

DON'T EVER GIVE UP, INC.

Cary, North Carolina

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2020 AND 2019**



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INDEPENDENT AUDITOR'S REPORT

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Board of Directors
Don't Ever Give Up, Inc.
Cary, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Don't Ever Give Up, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BLACKMAN & SLOOP, CPAS, P.A.

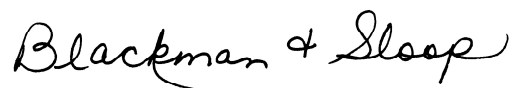
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Don't Ever Give Up, Inc., as of September 30, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Blackman & Sloop". The script is cursive and fluid, with the ampersand clearly visible between the two names.

Chapel Hill, North Carolina
February 8, 2021

DON'T EVER GIVE UP, INC.

STATEMENTS OF FINANCIAL POSITION

EXHIBIT A

September 30, 2020 and 2019

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,035,962	\$ 4,264,142
Contributions and gifts receivable, net	3,326,815	2,721,929
Special events receivable, net	28,907	94,033
Accounts receivable - The V Foundation	616,435	193,294
Prepaid expenses	196,783	155,203
TOTAL CURRENT ASSETS	<u>7,204,902</u>	<u>7,428,601</u>
PROPERTY AND EQUIPMENT, NET	<u>14,323</u>	<u>17,139</u>
OTHER ASSETS:		
Security deposit	<u>4,900</u>	<u>4,900</u>
TOTAL ASSETS	<u>\$ 7,224,125</u>	<u>\$ 7,450,640</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 71,317	\$ 128,866
Accounts payable - The V Foundation	77,674	93,575
Accrued payroll and related liabilities	48,858	45,479
Deferred revenue	291,708	24,500
Grant payable - The V Foundation	-	7,054,518
TOTAL CURRENT LIABILITIES	<u>489,557</u>	<u>7,346,938</u>
LONG-TERM LIABILITIES:		
Deferred rent	<u>9,084</u>	<u>3,862</u>
TOTAL LIABILITIES	<u>498,641</u>	<u>7,350,800</u>
NET ASSETS:		
Without donor restrictions	(63,884)	(2,622,089)
With donor restrictions	<u>6,789,368</u>	<u>2,721,929</u>
TOTAL NET ASSETS	<u>6,725,484</u>	<u>99,840</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,224,125</u>	<u>\$ 7,450,640</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

DON'T EVER GIVE UP, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

EXHIBIT B

For the Years Ended September 30, 2020 and 2019

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	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
SUPPORT AND REVENUE:				
Contributions and gifts	\$ 4,343,023	\$ 7,999,183	\$ 12,342,206	\$ 14,402,480
Special events income	285,074	-	285,074	3,302,535
Interest	262	-	262	366
	4,628,359	7,999,183	12,627,542	17,705,381
Net assets released from restrictions	3,931,744	(3,931,744)	-	-
TOTAL SUPPORT AND REVENUE	8,560,103	4,067,439	12,627,542	17,705,381
EXPENSES:				
Program services	1,209,815	-	1,209,815	11,843,518
Management and general	2,057,169	-	2,057,169	1,982,804
Fundraising expenses:				
Direct benefits to donors	1,240,596	-	1,240,596	3,420,888
Other fundraising expenses	1,267,654	-	1,267,654	2,838,256
Total fundraising expenses	2,508,250	-	2,508,250	6,259,144
TOTAL FUNCTIONAL EXPENSES	5,775,234	-	5,775,234	20,085,466
Loss from bad debts	226,664	-	226,664	136,978
TOTAL EXPENSES	6,001,898	-	6,001,898	20,222,444
CHANGES IN NET ASSETS	2,558,205	4,067,439	6,625,644	(2,517,063)
NET ASSETS - BEGINNING OF YEAR	(2,622,089)	2,721,929	99,840	2,616,903
NET ASSETS - END OF YEAR	\$ (63,884)	\$ 6,789,368	\$ 6,725,484	\$ 99,840

The accompanying Notes to Financial Statements are an integral part of these statements.

