

**WHITE PONY EXPRESS**  
**(A NONPROFIT PUBLIC BENEFIT CORPORATION)**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2019)**

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INDEPENDENT AUDITOR'S REPORT

October 1, 2021

Board of Directors  
White Pony Express  
Pleasant Hill, California

***Report on the Financial Statements***

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, 2020, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

White Pony Express  
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***Opinion***

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, 2020, 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.

***Other Matters***

***Report on Summarized Comparative Information***

White Pony Express' 2019 financial statements were audited by me, and in my opinion dated June 23, 2021, I expressed an unmodified audit opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Healy and Associates*  
Healy and Associates  
Concord, California

**WHITE PONY EXPRESS**

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	Total	
	2020	2019
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 920,492	\$ 289,450
Investments	-	500,839
Grants and contributions receivable	248,822	61,515
Donated goods on hand	59,865	116,830
Note receivable, current portion	17,520	-
Prepaid expenses	65,965	40,453
 Total current assets	 1,312,664	 1,009,087
 Note receivable, long-term portion	 10,180	 -
Deposits	7,250	5,000
Fixed assets, net	286,836	285,072
 TOTAL ASSETS	 \$ 1,616,930	 \$ 1,299,159
 <b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 35,140	\$ 29,644
Accrued PTO payable	40,470	16,018
Accrued payroll payable	51,852	39,442
 TOTAL LIABILITIES	 127,462	 85,104
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	1,281,468	1,166,055
With donor restrictions	208,000	48,000
 TOTAL NET ASSETS	 1,489,468	 1,214,055
 TOTAL LIABILITIES AND NET ASSETS	 \$ 1,616,930	 \$ 1,299,159

**WHITE PONY EXPRESS**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020	Total 2019
<b>REVENUE AND SUPPORT:</b>				
In-kind food	\$ 8,899,993	\$ -	\$ 8,899,993	\$ 4,571,089
Contributions	1,542,649	510,000	2,052,649	1,993,161
Government contract	363,760	-	363,760	595,642
In-kind services	283,033	-	283,033	587,581
Gain on forgiveness of loan (PPP)	214,722	-	214,722	105,378
In-kind clothing and goods	190,086	-	190,086	22,440
Investment income	19,088	-	19,088	8,361
Other income	5,618	-	5,618	3,329
Investment unrealized loss	-	-	-	(6,837)
	11,518,949	510,000	12,028,949	7,880,144
Net assets released from restriction	350,000	(350,000)	-	-
<b>Total revenue and support</b>	<b>11,868,949</b>	<b>160,000</b>	<b>12,028,949</b>	<b>7,880,144</b>
<b>EXPENSES:</b>				
Program	10,994,506	-	10,994,506	7,032,772
General and administrative	370,941	-	370,941	566,277
Fundraising	388,089	-	388,089	208,478
<b>Total expenses</b>	<b>11,753,536</b>	<b>-</b>	<b>11,753,536</b>	<b>7,807,527</b>
Change in net assets	115,413	160,000	275,413	72,617
<b>NET ASSETS, beginning of year</b>	<b>1,166,055</b>	<b>48,000</b>	<b>1,214,055</b>	<b>1,141,438</b>
<b>NET ASSETS, end of year</b>	<b>\$ 1,281,468</b>	<b>\$ 208,000</b>	<b>\$ 1,489,468</b>	<b>\$ 1,214,055</b>

**WHITE PONY EXPRESS**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Program	General and Administrative	Fundraising	Total	
				2020	2019
<b>EXPENSES:</b>					
In-kind food distributed	\$ 8,899,993	\$ -	\$ -	\$ 8,899,993	\$ 4,571,089
Payroll and benefits	989,598	119,494	201,625	1,310,717	1,030,603
In-kind services	114,666	128,617	39,750	283,033	603,000
Clothing and goods distributed	247,051	-	-	247,051	600,800
Occupancy	148,218	17,897	30,199	196,314	209,078
Professional services	54,611	55,190	75,749	185,550	109,027
Depreciation and amortization	162,670	7,387	1,640	171,697	169,374
Utilities and building services	76,632	3,441	5,807	85,880	32,482
Program supplies	78,373	16	27	78,416	76,039
Fuel and fleet maintenance	73,589	717	1,210	75,516	107,047
Furniture and equipment	43,194	315	9,135	52,644	-
Insurance	36,757	6,468	32	43,257	40,989
Travel and meals	26,267	896	968	28,131	3,738
Information technology	6,794	9,473	3,884	20,151	22,949
Office expenses	1,551	8,984	3,879	14,414	27,157
Event expenses	9,606	-	3,919	13,525	-
Advertising and promotion	6,811	1,564	4,566	12,941	115,785
White Pony Inn	12,365	-	-	12,365	18,707
Dues and memberships	-	4,070	3,298	7,368	4,058
Interest and bank charges	-	3,551	2,401	5,952	1,702
Taxes and fees	5,316	-	-	5,316	11,484
Miscellaneous	444	2,861	-	3,305	52,419
<b>TOTAL EXPENSES</b>	<b>\$ 10,994,506</b>	<b>\$ 370,941</b>	<b>\$ 388,089</b>	<b>\$ 11,753,536</b>	<b>\$ 7,807,527</b>

