

DON'T EVER GIVE UP, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2023 AND 2022



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2023 and 2022, 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.

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, 2023 and 2022, 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 Don't Ever Give Up, 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 these 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 Don't Ever Give Up, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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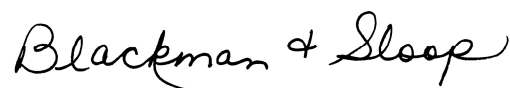
Auditor's Responsibility for the Audit of the Financial Statements

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 Don't Ever Give Up, 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 Don't Ever Give Up, 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.



Chapel Hill, North Carolina
February 14, 2024

DON'T EVER GIVE UP, INC.

STATEMENTS OF FINANCIAL POSITION

September 30, 2023 and 2022

EXHIBIT A

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,311,354	\$ 10,543,383
Contributions and gifts receivable, net	4,658,769	3,784,870
Promises to give, net	1,881,000	-
Special events receivable, net	723,183	403,516
Accounts receivable - The V Foundation	383,741	742,465
Prepaid expenses and other assets	614,206	284,347
TOTAL CURRENT ASSETS	<u>14,572,253</u>	<u>15,758,581</u>
PROPERTY AND EQUIPMENT, NET	<u>42,393</u>	<u>37,632</u>
OTHER ASSETS:		
Right of use asset - operating leases, net of amortization	38,604	-
Promises to give, net	2,719,982	-
Security deposit	4,900	4,900
TOTAL OTHER ASSETS	<u>2,763,486</u>	<u>4,900</u>
TOTAL ASSETS	<u>\$ 17,378,132</u>	<u>\$ 15,801,113</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 154,194	\$ 450,543
Accounts payable - The V Foundation	681,273	286,128
Accrued payroll and related liabilities	26,241	97,105
Deferred revenue	37,392	236,000
Deferred rent, current portion	-	5,760
Operating lease liability	39,500	-
TOTAL CURRENT LIABILITIES	<u>938,600</u>	<u>1,075,536</u>
LONG-TERM LIABILITIES:		
Deferred rent	-	5,186
TOTAL LONG-TERM LIABILITIES	<u>-</u>	<u>5,186</u>
TOTAL LIABILITIES	<u>938,600</u>	<u>1,080,722</u>
NET ASSETS:		
Without donor restrictions	8,702,181	7,269,846
With donor restrictions	7,737,351	7,450,545
TOTAL NET ASSETS	<u>16,439,532</u>	<u>14,720,391</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,378,132</u>	<u>\$ 15,801,113</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, 2023 and 2022

Page 1 of 2

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
SUPPORT AND REVENUE:				
Contributions and gifts	\$ 12,660,875	\$ 20,425,967	\$ 33,086,842	\$ 24,893,462
Contribution of nonfinancial assets	596,875	-	596,875	565,750
Special events income	3,908,605	-	3,908,605	2,322,502
Interest	-	-	-	111
	<u>17,166,355</u>	<u>20,425,967</u>	<u>37,592,322</u>	<u>27,781,825</u>
Net assets released from restrictions	20,139,161	(20,139,161)	-	-
TOTAL SUPPORT AND REVENUE	<u>37,305,516</u>	<u>286,806</u>	<u>37,592,322</u>	<u>27,781,825</u>
EXPENSES:				
Program services	20,000,000	-	20,000,000	12,061,553
Management and general	4,418,764	-	4,418,764	3,532,010
Fundraising expenses:				
Direct benefits to donors	8,993,586	-	8,993,586	6,434,397
Other fundraising expenses	1,764,330	-	1,764,330	1,647,383
Total fundraising expenses	<u>10,757,916</u>	<u>-</u>	<u>10,757,916</u>	<u>8,081,780</u>
TOTAL FUNCTIONAL EXPENSES	<u>35,176,680</u>	<u>-</u>	<u>35,176,680</u>	<u>23,675,343</u>
Loss from bad debts	696,501	-	696,501	76,314
TOTAL EXPENSES	<u>35,873,181</u>	<u>-</u>	<u>35,873,181</u>	<u>23,751,657</u>
CHANGES IN NET ASSETS	1,432,335	286,806	1,719,141	4,030,168
NET ASSETS - BEGINNING OF YEAR	<u>7,269,846</u>	<u>7,450,545</u>	<u>14,720,391</u>	<u>10,690,223</u>
NET ASSETS - END OF YEAR	<u>\$ 8,702,181</u>	<u>\$ 7,737,351</u>	<u>\$ 16,439,532</u>	<u>\$ 14,720,391</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, 2023 and 2022

