

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

UPWARDLY GLOBAL

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Upwardly Global, which comprise the statements of financial position as of December 31, 2021 and 2020, 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.

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, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Upwardly Global and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Upwardly Global's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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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, including omissions, 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 Upwardly Global'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 Upwardly Global'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.

Other Information Included in Upwardly Global's Annual Report

Management is responsible for the other information included in Upwardly Global's annual report. The other information comprises the 2021 Financials, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



August 22, 2022

UPWARDLY GLOBAL

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,559,581	\$ 5,511,010
Receivables	3,210,679	1,483,977
Prepaid expenses	<u>42,555</u>	<u>65,172</u>
Total current assets	<u>11,812,815</u>	<u>7,060,159</u>
FIXED ASSETS		
Equipment	15,079	15,079
Furniture	80,472	80,472
Computer equipment	<u>35,900</u>	<u>35,900</u>
	131,451	131,451
Less: Accumulated depreciation	<u>(128,586)</u>	<u>(116,037)</u>
Net fixed assets	<u>2,865</u>	<u>15,414</u>
OTHER ASSETS		
Deposits	120,669	81,889
Receivables, net of current portion	<u>657,447</u>	<u>-</u>
Total other assets	<u>778,116</u>	<u>81,889</u>
TOTAL ASSETS	<u>\$ 12,593,796</u>	<u>\$ 7,157,462</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Loan payable	\$ 866,359	\$ 840,845
Accounts payable and accrued expenses	179,582	93,147
Accrued salaries and related benefits	367,034	300,636
Refundable advances	108,375	-
Deferred employer partner fees	<u>192,430</u>	<u>122,651</u>
Total liabilities	<u>1,713,780</u>	<u>1,357,279</u>
NET ASSETS		
Without donor restrictions	5,203,596	3,466,125
With donor restrictions	<u>5,676,420</u>	<u>2,334,058</u>
Total net assets	<u>10,880,016</u>	<u>5,800,183</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,593,796</u>	<u>\$ 7,157,462</u>

See accompanying notes to financial statements.

UPWARDLY GLOBAL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions:			
Corporate and foundation grants	\$ 174,721	\$ 7,920,225	\$ 8,094,946
Individual contributions	771,988	-	771,988
Government grants	1,078,765	-	1,078,765
In-kind contributions	1,858,721	-	1,858,721
Special events, net of direct benefits to donors of \$40,152	692,459	-	692,459
Net assets released from donor restrictions	<u>4,577,863</u>	<u>(4,577,863)</u>	<u>-</u>
Total contributions	<u>9,154,517</u>	<u>3,342,362</u>	<u>12,496,879</u>
Earned revenue	128,941	-	128,941
Fee for service	254,200	-	254,200
Other revenue	<u>6,964</u>	<u>-</u>	<u>6,964</u>
Total support and revenue	<u>9,544,622</u>	<u>3,342,362</u>	<u>12,886,984</u>
EXPENSES			
Personnel	5,330,143	-	5,330,143
Contract Services	485,851	-	485,851
Advertising and Supplies	98,286	-	98,286
Occupancy	325,418	-	325,418
Hardware and Software	197,697	-	197,697
Depreciation and Insurance	47,882	-	47,882
Scholarships	107,408	-	107,408
Other Expenses	196,590	-	196,590
In-Kind Services - Consulting, Rent and Licenses	<u>1,858,721</u>	<u>-</u>	<u>1,858,721</u>
Total expenses	<u>8,647,996</u>	<u>-</u>	<u>8,647,996</u>
Changes in net assets before other item	896,626	3,342,362	4,238,988
OTHER ITEM			
Forgiveness of debt	<u>840,845</u>	<u>-</u>	<u>840,845</u>
Changes in net assets after other item	1,737,471	3,342,362	5,079,833
Net assets at beginning of year	<u>3,466,125</u>	<u>2,334,058</u>	<u>5,800,183</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,203,596</u>	<u>\$ 5,676,420</u>	<u>\$ 10,880,016</u>

