

**FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED  
DECEMBER 31, 2019 AND 2018**

# UPWARDLY GLOBAL

## CONTENTS

	<b>PAGE NO.</b>
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of December 31, 2019 and 2018	4
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended December 31, 2019 and 2018	5 - 6
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2019	7
EXHIBIT D - Statement of Functional Expenses, for the Year Ended December 31, 2018	8
EXHIBIT E - Statements of Cash Flows, for the Years Ended December 31, 2019 and 2018	9
NOTES TO FINANCIAL STATEMENTS	10 - 15



**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Upwardly Global  
New York, New York

We have audited the accompanying financial statements of Upwardly Global, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows 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 audits 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.

4550 MONTGOMERY AVENUE · SUITE 800 NORTH · BETHESDA, MARYLAND 20814  
(301) 951-9090 · WWW.GRFCPA.COM

---

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upwardly Global as of December 31, 2019 and 2018, 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.

*Gelman Rosenberg & Freedman*

September 4, 2020

**UPWARDLY GLOBAL**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019 AND 2018**

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,394,936	\$ 2,301,983
Investments	-	13,583
Receivables	1,346,604	1,125,894
Prepaid expenses	<u>74,177</u>	<u>45,970</u>
Total current assets	<u>4,815,717</u>	<u>3,487,430</u>
<b>FIXED ASSETS</b>		
Equipment	15,079	31,815
Furniture	80,472	117,802
Computer equipment	<u>35,900</u>	<u>58,271</u>
	131,451	207,888
Less: Accumulated depreciation	<u>(91,940)</u>	<u>(150,784)</u>
Net fixed assets	<u>39,511</u>	<u>57,104</u>
<b>OTHER ASSETS</b>		
Deposits	<u>60,306</u>	<u>60,306</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,915,534</u></b>	<b><u>\$ 3,604,840</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 130,959	\$ 134,253
Accrued salaries and related benefits	257,204	185,753
Deferred employer partner fees	<u>72,988</u>	<u>49,421</u>
Total liabilities	<u>461,151</u>	<u>369,427</u>
<b>NET ASSETS</b>		
Without donor restrictions	2,164,233	1,742,053
With donor restrictions	<u>2,290,150</u>	<u>1,493,360</u>
Total net assets	<u>4,454,383</u>	<u>3,235,413</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 4,915,534</u></b>	<b><u>\$ 3,604,840</u></b>

## UPWARDLY GLOBAL

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions:			
Corporate and foundation grants	\$ 76,114	\$ 4,558,000	\$ 4,634,114
Individual contributions	417,762	-	417,762
Government grants	627,100	-	627,100
In-kind contributions	1,273,710	-	1,273,710
Special events, net of direct benefits to donors	712,577	-	712,577
Net assets released from donor restrictions	<u>3,761,210</u>	<u>(3,761,210)</u>	<u>-</u>
Total contributions	<u>6,868,473</u>	<u>796,790</u>	<u>7,665,263</u>
Employer partner fees	353,671	-	353,671
Other revenue	<u>4,837</u>	<u>-</u>	<u>4,837</u>
Total support and revenue	<u>7,226,981</u>	<u>796,790</u>	<u>8,023,771</u>
<b>EXPENSES</b>			
Program Services:			
National Program	1,981,442	-	1,981,442
New York Program	696,646	-	696,646
Eastern Program	432,864	-	432,864
Central Program	635,328	-	635,328
Western Program	675,501	-	675,501
Jobversity Program	<u>390,805</u>	<u>-</u>	<u>390,805</u>
Total program services	<u>4,812,586</u>	<u>-</u>	<u>4,812,586</u>
Supporting Services:			
Management and General	1,390,808	-	1,390,808
Fundraising	<u>601,407</u>	<u>-</u>	<u>601,407</u>
Total supporting services	<u>1,992,215</u>	<u>-</u>	<u>1,992,215</u>
Total expenses	<u>6,804,801</u>	<u>-</u>	<u>6,804,801</u>
Changes in net assets	422,180	796,790	1,218,970
Net assets at beginning of year	<u>1,742,053</u>	<u>1,493,360</u>	<u>3,235,413</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 2,164,233</u></b>	<b><u>\$ 2,290,150</u></b>	<b><u>\$ 4,454,383</u></b>

