

DON'T EVER GIVE UP, INC.

Cary, North Carolina

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020**



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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, 2021 and 2020, 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.

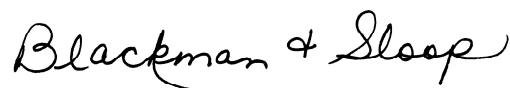
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Opinion

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, 2021 and 2020, 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 cursive script that reads "Blackman & Sloop".

Chapel Hill, North Carolina
February 8, 2022

DON'T EVER GIVE UP, INC.

STATEMENTS OF FINANCIAL POSITION

EXHIBIT A

September 30, 2021 and 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 8,231,384	\$ 3,035,962
Contributions and gifts receivable, net	2,178,446	3,326,815
Special events receivable, net	165,228	28,907
Accounts receivable - The V Foundation	618,852	616,435
Prepaid expenses	315,524	196,783
TOTAL CURRENT ASSETS	<u>11,509,434</u>	<u>7,204,902</u>
PROPERTY AND EQUIPMENT, NET	<u>11,507</u>	<u>14,323</u>
OTHER ASSETS:		
Security deposit	4,900	4,900
TOTAL ASSETS	<u>\$ 11,525,841</u>	<u>\$ 7,224,125</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 228,234	\$ 71,317
Accounts payable - The V Foundation	177,912	77,674
Accrued payroll and related liabilities	18,286	48,858
Deferred revenue	400,240	291,708
Deferred rent, current portion	1,992	1,896
TOTAL CURRENT LIABILITIES	<u>826,664</u>	<u>491,453</u>
LONG-TERM LIABILITIES:		
Deferred rent	8,954	7,188
TOTAL LIABILITIES	<u>835,618</u>	<u>498,641</u>
NET ASSETS:		
Without donor restrictions	4,578,608	(63,884)
With donor restrictions	6,111,615	6,789,368
TOTAL NET ASSETS	<u>10,690,223</u>	<u>6,725,484</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,525,841</u>	<u>\$ 7,224,125</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, 2021 and 2020

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	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
SUPPORT AND REVENUE:				
Contributions and gifts	\$ 10,011,306	\$ 8,875,067	\$ 18,886,373	\$ 12,342,206
Special events income	1,513,049	-	1,513,049	285,074
Interest	152	-	152	262
	11,524,507	8,875,067	20,399,574	12,627,542
Net assets released from restrictions	9,552,820	(9,552,820)	-	-
TOTAL SUPPORT AND REVENUE	21,077,327	(677,753)	20,399,574	12,627,542
EXPENSES:				
Program services	9,050,000	-	9,050,000	1,209,815
Management and general	2,675,386	-	2,675,386	2,057,169
Fundraising expenses:				
Direct benefits to donors	3,285,278	-	3,285,278	1,240,596
Other fundraising expenses	1,393,360	-	1,393,360	1,267,654
Total fundraising expenses	4,678,638	-	4,678,638	2,508,250
TOTAL FUNCTIONAL EXPENSES	16,404,024	-	16,404,024	5,775,234
Loss from bad debts	30,811	-	30,811	226,664
TOTAL EXPENSES	16,434,835	-	16,434,835	6,001,898
CHANGES IN NET ASSETS	4,642,492	(677,753)	3,964,739	6,625,644
NET ASSETS - BEGINNING OF YEAR	(63,884)	6,789,368	6,725,484	99,840
NET ASSETS - END OF YEAR	\$ 4,578,608	\$ 6,111,615	\$ 10,690,223	\$ 6,725,484

