

RALLY FOUNDATION, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

MARCH 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Rally Foundation, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Rally Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rally Foundation, Inc. as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Rally Foundation, 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.

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 Rally Foundation, Inc.'s 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

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 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 Rally Foundation, 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 Rally Foundation, 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.

Ansel & Slotopolsky, LLP

Morganville, New Jersey
October 30, 2024

RALLY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31,

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 9,815,196	\$ 8,307,505
Investments	1,510,655	1,339,507
Unconditional promises to give	-	18,056
Prepaid expenses	37,069	-
TOTAL CURRENT ASSETS	11,362,920	9,665,068
OTHER ASSETS		
Endowment investments	1,859,865	1,656,893
Investment - SAFE, at cost	350,000	350,000
TOTAL OTHER ASSETS	2,209,865	2,006,893
TOTAL ASSETS	\$ 13,572,785	\$ 11,671,961

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts and credit cards payable	\$ 23,690	\$ 5,090
Accrued expenses	21,714	17,259
TOTAL LIABILITIES - ALL CURRENT	45,404	22,349

NET ASSETS

Without donor restrictions	11,667,516	9,974,663
Without donor restrictions - board designated	1,792,764	1,595,384
With donor restrictions - purpose restrictions	-	18,056
With donor restrictions - endowment	67,101	61,509
TOTAL NET ASSETS	13,527,381	11,649,612
TOTAL LIABILITIES AND NET ASSETS	\$ 13,572,785	\$ 11,671,961

See accompanying Notes to the Financial Statements.

RALLY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2024

	Without Donor Restrictions	With Donor Restrictions - Purpose Restrictions	With Donor Restrictions - Endowment	TOTAL
OPERATING ACTIVITIES:				
PUBLIC SUPPORT AND REVENUES				
Grants and contributions	\$ 2,398,341	\$ -	\$ -	\$ 2,398,341
Contributions of nonfinancial items	780,452	-	-	780,452
Special events revenue, gross	6,061,082	-	-	6,061,082
Interest and dividends	315,846	-	-	315,846
Net assets released from restriction	18,056	(18,056)	-	-
TOTAL PUBLIC SUPPORT AND REVENUES	9,573,777	(18,056)	-	9,555,721
EXPENSES				
Program expense				
Grants	4,983,931	-	-	4,983,931
Education and awareness	2,487,510	-	-	2,487,510
Fundraising	239,145	-	-	239,145
Fundraising - special events	163,408	-	-	163,408
Management and general	159,971	-	-	159,971
TOTAL EXPENSES	8,033,965	-	-	8,033,965
NET OPERATING ACTIVITIES	1,539,812	(18,056)	-	1,521,756
NON-OPERATING ACTIVITIES:				
Investment return, net	350,421	-	5,592	356,013
TOTAL NON-OPERATING ACTIVITIES	350,421	-	5,592	356,013
CHANGE IN NET ASSETS	1,890,233	(18,056)	5,592	1,877,769
NET ASSETS, BEGINNING OF YEAR	11,570,047	18,056	61,509	11,649,612
NET ASSETS, END OF YEAR	\$ 13,460,280	\$ -	\$ 67,101	\$ 13,527,381

See accompanying Notes to the Financial Statements.

**RALLY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2023**

	Without Donor Restrictions	With Donor Restrictions - Purpose Restrictions	With Donor Restrictions - Endowment	TOTAL
OPERATING ACTIVITIES				
PUBLIC SUPPORT AND REVENUES				
Grants and contributions	\$ 2,638,996	\$ -	\$ -	\$ 2,638,996
Contributions of nonfinancial items	691,813	-	-	691,813
Special events revenue, gross	4,973,540	-	-	4,973,540
Interest and dividends	25,527	-	-	25,527
Net assets released from restriction	65,539	(65,539)	-	-
TOTAL PUBLIC SUPPORT AND REVENUES	8,395,415	(65,539)	-	8,329,876
EXPENSES				
Program expense				
Grant	3,809,164	-	-	3,809,164
Education and awareness	1,887,677	-	-	1,887,677
Fundraising	198,873	-	-	198,873
Fundraising - special events	125,971	-	-	125,971
Management and general	136,526	-	-	136,526
TOTAL EXPENSES	6,158,211	-	-	6,158,211
NET OPERATING ACTIVITIES	2,237,204	(65,539)	-	2,171,665
NON-OPERATING ACTIVITIES:				
Employee Retention Credit - other income	100,433	-	-	100,433
Investment return, net	(15,812)	-	2,485	(13,327)
TOTAL NON-OPERATING ACTIVITIES	84,621	-	2,485	87,106
CHANGE IN NET ASSETS	2,321,825	(65,539)	2,485	2,258,771
NET ASSETS, BEGINNING OF YEAR	9,248,222	83,595	59,024	9,390,841
NET ASSETS, END OF YEAR	\$ 11,570,047	\$ 18,056	\$ 61,509	\$ 11,649,612

