



The Bee Informed Partnership, Inc.

Financial Statements
and
Independent Auditor's Report

December 31, 2019 and 2018



Table of Contents

Independent Auditor's Report.....1 - 2

Audited Financial Statements

Statements of Financial Position.....3

Statements of Activities.....4 - 5

Statements of Functional Expenses.....6 - 7

Statements of Cash Flows.....8

Notes to the Financial Statements.....9 - 15



1199 N. Fairfax Street, 10th Floor
Alexandria, VA 22314
703.836.1350

SIKICH.COM

Independent Auditor's Report

To the Board of Directors
The Bee Informed Partnership, Inc.
College Park, Maryland

We have audited the accompanying financial statements of The Bee Informed Partnership, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding Revenue Recognition

As discussed in Note 2 to the financial statements, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The adoption of this ASU did not result in a change to the accounting for any of the Organization revenue streams; as such, no cumulative effect adjustment was recorded. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The financial statements of the Organization as of December 31, 2018, were audited by Halt, Buzas & Powell, Ltd., who merged with Sikich LLP as of January 1, 2020, and whose report dated September 24, 2019, expressed an unmodified opinion on those statements.

Sikich LLP

Alexandria, Virginia
November 11, 2020

The Bee Informed Partnership, Inc.
Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
Assets		
Cash	\$ 297,634	\$ 324,907
Accounts receivable	34,746	18,632
Grants and contributions receivable	137,549	192,071
Contracts receivable, net	106,502	81,629
Inventory	5,375	-
Total assets	\$ 581,806	\$ 617,239
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 215,086	\$ 43,930
Deferred revenue	-	9,877
Total liabilities	215,086	53,807
Net assets:		
Without donor restrictions	266,178	563,432
With donor restrictions	100,542	-
Total net assets	366,720	563,432
Total liabilities and net assets	\$ 581,806	\$ 617,239

See accompanying notes to the financial statements.

The Bee Informed Partnership, Inc.
Statement of Activities
For the Year Ended December 31, 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues:			
Tech team services	\$ 217,215	\$ -	\$ 217,215
Grant revenue	109,663	100,542	210,205
Contract services	200,723	-	200,723
Contribution revenue	60,117	-	60,117
Membership dues	47,500	-	47,500
Merchandise revenue	23,059	-	23,059
Sentinel revenue	19,694	-	19,694
Other income	<u>4,255</u>	<u>-</u>	<u>4,255</u>
Total revenues	<u>682,226</u>	<u>100,542</u>	<u>782,768</u>
Expenses:			
Program services	<u>857,265</u>	<u>-</u>	<u>857,265</u>
Support services:			
Management and general	96,685	-	96,685
Fundraising expenses	<u>25,530</u>	<u>-</u>	<u>25,530</u>
Total support services	<u>122,215</u>	<u>-</u>	<u>122,215</u>
Total expenses	<u>979,480</u>	<u>-</u>	<u>979,480</u>
Change in net assets	(297,254)	100,542	(196,712)
Net assets, beginning of year	<u>563,432</u>	<u>-</u>	<u>563,432</u>
Net assets, end of year	<u>\$ 266,178</u>	<u>\$ 100,542</u>	<u>\$ 366,720</u>

See accompanying notes to the financial statements.

The Bee Informed Partnership, Inc.
Statement of Activities
For the Year Ended December 31, 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues:			
Tech team services	\$ 171,292	\$ -	\$ 171,292
Grant revenue	358,181	-	358,181
Contract services	368,987	-	368,987
Contribution revenue	10,874	-	10,874
Membership dues	50,000	-	50,000
Merchandise revenue	4,769	-	4,769
Sentinel revenue	<u>499</u>	<u>-</u>	<u>499</u>
Total revenues	<u>964,602</u>	<u>-</u>	<u>964,602</u>
Expenses:			
Program services	834,295	-	834,295
Management and general	<u>88,213</u>	<u>-</u>	<u>88,213</u>
Total expenses	<u>922,508</u>	<u>-</u>	<u>922,508</u>
Change in net assets	42,094	-	42,094
Net assets, beginning of year	<u>521,338</u>	<u>-</u>	<u>521,338</u>
Net assets, end of year	<u>\$ 563,432</u>	<u>\$ -</u>	<u>\$ 563,432</u>

See accompanying notes to the financial statements.