UPWARDLY GLOBAL

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions:			
Corporate and foundation grants	\$ 295,269	\$ 3,144,824	\$ 3,440,093
Individual contributions	343,334	45,500	388,834
Government grants	443,920	-	443,920
In-kind contributions	756,379	-	756,379
Special events, net of direct benefits to donors	598,929	-	598,929
Net assets released from donor restrictions	<u>3,923,788</u>	<u>(3,923,788)</u>	<u>-</u>
Total contributions	<u>6,361,619</u>	<u>(733,464)</u>	<u>5,628,155</u>
Employer partner fees	333,503	-	333,503
Other revenue	<u>1,428</u>	<u>-</u>	<u>1,428</u>
Total support and revenue	<u>6,696,550</u>	<u>(733,464)</u>	<u>5,963,086</u>
<b>EXPENSES</b>			
Program Services:			
National Program	2,083,021	-	2,083,021
New York Program	605,983	-	605,983
Eastern Program	225,547	-	225,547
Central Program	449,396	-	449,396
Western Program	587,868	-	587,868
Jobversity Program	<u>388,825</u>	<u>-</u>	<u>388,825</u>
Total program services	<u>4,340,640</u>	<u>-</u>	<u>4,340,640</u>
Supporting Services:			
Management and General	970,660	-	970,660
Fundraising	<u>383,950</u>	<u>-</u>	<u>383,950</u>
Total supporting services	<u>1,354,610</u>	<u>-</u>	<u>1,354,610</u>
Total expenses	<u>5,695,250</u>	<u>-</u>	<u>5,695,250</u>
Changes in net assets	1,001,300	(733,464)	267,836
Net assets at beginning of year	<u>740,753</u>	<u>2,226,824</u>	<u>2,967,577</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,742,053</u></b>	<b><u>\$ 1,493,360</u></b>	<b><u>\$ 3,235,413</u></b>

## UPWARDLY GLOBAL

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services						Supporting Services				Total Expenses
	National Program	New York Program	Eastern Program	Central Program	Western Program	Jobversity Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 770,053	\$ 477,361	\$ 208,443	\$ 420,838	\$ 457,572	\$ 214,418	\$ 2,548,685	\$ 633,257	\$ 385,522	\$ 1,018,779	\$ 3,567,464
Employee benefits	94,466	77,294	24,695	86,646	45,882	36,090	365,073	97,454	50,059	147,513	512,586
Payroll taxes	59,772	38,396	17,112	33,186	37,161	17,231	202,858	50,019	30,605	80,624	283,482
Total personnel	924,291	593,051	250,250	540,670	540,615	267,739	3,116,616	780,730	466,186	1,246,916	4,363,532
Contract services	126,282	45,052	102,367	7,995	102,546	49,266	433,508	97,452	44,840	142,292	575,800
Advertising and promotion	2,893	7	431	5,093	2,579	1,130	12,133	-	3,446	3,446	15,579
Supplies and office expenses	505	5,892	1,238	1,690	10,871	-	20,196	7,327	726	8,053	28,249
Occupancy and rentals	35,627	157,009	11,349	71,562	81,394	10,527	367,468	73,113	28,193	101,306	468,774
Printing and publications	610	3,643	279	354	2,879	184	7,949	385	324	709	8,658
Information technology	11,387	4,753	3,394	7,993	14,433	1,286	43,246	14,067	3,165	17,232	60,478
Travel and meals	26,490	3,334	6,054	5,975	13,026	6,765	61,644	7,626	8,247	15,873	77,517
Depreciation	5,566	3,654	1,542	3,332	3,331	1,650	19,075	4,776	3,056	7,832	26,907
Insurance	3,948	2,592	1,094	2,363	2,363	1,170	13,530	3,388	2,168	5,556	19,086
License and service fees	17,889	347	226	3,383	1,484	40,534	63,863	34,994	30,544	65,538	129,401
Professional development	-	444	-	1,048	343	-	1,835	667	-	667	2,502
Miscellaneous	3,943	760	275	644	2,403	4,170	12,195	16,233	10,512	26,745	38,940
In-kind services - consulting, rent and licenses	822,011	2,500	54,403	24,615	13,747	6,384	923,660	350,050	-	350,050	1,273,710
Total expenses	1,981,442	823,038	432,902	676,717	792,014	390,805	5,096,918	1,390,808	601,407	1,992,215	7,089,133
Less: Special event expenses	-	(126,392)	(38)	(41,389)	(116,513)	-	(284,332)	-	-	-	(284,332)
<b>TOTAL</b>	<b>\$1,981,442</b>	<b>\$ 696,646</b>	<b>\$ 432,864</b>	<b>\$ 635,328</b>	<b>\$ 675,501</b>	<b>\$ 390,805</b>	<b>\$ 4,812,586</b>	<b>\$ 1,390,808</b>	<b>\$ 601,407</b>	<b>\$ 1,992,215</b>	<b>\$ 6,804,801</b>

See accompanying notes to financial statements.