See accompanying Notes to the Financial Statements.

RALLY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2024

	PROGRAM SERVICES		SUPPORTING SERVICES			Total
	Grants	Education and Awareness	Fundraising	Special Events - Fundraising	Management and General	
Grants	\$ 4,285,352	\$ -	\$ -	\$ -	\$ -	\$ 4,285,352
Salaries and benefits	470,752	925,812	78,459	78,459	15,691	1,569,173
Accounting and audit fees	14,038	14,038	14,038	14,036	-	56,150
Insurance	1,801	12,790	1,441	-	1,981	18,013
Meals and entertainment	17,075	187,898	16,391	-	26,829	248,193
Office expenses	7,118	31,089	3,105	-	3,697	45,009
Outside services	101,268	483,177	49,938	64,643	-	699,026
Postage and printing	6,134	67,510	5,889	-	9,640	89,173
Contributed facilities	9,522	67,608	7,618	-	10,474	95,222
Supplies	53,567	589,491	51,423	-	84,174	778,655
Travel	4,764	52,421	4,573	-	7,485	69,243
Rally Resource Room	-	18,056	-	-	-	18,056
Website maintenance	12,540	37,620	6,270	6,270	-	62,700
TOTAL EXPENSES	\$ 4,983,931	\$ 2,487,510	\$ 239,145	\$ 163,408	\$ 159,971	\$ 8,033,965

See accompanying Notes to the Financial Statements.

RALLY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

	PROGRAM SERVICES		SUPPORTING SERVICES			Total
	Grants	Education and Awareness	Fundraising	Special Events - Fundraising	Management and General	
Grants	\$ 3,101,760	\$ -	\$ -	\$ -	\$ -	\$ 3,101,760
Salaries and benefits	374,492	736,501	62,415	62,415	12,484	1,248,307
Accounting and audit fees	12,400	12,400	12,400	12,400	-	49,600
Depreciation	33	236	27	-	36	332
Insurance	1,053	7,478	843	-	1,158	10,532
Meals and entertainment	24,566	176,872	19,652	-	24,565	245,655
Office expenses	50,750	54,251	7,105	-	9,227	121,333
Outside services	94,327	292,414	37,731	47,164	-	471,636
Postage and printing	5,572	38,941	4,457	-	6,129	55,099
Contributed facilities	9,647	68,494	7,718	-	10,612	96,471
Supplies	121,680	375,812	38,613	-	66,925	603,030
Travel	4,899	34,784	3,919	-	5,390	48,992
Rally Resource Room	-	65,539	-	-	-	65,539
Website maintenance	7,985	23,955	3,993	3,992	-	39,925
TOTAL EXPENSES	\$ 3,809,164	\$ 1,887,677	\$ 198,873	\$ 125,971	\$ 136,526	\$ 6,158,211

See accompanying Notes to the Financial Statements.

**RALLY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31,**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2024</u>	<u>2023</u>
Change in net assets	\$ 1,877,769	\$ 2,258,771
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	332
Proceeds from sale of contributed securities	54,585	25,500
Contributed securities	(54,585)	(25,500)
Net (gain) loss on investments	(356,013)	13,327
Changes in assets and liabilities:		
Decrease in unconditional promises to give	18,056	65,539
Increase in prepaid expenses	(37,069)	-
Increase (decrease) in accounts and credit cards payable	18,600	(8,056)
(Decrease) in grants payable	-	(25,000)
Increase in accrued expenses	4,455	1,111
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,525,798</u>	<u>2,306,024</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	49,841	292,133
Purchase of marketable securities	<u>(67,948)</u>	<u>(798,568)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(18,107)</u>	<u>(506,435)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,507,691	1,799,589
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,307,505</u>	<u>6,507,916</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 9,815,196</u></u>	<u><u>\$ 8,307,505</u></u>

