

POLLINATOR PARTNERSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

POLLINATOR PARTNERSHIP
For the years ended December 31, 2022 and 2021

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Independent Auditor's Report

To the Board of Trustees
Pollinator Partnership
San Francisco, California

Opinion

I have audited the accompanying financial statements of Pollinator Partnership (a California nonprofit public benefit corporation), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Pollinator Partnership as of December 31, 2022 and 2021, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Pollinator Partnership and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Pollinator Partnerships' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pollinator Partnerships' ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Allan Liu

Certified Public Accountant
Millbrae, California
August 23, 2023

POLLINATOR PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
December 31, 2022 and 2021

Assets

Assets	2022	2021
Current Assets		
Cash and cash equivalents	\$ 2,136,620	\$ 1,638,182
Grants receivable, net	1,791,698	801,511
Prepaid expenses and other assets	27,837	31,994
	<hr/> 3,956,155	<hr/> 2,471,687
Property and equipment, net of accumulated depreciation	1,255	2,166
Right of use asset	85,311	55,520
	<hr/>	<hr/>
Total Assets	\$ 4,042,721	\$ 872,913

Liabilities and Net Assets

Liabilities		
Current Liabilities		
Accounts payable	\$ 60,176	\$ 10,944
Accrued compensation	5,366	5,104
Total Current Liabilities	<hr/> 65,542	<hr/> 16,048
Long-term Liabilities		
PPP loan	-	92,047
Lease Liability	85,311	55,520
Total Long-term Liabilities	<hr/> 85,311	<hr/> 119,791
Total Liabilities	<hr/> 150,853	<hr/> 142,722
Net Assets		
Without donor restrictions	1,529,650	1,789,042
With donor restrictions	2,362,218	576,716
Total Net Assets	<hr/> 3,891,868	<hr/> 2,365,758
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 4,042,721	\$ 872,913

See accompanying notes to financial statements.

POLLINATOR PARTNERSHIP
STATEMENT OF ACTIVITIES
For the Years Ended December 31, 2022 and 2021

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021
Support and Revenue						
Individual and group donations	\$ 220,820	25,255	\$ 246,075	\$ 225,160		\$ 225,160
Foundation grants	268,121	494,914	763,035	79,882		79,882
Corporate grants	914,682		914,682	317,023		317,023
Government grants	155,263	1,028,371	1,183,634	130,836	355,785	486,621
Contract income	191,251		191,251	38,097		38,097
PPP income	92,047		92,047	-	-	-
Interest income	9,642		9,642	241		241
Registration, program and other revenue	26,645		26,645	26,899		26,899
Net assets released from restrictions	595,606	(595,606)	-	394,834	(394,834)	-
Total Support and Revenue	2,474,077	952,934	3,427,011	1,212,972	(39,049)	1,173,923
Expenses						
North American Pollinator Protection Campaign	439,418	-	439,418	299,319	-	299,319
Bee Friendly Farming	257,508		257,508	129,355		129,355
Monarch	362,198		362,198	342,690		342,690
Pollinator Habitat and Research	615,517		615,517	130,617		130,617
Other Programs	113,963		113,963	71,180		71,180
Total Programs	1,788,604		1,788,604	973,161		973,161
Management and general	74,153	-	74,153	45,684	-	45,684
Fundraising	38,144	-	38,144	34,356	-	34,356
Total Expenses	1,900,901	-	1,900,901	1,053,201	-	1,053,201
Change in Net Assets	573,176	952,934	1,526,110	159,771	(39,049)	120,722
Net Assets, beginning of year	1,789,042	576,716	2,365,758	1,629,271	615,765	2,245,036
Net Assets, end of year	\$ 2,362,218	\$ 1,529,650	\$ 3,891,868	\$ 1,789,042	\$ 576,716	\$ 2,365,758

See accompanying notes to financial statements.

POLLINATOR PARTNERSHIP
Statement of Functional Expenses
Year Ended December 31, 2022