The Bee Informed Partnership, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2019

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising expenses</u>	<u>Total support</u>	<u>Total expenses</u>
Grants subsidy	\$ 509,329	\$ -	\$ -	\$ -	\$ 509,329
Subcontractors	271,747	5,594	25,530	31,124	302,871
Legal and professional fees	988	64,982	-	64,982	65,970
Bad debts	36,896	5,932	-	5,932	42,828
Subscriptions	16,617	-	-	-	16,617
Travel	9,800	4,439	-	4,439	14,239
Software	-	9,846	-	9,846	9,846
Miscellaneous	7,266	5,143	-	5,143	12,409
Cost of goods sold	4,622	-	-	-	4,622
Insurance	-	749	-	749	749
Total expenses	<u>\$ 857,265</u>	<u>\$ 96,685</u>	<u>\$ 25,530</u>	<u>\$ 122,215</u>	<u>\$ 979,480</u>

See accompanying notes to the financial statements.

The Bee Informed Partnership, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2018

	<u>Program services</u>	<u>Management and general</u>	<u>Total expenses</u>
Grants subsidy	\$ 633,111	\$ -	\$ 633,111
Subcontractors	180,345	25,900	206,245
Legal and professional fees	-	53,794	53,794
Bad debts	12,469	-	12,469
Travel	7,629	4,225	11,854
Miscellaneous	741	3,545	4,286
Insurance	<u>-</u>	<u>749</u>	<u>749</u>
Total expenses	<u>\$ 834,295</u>	<u>\$ 88,213</u>	<u>\$ 922,508</u>

See accompanying notes to the financial statements.

The Bee Informed Partnership, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ <u>(196,712)</u>	\$ <u>42,094</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Bad debt expense	42,828	12,469
Decrease (increase) in assets:		
Accounts receivable	(22,046)	11,081
Grants and contributions receivable	54,522	(28,122)
Contracts receivable	(61,769)	(74,629)
Inventory	(5,375)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	171,156	4,517
Deferred revenue	<u>(9,877)</u>	<u>9,877</u>
Total adjustments	<u>169,439</u>	<u>(64,807)</u>
Net cash used in operating activities	<u>(27,273)</u>	<u>(22,713)</u>
Net decrease in cash	(27,273)	(22,713)
Cash, beginning of year	<u>324,907</u>	<u>347,620</u>
Cash, end of year	<u>\$ <u>297,634</u></u>	<u>\$ <u>324,907</u></u>

See accompanying notes to the financial statements.

The Bee Informed Partnership, Inc.
Notes to the Financial Statements
December 31, 2019 and 2018

1. Organization

The Bee Informed Partnership, Inc. (the Organization) was incorporated in Maryland in July of 2014. The Organization's mission is to foster a collaboration of efforts across the country from some of the leading research labs and universities in agriculture and science to better understand honeybee declines in the United States. The Organization maintains a wide range of disciplines including traditional honeybee science, economics, statistics, and medical research that makes all these tools available to this important research.

The Organization's core idea is that it's possible to learn more by studying honeybee health on a large scale than in individual lab experiments. Borrowing traditional methods of cancer research from human medicine, the Organization gathers huge amounts of data submitted by beekeepers to understand just two things: how many hives they lost last season and how they kept their bees during that season.

2. Summary of Significant Accounting Policies

a. Basis of presentation

The Organization's financial statements are presented in accordance with generally accepted accounting principles for nonprofit organizations. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* represent resources that are not subject to donor imposed restrictions and are available for operations at management's discretion.

- *Net Assets With Donor Restrictions* represent resources restricted by donors. Some donor restrictions are temporary in nature and those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, donor restricted net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying statements of activities.

The Bee Informed Partnership, Inc.
Notes to the Financial Statements
December 31, 2019 and 2018

b. Basis of accounting

The Organization's financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

d. Income taxes

The Organization is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on income derived from activities related to its exempt purpose. The Organization is not classified as a private foundation.

e. Accounts receivable

Accounts receivable are due in less than one year and stated at their net realizable value. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management. At December 31, 2019 and 2018, all receivables are fully collectible, therefore, no allowance for doubtful accounts has been recognized.

f. Grants and contributions receivable

Grants and contributions receivable principally represent amounts due from government awards and are stated at their net realizable value. At December 31, 2019 and 2018, all receivables are fully collectible, therefore, no allowance for doubtful accounts has been recognized.