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, 2021 and 2020

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	2020		
	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE:			
Contributions and gifts	\$ 4,343,023	\$ 7,999,183	\$ 12,342,206
Special events income	285,074	-	285,074
Interest	262	-	262
	4,628,359	7,999,183	12,627,542
Net assets released from restrictions	3,931,744	(3,931,744)	-
TOTAL SUPPORT AND REVENUE	8,560,103	4,067,439	12,627,542
EXPENSES:			
Program services	1,209,815	-	1,209,815
Management and general	2,057,169	-	2,057,169
Fundraising expenses:			
Direct benefits to donors	1,240,596	-	1,240,596
Other fundraising expenses	1,267,654	-	1,267,654
Total fundraising expenses	2,508,250	-	2,508,250
TOTAL FUNCTIONAL EXPENSES	5,775,234	-	5,775,234
Loss from bad debts	226,664	-	226,664
TOTAL EXPENSES	6,001,898	-	6,001,898
CHANGES IN NET ASSETS	2,558,205	4,067,439	6,625,644
NET ASSETS - BEGINNING OF YEAR	(2,622,089)	2,721,929	99,840
NET ASSETS - END OF YEAR	\$ (63,884)	\$ 6,789,368	\$ 6,725,484

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, 2021 and 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	2021	2020
Changes in net assets	\$ 3,964,739	\$ 6,625,644
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	2,816	2,816
Changes in assets and liabilities:		
Contributions and gifts receivable, net	1,148,369	(604,886)
Special events receivable, net	(136,321)	65,126
Accounts receivable - The V Foundation	(2,417)	(423,141)
Prepaid expenses	(118,741)	(41,580)
Accounts payable	156,917	(57,549)
Accounts payable - The V Foundation	100,238	(15,901)
Accrued payroll and related liabilities	(30,572)	3,379
Deferred revenue	108,532	267,208
Grant payable - The V Foundation	-	(7,054,518)
Deferred rent	1,862	5,222
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,195,422	(1,228,180)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,195,422	(1,228,180)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,035,962	4,264,142
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 8,231,384	\$ 3,035,962
SUPPLEMENTAL DISCLOSURE:		
Noncash contribution:		
Donated securities	\$ 369,007	\$ 347,554
Donated goods and facilities	\$ 348,627	\$ -

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, 2021 and 2020

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	2021				2020
	Program Services	Management and General	Fundraising	Totals	Totals
Grant to The V Foundation	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000	\$ 1,209,815
Direct benefit to donors	-	-	3,285,278	3,285,278	1,240,596
Salaries	-	1,406,819	626,854	2,033,673	1,702,236
Employee benefits	-	316,335	162,479	478,814	493,161
Outreach and public relations	-	11,500	347,737	359,237	328,346
Bank service charges	-	346,484	-	346,484	115,105
Technology	-	147,522	-	147,522	102,571
Payroll taxes	-	94,307	47,589	141,896	124,276
Professional fees	-	76,608	54,583	131,191	39,041
Occupancy expenses	-	128,050	-	128,050	122,556
Travel related expenses	-	54,227	46,755	100,982	119,815
Printing and copying	-	4,675	62,055	66,730	71,089
Postage and shipping	-	9,201	45,308	54,509	52,119
Other grants	50,000	-	-	50,000	-
Insurance	-	26,446	-	26,446	27,478
Office supplies	-	20,799	-	20,799	16,099
Forums and meetings	-	15,103	-	15,103	1,938
Miscellaneous	-	14,494	-	14,494	6,177
Depreciation	-	2,816	-	2,816	2,816
TOTAL FUNCTIONAL EXPENSES	9,050,000	2,675,386	4,678,638	16,404,024	5,775,234
Loss from bad debts	-	30,811	-	30,811	226,664
TOTAL EXPENSES	\$ 9,050,000	\$ 2,706,197	\$ 4,678,638	\$ 16,434,835	\$ 6,001,898

