assets released from restriction	201,910	(201,910)		214,066	(214,066)	
Total Support and Revenue	638,383	497,335	1,135,718	736,955	(86,043)	650,912
EXPENSES						
North American Pollinator Protection Campaign	686,900		686,900	555,705		555,705
IABIN	43,504		43,504	51,760		51,760
Pollinator gardening and youth education	76,948		76,948	23,580		23,580
	807,352		807,352	631,045		631,045
Management and general	37,279		37,279	40,094		40,094
Fund raising	18,799		18,799	17,636		17,636
Total Expenses	863,430		863,430	688,775		688,775
Change in Net Assets	(225,047)	497,335	272,288	48,180	(86,043)	(37,863)
Net Assets - Beginning	380,547	80,859	461,406	332,367	166,902	499,269
Net Assets - Ending	\$155,500	\$578,194	\$733,694	\$380,547	\$80,859	\$461,406

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

POLLINATOR PARTNERSHIP
Statement of Functional Expenses
Year Ended December 31, 2011

	North American Pollinator Protection	IABIN	Youth Education and Pollinator Gardening	Management and General	Fund Raising	Shared	Total Expenses
Salaries	\$233,893	\$5,807	\$36,103	\$6,672	\$10,881		\$293,356
Payroll taxes	20,176	492	3,005	625	943		25,241
Employee benefits	14,445	407	2,812	555	894		19,113
Workers compensation	2,762	68	427	79	128		3,464
Grants distributed	37,234	36,000					73,234
Rent						\$28,664	28,664
Consultants:							-
Government relations	50,438						50,438
Design and graphics	16,805						16,805
Computer and database Development					1,500	3,394	3,394
General	69,644		20,540				90,184
Telephone	156					9,610	9,766
Accounting				22,673			22,673
Legal	5,854		715	550			7,119
Travel	26,354		48			228	26,630
Mileage and parking	204					183	387
Meetings and conferences	35,014					1,004	36,018
Office supplies			2	250		2,427	2,679
Program supplies	23,092		3,187			31	26,310
Computer supplies						223	223
Insurance				1,250		1,084	2,334
Postage and delivery	903		478		357	7,761	9,499
Printing	6,501		5,192		1,756	2,273	15,722
Intern stipends	3,148					4,235	7,383
Depreciation						650	650
Web site	30					1,858	1,888
Staff development						1,096	1,096
Service charges	1,272		100	406	581	2,654	5,013
Miscellaneous expenses	411		249	784		812	2,256
In-kind services	80,391						80,391
Shared costs allocated	58,173	730	4,090	3,435	1,759	(68,187)	-
	\$686,900	\$43,504	\$76,948	\$37,279	\$18,799	\$0	863,430

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

POLLINATOR PARTNERSHIP
Statement of Functional Expenses
Year Ended December 31, 2010

	North American Pollinator Protection	IABIN	Youth Education and Pollinator Gardening	Management and General	Fund Raising	Shared	Total Expenses
Salaries	\$220,922	\$10,172	\$4,776	\$5,885	\$12,575	\$486	\$254,816
Payroll taxes	18,182	818	415	461	1,013	52	20,941
Employee benefits	10,904	539	1,297	262	564		13,566
Workers compensation	2,612	121	58	73	148		3,012
Grants distributed	29,695						29,695
Rent	1,500					26,667	28,167
Consultants:							
Program planning	6,195					20	6,215
Government relations	43,821						43,821
Design and graphics	12,314					2,745	15,059
Computer and database						3,553	3,553
Business planning			80	1,351	430	910	2,771
General	34,532			250	720	3,700	39,202
Telephone	144					7,391	7,535
Accounting				22,675			22,675
Legal	1,018			158			1,176
Travel	27,970	36,815	14			962	65,761
Mileage and parking	15	83				12	110
Meetings and conferences	22,697	9				484	23,190
Office supplies				135		1,356	1,491
Program supplies	13,567	7	2,442				16,016
Computer supplies						669	669
Insurance				1,250		884	2,134
Postage and delivery	193				45	4,727	4,965
Printing	5,082		12,045		14	3,539	20,680
Depreciation						1,815	1,815
Web site	18			35		1,142	1,195
Staff development						70	70
Service charges	1,025			801		2,974	4,800
Miscellaneous expenses	4,436			2,523		1,930	8,889
In-kind services	44,362				424		44,786
Shared costs allocated	54,501	3,196	2,453	4,235	1,703	(66,088)	
	\$555,705	\$51,760	\$23,580	\$40,094	\$17,636	\$0	\$688,775

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

POLLINATOR PARTNERSHIP
Statements of Cash Flows
Years Ended December 31

	2011	2010
Cash flows from operating activities:		
Change in net assets	\$272,288	(\$37,863)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	650	1,815
Decrease (increase) in contracts receivable	85,284	(143,749)
Decrease (increase) in grants and pledges receivable	(297,590)	75,125
Decrease (increase) in other receivables	196	(196)
Decrease (increase) in prepaid expenses and deposits	(2,569)	555
Increase (decrease) in accounts payable and accrued expenses	(1,051)	(827)
Net cash provided by operating activities	57,208	(105,140)
Net increase (decrease) in cash and cash equivalents	57,208	(105,140)
Cash and cash equivalents - beginning of year	287,087	392,227
Cash and cash equivalents - end of year	\$344,295	\$287,087

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 2011 were primarily the North American Pollinator Protection Campaign (NAPPC), the Inter American Biodiversity Information Network Project (IABIN) and pollinator gardening. 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.

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.

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.

POLLINATOR PARTNERSHIP
Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

- (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 cash included \$112,797 in money market accounts. Such accounts are not FDIC insured but are SIPC insured.
- (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.

POLLINATOR PARTNERSHIP
Notes to Financial Statements

Note 3 – Property and Equipment

Property and equipment consisted of:

Equipment and furniture	\$23,033
Less accumulated depreciation	<u>(22,329)</u>
	<u>\$704</u>

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2011 were available for the following purposes:

NAPPC conference and projects	\$277,144
Research of Habitat	281,050
School pollinator gardens	<u>20,000</u>
	<u>\$578,194</u>

Note 5 – Commitments, Concentrations and Contingencies

The Organization's current office lease runs through June 2012 at \$2,425 per month plus storage and other costs. A substantial portion of contributions have been from less than ten sources, including board members and related parties. 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 April 2, 2012.