See accompanying Notes to the Financial Statements.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Rally Foundation, Inc. (the Organization), a non-profit organization located in Atlanta, Georgia, empowers volunteers across the United States to raise awareness and funds specifically for childhood cancer research to find better treatments with fewer long-term side effects and, ultimately, cures for childhood cancers. Rally Foundation, Inc. receives most of its support from contributions made by individuals, businesses, and foundations located throughout the United States.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net assets 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 that are 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.

Net assets received and spent in the same reporting period are reflected as net assets without restrictions.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The most significant estimate is the functional allocation of expenses.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization's investments in equity securities with readily determinable fair values and investments in mutual funds and fixed income securities are reported at fair value. Security transactions and related expenses are accounted for on a trade date basis. Realized and unrealized gains and losses are included in investment return, net in the accompanying Statements of Activities. Investment expenses are shown net of

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

investment income (loss). Investment income (loss) is allocated between with and without donor restrictions based on state law.

Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation, except for donated items which are recorded at fair value on the date of donation. Property and equipment that exceed \$1,000 are capitalized as assets. Depreciation is provided using the straight-line method over the estimated useful life of the assets, currently five years or less. When the asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs, and minor renewals are charged to operations as incurred.

Revenue and Support Recognition

Contributions and Grants

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Conditional promises to give, that is, those with a measurable performance or other barriers, and a right to return, are not recognized in revenue until the conditions on which they depend have been substantially met. Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. Unconditional promises to give were \$0 and \$18,056 as of March 31, 2024 and 2023, respectively.

Revenue from private grants and contract agreements, which are generally considered non-exchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met, upon an approval of the Board of Directors. Research grants are generally paid within one year.

Special Events

Fundraising revenue is comprised of payments received from third parties (individuals and corporations) to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition guidance under topic ASC 606. The amount paid by individuals or corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized at the point in time the fundraising event occurs.

Contributions of Nonfinancial Items

Contributed goods have been recorded as contributions at their estimated fair value at the date of receipt. Contributed services are recorded at rates that would have been paid for similar services, in an arms-length transaction, and are recognized as revenue if they (a) create or enhance nonfinancial assets, or (b) require specialized skills and would need to be purchased if not provided by donation. Corresponding expenses are recognized as the assets and services that are utilized by the Organization.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Nonfinancial Items (continued)

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed goods, services, and use of contributed facilities for the years ended March 31, 2024 and 2023 totaled \$780,452 and \$691,813 and are reported as contributions of nonfinancial items and included in expenses on the accompanying Statements of Activities and Functional Expenses. See Note 11.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and supporting services. The value of these services does not meet the above criteria for recognition in the financial statements and the value of the volunteer time is not reflected in the accompanying financial statements.

Advertising Costs

The Organization follows the policy of charging the cost of advertising to expense as incurred. For the years ending March 31, 2024 and 2023, advertising costs were \$84,251 and \$55,099, respectively, and included in postage and printing expenses on the accompanying Statements of Functional Expenses.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon time devoted to various activities by the employees of the Organization or the type of services provided to the Organization. The allocation is based upon management's estimate of employee utilization.

Income Taxes

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 3 – INVESTMENTS

Investments consisted of the following as of March 31:

	<u>2024</u>	<u>2023</u>
Mutual funds	\$ 1,542,127	\$ 1,395,048
Fixed income	208,400	207,578
Equities	1,619,993	1,393,774
Total	<u>\$ 3,370,520</u>	<u>\$ 2,996,400</u>

Investments are presented on the Statements of Financial Position as of March 31, as follows:

	<u>2024</u>	<u>2023</u>
Investments	\$ 1,510,655	\$ 1,339,507
Endowment investments	1,859,865	1,656,893
Total	<u>\$ 3,370,520</u>	<u>\$ 2,996,400</u>

Investment return, net consisted of the following for the years ended March 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 114,946	\$ 61,806
Realized gains	47,820	8,718
Unrealized gains (losses)	209,582	(70,701)
Investment fees	(16,335)	(13,150)
Total investment return, net	<u>\$ 356,013</u>	<u>\$ (13,327)</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

U.S. GAAP provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds - Valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Equities and Fixed Income Funds - Valued at the closing price reported on the active market on which the individual securities are traded.