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, 2021 and 2020

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	2020			
	Program Services	Management and General	Fundraising	Totals
Grant to The V Foundation	\$ 1,209,815	\$ -	\$ -	\$ 1,209,815
Direct benefit to donors	-	-	1,240,596	1,240,596
Salaries	-	1,113,534	588,702	1,702,236
Employee benefits	-	323,959	169,202	493,161
Outreach and public relations	-	33,365	294,981	328,346
Bank service charges	-	115,105	-	115,105
Technology	-	102,571	-	102,571
Payroll taxes	-	78,695	45,581	124,276
Professional fees	-	34,902	4,139	39,041
Occupancy expenses	-	122,556	-	122,556
Travel related expenses	-	70,327	49,488	119,815
Printing and copying	-	1,869	69,220	71,089
Postage and shipping	-	5,778	46,341	52,119
Insurance	-	27,478	-	27,478
Office supplies	-	16,099	-	16,099
Forums and meetings	-	1,938	-	1,938
Miscellaneous	-	6,177	-	6,177
Depreciation	-	2,816	-	2,816
TOTAL FUNCTIONAL EXPENSES	1,209,815	2,057,169	2,508,250	5,775,234
Loss from bad debts	-	226,664	-	226,664
TOTAL EXPENSES	\$ 1,209,815	\$ 2,283,833	\$ 2,508,250	\$ 6,001,898

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 \$72,221 and \$107,144, as of September 30, 2021 and 2020, 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 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 \$359,237 and \$328,346, for the years ended September 30, 2021 and 2020, 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. Revenue and Revenue Recognition

The Organization is primarily funded by individual and non-governmental organizational grants and contributions. These grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, a grant award letter, or notification of a beneficial interest is received.

Conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. There are no conditional grants at September 30, 2021 and 2020.

Revenue from contracts which are deemed to be exchange transactions are recognized as revenue without donor restrictions as performance obligations are completed either over time or at a point in time. Deferred revenue from exchange transactions results when cash receipts exceed revenue recognized.

I. 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. 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.

J. 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.

K. New Accounting Pronouncement.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all U.S. GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly. The amendments have been applied on the modified retrospective basis, with no effect on net assets.

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 statements of financial position date, comprise the following:

Current liquid financial assets at September 30:

	2021	2020
Cash and cash equivalents	\$ 8,231,384	\$ 3,035,962
Contributions and gifts receivable, net	2,178,446	3,326,815
Special events receivable, net	165,228	28,907
Accounts receivable - The V Foundation	618,852	616,435
	<u>11,193,910</u>	<u>7,008,119</u>
Less amounts unavailable for general expenditures within one year, due to:		
Restrictions by donor for purpose	<u>(4,511,740)</u>	<u>(6,286,548)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,682,170</u>	<u>\$ 721,571</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 \$1,599,875 and \$502,820, at September 30, 2021 and 2020, 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:

	2021	2020
Office furniture	\$ 16,602	\$ 16,602
Office equipment	2,221	2,221
Accumulated depreciation	<u>(7,316)</u>	<u>(4,500)</u>
Net property and equipment	<u>\$ 11,507</u>	<u>\$ 14,323</u>

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

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CONCENTRATIONS

At September 30, 2021, approximately 67% of gross special events receivable is from three donors and 47% of gross contributions and gifts receivable is from three donors. Three special events provided 100% of the Organization's total gross special events income for the year ended September 30, 2021.

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.

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 for the years ended September 30, 2021 and 2020. Future minimum lease payments under the lease are as follows:

<u>Year Ending September 30,</u>	
2022	\$ 68,692
2023	72,460
2024	<u>37,938</u>
Total minimum lease payments	<u>\$ 179,090</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, 2021 and 2020, is allocated from the Foundation.

RELATED PARTY TRANSACTIONS

The Organization granted \$9,000,000 and \$1,209,815, to the Foundation for the years ended September 30, 2021 and 2020, respectively. The Organization reimbursed the Foundation for shared costs including facilities, personnel, and administrative expenses totaling \$1,587,993 and \$1,175,023, for the years ended September 30, 2021 and 2020, respectively. The Organization owed the Foundation \$177,912 and \$77,674, at September 30, 2021 and 2020, respectively, for grants and shared costs. Additionally, the Foundation owed the Organization \$618,852 and \$616,435, as of September 30, 2021 and 2020, 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 \$1,618,856 and \$161,309, for the years ended September 30, 2021 and 2020, respectively.

