

WHITE PONY EXPRESS
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023)

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INDEPENDENT AUDITOR'S REPORT

September 4, 2025

Board of Directors
White Pony Express
Concord, California

Opinion

I have audited the accompanying financial statements of White Pony Express (a nonprofit public benefit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of White Pony Express as of December 31, 2024, and the changes in net assets and its cash flows for the year 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 White Pony Express 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about White Pony Express' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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, including omissions, 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 White Pony Express' 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about White Pony Express' 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.

Report on Summarized Comparative Information

I have previously audited White Pony Express' 2023 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated August 23, 2024. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Healy and Associates
Concord, California

WHITE PONY EXPRESS

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)

	Total	
	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,708,129	\$ 1,309,920
Investments	1,146,998	2,200,902
Grants and contributions receivable	1,007,014	871,907
Donated goods on hand	9,218	21,358
Prepaid expenses	108,643	13,743
Total current assets	4,980,002	4,417,830
Long-term investment	120,645	113,605
Right-of-use asset, operating lease	1,791,457	205,911
Deposits	38,785	54,764
Intangible assets, net	19,778	35,444
Fixed assets, net	566,751	248,047
TOTAL ASSETS	<u>\$ 7,517,418</u>	<u>\$ 5,075,601</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 80,772	\$ 47,855
Accrued PTO payable	31,335	41,520
Accrued payroll payable	47,052	46,083
Lease liability, current portion	143,590	216,086
Line of credit	-	-
Total current liabilities	302,749	351,544
Lease liability, long-term portion	1,691,372	-
TOTAL LIABILITIES	<u>1,994,121</u>	<u>351,544</u>
NET ASSETS		
Without donor restrictions:		
Board designated	120,645	113,605
General undesignated	4,762,476	3,483,216
Total net assets without donor restrictions	4,883,121	3,596,821
With donor restrictions	640,176	1,127,236
TOTAL NET ASSETS	<u>5,523,297</u>	<u>4,724,057</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,517,418</u>	<u>\$ 5,075,601</u>

See Notes to Financial Statements

WHITE PONY EXPRESS

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
REVENUE AND SUPPORT:				
In-kind food	\$ 8,821,193	\$ -	\$ 8,821,193	\$ 8,298,668
Contributions	1,486,126	1,228,753	2,714,879	3,444,277
Government grants	723,864	-	723,864	622,872
In-kind clothing and goods	261,464	-	261,464	347,784
Investment income, net	158,536	-	158,536	73,347
Fundraising events:				
Gross proceeds	64,349			
Less: direct expenses	(16,505)			
In-kind services and equipment	16,808	-	16,808	123,809
Other income	13,260	-	13,260	611
Interest income	1,060	-	1,060	-
	11,530,155	1,228,753	12,758,908	12,966,888
Net assets released from restriction	1,715,813	(1,715,813)	-	-
Total revenue and support	13,245,968	(487,060)	12,758,908	12,966,888
EXPENSES:				
Program	11,386,573	-	11,386,573	10,806,105
Supporting services:				
General and administrative	219,302	-	219,302	164,824
Fundraising	353,793	-	353,793	289,666
Total expenses	11,959,668	-	11,959,668	11,260,595
Change in net assets	1,286,300	(487,060)	799,240	1,706,293
NET ASSETS, beginning of year	3,596,821	1,127,236	4,724,057	3,017,764
NET ASSETS, end of year	\$ 4,883,121	\$ 640,176	\$ 5,523,297	\$ 4,724,057