There have been no changes in the methodologies used at March 31, 2024 and 2023.

Investments at fair value are as follows at March 31:

		2024			
		Level 1	Level 2	Level 3	Total
	Mutual funds	\$ 1,542,127	\$ -	\$ -	\$ 1,542,127
	Fixed income	-	208,400	-	208,400
	Equities	1,619,993	-	-	1,619,993
	Total Assets at Fair Value	\$ 3,162,120	\$ 208,400	\$ -	\$ 3,370,520
		2023			
		Level 1	Level 2	Level 3	Total
	Mutual funds	\$ 1,395,048	\$ -	\$ -	\$ 1,395,048
	Fixed income	-	207,578	-	207,578
	Equities	1,393,774	-	-	1,393,774
	Total Assets at Fair Value	\$ 2,788,822	\$ 207,578	\$ -	\$ 2,996,400

NOTE 5 – INVESTMENT IN SAFE

During the fiscal year ending March 31, 2022, the Organization entered into a SAFE (Simple Agreement for Future Equity) agreement with another entity for \$350,000. The investment has no readily determinable fair value and is stated at cost on the Statement of Financial Position until one the following future events occur: 1) an equity financing which issues Safe Preferred Stock, 2) a liquidity event that pays a cash payment of 200% of the purchase price or shares of common stock, or 3) dissolution that pays a cash payment equal to the purchase price. There is no stated maturity date with regard to the agreement and no impairment on the asset. See Note 13.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	<u>2024</u>		<u>2023</u>
Furniture	\$ 13,556	\$	13,556
Office and computer equipment	19,959		19,959
Software	5,761		5,761
Total property and equipment	<u>39,276</u>		<u>39,276</u>
Less: accumulated depreciation	<u>(39,276)</u>		<u>(39,276)</u>
Property and equipment (net)	<u>\$ -</u>	\$	<u>-</u>

Depreciation expense relating to property and equipment for the years ended March 31, 2024 and 2023 was \$0 and \$332, respectively.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Liquidity

The Organization receives contributions with donor restrictions to be used in accordance with the associated purpose of the restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Organization receives support without donor restrictions.

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that grant commitments will continue to be met, ensuring the sustainability of the Organization.

Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statements of Financial Position, consisted of the following as of March 31:

	<u>2024</u>		<u>2023</u>
Cash and cash equivalents	\$ 9,815,196	\$	8,307,505
Investments	3,370,520		2,996,400
Total financial assets	<u>13,185,716</u>		<u>11,303,905</u>
Less endowment investments	<u>(1,859,865)</u>		<u>(1,656,893)</u>
Financial assets available to meet cash for general expenditures within one year	<u>\$ 11,325,851</u>	\$	<u>9,647,012</u>

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

NOTE 8 – ENDOWMENT FUNDS

The Organization's endowment consists of one donor-restricted fund and one quasi endowment fund designated by the Board of Directors to function similarly to an endowment. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Funds designated by the Board of Directors are considered a category of unrestricted net assets.

Interpretation of Relevant Law

The Organization is subject to the Georgia Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund representing accumulated earnings is held as net assets with donor restriction until those amounts are appropriated for expenditures by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. This condition did not exist as of March 31, 2024 and 2023.

Return Objectives and Risk Parameters

The Board has adopted an investment and spending policy for the endowment funds designed to provide growth of the fund corpus to support spending needs while preserving purchasing power in real terms and minimizing year-to-year fluctuations in the value of the portfolio. To achieve these objectives, endowment assets are invested in a well-diversified, balanced portfolio intended to capture a broad market return. This means the portfolio assumes moderate investment risk consistent with the broad market.