## UPWARDLY GLOBAL

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services						Supporting Services				Total Expenses
	National Program	New York Program	Eastern Program	Central Program	Western Program	Jobversity Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 767,600	\$ 411,017	\$ 161,299	\$ 309,255	\$ 407,045	\$ 227,986	\$ 2,284,202	\$ 464,815	\$ 191,998	\$ 656,813	\$ 2,941,015
Employee benefits	100,403	55,291	17,300	52,011	40,891	37,214	303,110	55,528	20,435	75,963	379,073
Payroll taxes	63,012	32,662	12,093	24,538	34,366	17,085	183,756	37,275	15,445	52,720	236,476
Total personnel	931,015	498,970	190,692	385,804	482,302	282,285	2,771,068	557,618	227,878	785,496	3,556,564
Contract services	209,805	12,842	18,885	33,077	26,765	55,408	356,782	193,707	32,428	226,135	582,917
Advertising and promotion	21,759	1,147	90	2,800	431	2,105	28,332	-	5,499	5,499	33,831
Supplies and office expenses	891	19,403	1,282	6,214	5,328	24	33,142	8,121	4,376	12,497	45,639
Occupancy and rentals	72,245	163,358	7,187	37,927	48,218	9,155	338,090	100,708	57,547	158,255	496,345
Printing and publications	75	4,723	185	3,482	4,297	89	12,851	488	188	676	13,527
Information technology	350	8,600	28	4,418	4,700	8,000	26,096	16,708	872	17,580	43,676
Travel and meals	22,447	2,819	4,116	3,641	4,534	19,237	56,794	20,882	18,614	39,496	96,290
Depreciation	7,987	4,277	1,678	3,218	4,235	2,372	23,767	4,836	1,998	6,834	30,601
Insurance	10,484	5,105	2,203	4,224	5,559	3,509	31,084	6,348	2,622	8,970	40,054
License and service fees	55,980	14,592	128	13,378	1,618	5,227	90,923	33,058	24,504	57,562	148,485
Professional development	533	178	-	1,034	799	1,414	3,958	685	500	1,185	5,143
Miscellaneous	5,205	507	401	1,419	1,321	-	8,853	27,501	6,924	34,425	43,278
In-kind services - consulting, rent and licenses	744,245	-	-	-	12,134	-	756,379	-	-	-	756,379
Total expenses	2,083,021	736,521	226,875	500,636	602,241	388,825	4,538,119	970,660	383,950	1,354,610	5,892,729
Less: Special event expenses	-	(130,538)	(1,328)	(51,240)	(14,373)	-	(197,479)	-	-	-	(197,479)
<b>TOTAL</b>	<b>\$2,083,021</b>	<b>\$ 605,983</b>	<b>\$ 225,547</b>	<b>\$ 449,396</b>	<b>\$ 587,868</b>	<b>\$ 388,825</b>	<b>\$4,340,640</b>	<b>\$ 970,660</b>	<b>\$ 383,950</b>	<b>\$ 1,354,610</b>	<b>\$5,695,250</b>

See accompanying notes to financial statements.