See Notes to Financial Statements

WHITE PONY EXPRESS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

	Program	General and Administrative	Fundraising	Total	
				2024	2023
EXPENSES:					
In-kind food distributed	\$ 8,821,193	\$ -	\$ -	\$ 8,821,193	\$ 8,298,668
Payroll and benefits	1,135,963	90,322	256,967	1,483,252	1,362,645
Occupancy	412,580	32,043	5,127	449,750	224,117
In-kind clothing and goods distributed	273,039	-	-	273,039	569,554
Utilities and building services	166,741	3,373	2,234	172,348	90,233
Professional services	52,507	43,013	69,392	164,912	191,579
Depreciation and amortization	138,842	25,840	-	164,682	166,140
Fuel and fleet maintenance	156,318	91	266	156,675	164,604
Insurance	69,000	777	375	70,152	55,908
Supplies	60,195	1,044	3,643	64,882	44,605
Furniture and equipment	26,463	3,052	8,365	37,880	44,460
Taxes and fees	31,164	1,197	411	32,772	946
Event expenses	1,134	91	15,280	16,505	41,456
Office expenses	13,915	1,264	785	15,964	11,252
In-kind services and equipment	1,129	14,220	-	15,349	2,500
Travel and meals	12,117	211	2,466	14,794	13,689
Information technology	6,816	583	1,547	8,946	2,444
Interest and bank charges	1,725	1,648	2,069	5,442	4,465
Dues and memberships	3,996	390	943	5,329	3,750
Advertising and promotion	875	78	226	1,179	160
Miscellaneous	861	65	202	1,128	8,876
TOTAL EXPENSES	11,386,573	219,302	370,298	11,976,173	11,302,051
Less expenses included with revenues on the statement of activities:					
Direct fundraising expenses	-	-	(16,505)	(16,505)	(41,456)
Total expenses included in the expense section of the statement of activities	\$ 11,386,573	\$ 219,302	\$ 353,793	\$ 11,959,668	\$ 11,260,595

WHITE PONY EXPRESS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

	Total	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 799,240	\$ 1,706,293
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	164,682	166,140
Realized and unrealized net (gain) loss on investments	(158,536)	(73,347)
Donated fixed assets	-	(121,309)
Donated stock	(84,234)	-
CHANGES IN ASSETS AND LIABILITIES:		
Grants and contributions receivable	(135,107)	(559,170)
Prepaid expenses	(94,900)	13,966
Donated goods on hand	12,140	222,160
Right-of-use asset	(1,585,546)	203,731
Security deposits	15,979	(44,295)
Accounts payable and accrued expenses	1,753	21,007
Accrued payroll and related expenses	(9,216)	5,681
Lease liability	1,618,876	(203,565)
NET CASH PROVIDED BY OPERATING ACTIVITIES	545,131	1,337,292
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in long term investments	(7,040)	(12,895)
Purchase of investments	(3,412,314)	(1,047,314)
Withdrawals to cash	800,000	450,000
Proceeds and sales from investments	3,908,988	(30,158)
Purchase of intangible assets	-	(21,000)
Purchase of fixed assets	(436,556)	(24,902)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	853,078	(686,269)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,398,209	651,023
CASH AND CASH EQUIVALENTS, beginning of year	1,309,920	658,897
CASH AND CASH EQUIVALENTS, end of year	\$ 2,708,129	\$ 1,309,920
SUPPLEMENTAL INFORMATION:		
Cash and cash equivalents	\$ 310,079	\$ 401,505
Investment - cash equivalents	2,398,050	908,415
	\$ 2,708,129	\$ 1,309,920
SUPPLEMENTAL DISCLOSURE:		
Leasehold improvements included in accounts payable	\$ 31,164	\$ -
Donation of food, clothing, and goods - noncash activity	\$ 9,082,657	\$ 8,646,452
Right-of-use asset	\$ 1,939,902	\$ -
Operating lease liability for right-of-use asset	\$ 1,939,902	\$ -

See Notes to Financial Statements

WHITE PONY EXPRESS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE A – NATURE OF ACTIVITIES

White Pony Express (Organization) is a California nonprofit public benefit corporation, founded in 2014 with its principal office in Concord, California. The Organization's mission is to relay food, clothing, and other goods in accordance with its founding mission: "To help eliminate hunger and poverty in Contra Costa County, California by delivering the abundance all around us to those in need with love." All goods and services are provided free of charge and each of its programs are operated primarily by dedicated volunteers.

