

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

MARCH 31, 2025 AND 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 & Associates CPAS LLP

Morganville, New Jersey
September 8, 2025

RALLY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 10,980,918	\$ 9,815,196
Investments	1,682,294	1,510,655
Program investment valued at cost	350,000	350,000
Contributions receivable	187,850	-
Prepaid expenses	-	37,069
Endowment and quasi-endowment:		
Restricted cash	6,422	31,083
Investments	1,894,730	1,828,782
Total Assets	\$ <u><u>15,102,214</u></u>	\$ <u><u>13,572,785</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts and credit cards payable	\$ 72,154	\$ 23,690
Accrued expenses	15,166	21,714
Total Liabilities	<u>87,320</u>	<u>45,404</u>
Net Assets		
Without donor restrictions	13,013,742	11,667,516
Without donor restrictions - board designated	1,831,961	1,792,764
With donor restrictions - time	100,000	-
With donor restrictions - endowment	69,191	67,101
Total Net Assets	<u>15,014,894</u>	<u>13,527,381</u>
Total Liabilities and Net Assets	\$ <u><u>15,102,214</u></u>	\$ <u><u>13,572,785</u></u>

See accompanying Notes to the Financial Statements.

RALLY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2025

	Without Donor Restrictions	With Donor Restrictions - Time	With Donor Restrictions - Endowment	Total
Public Support and Revenues				
Grants and contributions	\$ 2,816,600	\$ 100,000	-	\$ 2,916,600
Contributions of nonfinancial items	1,241,936		-	1,241,936
Special events revenue, gross	6,502,647	-	-	6,502,647
Investment return, net	587,492	-	2,090	589,582
Total support and revenue	<u>11,148,675</u>	<u>100,000</u>	<u>2,090</u>	<u>11,250,765</u>
Expenses				
Program expense				
Grants	5,990,766	-	-	5,990,766
Education and awareness	3,028,811	-	-	3,028,811
Fundraising	233,925	-	-	233,925
Fundraising - direct benefits to donors	268,634	-	-	268,634
Management and general	241,116	-	-	241,116
Total expenses	<u>9,763,252</u>	<u>-</u>	<u>-</u>	<u>9,763,252</u>
Change in net assets	1,385,423	100,000	2,090	1,487,513
Net assets, beginning of year	<u>13,460,280</u>	<u>-</u>	<u>67,101</u>	<u>13,527,381</u>
Net assets, end of year	<u>\$ 14,845,703</u>	<u>\$ 100,000</u>	<u>69,191</u>	<u>\$ 15,014,894</u>

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	With Donor Restrictions - Endowment	Total
Public Support and Revenues				
Grants and contributions	\$ 2,373,158	\$ -	\$ -	\$ 2,373,158
Contributions of nonfinancial items	805,635	-	-	805,635
Special events revenue, gross	6,061,082	-	-	6,061,082
Investment return, net	666,267	-	5,592	671,859
Net assets released from restriction	18,056	(18,056)	-	-
Total public support and revenues	<u>9,924,198</u>	<u>(18,056)</u>	<u>5,592</u>	<u>9,911,734</u>
Expenses				
Program expense				
Grants	4,983,931	-	-	4,983,931
Education and awareness	2,487,510	-	-	2,487,510
Fundraising	317,604	-	-	317,604
Fundraising - direct benefits to donors	84,949	-	-	84,949
Management and general	159,971	-	-	159,971
Total expenses	<u>8,033,965</u>	<u>-</u>	<u>-</u>	<u>8,033,965</u>
Change in net assets	1,890,233	(18,056)	5,592	1,877,769
Net assets, beginning of year	<u>11,570,047</u>	<u>18,056</u>	<u>61,509</u>	<u>11,649,612</u>
Net assets, end of year	<u>\$ 13,460,280</u>	<u>\$ -</u>	<u>\$ 67,101</u>	<u>\$ 13,527,381</u>

See accompanying Notes to the Financial Statement.