	North American Pollinator Protection	Bee Friendly Farming	Monarch	Pollinator Habitat and Research	Other Programs	Management and General	Fund Raising	Shared	Total Expenses
Salaries	\$ 161,595	\$ 126,568	\$ 150,562	\$ 156,700	\$ 24,746	\$ 27,085	\$ 19,891	\$ 3,512	\$670,659
Payroll taxes	12,531	9,814	11,675	12,151	1,919	2,100	1,542	273	52,005
Employee benefits	22,147	17,347	20,636	21,477	3,391	3,712	2,727	498	91,935
									-
Grants distributed	80,528	-	16,000	30,000	63,598	-	-	-	190,126
Rent	-	-	-	-	-	-	-	46,555	46,555
Consultants:									-
Design and graphics	2,591	679	-	29	-	-	418	300	4,017
Program Development	8,000	20,020	-	5,000	-	-	-	-	33,020
Computer and database	-	-	-	-	-	-	-	300	300
General	49,324	47,340	57,760	90,508	-	-	1,700	750	247,382
Telephone	-	-	-	-	-	-	-	2,357	2,357
Accounting	-	-	-	-	-	28,700	-	-	28,700
Utilities	-	-	-	-	-	-	-	8,708	8,708
Travel	24,754	5,521	9,776	16,100	18	-	4,552	2,895	63,616
Meetings and conferences	980	90	740	209	-	-	309	295	2,623
Office supplies	56	96	5	50	27	-	-	10,946	11,180
Program supplies	7,637	5,768	65,697	228,160	7,648	-	-	1,352	316,262
Computer supplies	-	-	-	3,955	-	-	-	3,181	7,136
Insurance	-	-	-	-	-	-	-	6,781	6,781
Postage and delivery	1,005	1,200	2,976	28	733	1,132	70	21,256	28,400
Printing	19,541	264	-	468	1,477	-	-	-	21,750
Depreciation	-	-	-	-	-	-	911	-	911
Web site	-	35	-	-	-	-	-	16,594	16,629
Service charges	1,606	1,090	27	79	126	-	2,747	12	5,687
Miscellaneous expenses	15,254	3,000	75	5,962	2,015	6,046	510	11,300	44,162
In-kind services	-	-	-	-	-	-	-	-	-
Shared costs allocated	31,869	18,676	26,269	44,641	8,265	5,378	2,767	(137,865)	-
	\$439,418	\$257,508	\$362,198	\$615,517	\$113,963	\$74,153	\$38,144	\$0	\$1,900,901

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

POLLINATOR PARTNERSHIP
Statement of Functional Expenses
Year Ended December 31, 2021

	North American Pollinator Protection	Bee Friendly Farming	Pollinator Habitat and Research		Other Programs	Management and General	Fund Raising	Shared	Total Expenses
Salaries	\$154,938	\$79,526	\$128,585	\$57,179	\$18,171	\$14,726	\$18,992	(\$2,208)	\$469,909
Payroll taxes	12,047	6,228	10,078	4,443	1,427	1,147	1,482	-	36,852
Employee benefits	-	-	-	(1,109)	-	-	-	82,305	81,196
Workers compensation	-	-	-	-	-	-	-	6,514	6,514
Grants distributed	49,515	-	-	-	45,796	-	-	-	95,311
Rent	-	-	-	-	-	-	-	33,617	33,617
Consultants:	-	-	-	-	-	-	-	-	0
Design and graphics	1,805	-	-	-	-	-	49	-	1,854
Program Development	2,000	5,500	-	-	-	-	-	-	7,500
Computer and database	-	-	-	-	-	-	-	2,132	2,132
General	3,870	-	70,826	39,322	-	1,250	-	750	116,018
Telephone	-	-	-	-	-	-	-	2,074	2,074
Accounting	-	-	-	-	-	24,541	-	-	24,541
Utilities	-	-	-	-	-	-	-	7,627	7,627
Travel	456	1,751	6,842	5,383	-	-	-	410	14,842
Meetings and conferences	-	1,600	78	40	-	-	-	761	2,479
Office supplies	-	-	-	-	-	-	-	2,408	2,408
Program supplies	4,902	6,129	66,280	60	-	-	573	474	78,418
Computer supplies	-	-	-	-	-	-	-	1,217	1,217
Insurance	-	-	-	-	-	-	-	12,639	12,639
Postage and delivery	10,091	1,066	3,054	178	333	-	483	282	15,487
Printing	8,278	393	6	7	-	-	576	-	9,260
Depreciation	-	-	-	-	-	-	-	1,211	1,211
Web site	-	-	-	-	-	-	-	4,616	4,616
Service charges	1,658	518	19	101	64	-	2,932	17,502	22,794
Miscellaneous expenses	45	76	-	248	16	-	2,300	-	2,685
In-kind services	-	-	-	-	-	-	-	-	0
Shared costs allocated	49,714	26,568	56,922	24,765	5,373	4,020	6,969	(174,331)	\$0
	\$299,319	\$129,355	\$342,690	\$130,617	\$71,180	\$45,684	\$34,356	\$0	\$1,053,201

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

POLLINATOR PARTNERSHIP
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,526,109	\$ 120,722
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	911	1,211
(Increase) decrease in:		
Grants receivable, net	(990,187)	4,408
Prepaid expenses and other assets	4,157	(1,151)
Right of use asset	29,791	(55,520)
Increase (decrease) in:		
Accounts payable	49,233	(8,750)
Accrued compensation	262	(2,208)
Lease liability	(29,791)	55,520
Net Cash Used in Operating Activities	590,485	114,232
Cash Flows from Financing Activities:		
PPP loan	(92,047)	92,047
Net Cash (Used) Provided by Financing Activities	(92,047)	92,047
Net Increase in Cash and Cash Equivalents	498,438	206,279
Cash and Cash Equivalents, beginning of year	1,638,182	1,431,903
Cash and Cash Equivalents, end of year	\$ 2,136,620	\$ 1,638,182

See accompanying notes to financial statements.