DON'T EVER GIVE UP, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

EXHIBIT B

For the Years Ended September 30, 2020 and 2019

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	2019		
	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE:			
Contributions and gifts	\$ 7,541,774	\$ 6,860,706	\$ 14,402,480
Special events income	3,302,535	-	3,302,535
Interest	366	-	366
	<u>10,844,675</u>	<u>6,860,706</u>	<u>17,705,381</u>
Net assets released from restrictions	6,258,605	(6,258,605)	-
	<u>17,103,280</u>	<u>602,101</u>	<u>17,705,381</u>
EXPENSES:			
Program services	11,843,518	-	11,843,518
Management and general	1,982,804	-	1,982,804
Fundraising expenses:			
Direct benefits to donors	3,420,888	-	3,420,888
Other fundraising expenses	2,838,256	-	2,838,256
Total fundraising expenses	<u>6,259,144</u>	<u>-</u>	<u>6,259,144</u>
TOTAL FUNCTIONAL EXPENSES	<u>20,085,466</u>	<u>-</u>	<u>20,085,466</u>
Loss from bad debts	<u>136,978</u>	<u>-</u>	<u>136,978</u>
TOTAL EXPENSES	<u>20,222,444</u>	<u>-</u>	<u>20,222,444</u>
CHANGES IN NET ASSETS	(3,119,164)	602,101	(2,517,063)
NET ASSETS - BEGINNING OF YEAR	<u>497,075</u>	<u>2,119,828</u>	<u>2,616,903</u>
NET ASSETS - END OF YEAR	<u>\$ (2,622,089)</u>	<u>\$ 2,721,929</u>	<u>\$ 99,840</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

DON'T EVER GIVE UP, INC.**STATEMENTS OF CASH FLOWS****EXHIBIT C****For the Years Ended September 30, 2020 and 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:	2020	2019
Changes in net assets	\$ 6,625,644	\$ (2,517,063)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	2,816	1,610
Changes in assets and liabilities:		
Contributions and gifts receivable, net	(604,886)	(625,911)
Special events receivable, net	65,126	43,876
Accounts receivable - The V Foundation	(423,141)	(59,594)
Prepaid expenses	(41,580)	(67,046)
Security deposit	-	(4,900)
Accounts payable	(57,549)	48,593
Accounts payable - The V Foundation	(15,901)	52,700
Accrued payroll and related liabilities	3,379	3,489
Deferred revenue	267,208	24,500
Grant payable - The V Foundation	(7,054,518)	7,054,518
Deferred rent	5,222	3,862
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(1,228,180)	3,958,634
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(16,602)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,228,180)	3,942,032
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,264,142	322,110
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,035,962	\$ 4,264,142
SUPPLEMENTAL DISCLOSURE:		
Noncash contribution:		
Donated securities	\$ 347,554	\$ 247,616
Donated services and facilities	\$ -	\$ 351,380

The accompanying Notes to Financial Statements are an integral part of these statements.