Page 2 of 2

	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
SUPPORT AND REVENUE:			
Contributions and gifts	\$ 9,904,657	\$ 14,988,805	\$ 24,893,462
Contribution of nonfinancial assets	565,750	-	565,750
Special events income	2,322,502	-	2,322,502
Interest	111	-	111
	<u>12,793,020</u>	<u>14,988,805</u>	<u>27,781,825</u>
Net assets released from restrictions	<u>13,649,875</u>	<u>(13,649,875)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>26,442,895</u>	<u>1,338,930</u>	<u>27,781,825</u>
EXPENSES:			
Program services	12,061,553	-	12,061,553
Management and general	3,532,010	-	3,532,010
Fundraising expenses:			
Direct benefits to donors	6,434,397	-	6,434,397
Other fundraising expenses	1,647,383	-	1,647,383
Total fundraising expenses	<u>8,081,780</u>	<u>-</u>	<u>8,081,780</u>
TOTAL FUNCTIONAL EXPENSES	<u>23,675,343</u>	<u>-</u>	<u>23,675,343</u>
Loss from bad debts	<u>76,314</u>	<u>-</u>	<u>76,314</u>
TOTAL EXPENSES	<u>23,751,657</u>	<u>-</u>	<u>23,751,657</u>
CHANGES IN NET ASSETS	2,691,238	1,338,930	4,030,168
NET ASSETS - BEGINNING OF YEAR	<u>4,578,608</u>	<u>6,111,615</u>	<u>10,690,223</u>
NET ASSETS - END OF YEAR	<u>\$ 7,269,846</u>	<u>\$ 7,450,545</u>	<u>\$ 14,720,391</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, 2023 and 2022

CASH FLOWS FROM OPERATING ACTIVITIES:	2023	2022
Changes in net assets	\$ 1,719,141	\$ 4,030,168
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	9,173	2,816
Loss on doubtful accounts	297,661	62,421
Changes in assets and liabilities:		
Contributions and gifts receivable, net	(896,315)	(1,660,965)
Special events receivable, net	(329,062)	(246,168)
Accounts receivable - The V Foundation	358,724	(123,613)
Promises to give	(4,866,832)	-
Prepaid expenses and other assets	(329,859)	31,177
Operating leases, assets and liabilities	896	-
Accounts payable	(296,349)	222,309
Accounts payable - The V Foundation	395,145	108,216
Accrued payroll and related liabilities	(70,864)	78,819
Deferred revenue	(198,608)	(164,240)
Deferred rent	(10,946)	-
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(4,218,095)	2,340,940
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(13,934)	(28,941)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(4,232,029)	2,311,999
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10,543,383	8,231,384
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,311,354	\$ 10,543,383
SUPPLEMENTAL DISCLOSURE:		
Noncash contributions:		
Donated securities	\$ 692,444	\$ 425,333
Donated goods and facilities	\$ 596,875	\$ 565,750

