

THE WHITE COAT WASTE PROJECT, INC.

Statement of Financial Position

December 31, 2025

Monahan & Company CPA's, P.C.

MONAHAN & COMPANY CPA'S, P.C.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The White Coat Waste Project, Inc.
Washington, DC 20001

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The White Coat Waste Project, Inc., which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The White Coat Waste Project, Inc., as of December 31, 2025, and the related statements of activities and 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The White Coat Waste Project, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

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 State 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 The White Coat Waste Project, Inc's ability to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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 GAAS 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 of accordance with GAAS, we:

- 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 procedure responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosure 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 The White Coat Waste Project, Inc.'s 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 The White Coat Waste Project, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Monahan & Company CPA's, P.C.

Monahan & Company CPA's, P.C.
Hauppauge, New York

August 31, 2026

The White Coat Waste Project, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents (appropriated for current use)	\$	1,859,090
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Investments - Short Term (at FMV)		73,920
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Prepaid expenses		125,469
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Contributions receivable		66,978
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Total Current Assets		2,125,457
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Property and Equipment		4,868
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Investments - Long Term (at FMV)		3,668,463
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Total Assets	\$	5,798,788
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LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$	48,469
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Unearned revenue		22,375
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Total Liabilities		70,844
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Net assets without donor restrictions (undesignated)		5,727,944
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Net assets with donor restrictions		-
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Total Net Assets		5,727,944
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TOTAL LIABILITIES AND NET ASSETS	\$	5,798,788
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The White Coat Waste Project, Inc.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2025

REVENUES, GAINS, AND OTHER SUPPORT (without donor restrictions)

SUPPORT

Contributions	\$ 3,242,976
Grants from private entities	285,000
Total Support	<u>3,527,976</u>
Program service fees	7,237
Investment return	422,463
Other revenue	<u>17,567</u>
Total Revenues, Gains, and Other Support	<u>3,975,243</u>

EXPENSES (without donor restrictions)

<u>Program Services</u>	
Public policy/advocacy	2,269,511
Lobbying activities	45,286
	<u>2,314,797</u>
<u>Supporting Services</u>	
General and administrative	503,567
Fundraising	79,182
	<u>582,749</u>
Total Expenses	<u>2,897,546</u>

CHANGE IN NET ASSETS 1,077,697

Net Assets (without donor restrictions) - Beginning of Year 4,650,247

NET ASSETS (without donor restrictions) - End of Year **\$ 5,727,944**

The White Coat Waste Project, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	<u>\$ 1,077,697</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,201
Changes in assets and liabilities:	
Prepaid expenses	(125,469)
Contributions receivable	34,278
Accounts payable and accrued expenses	(201,809)
Unearned revenue	<u>22,375</u>
Total adjustments	<u>(269,424)</u>
Net Cash Provided By Operating Activities	<u>808,273</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sale of Investments	516,755
Purchase of Fixed Assets	<u>(858)</u>
Net Cash Provided By Investing Activities	<u>515,897</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Change in Cash and Cash Equivalents	1,324,170
Cash and cash equivalents - Beginning of Year	<u>534,920</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,859,090</u></u>

SUPPLEMENTAL INFORMATION

The Organization does not have any donor restricted funds at December 31, 2025.

Interest paid	<u>\$ -</u>
Corporate taxes	<u>\$ -</u>
Receipt of contributed securities	<u><u>\$ 53,735</u></u>

The White Coat Waste Project, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	PROGRAM SERVICES			SUPPORTING SERVICES			
	PUBLIC POLICY /ADVOCACY	LOBBYING	TOTAL PROGRAM SVCS	GENERAL & ADMINISTRATIVE	FUNDRAISING	TOTAL SUPPORTING SVCS	TOTALS
SALARIES AND BENEFITS	\$ 945,642	\$ 42,001	\$ 987,643	\$ 160,833	\$ 26,770	\$ 187,603	\$ 1,175,246
GRANTS	5,000	-	5,000	-	-	-	5,000
CONTRACTORS	361,855	-	361,855	63,571	-	63,571	425,426
LEGAL & ACCOUNTING	1,860	-	1,860	73,844	-	73,844	75,704
PAYROLL SERVICE FEES	-	-	-	5,940	-	5,940	5,940
SUBSCRIPTIONS	42,419	3,229	45,648	26,650	3,910	30,560	76,208
CONFERENCE/CONVENTIONS/MEETINGS	355	-	355	298	298	596	951
PUBLIC RECORDS FEES	1,849	-	1,849	-	-	-	1,849
POSTAGE & SHIPPING / PRINTING	59	-	59	782	79	861	920
MISCELLANEOUS EXPENSES	-	-	-	1,544	-	1,544	1,544
PRODUCTION / CREATIVE	-	-	-	7,455	-	7,455	7,455
OFFICE EXPENSES / IT	144	-	144	129,049	25,286	154,335	154,479
TRAVEL	6,810	56	6,866	2,167	2,683	4,850	11,716
DEPRECIATION	-	-	-	1,201	-	1,201	1,201
INSURANCE	-	-	-	4,669	-	4,669	4,669
EDUCATION / ADVOCACY / ADVERTISING	899,855	-	899,855	-	-	-	899,855
FUNDRAISING SERVICE FEES / DIRECT MAIL COSTS	-	-	-	-	6,500	6,500	6,500
STATE FILING FEES	-	-	-	-	9,992	9,992	9,992
INVESTMENT FEES	-	-	-	25,564	-	25,564	25,564
TEXT DEPLOYMENT FEES	3,663	-	3,663	-	3,664	3,664	7,327
TOTALS	\$ 2,269,511	\$ 45,286	\$ 2,314,797	\$ 503,567	\$ 79,182	\$ 582,749	\$ 2,897,546

The White Coat Waste Project, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

NOTE 1: DESCRIPTION OF ORGANIZATION

The White Coat Waste Project, Inc. ("the Organization") is a section 501(c)(3) tax exempt organization formed on October 2011, in the Commonwealth of Virginia. It is the Organization's mission to educate and inform the public about the suffering of animals in publicly funded laboratories and experimentation facilities. The Organization's team of seasoned issue advocates, scientists, doctors, and political strategists combines grass roots tactics media campaigns, diverse coalitions, creative legal tools, and lobbying to expose and stop government spending on wasteful animal experiments.