RALLY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2025

	Program Services			Supporting Services			Total
	Grants	Education and Awareness	Total Program	Fundraising	Direct Benefits to Donors	Management and General	
Salaries and wages	\$ 509,147	\$ 1,001,323	\$ 1,510,470	\$ 169,716	\$ -	\$ 16,972	\$ 1,697,158
Payroll taxes	36,805	72,383	109,188	12,268	-	1,227	122,683
Employee benefits	12,341	24,270	36,611	4,114	-	411	41,136
Retirement	14,369	28,259	42,628	4,790	-	478	47,896
Bank charges and processing fees	-	-	-	-	-	51,138	51,138
Donated use of facilities	7,572	53,761	61,333	6,058	-	8,329	75,720
Grants	5,083,108	-	5,083,108	-	-	-	5,083,108
Insurance	1,459	10,355	11,814	1,167	-	1,604	14,585
Meals, entertainment and event venue	10,964	173,890	184,854	532	22,437	783	208,606
Office expenses	3,345	15,394	18,739	1,216	141	1,216	21,312
Outside services	164,686	614,555	779,241	32,396	90,034	12,855	914,526
Postage and printing	6,263	71,224	77,487	1,025	5,608	6,946	91,066
Professional fees	-	-	-	-	-	55,200	55,200
Supplies	109,421	712,202	821,623	636	122,946	61,477	1,006,682
Travel	31,286	188,495	219,781	7	27,468	22,480	269,736
Website maintenance	-	62,700	62,700	-	-	-	62,700
TOTAL EXPENSES	\$ 5,990,766	\$ 3,028,811	\$ 9,019,577	233,925	\$ 268,634	\$ 241,116	\$ 9,763,252

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			
	Grants	Education and Awareness	Total Program	Fundraising	Direct Benefits to Donors	Management and General	Total
Salaries and wages	\$ 412,804	\$ 811,867	\$ 1,224,671	\$ 137,614	\$ -	\$ 13,761	\$ 1,376,046
Payroll taxes	30,309	59,609	89,918	10,104	-	1,010	101,032
Employee benefits	15,460	30,404	45,864	5,154	-	515	51,533
Retirement	12,190	23,921	36,111	4,046	-	405	40,562
Bank charges and processing fees	3,414	29,919	33,333	-	-	-	33,333
Donated use of facilities	9,522	67,608	77,130	7,618	-	10,474	95,222
Grants	4,285,352	-	4,285,352	-	-	-	4,285,352
Insurance	1,801	12,790	14,591	1,441	-	1,981	18,013
Meals, entertainment and event venue	12,795	187,898	200,693	16,391	-	26,829	243,913
Office expenses	24,135	-	24,135	3,105	-	3,697	30,937
Outside services	101,268	502,414	603,682	49,938	64,643	-	718,263
Postage and printing	4,596	67,510	72,106	5,889	-	9,640	87,635
Professional fees	14,038	14,038	28,076	14,038	14,036	-	56,150
Supplies	40,137	589,491	629,628	51,423	-	84,174	765,225
Travel	3,570	52,421	55,991	4,573	-	7,485	68,049
Website maintenance	12,540	37,620	50,160	6,270	6,270	-	62,700
Total expenses by function	\$ <u>4,983,931</u>	\$ <u>2,487,510</u>	<u>7,471,441</u>	\$ <u>317,604</u>	\$ <u>84,949</u>	\$ <u>159,971</u>	\$ <u>8,033,965</u>

See accompanying Notes to the Financial Statements.

RALLY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 1,487,513	\$ 1,877,769
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributed investments	(89,560)	(54,585)
Net gain on investments	(178,562)	(324,930)
Change in assets and liabilities:		
Contributions receivable	(187,850)	18,056
Prepaid expenses	37,069	(37,069)
Accounts and credit cards payable	48,464	18,600
Accrued expenses	(6,548)	4,455
Net cash provided by operating activities	<u>1,110,526</u>	<u>1,502,296</u>
Cash flows from investing activities		
Proceeds from sales of investments	814,602	104,426
Purchase of investments	<u>(784,067)</u>	<u>(67,948)</u>
Net cash provided in investing activities	<u>30,535</u>	<u>36,478</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	1,141,061	1,538,774
Cash, cash equivalents, and restricted cash, beginning of year	<u>9,846,279</u>	<u>8,307,505</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 10,987,340</u>	<u>\$ 9,846,279</u>

See accompanying Notes to the Financial Statements.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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. The Organization awards grants to hospitals, research centers, and institutions dedicated to discovering new therapies and improving existing treatments for childhood cancers. These grants aim to reduce long-term side effects and increase survival rates.

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 and accordingly reflect all significant receivables, payables, and other liabilities in accordance with U.S. generally accepted accounting principles (“US GAAP”).