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, 2023 and 2022

Page 1 of 2

	2023			2022	
	Program Services	Management and General	Fundraising	Totals	Totals
Grant to The V Foundation	\$ 20,000,000	\$ -	\$ -	\$ 20,000,000	\$ 12,000,000
Direct benefit to donors	-	-	8,993,586	8,993,586	6,434,397
Salaries	-	1,944,135	855,659	2,799,794	2,440,145
Professional fees	-	484,598	147,444	632,042	297,519
Employee benefits	-	389,898	199,960	589,858	523,059
Bank service charges	-	549,941	-	549,941	461,534
Outreach and public relations	-	245,888	239,303	485,191	476,184
Travel related expenses	-	219,115	175,754	394,869	286,349
Payroll taxes	-	141,162	68,111	209,273	168,163
Technology	-	181,490	-	181,490	161,118
Occupancy expenses	-	134,190	-	134,190	132,321
Postage and shipping	-	28,861	53,935	82,796	67,914
Miscellaneous	-	41,017	-	41,017	21,731
Office supplies	-	26,564	-	26,564	24,040
Printing and copying	-	875	24,164	25,039	94,171
Insurance	-	21,857	-	21,857	15,718
Depreciation	-	9,173	-	9,173	2,816
Other grants	-	-	-	-	61,553
Forums and meetings	-	-	-	-	6,611
TOTAL FUNCTIONAL EXPENSES	20,000,000	4,418,764	10,757,916	35,176,680	23,675,343
Loss from bad debts	-	696,501	-	696,501	76,314
TOTAL EXPENSES	\$ 20,000,000	\$ 5,115,265	\$ 10,757,916	\$ 35,873,181	\$ 23,751,657

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, 2023 and 2022

Page 2 of 2

	2022			Totals
	Program Services	Management and General	Fundraising	
Grant to The V Foundation	\$ 12,000,000	\$ -	\$ -	\$ 12,000,000
Direct benefit to donors	-	-	6,434,397	6,434,397
Salaries	-	1,655,666	784,479	2,440,145
Professional fees	-	252,686	44,833	297,519
Employee benefits	-	340,143	182,916	523,059
Bank service charges	-	461,534	-	461,534
Outreach and public relations	-	164,749	311,435	476,184
Travel related expenses	-	151,094	135,255	286,349
Payroll taxes	-	110,384	57,779	168,163
Technology	-	161,118	-	161,118
Occupancy expenses	-	132,321	-	132,321
Postage and shipping	-	21,056	46,858	67,914
Miscellaneous	-	21,731	-	21,731
Office supplies	-	24,040	-	24,040
Printing and copying	-	10,343	83,828	94,171
Insurance	-	15,718	-	15,718
Depreciation	-	2,816	-	2,816
Other grants	61,553	-	-	61,553
Forums and meetings	-	6,611	-	6,611
TOTAL FUNCTIONAL EXPENSES	12,061,553	3,532,010	8,081,780	23,675,343
Loss from bad debts	-	76,314	-	76,314
TOTAL EXPENSES	\$ 12,061,553	\$ 3,608,324	\$ 8,081,780	\$ 23,751,657

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

Page 1 of 11

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, Special Events, and Accounts 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 \$166,452 and \$134,641, as of September 30, 2023 and 2022, respectively. No discount is considered necessary as the contributions, gifts, and special events receivables are to be collected in less than one year.

D. Promises to Give.

Unconditional promises to give are recognized as support and assets in the period 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 initially recorded using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

DON'T EVER GIVE UP, INC.

NOTES TO FINANCIAL STATEMENTS

Page 2 of 11

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Promises to Give (Continued).

In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities and changes in net assets. 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 promises to give and grants receivable.

E. 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. 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.

F. 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)

G. 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, 2023 and 2022.

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.

H. Grant Expenses.

Grant expenses 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.

I. Outreach and Public Relations.

The Organization expenses outreach and public relations costs as incurred. Outreach and public relations expense totaled \$485,191 and \$476,184, for the years ended September 30, 2023 and 2022, respectively.

J. Leases.

The Organization determines if an arrangement is a lease at inception and reassesses if there are changes in terms and conditions of the contract. Operating leases are included in right-of-use assets - operating leases, and operating lease liabilities on the statements of financial position. Lease assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Organization's leases do not provide an implicit rate, the Organization uses a risk free rate based on the information available at commencement date in determining the present value of future payments. Lease assets also include any lease payments made before lease commencement and initial direct costs and reduced for any lease incentives. In determining the lease term at lease commencement, the Organization includes the noncancellable term and the periods which the Organization deems it is reasonably certain to exercise or not to exercise a renewal or cancellation option. Operating lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

DON'T EVER GIVE UP, INC.

NOTES TO FINANCIAL STATEMENTS

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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 Internal Revenue Service (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.

L. 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.

M. New Accounting Pronouncement.

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statements of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities and changes in net assets.