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NOTE 8 – ENDOWMENT FUNDS (CONTINUED)

Strategies Employed for Achieving Objectives

The Organization utilizes a total return strategy, with investment returns achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization seeks to balance current spending with the maintenance of purchasing power over the long term. Endowment assets are invested in a mixture of equities, fixed-income instruments, and mutual funds.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Organization’s current spending policy allows management to spend the realized gains and income earned each year from each endowment fund on the purpose of that fund if the corpus does not fall below the original principal balance. The calculation of the earnings is performed once a year of each year at the regular Board meeting.

The target goal will be between 3% and 5% of the Endowment to allow the Endowment to grow and meet the needs of the Organization.

Changes to endowment net assets for the years ended March 31, 2024 and 2023, are as follows:

	Net Assets without donor restrictions Board Designated	Net Assets with donor restrictions		
		Accumulated earnings	Endowment corpus	Total
Endowment net assets March 31, 2023	\$ 1,595,384	\$ 11,509	\$ 50,000	\$ 1,656,893
Investment earnings	<u>197,380</u>	<u>5,592</u>	<u>-</u>	<u>202,972</u>
Endowment net assets March 31, 2024	\$ <u>1,792,764</u>	\$ <u>17,101</u>	\$ <u>50,000</u>	\$ <u>1,859,865</u>

	Net Assets without donor restrictions Board Designated	Net Assets with donor restrictions		
		Accumulated earnings	Endowment corpus	Total
Endowment net assets March 31, 2022	\$ 1,306,850	\$ 9,024	\$ 50,000	\$ 1,365,874
Additions	350,000	-	-	350,000
Investment earnings	<u>(61,466)</u>	<u>2,485</u>	<u>-</u>	<u>(58,981)</u>
Endowment net assets March 31, 2023	\$ <u>1,595,384</u>	\$ <u>11,509</u>	\$ <u>50,000</u>	\$ <u>1,656,893</u>

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NOTE 9 – EMPLOYEE RETENTION CREDIT

The Organization has applied for COVID-19 relief from the Employee Retention Credit (ERC) Program. The ERC, a credit against certain payroll taxes allowed to an eligible employer for qualifying wages, was established by the CARES Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). Under the program, the Organization determined that it was eligible for the ERC credit for calendar year 2022. The funds totaling \$100,433 were received during fiscal year ended March 31, 2023 and recorded under non-operating other income in the accompanying Statement of Activities for the year ended March 31, 2023.

NOTE 10 – EMPLOYEE BENEFIT PLAN

The Organization has a 403(b)retirement plan available to all eligible employees. Participants may elect to contribute up to the maximum amounts allowed by law. The Organization fully matches the employee's allowed contribution up to 4% of salary. The Organization made contributions of \$40,562 and \$33,536 to the retirement plan in fiscal years ended March 31, 2024 and 2023, respectively. These contributions are included in Salaries and Benefits in the accompanying Statements of Functional Expenses.

NOTE 11 – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the Statements of Activities for the years ended March 31, 2024 and 2023 consisted of the following:

	2024	2023
Supplies	\$ 488,465	\$ 329,274
Outside services	147,888	156,918
Contributed facilities	95,222	96,471
Donated food	29,181	75,199
Travel	-	30,329
Postage and printing	19,696	3,623
	\$ 780,452	\$ 691,813

NOTE 12 – CONCENTRATIONS

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash in bank deposit accounts and brokerage accounts which at times exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC), and investment in future equity securities (“SAFE,” a Simple Agreement for Future Equity).

Uninsured cash totaled \$589,962 and \$1,204,652 at March 31, 2024 and 2023, respectively. Unsecured investment in SAFE amounted to \$350,000 at March 31, 2024 and 2023, respectively.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2024, the date on which the financial statements were available to be issued.

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NOTE 13 - SUBSEQUENT EVENTS (CONTINUED)

During fiscal year ended March 31, 2025, in accordance with the terms outlined in the Conversion and Voting Agreement dated April 15, 2024, and the Amended and Restated Certificate of Incorporation dated December 7, 2023, OncoHeroes Biosciences Inc. (the "Company") completed the conversion of all outstanding Simple Agreements for Future Equity (SAFEs) and convertible promissory notes (collectively, the "Convertible Securities") into shares of the Company's Series Seed Preferred Stock. As of the conversion date, the total outstanding principal and accrued interest of Convertible Securities amounted to \$350,000. See Note 5.