The Organization serves its beneficiaries through the following programs:

Food Rescue – Rescues high-quality surplus foods and delivers it to nonprofit organizations serving those in need.

Clothing and Care – Freely distributes new and gently used clothing, toys, and books. The Organization offers its General Store to nonprofit organizations that serve those in need.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

WHITE PONY EXPRESS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material. The Organization has significant estimates involving the valuation of in-kind donations received.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments, if any, with maturity dates of three months or less, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Grants and Contributions Receivable

Grants and contributions receivable (unconditional promises to give) that are expected to be collected within one year are recorded at net realizable value. All grants and contributions receivable as of December 31, 2024 are expected to be paid within one year. Management did not consider an allowance for doubtful accounts necessary as of December 31, 2024.

Donated Goods on Hand

Donated goods on hand consist principally of clothing held for distribution, which are accounted for on a first in first out basis. The Organization uses guidelines established by the Salvation Army and Goodwill Industries to value clothing donations. Food is distributed on the same day as it is collected, thus there is no food inventory. Management evaluates the condition of inventory assets and does not consider an allowance for obsolescence necessary as of December 31, 2024.

Fixed Assets

Fixed asset additions, in excess of \$5,000, are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally three to 15 years. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

Intangible Assets

Intangible asset additions, in excess of \$5,000, are recorded at cost, or if donated, at fair value on the date of donation, less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful lives of the related assets, generally three years. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

WHITE PONY EXPRESS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Organization's financial instruments include cash, cash equivalents, and investments measured using Level 1 and 2 inputs. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

- **Level 1**— Quoted prices for identical assets in active markets.
- **Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
- **Level 3**— Unobservable inputs that cannot be corroborated by observable market data.

Tax Exemption Status

The Organization has received tax exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited, using personnel time records and management's estimate.

WHITE PONY EXPRESS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Organization is supported primarily through in-kind donations and contributions.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or 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 substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. The Organization has \$128,626 in cost-reimbursement grants that have not been recognized as of December 31, 2024, because performance requirements have not been met and/or qualifying expenditures have not yet been incurred. No amounts have been received in advance under the cost-reimbursable grants.

Donated Food, Clothing, and Goods

The Organization recognizes donated food, clothing, and goods as revenue at fair value when received and distributed. Food is generally distributed on the same day received and is valued at the industry rate per pound distributed. Clothing and goods are generally distributed soon after receipt and are valued at industry thrift store rates per unit distributed for used goods. Donated food, clothing, and goods are those items that are distributed to beneficiaries of the programs described in Note A.

Other In-kind Donations

Other in-kind donations are those resources used by the Organization in fulfilling its mission and consist primarily of donated facilities rent, use of vehicles, and professional services. Donated services are recognized if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services are valued at fair value at the time provided.

Comparative Financial Information and Reclassifications

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended December 31, 2023, from which the summarized information was derived.

WHITE PONY EXPRESS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information and Reclassifications (Continued)

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

NOTE C – CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents accounts in financial institutions. Cash and cash equivalents, exceeding federally insured limits totaled \$37,260 as of December 31, 2024.

The Organization derives a significant portion (71%) of its revenue from donated food and clothing. Any loss of these donations could have an impact on the Organization's ability to provide services.

At December 31, 2024, three funders accounted for 55% of total receivables (20%, 20% and 15%).