The new standard was effective October 1, 2022. The Organization adopted this ASU using the effective date transition method. The Organization elected the following practical expedients upon transition: 1) no need to reassess whether any expired or existing contracts are or contain leases, 2) no need to reassess the lease classification for any expired or existing leases, and 3) no need to reassess initial direct costs for any existing leases.

N. Consideration of Future Accounting Principle Changes.

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses*. The standard requires credit impairment to be recognized as an allowance for credit losses, rather than as a direct write-down of the financial asset. This standard will be effective for the year ending September 30, 2024. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

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:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 6,311,354	\$ 10,543,383
Contributions and gifts receivable, net	4,658,769	3,784,870
Promises to give, net	1,881,000	-
Special events receivable, net	723,183	403,516
Accounts receivable - The V Foundation	383,741	742,465
Other assets	<u>10,804</u>	<u>-</u>
	13,968,851	15,474,234
Less amounts unavailable for general expenditures within one year, due to:		
Restrictions by donor for purpose	<u>(5,185,753)</u>	<u>(4,275,134)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,783,098</u>	<u>\$ 11,199,100</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 and purpose totaling \$3,474,281 and \$3,175,411, at September 30, 2023 and 2022, 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.

DON'T EVER GIVE UP, INC.

NOTES TO FINANCIAL STATEMENTS

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PROMISES TO GIVE

Promises to give consist of the following at September 30:

	<u>2023</u>
Receivable in less than one year	\$ 1,980,000
Receivable in one to five years	<u>3,337,000</u>
Total gross promises to give	5,317,000
Discount at a rate of 4.19%	(450,168)
Allowance for uncollectible promises to give	<u>(265,850)</u>
Net present value of promises to give	<u><u>\$ 4,600,982</u></u>

There were no promises to give at September 30, 2022.

PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>2023</u>	<u>2022</u>
Office furniture	\$ 16,602	\$ 16,602
Office equipment	-	2,221
Software	42,875	28,941
Accumulated depreciation	<u>(17,084)</u>	<u>(10,132)</u>
Net property and equipment	<u><u>\$ 42,393</u></u>	<u><u>\$ 37,632</u></u>

RIGHT OF USE ASSET AND OPERATING LEASE LIABILITY

The Organization leases office facilities and equipment at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2024 and provide for renewal options. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The operating lease agreements requires payment of taxes, insurance, and repairs. The right of use asset totaled \$38,604 at September 30, 2023. The operating lease liability totaled \$39,500 at September 30, 2023. Operating lease costs recognized totaled \$65,103 for the year ended September 30, 2023.

The weighted average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free rate option was applied to the office facilities and equipment leases. The weighted average remaining lease term is 0.61 years and the weighted average discount rate is 4.00%.

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RIGHT OF USE ASSET AND OPERATING LEASE LIABILITY (CONTINUED)

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of September 30, 2023:

<u>Year Ending September 30, 2023</u>	<u>Operating</u>
Total future minimum lease payments	\$ 39,856
Less present value discount	(356)
Total lease liability	<u>\$ 39,500</u>
<u>Reported as of September 30, 2023:</u>	
Current lease liability	\$ 39,500
Noncurrent lease liability	-
Total lease liability	<u>\$ 39,500</u>

The following table summarizes the supplemental cash flow information for the year ended September 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 75,203
Right-of-use assets obtained in exchange for lease liabilities	
Operating leases	\$ 111,780

CONTRIBUTION OF NONFINANCIAL ASSETS

The Organization recognizes contributed services if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Organization. The Organization received donated catering services and facility rental for fundraising events. These contributed services and facilities have been recognized in the accompanying financial statements as a contribution of nonfinancial assets, and direct benefit to donors at their estimated value. The value was determined by an estimated retail value that would have been incurred had services and facilities rentals not been donated. All contributed nonfinancial assets were utilized during the year they were received to carryout the Organization's special events, and there were no donor imposed restrictions associated with the contributed nonfinancial assets.