**UPWARDLY GLOBAL**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 1,218,970	\$ 267,836
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	26,907	30,601
Decrease (increase) in:		
Investments	13,583	(13,583)
Receivables	(220,710)	915,009
Prepaid expenses	(28,207)	22,991
Deposits	-	22,570
(Decrease) increase in:		
Accounts payable and accrued expenses	(3,294)	(33,646)
Accrued salaries and related benefits	71,451	96,009
Deferred employer partner fees	<u>23,567</u>	<u>(18,079)</u>
Net cash provided by operating activities	<u>1,102,267</u>	<u>1,289,708</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	<u>(9,314)</u>	<u>(4,839)</u>
Net cash used by investing activities	<u>(9,314)</u>	<u>(4,839)</u>
Net increase in cash and cash equivalents	1,092,953	1,284,869
Cash and cash equivalents at beginning of year	<u>2,301,983</u>	<u>1,017,114</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 3,394,936</u></b>	<b><u>\$ 2,301,983</u></b>
<b>SCHEDULE OF NONCASH TRANSACTIONS:</b>		
Donated Investments	<b><u>\$ 19,431</u></b>	<b><u>\$ 19,393</u></b>

## UPWARDLY GLOBAL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Upwardly Global is a California non-profit organization, that was founded in 2000. Upwardly Global provides immigrants, refugees and political asylees the tools and training they need to rebuild their professional careers in the USA. At the same time, Upwardly Global promotes immigrant inclusion in the workplace by providing education, employee engagement and access to talent.

On June 28, 2018, management of Upwardly Global entered into an agreement with Alight (formerly, the American Refugee Committee), whereby Upwardly Global and Alight agreed to join administrative operations through a shared governance arrangement between the organizations' boards of directors. However, in accordance with section 3.13 of the agreement, the board of directors of Upwardly Global voted to rescind and unwind the agreement with Alight. Accordingly, effective September 30, 2019, Upwardly Global and Alight agreed to restore their separate corporate structures and Upwardly Global agreed to amend its bylaws to reflect that Alight is no longer a member of and will not have the power to appoint any member to Upwardly Global's board of directors. On December 13, 2019, Upwardly Global amended its bylaws to revert to the structure in place before it entered into the shared governance arrangement with Alight.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions."
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions" depending on the nature of the restrictions. When a restriction expires, 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 donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

##### New accounting pronouncements adopted -

During 2019, Upwardly Global early adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way Upwardly Global recognized revenue; however, the presentation and disclosures of revenue have been enhanced.

## UPWARDLY GLOBAL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### New accounting pronouncements adopted (continued) -

Upwardly Global has elected a modified retrospective approach for implementation. There was no resulting restatement of prior year balances as a result of the retrospective application.

Also during 2019, Upwardly Global adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. Upwardly Global adopted the ASU using a modified prospective basis.

##### Cash and cash equivalents -

Upwardly Global considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000.

At times during the year, Upwardly Global maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in other revenue net of investment expenses provided by external investment advisors in the Statements of Activities and Changes in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. Upwardly Global's policy is to liquidate all gifts of investments as soon as possible after the gift.

##### Receivables -

Receivables are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor/customer.

##### Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the years ended December 31, 2019 and 2018 totaled \$26,907 and \$30,601, respectively.

##### Income taxes -

Upwardly Global is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

## UPWARDLY GLOBAL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Income taxes (continued) -

Accordingly, no provision for income taxes has been made in the accompanying financial statements. Upwardly Global is not a private foundation.

##### Uncertain tax positions -

For the years ended December 31, 2019 and 2018, Upwardly Global has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

##### Revenue -

Upwardly Global analyzes each transaction to determine if it is non-reciprocal (contribution) or reciprocal (exchange).

##### Contributions -

Contributions are recognized in the appropriate category of net assets in the period received. For contributions that are determined to be non-reciprocal transactions under the contribution rules, revenue is recognized upon notification of the gift or award. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are unconditional but that have donor restrictions are recognized as "with donor restrictions" and then reclassified to "without donor restrictions" upon satisfaction of the donor-imposed restrictions. Funds received for which restrictions have not been met are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions that contain a right of return and a barrier are determined to be conditional in nature. Revenue is recognized when the conditions are satisfied.

In-kind contributions consist of donated consulting services, donated rent and donated licenses to access Upwardly Global's learning environment. In-kind contributions are recorded at their fair value as of the date of the gift.

##### Contracts -

Grants and contracts classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers* and Upwardly Global records revenue when the performance obligations are met. The revenue is recorded without donor restrictions and the transaction price is based on the amount of consideration expected to be received for transferring the promised services. Revenue earned by completing the performance obligation in accordance with the contractual agreement, but not received is recorded as a contract receivable and amounts received in advance of completing the performance obligation is recorded as deferred revenue in the accompanying financial statements.