**WHITE PONY EXPRESS**

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	<b>Total</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 275,413	\$ 72,617
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	171,697	169,374
Unrealized loss on investments	534	6,837
<b>CHANGES IN ASSETS AND LIABILITIES:</b>		
Grants and contributions receivable	(187,307)	246,531
Prepaid expenses	(25,512)	(2,269)
Donated goods on hand	56,965	(72,994)
Security deposits	(2,250)	-
Accounts payable and accrued expenses	5,496	(14,394)
Accrued payroll and related expenses	36,862	25,106
Deferred revenue	-	(40,617)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>331,898</u>	<u>390,191</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Change in investments	500,305	(249,256)
Purchase of fixed assets	<u>(173,461)</u>	<u>(90,507)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>326,844</u>	<u>(339,763)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Note receivable issued	(35,000)	-
Payments received on note receivable	<u>7,300</u>	<u>-</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(27,700)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	631,042	50,428
CASH AND CASH EQUIVALENTS, beginning of year	<u>289,450</u>	<u>239,022</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 920,492</u>	<u>\$ 289,450</u>

## **WHITE PONY EXPRESS**

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

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#### NOTE A – NATURE OF ACTIVITIES

White Pony Express (Organization) is a California nonprofit public benefit corporation, founded in 2014 with its principal office in Pleasant Hill, 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.

White Pony General Store – The White Pony General Store freely distributes new and gently used clothing, toys, and books. Due to COVID-19, the Organization was no longer able to conduct its "Mobile Boutique" events to increase its accessibility to impoverished neighborhoods. Instead, the Organization increased its General Store offering to nonprofit organizations that serve those in need.

White Pony Inn – White Pony Inn is a pilot program in which volunteers use professional skills, life experiences, and loving kindness for those facing homelessness. Personalized assistance provided includes food and clothing, help in applying for social services benefits, locating affordable housing, finding employment, obtaining needed support for physical and mental health, or other needs.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 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.

##### Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments, if any, with maturity dates of less than three months, 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.

## **WHITE PONY EXPRESS**

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

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#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 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.

##### 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, 2020 are expected to be paid within one year. Management did not consider an allowance for doubtful accounts necessary as of December 31, 2020.

##### 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, 2020.

## **WHITE PONY EXPRESS**

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

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#### 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 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.

##### 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 five years. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

##### 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.

## **WHITE PONY EXPRESS**

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

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#### **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. Consequently, at December 31, 2020, contributions of approximating \$50,000, have not been recognized in the accompanying statement of activities because the condition(s) on which they depend has not yet been met.

##### **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 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.

##### **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, either using square feet of space or personnel time records.

## **WHITE PONY EXPRESS**

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

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#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Newly Adopted Accounting Principles

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which requires organizations to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the organization expects to be entitled to in exchange for those goods and services. The Organization adopted the standard on January 1, 2020. The adoption of this standard did not materially affect changes in net assets, financial position, or cash flows.

##### Relevant Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard establishes a comprehensive new lease accounting model. It 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. It 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 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. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements.

##### Comparative Financial Information and Reclassifications

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. 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. 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, 2019, from which the summarized information was derived.

## **WHITE PONY EXPRESS**

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

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#### **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 \$155,369 as of December 31, 2020. To date, the Organization has not experienced losses in any of these accounts, and the liquidity of the financial institution is monitored by management.

The Organization derived a significant portion (78%) of its revenue from donated food, clothing, use of facilities, and services. Any loss of those donations could have an impact on the Organization's ability to provide services.

At December 31, 2020, two funders accounted for 80% of total receivables (60% and 20%).

#### **NOTE D – INVESTMENTS**

Investment activity for the year ended December 31, 2020, is as follows:

Investments, beginning of year	\$ 500,839
Interest, dividends, and realized gain	19,622
Unrealized gain (loss)	(534)
Transfer to cash	(519,927)
Investments, end of year	\$ 0

#### **NOTE E – DONATED GOODS ON HAND**

Donated goods on hand as of December 31, 2020 is comprised of the following:

Adult clothing	\$ 31,014
Children's clothing	17,806
Books and games	5,241
Miscellaneous inventory	5,804
Total donated goods on hand	\$ 59,865

#### **NOTE F – NOTE RECEIVABLE**

In August 2020, the Organization sold a 16' restroom trailer for \$35,000 and holds the note receivable. The agreement stipulates equal payments of \$1,460 per month for 24 months. The note does not charge any interest, and were it imputed, it would be immaterial to these financial statements taken as a whole. At December 31, 2020 the balance due is \$27,700.