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CONTRIBUTION OF NONFINANCIAL ASSETS (CONTINUED)

For the years ended September 30, 2023 and 2022, the contributed nonfinancial assets were as follows:

	<u>2023</u>	<u>2022</u>
Catering	\$ 294,375	\$ 263,250
Facilities rentals	<u>302,500</u>	<u>302,500</u>
Total contributed nonfinancial assets	<u>\$ 596,875</u>	<u>\$ 565,750</u>

Donated auction items totaling \$3,983,315 and \$4,210,117, at September 30, 2023 and 2022, respectively, were valued at the sale price received during the auction on the day of the event.

In addition, volunteers have donated a significant amount of time and effort to the Organization's fundraising events, and the Organization's officers and board of directors serve without compensation. The financial statements do not reflect the value of these services donated by volunteers, as they do not meet recognition criteria prescribed by U.S. GAAP.

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 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.

The Organization believes recognition at that point in time is appropriate for this type of revenue. However, if any funds are 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, 2023 and 2022, totaled \$3,908,605 and \$2,322,502, respectively. Receivables relating to performance obligations completed at a point in time at September 30, 2023 and 2022, totaled \$723,183 and \$403,516, respectively. There was deferred revenue related to these contracts at September 30, 2023 and 2022, of \$37,392 and \$236,000, respectively. Deferred revenue from the prior year of \$236,000 was recognized as current year revenue when obligations were fulfilled.

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REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)*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.

NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Purpose restriction:		
Pediatric Research	\$ 2,638,023	\$ 4,125,134
BRCA	2,500,000	-
Wine Celebration Consulting	25,000	150,000
The V Foundation Endowment	<u>22,730</u>	<u>-</u>
	5,185,753	4,275,134
Time restriction:		
General	<u>2,551,598</u>	<u>3,175,411</u>
Total net assets with donor restrictions	<u>\$ 7,737,351</u>	<u>\$ 7,450,545</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 \$20,139,161 and \$13,649,875, for the years ended September 30, 2023 and 2022, respectively.

RELATED PARTY TRANSACTIONS

The Organization granted \$20,000,000 and \$12,000,000, to the Foundation for the years ended September 30, 2023 and 2022, respectively. The Organization reimbursed the Foundation for shared costs including facilities, personnel, and administrative expenses totaling \$2,934,689 and \$1,961,544, for the years ended September 30, 2023 and 2022, respectively. The Organization owed the Foundation \$681,273 and \$286,128, at September 30, 2023 and 2022, respectively, for grants and shared costs. Additionally, the Foundation owed the Organization \$383,741 and \$742,465, as of September 30, 2023 and 2022, respectively.

Members of the Board of Directors of the Organization make contributions to special events. The Organization received contributions from related parties totaling \$3,241,600 and \$1,461,061, for the years ended September 30, 2023 and 2022, respectively. The Organization has related party promises to give totaling \$3,840,000 at September 30, 2023.

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

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RETIREMENT PLAN

The Foundation sponsors a 401(k) plan whereby employees of the Organization are eligible for coverage after 90 days of service. Employees are vested immediately in their contributions plus actual earnings thereon. 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. As these are safe harbor contributions, employees are vested immediately in these contributions plus actual earnings thereon. The retirement expense totaled \$73,182 and \$93,495, for the years ended September 30, 2023 and 2022, respectively.

Additionally, the Organization can make other matching contributions to employees. Vesting in the Organization's other matching contributions 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 Organization did not make other matching contributions for the years ended September 30, 2023 and 2022.

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 \$51,710 and \$85,529, at September 30, 2023 and 2022, respectively. No contribution was made for the years ending September 30, 2023 and 2022.

CONCENTRATIONS

At September 30, 2023, approximately 35% of gross special events receivable is from four donors, 33% of gross contributions and gifts receivable is from three donors, and 66% of outstanding promises to give is from two donors. Three special events provided 80% of the Organization's total gross special events income for the year ended September 30, 2023.

At September 30, 2022, approximately 48% of gross special events receivable is from two donors and 42% of gross contributions and gifts receivable is from three donors. Three special events provided 90% of the Organization's total gross special events income for the year ended September 30, 2022.

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.

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SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition or disclosure through February 14, 2024, 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.