NOTE D – DONATED GOODS ON HAND

Donated goods on hand as of December 31, 2024 is comprised of the following:

Diapers	\$ 604
Children's clothing	2,928
Books and games	92
Miscellaneous inventory	5,594
Total donated goods on hand	<u>\$ 9,218</u>

NOTE E – FIXED ASSETS

Fixed assets as of December 31, 2024 and 2023 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Vehicles	\$ 930,653	\$ 930,653
Furniture and equipment	433,064	163,841
Leasehold improvements	198,920	106,505
Accumulated depreciation and amortization	<u>(995,886)</u>	<u>(952,952)</u>
Total fixed assets	<u>\$ 566,751</u>	<u>\$ 248,047</u>

Depreciation and amortization expenses are \$149,016 and \$152,807, respectively, for the years ended December 31, 2024 and 2023, respectively.

WHITE PONY EXPRESS**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE F – INTANGIBLE ASSETS

Intangible assets as of December 31, 2024 and 2023 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Software	\$ 65,000	\$ 65,000
Accumulated amortization	<u>(45,222)</u>	<u>(29,556)</u>
Total intangible assets	<u>\$ 19,778</u>	<u>\$ 35,444</u>

Amortization expenses are \$15,666 and \$13,333, respectively, for the years ended December 31, 2024 and 2023, respectively.

NOTE G – INVESTMENTS

Investment composition as of December 31, 2024 is as follows:

Corporate bonds – Level 1	\$ 1,146,998
Total investments	<u>\$ 1,146,998</u>

Investment activity for the year ended December 31, 2024 consists of the following:

Beginning balance as of January 1, 2024	\$ 2,200,902
Beginning cash in investment accounts	908,415
Deposits	1,000,000
Donated stock	84,234
Withdrawals	(800,000)
Unrealized loss	(55,878)
Interest and realized gain	207,375
Portion classified as cash	<u>(2,398,050)</u>
Ending balance at December 31, 2024	<u>\$ 1,146,998</u>

NOTE H – LONG TERM INVESTMENT – BOARD DESIGNATED RESERVE

The Organization deposited \$100,000 with the East Bay Community Foundation for the creation of a Board designated reserve. The investment is measured under Level 2 of the fair value hierarchy. The activity for the investment is as follows:

Board reserve as of December 31, 2023	\$113,605
Net investment earnings	8,224
Less: investment and administrative fees	<u>(1,184)</u>
Board reserve as of December 31, 2024	<u>\$ 120,645</u>

WHITE PONY EXPRESS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE I – EMPLOYEE BENEFITS

The Organization's employees are entitled to paid time off. The amount of paid time off liability at December 31, 2024 and 2023 is \$31,335 and \$41,520, respectively, and is reflected in the accompanying financial statements.

The Organization offers participation in a 401(k) plan for eligible employees. The plan allows for employer matching of the employee salary deferral. Employer retirement matching expense for the years ended December 31, 2024 and 2023 is \$44,443 and \$24,186, respectively.

NOTE J – 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	\$ 2,708,129
Investments	1,146,998
Board designated investments	120,645
Grants and contributions receivable	<u>1,007,014</u>
Total financial assets	4,982,786
Less:	
Net assets with Board designations	(120,645)
Net assets with purpose restrictions to be met in one year	<u>(640,176)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 4,221,965</u></u>

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

To help manage liquidity needs, the Organization has a committed line of credit in the amount of \$300,000 which it could draw upon.

In addition, the Organization's board designated funds are \$120,645 at December 31, 2024. Although they do not intend to spend from this board designated fund, these amounts could be made available if necessary.

WHITE PONY EXPRESS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE K – LINE OF CREDIT

The Organization has a \$300,000 secured revolving line of credit with a financial institution, which extends through October 2026. Borrowings bear interest at the prime rate (set by the funder) plus 2.25%, with a floor of 10%. There was \$0 drawn under the line of credit at December 31, 2024 and 2023.

NOTE L – LEASES

The Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, ASC 842, Leases, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. The Organization elected the 'package of practical expedients', which permitted the Organization not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs; and all of the new standard's available transition practical expedients. In addition, the Organization adopted the practical expedients of using the risk-free interest rate and the short-term lease definition.