The Bee Informed Partnership, Inc.
Notes to the Financial Statements
December 31, 2019 and 2018

g. Contracts receivable, net

Contracts receivable principally represent amounts due from clients mainly for in-field sampling and lab diagnostics and are stated at their net realizable value. At December 31, 2019, no allowance for doubtful accounts had been recognized. At December 31, 2018, the allowance for doubtful accounts totaled \$12,469.

h. Inventory

Inventory consists of publication material and is stated at the lower of cost or market by the first in first out method.

i. Revenue recognition

Grants and contributions: The Organization recognizes grants and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as donor restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to the Organization's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Grants and contributions that are restricted by the donor are reported as net assets without donor restriction if the restriction expires in the same reporting period in which the contribution is recognized.

Contracts: Contract revenue is recognized as earned when the qualifying costs are incurred. Amounts received in advance are recorded as deferred revenue in the accompanying statements of financial position.

Membership dues: Membership dues are recognized as revenue ratably over the applicable dues period.

The Bee Informed Partnership, Inc.
Notes to the Financial Statements
December 31, 2019 and 2018

Merchandise: Merchandise revenues are recognized at the time a purchase is made.

Tech team services: Tech team service fees are recognized as revenue in the period in which services are provided.

j. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Expenses are classified directly to the functional area benefited.

k. Adoption of new accounting standard

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard is intended to address questions stemming from ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), regarding its implications on grants and contracts of not-for-profit organizations. The change in accounting principle was adopted on a modified prospective basis in 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2019.

The Bee Informed Partnership, Inc.
Notes to the Financial Statements
December 31, 2019 and 2018

I. New pronouncements

The FASB issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs - Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. On June 3, 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) *Effective Dates for Certain Entities*, to defer the effective date of FASB ASC 606 to fiscal years beginning after December 15, 2019 for certain entities that have not yet issued financial statements due to the COVID-19 pandemic. The Organization has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

3. **Liquidity and Availability**

The following represents the Organization's financial assets at December 31:

Financial assets at year end:	<u>2019</u>	<u>2018</u>
Cash	\$ 297,634	\$ 324,907
Accounts receivable	34,746	18,632
Grants receivable	137,549	192,071
Contracts receivable, net	<u>106,502</u>	<u>81,629</u>
Total financial assets	576,431	617,239
Less amounts not available within one year:		
Net assets with donor restrictions	<u>(100,542)</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$ 475,889</u>	<u>\$ 617,239</u>

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2019 and 2018, the Organization had financial assets equal to approximately seven months of operating expenses.

The Bee Informed Partnership, Inc.
Notes to the Financial Statements
December 31, 2019 and 2018

4. Concentrations of Credit Risk

The Organization maintains bank deposits that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2019 and 2018, the Organization had bank deposits in excess of FDIC limits of \$46,478 and \$74,407, respectively.

5. Net Assets With Donor Restrictions

At December 31, 2019 and 2018, net assets with donor restrictions were available for the following purposes:

	2019	2018
Tech transfer teams	\$ 54,600	\$ -
National Survey of Honey Bee Pests and Diseases	45,942	-
Total net assets with donor restrictions	\$ 100,542	\$ -

6. Concentrations of Revenue Risk

During the years ended December 31, 2019 and 2018, the Organization received \$285,107 and \$204,937, respectively, from three and one, respectively, funding sources, which is approximately 36% and 21%, respectively, of its total revenue and support. Any significant reduction in revenue and support may adversely impact the Organization's financial position and operations.

7. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 11, 2020, which is the date the financial statements were available to be issued. Except as noted below, there were no additional subsequent events that require recognition of, or disclosure in, the financial statements

The Bee Informed Partnership, Inc.
Notes to the Financial Statements
December 31, 2019 and 2018

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, Organization programs and funding sources could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. The Organization expects that it is probable that this matter will negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time. No adjustments have been made to these financial statements as a result of this uncertainty.

In May 2020, the Organization received a \$61,282 loan through the Payroll Protection Program (PPP) under the Coronavirus Aid, Relief and Economic Security Act (Cares Act). A portion of this note may be forgiven under the terms of the Cares Act depending on use of the funds. Amounts determined unforgivable will be charged interest at a rate of 1.00% due on May 2022.