RETIREMENT PLAN

During the year ending September 30, 2019, the Organization established 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 \$60,574 and \$102,939, for the years ended September 30, 2021 and 2020, 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 \$190,796 and \$318,190, at September 30, 2021 and 2020, respectively. No contribution was made for the year ending September 30, 2021.

NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Purpose restriction:		
Pediatric Research	\$ 4,511,740	\$ 4,022,463
V Scholar Research	-	864,725
Stuart Scott Fund	-	838,613
Survivorship Research	-	560,747
	<u>4,511,740</u>	<u>6,286,548</u>
Time restriction:		
General	<u>1,599,875</u>	<u>502,820</u>
Total net assets with donor restrictions	<u><u>\$ 6,111,615</u></u>	<u><u>\$ 6,789,368</u></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 \$9,552,820 and \$3,931,744, for the years ended September 30, 2021 and 2020, respectively.

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

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DONATED GOODS, FACILITIES, AND SERVICES

The Organization recognized \$156,127 of donated goods for fundraising events and \$192,500 of donated facility rentals for the year ended September 30, 2021. There were no donated goods and facilities for the year ended September 30, 2020. 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. No services meeting these requirements for recognition in the financial statements were received during the years ended September 30, 2021 and 2020. However, a number of persons have donated a significant amount of time and services to the Organization's operations. The financial statements do not reflect the value of these contributed services as they do not meet recognition criteria prescribed by U.S. GAAP.

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

The ongoing COVID-19 pandemic and restrictions on non-essential businesses have caused disruption in the U.S. and global economies. Despite significant market rebounds across many asset classes, the continued rapid development of this situation and uncertainty regarding potential economic recovery precludes any prediction as to the ultimate adverse impact of COVID-19 on the financial market and economic conditions. The estimates and assumptions underlying these financial statements are based on the information available as of September 30, 2021, including judgements about the financial market and economic conditions which may change over time.

REVENUE FROM CONTRACTS WITH CUSTOMERS*Performance Obligations*

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the new revenue standard. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization's contracts have obligations that are fulfilled at a point in time.

Performance Obligations Satisfied at a Point in Time

The Organization receives revenue from special event related activities, such as event tickets, meals, sponsorships, and auction purchases for which the revenue is earned at the point in time of the event, or similar circumstances. At that point in time, the Organization has fulfilled their performance obligation.

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REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The Organization believes recognition at that point in time is appropriate for this type of revenue. However, if any funds are ever received prior to the Organization fulfilling the performance obligation, it would be deferred until the future period in which it is earned.

Total revenue recognized for performance obligations completed at a point in time at September 30, 2021 and 2020, totaled \$1,513,049 and \$285,074, respectively. Receivables relating to performance obligations completed at a point in time at September 30, 2021 and 2020 totaled \$170,320 and 29,830, respectively. There was deferred revenue related to these contracts at September 30, 2021 and 2020, of \$400,240 and \$291,708, respectively. Deferred revenue from the prior year of \$46,818 was recognized as current year revenue when obligations were fulfilled.

General

Revenue earned will vary depending on the economy. Revenue from special events will vary depending on how many attend and participate in events such as auctions. Additionally, some of the Organization's events rely on in-person attendance, and operation is dependent on the availability of space as well as restrictions and limitations caused by the COVID-19 pandemic.

Transition

The Organization applied Accounting Standards Update 2014-09 of Topic 606 to contracts not complete as of the date of adoption, October 1, 2020, using the modified retrospective approach. However, no adjustments to opening net assets were required.

RECLASSIFICATIONS

Certain reclassifications have been made to the 2020 financial statements in order to conform to 2021 presentation. Such reclassifications had no effect on net assets.

SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition or disclosure through February 8, 2022, 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.