Tax-Exempt Status and Uncertain Tax Positions

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.

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 to the Organization of three months or less to be cash equivalents.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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. This classification includes net assets designated by the board or management for a specified purpose and quasi-endowments.

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.

Investments

Investments are initially measured at cost if purchased or at fair market value on the date of donation if they are donated. Subsequently, they are measured at fair value on a recurring basis and are reported at their fair value in the Statements of Financial Position. If there is no active market for an investment, it is carried at cost and evaluated for impairment if certain events occur.

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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses based on estimated time and effort. Other expenses such as insurance, office supplies and expenses, and website are allocated based on usage. The Organization classifies expenses, which are not directly related to a specific program, as management and general expenses.

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, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Support Recognition

The Organization recognizes contributions when cash and other financial assets, nonfinancial assets/services, or unconditional promises to give are received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. As of March 31, 2025, the Organization's promises to give are expected to be collected within one year and as such are recorded at their net realizable value.

Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting these conditions, if any, are reported as refundable advances in the Statements of Financial Position. As of March 31, 2025 and 2024, the Organization did not have any conditional pledges that were not recognized.

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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 conditional contribution. Revenue is recognized at the point in time the fundraising event occurs.

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 by another entity for similar services 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.

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.

Investment income (interest and dividends) is recognized as revenue in the period earned, and gains and losses (realized and unrealized) are recognized in the period they occur.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 3 – Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Unrestricted:		
Bank deposits and cash	\$ 10,980,918	\$ 9,815,196
Restricted for endowment:		
Money market funds	<u>6,422</u>	<u>31,083</u>
Total	<u>\$ 10,987,340</u>	<u>\$ 9,846,279</u>

NOTE 4 – INVESTMENTS

Investments consisted of the following as of March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Valued at fair value:		
Mutual fund	\$ 1,603,353	\$ 1,511,044
Fixed income	266,854	208,400
Equities/Exchange traded funds	<u>1,706,817</u>	<u>1,619,993</u>
	3,577,024	3,339,437
Valued at cost:		
Preferred stock	<u>350,000</u>	<u>350,000</u>
Total investments	<u>\$ 3,927,024</u>	<u>\$ 3,689,437</u>

Investment return, net consisted of the following for the years ended March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 460,658	\$ 430,792
Realized gains	62,037	47,820
Unrealized gains	85,443	209,582
Investment fees	(18,556)	(16,335)
Total investment return, net	<u>\$ 589,582</u>	<u>\$ 671,859</u>

The Organization invested \$350,000 in an organization that conducts clinical trial on new treatments for pediatric cancer. The Organization considers the investment to be programmatic in nature and was intended to be further its exempt purpose. The investment was made under the terms of a Simple Agreement for Future Equity agreement (“SAFE agreement”) with the unrelated party (the “Issuer”). The SAFE agreement gave the Organization the right to convert its investment into preferred shares of the Issuer’s stock in the event of liquidity, dissolution or termination. During 2024, the Issuer amended and restated its certificate of incorporation which converted all SAFE investments into shares of the Issuer’s Series Seed Preferred Stock. The Organization determined that the conversion amendment was not an indication of a permanent change in the value of its investment and that the Series Seed Preferred Stock does not have a readily determinable fair value. Therefore, the investment was reported at the original cost of \$350,000 as of March 31, 2025.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 5 – NET ASSETS

Net assets without donor restrictions consisted of the following as of March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Designated for a quasi-endowment	\$ 1,831,961	\$ 1,792,764
Undesignated	<u>13,013,742</u>	<u>11,667,516</u>
Total	<u>\$ 14,845,703</u>	<u>\$ 13,460,280</u>

Net assets with donor restrictions consisted of the following as of March 31, 2025 and 2025:

	<u>2025</u>	<u>2024</u>
Donor restricted endowment	\$ 69,191	\$ 67,101
Restricted for FY2026 activities	<u>100,000</u>	<u>-</u>
Total	<u>\$ 169,191</u>	<u>\$ 67,101</u>

NOTE 6 – 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.
- 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.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 6 – FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2025 and 2024.