DON'T EVER GIVE UP, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

EXHIBIT D

For the Years Ended September 30, 2020 and 2019

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	2020				2019
	Program Services	Management and General	Fundraising	Totals	Totals
Salaries	\$ -	\$ 1,113,534	\$ 588,702	\$ 1,702,236	\$ 1,524,908
Direct benefit to donors	-	-	1,240,596	1,240,596	3,420,888
Grant to The V Foundation	1,209,815	-	-	1,209,815	11,804,518
Employee benefits	-	323,959	169,202	493,161	397,628
Outreach and public relations	-	33,365	294,981	328,346	386,777
Payroll taxes	-	78,695	45,581	124,276	111,531
Occupancy expenses	-	122,556	-	122,556	110,004
Travel related expenses	-	70,327	49,488	119,815	224,684
Bank service charges	-	115,105	-	115,105	185,582
Technology	-	102,571	-	102,571	91,290
Printing and copying	-	1,869	69,220	71,089	68,852
Postage and shipping	-	5,778	46,341	52,119	46,650
Professional fees	-	34,902	4,139	39,041	1,597,094
Insurance	-	27,478	-	27,478	27,011
Office supplies	-	16,099	-	16,099	20,958
Miscellaneous	-	6,177	-	6,177	6,662
Depreciation	-	2,816	-	2,816	1,610
Forums and meetings	-	1,938	-	1,938	19,819
Other grants	-	-	-	-	39,000
TOTAL FUNCTIONAL EXPENSES	1,209,815	2,057,169	2,508,250	5,775,234	20,085,466
Loss from bad debts	-	226,664	-	226,664	136,978
TOTAL EXPENSES	<u>\$ 1,209,815</u>	<u>\$ 2,283,833</u>	<u>\$ 2,508,250</u>	<u>\$ 6,001,898</u>	<u>\$ 20,222,444</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

DON'T EVER GIVE UP, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

EXHIBIT D

For the Years Ended September 30, 2020 and 2019

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	2019			
	Program Services	Management and General	Fundraising	Totals
Salaries	\$ -	\$ 970,305	\$ 554,603	\$ 1,524,908
Direct benefit to donors	-	-	3,420,888	3,420,888
Grant to The V Foundation	11,804,518	-	-	11,804,518
Employee benefits	-	260,118	137,510	397,628
Outreach and public relations	-	-	386,777	386,777
Payroll taxes	-	70,019	41,512	111,531
Occupancy expenses	-	110,004	-	110,004
Travel related expenses	-	130,642	94,042	224,684
Bank service charges	-	185,582	-	185,582
Technology	-	91,290	-	91,290
Printing and copying	-	293	68,559	68,852
Postage and shipping	-	6,838	39,812	46,650
Professional fees	-	95,837	1,501,257	1,597,094
Insurance	-	12,827	14,184	27,011
Office supplies	-	20,958	-	20,958
Miscellaneous	-	6,662	-	6,662
Depreciation	-	1,610	-	1,610
Forums and meetings	-	19,819	-	19,819
Other grants	39,000	-	-	39,000
TOTAL FUNCTIONAL EXPENSES	11,843,518	1,982,804	6,259,144	20,085,466
Loss from bad debts	-	136,978	-	136,978
TOTAL EXPENSES	<u>\$ 11,843,518</u>	<u>\$ 2,119,782</u>	<u>\$ 6,259,144</u>	<u>\$ 20,222,444</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

DON'T EVER GIVE UP, INC.**NOTES TO FINANCIAL STATEMENTS**

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NATURE OF ACTIVITIES

Don't Ever Give Up, Inc. (the "Organization") is a nonprofit charitable organization incorporated on September 21, 2015, to support The V Foundation (the "Foundation"), including promoting cancer research and related programs of the Foundation, as well as providing funds directly to the Foundation to further its purposes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Accounting.**

The Organization's financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires the use of certain estimates made by the organization's management. Accordingly, revenues and support are recognized when earned, and expenses are recognized when the obligation is incurred.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

B. Cash and Cash Equivalents.

Cash and cash equivalents consist of monies on deposit at financial institutions. At times, the Organization places deposits with high-quality financial institutions that may be in excess of federally insured amounts. The Organization has not experienced any financial loss related to such deposits.

C. Contributions, Gifts, and Special Events Receivable.

Receivables consist of gifts and sponsorships from special events held with the specific purpose of promoting and publicizing the Foundation and are carried at their net realizable value. The Organization provides an allowance for doubtful accounts equal to the estimated losses that are expected to be incurred in their collection. The allowance is based on historical collection experience and a review by management of the current status of the existing receivables. The allowance totaled \$107,144 and \$128,465, as of September 30, 2020 and 2019, respectively. No discount is considered necessary as the contributions, gifts, and special events receivables are to be collected in less than one year.