## **WHITE PONY EXPRESS**

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

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#### **NOTE G – FIXED ASSETS**

Fixed assets as of December 31, 2020 are comprised of the following:

Vehicles	\$ 754,767
Furniture and equipment	117,322
Leasehold improvements	106,505
Software	4,000
Accumulated depreciation and amortization	(695,758)
<b>Total fixed assets</b>	<b>\$ 286,836</b>

Depreciation and amortization expense are \$154,702 and \$16,995, respectively, for a total of \$171,697 for the year ended December 31, 2020.

#### **NOTE H – LINE OF CREDIT**

The Organization has a \$150,000 unsecured revolving line of credit with a financial institution, which renewed in January 2021 and extends through October 2022. Borrowings bear interest at the prime rate (set by the funder) plus 2.75%, with a floor of 8%. There was \$0 drawn under the line of credit at December 31, 2020.

#### **NOTE I – EMPLOYEE BENEFITS**

The Organization's employees are entitled to paid time off. The amount of paid time off liability at December 31, 2020 is \$40,470 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 year ended December 31, 2020 is \$18,855.

#### **NOTE J – IN-KIND DONATIONS**

For the year ended December 31, 2020, donations of food, clothing, use of facilities, and services were received as follows:

Category	Valuation Technique	Quantity	Total Received
Food	≈\$2.003/lb	4,443,397 lbs	\$ 8,899,993
Services	FMV of services		283,033
Clothing and goods	Thrift store value		190,086
<b>Total in-kind donations</b>			<b>\$ 9,373,112</b>

**WHITE PONY EXPRESS****NOTES TO FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2020****(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

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**NOTE K – 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	\$ 920,492
Grants and contributions receivable	248,822
Total financial assets	<hr/> 1,169,314
Less:	
Net assets with purpose restrictions to be met in one year	<hr/> (208,000)
Financial assets available to meet cash needs for general expenditures within one year	<hr/> \$ 961,314

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. In addition, the Organization invests cash in excess of daily requirements, if available, in short-term investments.

To help manage liquidity needs, the Organization has a committed line of credit in the amount of \$150,000 which it could draw upon.

**NOTE L – COMMITMENTS AND CONTINGENCIES**

The Organization leases its office and warehouse space in Pleasant Hill, California which runs through December 2024 at a rate of approximately \$16,000 per month from a Board member (see Note N). Rental expense for the year ended December 31, 2020 was \$178,640. Future commitments under these leases as of December 31, are as follows:

<u>Year Ended</u>	
2021	\$ 187,572
2022	\$ 196,950
2023	\$ 206,798
2024	\$ 217,138

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. Management believes the Organization has complied with the terms of all grants.

**WHITE PONY EXPRESS****NOTES TO FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2020****(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

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**NOTE L – COMMITMENTS AND CONTINGENCIES (Continued)**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of non-essential businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter could negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

**NOTE M – NET ASSETS WITH DONOR RESTRICTIONS**

For the year ended December 31, 2020, net assets with donor restrictions had the following activity:

Nature of Restriction	Beginning Balance	Income and Contribution	Released from Restriction	Ending Balance
Purpose	\$ 48,000	\$ 510,000	(\$ 350,000)	\$ 208,000
Total	\$ 48,000	\$ 510,000	(\$ 350,000)	\$ 208,000

**NOTE N – RELATED PARTY TRANSACTION**

As discussed in Note L, the Organization leases its office and warehouse space from a member of the Board of Directors. The total rent expenses paid to the board member for the year ended December 31, 2020 was \$178,640.

**NOTE O – PPP LOAN**

In April 2020, the Organization received a loan of \$213,250 from the Payroll Protection Program, offered through the Small Business Administration, in response to COVID-19. The loan carries an interest rate of 1% and becomes payable two years after issuance. The Organization received forgiveness of the small business loan of \$213,250, plus \$1,472 in interest, in December 2020 and is reflected as gain on loan forgiveness income in the accompanying financial statements.

**WHITE PONY EXPRESS****NOTES TO FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2020****(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

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**NOTE P – SUBSEQUENT EVENTS**

In February 2021, the Organization received a second loan of \$218,293 from the Payroll Protection Program, offered through the Small Business Administration, in response to COVID-19. The loan carries an interest rate of 1% and becomes payable five years after issuance. The Organization is seeking forgiveness of the small business loan in the fiscal year ended December 31, 2021, however the amount of forgiveness is not known at December 31, 2020.

The Organization has evaluated subsequent events for recognition and disclosure through October 1, 2021, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2020, that required recognition or disclosure in the financial statements.