The Organization leased office and warehouse space under a noncancellable lease in Pleasant Hill, California, which ran through December 2024, at a rate of approximately \$18,000 per month, from a Board member (see Note P). The Organization entered into a new lease for office and warehouse space under a noncancellable lease in Concord, California, which runs from January 2024 through January 2029 with a five-year option to extend, which is reasonably certain to be exercised by the Organization, at a rate of approximately \$17,100 with 3% annual increase in rent. In addition, the Organization rents a storage space for program purposes, with varying terms and costs, that meet the criteria for treatment as short-term leases.

The client used a rate of 3.87% to determine present value. Right-of-use assets were \$1,791,457 and lease liabilities were \$1,834,962 as of December 31, 2024. The weighted-average discount rate used to calculate the present value of future minimum lease payments was the risk-free interest rate of 3.87%. The weighted-average lease term was 9.09 years at December 31, 2024.

Lease expense consists of the following for the year ended December 31, 2024:

Operating lease expenses	\$ 421,927
Short-term lease expense	674
Total lease expense	<u>\$ 422,601</u>

The total cash amount paid for operating leases was \$388,596 for the fiscal year ended December 31, 2024, with a non-cash component of \$33,331.

WHITE PONY EXPRESS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE L – LEASES (Continued)

Future minimum payments for the fiscal year ended December 31 is as follows:

	<u>Operating Leases</u>
2025	\$ 211,928
2026	218,286
2027	224,834
2028	231,579
2029	238,526
2030 and beyond	1,050,886
Less: net present value	<u>(341,077)</u>
Present value of minimum lease payments	<u>\$ 1,834,962</u>

NOTE M – IN-KIND DONATIONS

For the year ended December 31, 2024, donations of food, clothing, equipment, and services were received as follows:

<u>Category and Allocation</u>	<u>Valuation Technique</u>	<u>Quantity</u>	<u>Total Received</u>
Food – Program	≈\$2.304/lb	3,828,643 lbs	\$ 8,821,193
Clothing and goods – Program	Thrift store value		261,464
Donated services – Admin.	FMV of services		2,500
Donated furniture – Admin.	FMV of items		11,720
Donated furniture – Program	FMV of items		1,129
Donated equipment – Program	FMV of item		<u>1,459</u>
Total in-kind donations			<u>\$ 9,099,465</u>

NOTE N – BOARD DESIGNATED NET ASSETS

For the year ended December 31, 2024, net assets with board designation had the following activity:

<u>Nature of Restriction</u>	<u>Beginning Balance</u>	<u>Earnings on Investment</u>	<u>Released from Restriction</u>	<u>Ending Balance</u>
Board designated reserve	\$ 113,605	\$ 7,040	\$ -	\$ 120,645
Total	<u>\$ 113,605</u>	<u>\$ 7,040</u>	<u>\$ -</u>	<u>\$ 120,645</u>

WHITE PONY EXPRESS**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023)

NOTE O – NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, 2024, net assets with donor restrictions had the following activity:

<u>Nature of Restriction</u>	<u>Beginning Balance</u>	<u>Income and Contribution</u>	<u>Released from Restriction</u>	<u>Ending Balance</u>
Time	\$905,792	\$ 350,000	(\$ 887,792)	\$ 368,000
Purpose:				
Food services	221,444	878,753	(828,021)	272,176
Total	<u>\$1,127,236</u>	<u>\$1,228,753</u>	<u>(\$1,715,813)</u>	<u>\$ 640,176</u>

NOTE P – RELATED PARTY TRANSACTIONS

As discussed in Note L, the Organization leased its office and warehouse space from a member of the Board of Directors. The total rent and related expenses paid to the board member for the year ended December 31, 2024 was \$214,457.

A relative of the Executive Director sits on the Board of Directors for the Organization.

NOTE Q – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for recognition and disclosure through September 4, 2025, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2024, that required recognition or disclosure in the financial statements.