Investments at fair value are as follows at March 31, 2025 are as follows:

2025				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,603,353	\$ -	\$ -	\$ 1,603,353
Fixed income	-	266,854	-	266,854
Equities	1,706,817	-	-	1,706,817
Total Assets at Fair Value	\$ <u>3,310,170</u>	\$ <u>266,854</u>	\$ <u>-</u>	\$ <u>3,577,024</u>

Investments at fair value are as follows at March 31, 2024 are as follows:

2024				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,511,044	\$ -	\$ -	\$ 1,511,044
Fixed income	-	208,400	-	208,400
Equities	1,619,993	-	-	1,619,993
Total Assets at Fair Value	\$ <u>3,131,037</u>	\$ <u>208,400</u>	\$ <u>-</u>	\$ <u>3,339,437</u>

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31, 2025 and 2024:

	2025	2024
Furniture	\$ 13,556	\$ 13,556
Office and computer equipment	19,959	19,959
Software	5,761	5,761
Total property and equipment	39,276	39,276
Less: accumulated depreciation	(39,276)	(39,276)
Property and equipment (net)	\$ <u>-</u>	\$ <u>-</u>

Depreciation expense relating to property and equipment for the years ended March 31, 2025 and 2024 was \$0 and \$332, respectively.

RALLY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

NOTE 8 – 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 \$47,896 and \$40,562 to the retirement plan in fiscal years ended March 31, 2025 and 2024, respectively. These contributions are included in Retirement in the accompanying Statements of Functional Expenses.

NOTE 9 – 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 the Securities Investor Protection Corporation (SIPC).

Investments in the Series Seed Preferred Stock are not insured.

NOTE 10 – 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.

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NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

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, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 10,987,340	\$ 9,846,279
Investments	3,927,024	3,689,437
Receivables	187,850	-
Total financial assets	15,102,214	13,535,716
Less donor restricted endowment	(69,191)	(67,101)
Less board designated quasi-endowment	(1,831,961)	(1,792,764)
Less investment with no active market	(350,000)	(350,000)
Financial assets available to meet cash for general expenditures within one year	\$ 12,851,062	\$ 11,325,851

NOTE 11 – 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:

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NOTE 11 – ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

- 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, 2025 and 2024.

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.

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.

RALLY FOUNDATION, INC.
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NOTE 11 – ENDOWMENT FUNDS (CONTINUED)

Changes to endowment net assets for the year ended March 31, 2025, 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, 2024	\$ 1,792,764	\$ 17,101	\$ 50,000	\$ 1,859,865
Withdrawals	(13,814)	-	-	(13,814)
Investment earnings	53,011	2,090	-	55,101
Endowment net assets March 31, 2025	\$ 1,831,961	\$ 19,191	\$ 50,000	\$ 1,901,152

Changes to endowment net assets for the year ended March 31, 2024, 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
Withdrawals	(12,845)	-	-	(12,845)
Investment earnings	210,225	5,592	-	215,817
Endowment net assets March 31, 2024	\$ 1,792,764	\$ 17,101	\$ 50,000	\$ 1,859,865

NOTE 12 – CONTRIBUTED NONFINANCIAL ASSETS

The Organization received in-kind and nonfinancial contributions that meet the criteria for being recognized in accordance with GAAP. For the years ended March 31, 2025 and 2024, amounts recognized in the Statements of Activities are as follows:

	<u>2025</u>	<u>2024</u>
In-Kind:		
Free use of facilities – used for programmatic and administrative functions	\$ 75,720	\$ 95,222
Skilled volunteers for special events	37,738	1,378
Total in-kind	<u>\$ 113,458</u>	<u>\$ 96,600</u>

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NOTE 12 – CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

	<u>2025</u>	<u>2024</u>
Nonfinancial assets:		
Auction items – sold at events	\$ 1,045,923	\$ 660,158
Meals – served to event attendees	82,555	29,181
Postage and printing – used for events	<u>-</u>	<u>19,696</u>
Total nonfinancial assets	<u>\$ 1,128,478</u>	<u>\$ 709,035</u>

Total in-kind and nonfinancial contributions recognized in the Statements of Activities for the years ended March 31, 2025 and 2024 amounted to \$1,241,937 and \$805,635, respectively and did not have any donor-imposed restrictions.

The valuation techniques used by the Organization for each donated in-kind and nonfinancial contribution received are as follow:

- Free use of facilities - the fair value is estimated based on rents for similar facilities in the same geographical area.
- Volunteers - the fair value that would have been charged to the general public for similar services.
- All other contributed items – the fair value is estimated using wholesale or retail values (as appropriate) that would be charged for selling similar products in the United States.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 8, 2025, the date on which the financial statements were available to be issued.