D. Property and Equipment.

Property and equipment are stated at cost for purchased assets and at fair value on the date of the gift for donated assets. Property and equipment are capitalized if the life is expected to be greater than one year and if the cost exceeds \$1,000. Depreciation is calculated using the straight-line method over estimated useful lives of 5 to 7 years.

DON'T EVER GIVE UP, INC.

NOTES TO FINANCIAL STATEMENTS

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Property and Equipment (Continued).

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities and changes in net assets. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

E. Grant Expenses.

Grant expenses and the corresponding grant payable are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments.

F. Outreach and Public Relations.

The Organization expenses outreach and public relations costs as incurred. Outreach and public relations expense totaled \$328,346 and \$386,777, for the years ended September 30, 2020 and 2019, respectively.

G. Net Assets.

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) 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, where the donor stipulates that 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.

DON'T EVER GIVE UP, INC.

NOTES TO FINANCIAL STATEMENTS

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Income Taxes.

The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation. The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization is exempt from North Carolina income and franchise taxes under the North Carolina Non-Profit Corporation Act. If applicable, the Organization reports interest and penalties related to unrecognized tax positions as interest expense under management and general expenses.

I. 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

J. New Accounting Pronouncements.

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

DON'T EVER GIVE UP, INC.

NOTES TO FINANCIAL STATEMENTS

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LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Current liquid financial assets at September 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,035,962	\$ 4,264,142
Contributions and gifts receivable, net	3,326,815	2,721,929
Special events receivable, net	28,907	94,033
Accounts receivable - The V Foundation	<u>616,435</u>	<u>193,294</u>
	7,008,119	7,273,398
Less amounts unavailable for general expenditures within one year, due to:		
Restrictions by donor for purpose	<u>(6,286,548)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 721,571</u></u>	<u><u>\$ 7,273,398</u></u>

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's purpose is to support the Foundation, and the funds granted to the Foundation will be adjusted depending on the level of funding received. Management believes the financial assets available are sufficient to meet cash needs for general expenditures within one year. In addition to having financial assets available to meet general expenditures over the next twelve months, the Organization operates within a balanced budget and anticipates collecting sufficient revenue during the year to cover general expenditures.

Management notes that the Organization has net assets with donor restrictions for time totaling \$502,820 and \$2,721,929 at September 30, 2020 and 2019, respectively. As these net assets are to be received over the next 12 months, management included them in financial assets available to meet cash needs for general expenditures within one year.

PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Office furniture	\$ 16,602	\$ 16,602
Office equipment	2,221	2,221
Accumulated depreciation	<u>(4,500)</u>	<u>(1,684)</u>
Net property and equipment	<u><u>\$ 14,323</u></u>	<u><u>\$ 17,139</u></u>

DON'T EVER GIVE UP, INC.**NOTES TO FINANCIAL STATEMENTS**

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CONCENTRATIONS

At September 30, 2020, approximately 56% of gross special events receivable is from one donor and 58% of gross contributions and gifts receivable is from one donor. Three special events provided 100% of the Organization's total gross special events income for the year ended September 30, 2020.

At September 30, 2019, approximately 54% of gross special events receivable is from three donors and 25% of gross contributions and gifts receivable is from one donor. Four special events provided approximately 89% of the Organization's total gross special events income for the year ended September 30, 2019.

OPERATING LEASES

In February 2019, the Foundation entered into a non-cancelable operating lease agreement for office space in Napa, California, and subleased the space to the Organization. The lease expires in April 2024, and requires monthly payments totaling \$4,900 in year one, and increases annually over the life of the lease.

Rent expense for office space in California totaled \$66,700 and \$47,733, for the years ended September 30, 2020 and 2019, respectively. Future minimum lease payments under the lease are as follows:

<u>Year Ending September 30,</u>	
2021	\$ 64,803
2022	68,692
2023	72,460
2024	<u>37,938</u>
Total minimum lease payments	<u><u>\$ 243,893</u></u>

The Organization also shares office space with the Foundation in Cary, North Carolina. Rent expense is allocated based on the employee ratio of the Organization's personnel to total personnel of both the Organization and the Foundation. Rent expense totaling \$24,000 for the years ended September 30, 2020 and 2019, is allocated from the Foundation.