UPWARDLY GLOBAL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions:			
Corporate and foundation grants	\$ 501,515	\$ 4,353,023	\$ 4,854,538
Individual contributions	500,739	-	500,739
Government grants	824,224	-	824,224
In-kind contributions	3,197,078	-	3,197,078
Special events, net of direct benefits to donors of \$51,213	508,142	-	508,142
Net assets released from donor restrictions	<u>4,309,115</u>	<u>(4,309,115)</u>	<u>-</u>
Total contributions	<u>9,840,813</u>	<u>43,908</u>	<u>9,884,721</u>
Employer partner fees	304,509	-	304,509
Other revenue	<u>24,152</u>	<u>-</u>	<u>24,152</u>
Total support and revenue	<u>10,169,474</u>	<u>43,908</u>	<u>10,213,382</u>
EXPENSES			
Personnel	4,661,511	-	4,661,511
Contract Services	243,135	-	243,135
Advertising and Supplies	27,538	-	27,538
Occupancy	347,410	-	347,410
Hardware and Software	155,292	-	155,292
Depreciation and Insurance	49,229	-	49,229
Scholarships	90,843	-	90,843
Other Expenses	95,546	-	95,546
In-Kind Services - Consulting, Rent and Licenses	<u>3,197,078</u>	<u>-</u>	<u>3,197,078</u>
Total expenses	<u>8,867,582</u>	<u>-</u>	<u>8,867,582</u>
Changes in net assets	1,301,892	43,908	1,345,800
Net assets at beginning of year	<u>2,164,233</u>	<u>2,290,150</u>	<u>4,454,383</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,466,125</u>	<u>\$ 2,334,058</u>	<u>\$ 5,800,183</u>

UPWARDLY GLOBAL

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services						Supporting Services				
	National Program	New York Program	Eastern Program	Central Program	Western Program	Jobversity Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 1,244,848	\$ 526,521	\$ 341,072	\$ 341,619	\$ 482,438	\$ 190,188	\$ 3,126,686	\$ 766,044	\$ 350,501	\$ 1,116,545	\$ 4,243,231
Employee benefits	174,641	86,465	51,911	96,133	84,880	36,619	530,649	161,240	55,874	217,114	747,763
Payroll taxes	96,350	43,030	27,992	27,202	39,367	15,421	249,362	61,537	28,250	89,787	339,149
Total personnel	1,515,839	656,016	420,975	464,954	606,685	242,228	3,906,697	988,821	434,625	1,423,446	5,330,143
Contract services	112,508	120,498	79,076	37,322	18,884	34,654	402,942	110,400	12,449	122,849	525,791
Occupancy	94,472	40,829	26,201	28,938	37,759	15,076	243,275	69,459	12,684	82,143	325,418
Hardware and software	50,948	13,041	10,744	18,093	18,257	23,882	134,965	49,831	12,901	62,732	197,697
Scholarships	67,421	3,331	21,173	363	15,120	-	107,408	-	-	-	107,408
Advertising and outreach	38,205	15,388	778	6,169	3,421	-	63,961	-	-	-	63,961
Insurance	10,116	4,372	2,805	3,099	4,043	1,614	26,049	6,365	2,919	9,284	35,333
Supplies and office	19,216	989	379	108	542	-	21,234	12,645	658	13,303	34,537
Travel and meals	17,433	-	-	30	25	-	17,488	5,643	-	5,643	23,131
Depreciation	3,593	1,553	996	1,100	1,436	573	9,251	2,261	1,037	3,298	12,549
Miscellaneous	38,831	11,759	-	1,581	804	-	52,975	60,091	60,393	120,484	173,459
In-kind services	1,603,430	-	35,376	-	14,580	34,544	1,687,930	155,791	15,000	170,791	1,858,721
Total expenses	3,572,012	867,776	598,503	561,757	721,556	352,571	6,674,175	1,461,307	552,666	2,013,973	8,688,148
Less: Special event expenses	-	(40,152)	-	-	-	-	(40,152)	-	-	-	(40,152)
TOTAL	\$ 3,572,012	\$ 827,624	\$ 598,503	\$ 561,757	\$ 721,556	\$ 352,571	\$ 6,634,023	\$ 1,461,307	\$ 552,666	\$ 2,013,973	\$ 8,647,996

See accompanying notes to financial statements.