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2022 and 2021

(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 2022 and 2021 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, 2022 and 2021

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, 2022 and 2021, cash included \$1,197,678 and \$721,136, 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 institution 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, 2022.

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, 2022 and 2021

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.

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

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 February 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application.

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2022 and 2021

(2) PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$16,243	\$16,243
Less accumulated depreciation	<u>(14,988)</u>	<u>(14,077)</u>
	<u>\$ 1,255</u>	<u>\$ 2,166</u>

(3) NET ASSETS WITH DONOR RESTRICTIONS

With donor restrictions were as follows:

<u>Restriction</u>	<u>Balance at</u> <u>12/31/2021</u>		<u>2022</u> <u>Additions</u>		<u>2022</u> <u>Releases</u>	<u>Balance at</u> <u>12/31/2022</u>
Wildlife Conservation Bd.	\$ 179,488	\$	-	-	\$ (173,419)	\$ 6,069
G & D Donnelly Fd.	1		-		(14,471)	-
USDA-NRCS	104,917		-		(65,449)	39,468
2021 NFWF	-		174,914		(20,669)	154,245
2020 NFWF	55,981		-		(48,648)	7,333
USDA-CRP Survey	118,593		-		(118,593)	-
C DFA (R-SCMS 2022)	-		554,663		(20,625)	534,038
University of Guelph	-		25,255		(5,584)	19,671
USFS (R-USFS 2022)	-		25,000		(10,417)	14,583
USDA-(R-NRCS 2022)	-		350,000		(28,724)	321,276
USDA APHIS- 2022	-		58,973		(4,527)	54,446
2022 NFWF (CPP)	-		320,000		(1,683)	318,317
2020 NFWF	55,981		-		(48,648)	7,333
BLM	68,382		-		(45,674)	22,708
USDA APHIS-BeeMd	<u>49,355</u>		<u>-</u>		<u>(49,355)</u>	
Total	<u>\$ 576,716</u>	<u>\$</u>	<u>1,548,540</u>	<u>\$</u>	<u>(394,834)</u>	<u>\$ 1,529,650</u>

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2022 and 2021

(4) 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.

(5) 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	\$2,136,620
Grants and pledge receivable	<u>1,791,698</u>
Financial assets available to meet cash need for general expenditures within one year	<u>3,928,318</u>
Restricted by donor with time or purpose restrictions	<u>(1,529,650)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,398,668</u>

(6) LEASES

The Organization recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. A contract contains a lease if there is an identified asset and the Organization has the right to control the asset. Lease terms include options to extend the lease when it is reasonably certain those options will be exercised. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when

POLLINATOR PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2022 and 2021

those variable payments depend on an index rate. The Organization has elected to use the risk-free rate in lieu of determining an incremental borrowing rate as its discount rate for all leases which is the Treasury constant maturity rate as of the lease commencement date for yield-curve-rates of similar length to the lease term. The ROU asset is subsequently measured throughout the lease term at the present value of remaining lease payments, plus any unamortized initial direct costs. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve-months or less at lease commencement. The lease cost associated with short-term leases are recognized on a straight-line basis over the lease term. Assets and liabilities related to a lease are capitalized if they exceed \$10,000 at inception.

On September 1, 2021, the Organization entered into an agreement of sublease of office space located at 475 Sansome Street, Suite 440 in San Francisco, California. The thirty-eight-month sublease started on September 1, 2021 and ends on November 30, 2024. The sublease requires payments of \$3,500 to \$3,900 payable the 1st of each month.

Future minimum lease payments for the operating lease (including the option to extend) as of December 31, 2022, are as follows:

Year ending Dec 31	2023	\$ 45,200
	2024	<u>46,800</u>
Total minimum lease payments		92,000
	Less interest	<u>(6,689)</u>
Present value of lease liabilities		<u>\$ 85,311</u>

Maturities of lease liabilities under noncancellable operating leases are as follows:

Year ending Dec 31	2023	\$ 44,418
	2024	<u>40,893</u>
Total Lease liability		<u>\$ 85,311</u>

Pollinator Partnership’s total rent and occupancy expense for the years ended December 31, 2022 and 2021 amounted to \$45,555 and \$33,616, respectively, and is reflected on the statement of functional expenses.

(7) 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 August 23, 2023, which is the date the financial statements were available to be issued.

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

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\$92,047 for COVID-19 payable, due March 4, 2026, bearing interest at 1.00% per year. The loan was forgiven on January 11, 2022.