The activities performed by the Organization consist of advertising, coalition building, fundraising, communications, research, and investigations.

Management and general activities include the functions necessary to provide support for the Organization's program activities. They include activities that provide governance (Board of Directors) oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment.

Fundraising activities include publicizing and conducting fundraising campaigns, maintaining donor lists, conducting special fundraising events, and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The Organization prepares its financial statements using the accrual basis of accounting and U.S. GAAP.

The financial statements are prepared using Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), of which the core principle is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances.

The White Coat Waste Project, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES – cont'd.

The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restriction. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

The White Coat Waste Project, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES – cont'd.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. The Organization maintains its cash balance at one local financial institution. Deposit accounts at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per account. The balances occasionally exceed those limits, and at December 31, 2025, the Organization's cash balance had \$397,112 in excess of such limits. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 protection for each brokerage account, with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments. At December 31, 2025 the Organization's brokerage accounts had \$1,008,345 in excess of such limits.

Contributions Receivable

Contributions receivable are unconditional promises to give what are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported as a net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected for more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. There did not exist any contributions receivable in excess of one year at December 31, 2025.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the donor specifically restricts use of the contributed asset. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore, are reported as restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts, or when a unit of service is provided for performance grants. The Organization does not receive any grant revenue from federal agencies, thus is not subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies.

The White Coat Waste Project, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES – cont'd.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity analyses conducted by key personnel.
- Telephone and internet services, insurance, supplies, and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally conducts its fundraising activities in conjunction with its other activities. Joint costs have been allocated between fundraising, programs, and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Tax Status

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

NOTE 3: BASIS OF PRESENTATION

Resources are classified for accounting and financial reporting purposes into categories established according to their nature and purposes to ensure observance of limitations and restrictions placed on their use. The assets, liabilities, and net assets of the Organization are reported in two categories as follows:

- Net assets available for use in general operations and not subject to donor restrictions. The only limits on net assets without donor restrictions are those resulting from the nature of the Organization and its purposes.

The White Coat Waste Project, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

NOTE 3: BASIS OF PRESENTATION – cont'd.

- Net assets subject to donor-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, when the donor stipulates those 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.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions until their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (that is, the donor-stipulated purposes have been fulfilled, or the stipulated time period has elapsed, or both) are reported as reclassifications between the applicable classes of net assets. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are received.

NOTE 4: CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable at December 31, 2025, are due as follows:

Currently due:	
Less than 1 year	\$ 66,978
1 year to 5 years	<u>-</u>
	66,978
Less: Allowance for uncollectible contributions receivable	<u>-</u>
Total	<u>\$ 66,978</u>

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2025:

Office equipment	\$ 7,372
Less: Accumulated depreciation	<u>(2,504)</u>
Net property and equipment	<u>\$ 4,868</u>

Depreciation expense for the twelve months ended December 31, 2025 was \$1,201.

The White Coat Waste Project, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

NOTE 6: COMMITMENTS AND CONTINGENCIES

The Organization is subject to claims and legal actions arising in the ordinary course of business. In the opinion of management, based in part upon the advice of legal counsel, these matters are of such a nature that unfavorable disposition would not have a material adverse effect on the consolidated financial position, results of operations, or cash flows of the Organization.

NOTE 7: NOT-FOR-PROFIT FINANCIAL REPORTING MODEL STANDARDS CHANGE

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which is the first phase of a two-phase project, makes significant changes in seven areas:

- Net asset classes
- Liquidity and availability of resources
- Classification and disclosure of underwater endowment funds
- Expense reporting
- Statement of cash flows
- Investment return
- Release of restrictions on capital assets

The amendments in ASU No. 2016-14 are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018.

The White Coat Waste Project, Inc.'s governing board has not appropriated any self-imposed limits on the use of resources that are free of donor-imposed restrictions, other than designation of such funds for on-going, current operations.

NOTE 8: MARKETABLE DEBT AND EQUITY SECURITIES

Cost and fair value of marketable debt and equity securities at December 31, 2025 are as follows:

<u>December 31, 2025</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Equity Securities	\$ 3,184,941	\$ 566,687	\$ 9,245	\$ 3,742,383

The fair value of all debt and equity securities has been measured on a recurring basis using Level 1 inputs, which are based on unadjusted quoted market prices within active markets. There have been no changes in valuation approaches or techniques and related inputs.

The White Coat Waste Project, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

NOTE 9: LEASES

New Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements.

A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases today. The effective date for this standard is for fiscal years beginning after December 15, 2021.

As of December 31, 2025, the Organization was not in any leasing agreements which would require disclosure or adjustment to the financial statements.

NOTE 10: SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 31, 2026, which is the date the financial statements were available to be issued.

Management has determined that there have not been any subsequent events that would have a significant impact on the financial statements. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.