Upwardly Global has determined that employer partner fees are contractual agreements and revenue is recognized when the performance obligation is met. The performance obligations are generally completed within the partnership period (generally one year) or when the related event (generally one day) has occurred. Amounts received in advance of completing the performance obligation is reported as deferred employer partnership fees in the accompanying financial statements.

## UPWARDLY GLOBAL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

##### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Upwardly Global are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

##### Fair value measurement -

Upwardly Global adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Upwardly Global accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

##### New accounting pronouncement not yet adopted -

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment. Upwardly Global plans to adopt the new ASU at the required implementation date.

#### 2. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Purpose restrictions:		
National Program	\$ 1,277,974	\$ 973,655
New York Program	438,452	75,000
Eastern Program	40,263	35,000
Central Program	116,150	227,601
Western Program	<u>417,311</u>	<u>182,104</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 2,290,150</u></b>	<b><u>\$ 1,493,360</u></b>

**UPWARDLY GLOBAL**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**2. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The following net assets with donor restrictions were released from donor restrictions at December 31, 2019 and 2018, by incurring expenses which satisfied the restricted purposes specified by the donors:

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
National Program	\$ 2,220,338	\$ 1,644,709
New York Program	615,907	852,286
Eastern Program	122,384	188,750
Central Program	361,494	548,166
Western Program	<u>441,087</u>	<u>689,877</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>\$ <u>3,761,210</u></b>	<b>\$ <u>3,923,788</u></b>

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 3,394,936	\$ 2,301,983
Investments	-	13,583
Receivables	<u>1,346,604</u>	<u>1,125,894</u>
Subtotal financial assets	4,741,540	3,441,460
Less: Donor funds restricted for specific purposes	<u>(2,290,150)</u>	<u>(1,493,360)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ <u>2,451,390</u></b>	<b>\$ <u>1,948,100</u></b>

Upwardly Global has a policy to structure its financial assets to be available and liquid as its obligations become due.

**4. SPECIAL EVENTS, NET OF DIRECT BENEFITS TO DONORS**

Upwardly Global holds a number of special fundraising events during the year. Income from Upwardly Global's special events, net of costs of direct donor benefits, consisted of the following for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Corporate sponsorships	\$ 446,840	\$ 446,043
Ticket sales and individual contributions	550,069	350,365
Less: Cost of direct donor benefits	<u>(284,332)</u>	<u>(197,479)</u>
<b>TOTAL</b>	<b>\$ <u>712,577</u></b>	<b>\$ <u>598,929</u></b>

## UPWARDLY GLOBAL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

#### 5. LEASE COMMITMENTS

Upwardly Global leases office space in New York, Chicago and San Francisco. The leases expire at various dates through October 2022.

The following is a schedule of the future minimum lease payments:

#### Year Ending December 31,

2020	\$	337,138
2021		216,532
2022		<u>34,801</u>
	\$	<u>588,471</u>

Rent expense, net of in-kind contributions, for the years ended December 31, 2019 and 2018 totaled \$328,300 and \$349,886, respectively.

#### 6. RETIREMENT PLAN

Upwardly Global provides retirement benefits to its employees through a defined contribution 403(b) plan covering all full-time employees over 21 years of age and with one year of eligible experience. Upwardly Global provides discretionary contributions to the Plan. There were no employer contributions made to the Plan for the years ended December 31, 2019 and 2018.

#### 7. RELATED PARTY TRANSACTIONS

During 2019 and 2018, Upwardly Global received support from an entity affiliated with a member of Upwardly Global's Board of Directors totaling approximately \$875,000 and \$900,000, respectively. In addition, Upwardly Global received pro-bono strategy development consulting services from the same organization for the years ended December 31, 2019 and 2018 which totaled approximately \$493,000 and \$552,000, respectively. During 2018, Alight, the organization with which Upwardly Global had a shared governance agreement, awarded Upwardly Global a grant of \$250,000.

#### 8. SUBSEQUENT EVENTS

In preparing these financial statements, Upwardly Global has evaluated events and transactions for potential recognition or disclosure through September 4, 2020, the date the financial statements were issued.

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, worldwide economic uncertainties have arisen which may negatively impact Upwardly Global's future operations. The overall potential impact, if any, is unknown at this time.

On May 8, 2020, Upwardly Global entered into a two-year promissory note agreement in the amount of \$840,845 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note beginning in December 2020, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.