RELATED PARTY TRANSACTIONS

The Organization granted \$1,209,815 and \$11,804,518, to the Foundation for the years ended September 30, 2020 and 2019, respectively. The Organization reimbursed the Foundation for shared costs including facilities, personnel, and administrative expenses totaling \$1,175,023 and \$1,036,574, for the years ended September 30, 2020 and 2019, respectively. The Organization owed the Foundation \$77,674 and \$7,148,093, at September 30, 2020 and 2019, respectively, for grants and shared costs. Additionally, the Foundation owed the Organization \$616,435 and \$193,294, as of September 30, 2020 and 2019, respectively.

DON'T EVER GIVE UP, INC.

NOTES TO FINANCIAL STATEMENTS

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RELATED PARTY TRANSACTIONS (CONTINUED)

Members of the Board of Directors of the Organization make contributions to special events. The Organization received contributions from related parties totaling \$161,309 and \$125,580, for the years ended September 30, 2020 and 2019, respectively.

RETIREMENT PLAN

The Organization previously offered a simple IRA plan for its eligible employees. During the year ending September 30, 2019, the Organization moved to a 401(k) plan. Employees of the Organization are eligible for coverage under this plan after 90 days of service. The Organization matches 100% of employee contributions up to 3% of each participating employee's compensation, and 50% of the next 2% of each participating employee's compensation. Employees are vested immediately in their contributions plus actual earnings thereon. Vesting in the Organization's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 20% vested after two years of credited service, and vests an additional 20% per year thereafter. After six years of credited service, participants are vested 100% in employer contributions. The retirement expense totaled \$102,939 and \$74,642, for the years ended September 30, 2020 and 2019, respectively.

On January 1, 2018, the Foundation established a non-qualified deferred compensation plan covering key employees of the Foundation and the Organization, which provides for payments upon termination of service, retirement, death, or disability. Participants 100% vest at the later of 5 years of service or termination of employment. The amount in the plan totaled \$318,190 and \$145,850, at September 30, 2020 and 2019, respectively.

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30:

	2020	2019
Purpose restriction:		
Pediatric Research	\$ 4,022,463	\$ -
V Scholar Research	864,725	-
Stuart Scott Fund	838,613	-
Survivorship Research	560,747	-
	<u>6,286,548</u>	<u>-</u>
Time restriction:		
General	<u>502,820</u>	<u>2,721,929</u>
Total net assets with donor restrictions	<u>\$ 6,789,368</u>	<u>\$ 2,721,929</u>

NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets released from restrictions totaled \$3,931,744 and \$6,258,605, for the years ended September 30, 2020 and 2019, respectively.

DON'T EVER GIVE UP, INC.**NOTES TO FINANCIAL STATEMENTS**

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DONATED SERVICES AND FACILITIES

The Organization recognizes donated services that create or enhance non-financial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. The Organization recognized \$186,380 of donated services for fundraising events and \$165,000 of donated facility rentals for the year ended September 30, 2019. There were no donated services in the year ended September 30, 2020.

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 changes in net assets. Therefore, some expenses require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated between the programs and supporting services benefited based on management's estimates.

Salaries, employee benefits, payroll taxes, and travel related expenses are allocated on the basis of estimates of time and effort. Contract services, which are classified as professional fees on the statements of functional expenses, are allocated evenly between fundraising and management and general. Expenses in other categories are directly coded as costs are incurred.

COMMITMENTS AND CONTINGENCIES

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity going forward.

RECLASSIFICATIONS

Certain reclassifications have been made to the 2019 financial statements in order to conform to 2020 presentation. Such reclassifications had no effect on net assets

SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition or disclosure through February 8, 2021, the date the financial statements were available to be issued. Management did not identify any other events that occurred subsequent to year-end that require disclosure in the financial statements.