UPWARDLY GLOBAL

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	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	\$ 959,852	\$ 538,624	\$ 244,994	\$ 374,439	\$ 459,661	\$ 205,795	\$ 2,783,365	\$ 656,079	\$ 288,907	\$ 944,986	\$ 3,728,351
Employee benefits	128,676	80,725	38,661	105,917	66,091	48,139	468,209	118,619	55,602	174,221	642,430
Payroll taxes	68,892	39,900	19,355	27,003	34,563	15,199	204,912	64,455	21,363	85,818	290,730
Total personnel	1,157,420	659,249	303,010	507,359	560,315	269,133	3,456,486	839,153	365,872	1,205,025	4,661,511
Contract services	67,623	55,310	59,711	8,000	-	3,660	194,304	87,501	11,690	99,191	293,495
Occupancy	83,766	21,927	36,735	40,531	19,497	47,701	250,157	67,089	30,164	97,253	347,410
Hardware and software	25,629	8,114	8,090	13,535	12,316	32,318	100,002	44,431	10,859	55,290	155,292
Scholarships	35,245	1,180	20,986	990	9,472	22,970	90,843	-	-	-	90,843
Advertising and outreach	370	1,451	1,046	1,921	5,856	2,470	13,114	-	703	703	13,817
Insurance	6,283	1,645	2,755	3,040	1,462	3,578	18,763	4,422	1,947	6,369	25,132
Supplies and office	233	2,269	1,171	361	2,901	-	6,935	6,904	735	7,639	14,574
Travel and meals	2,564	683	1,016	66	1,399	-	5,728	2,763	695	3,458	9,186
Depreciation	6,024	1,577	2,642	2,915	1,402	3,430	17,990	4,240	1,867	6,107	24,097
Miscellaneous	9,399	22,495	3,222	7,519	1,152	-	43,787	31,693	10,880	42,573	86,360
In-kind services	2,329,978	-	51,903	32,010	14,293	50,419	2,478,603	543,475	175,000	718,475	3,197,078
Total expenses	3,724,534	775,900	492,287	618,247	630,065	435,679	6,676,712	1,631,671	610,412	2,242,083	8,918,795
Less: Special event expenses	-	(51,213)	-	-	-	-	(51,213)	-	-	-	(51,213)
TOTAL	\$ 3,724,534	\$ 724,687	\$ 492,287	\$ 618,247	\$ 630,065	\$ 435,679	\$ 6,625,499	\$ 1,631,671	\$ 610,412	\$ 2,242,083	\$ 8,867,582

See accompanying notes to financial statements.

UPWARDLY GLOBAL

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 5,079,833	\$ 1,345,800
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	12,549	24,097
Forgiveness of debt	(840,845)	-
Donated securities received	(49,699)	(45,647)
Proceeds from sale of donated securities	48,806	46,137
Realized gain on donated securities	893	(490)
(Increase) decrease in:		
Receivables	(2,384,149)	(137,373)
Prepaid expenses	22,617	9,005
Deposits	(38,780)	(21,583)
Increase (decrease) in:		
Accounts payable and accrued expenses	86,435	(37,812)
Accrued salaries and related benefits	66,398	43,432
Refundable advances	108,375	-
Deferred employer partner fees	<u>69,779</u>	<u>49,663</u>
Net cash provided by operating activities	<u>2,182,212</u>	<u>1,275,229</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>866,359</u>	<u>840,845</u>
Net cash provided by financing activities	<u>866,359</u>	<u>840,845</u>
Net increase in cash and cash equivalents	3,048,571	2,116,074
Cash and cash equivalents at beginning of year	<u>5,511,010</u>	<u>3,394,936</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 8,559,581</u>	<u>\$ 5,511,010</u>

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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 United States of America. At the same time, Upwardly Global promotes immigrant inclusion in the workplace by providing employers with education, employee engagement and access to talent.

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 Statement 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.

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.

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. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

Fixed assets -

Fixed assets in excess of \$2,500 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, 2021 and 2020 totaled \$12,549 and \$24,097, respectively.

Income taxes -

Upwardly Global is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. 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, 2021 and 2020, 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) under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

Contributions and grants -

Upwardly Global receives contributions, including unconditional promises to give, from many sources as well as grants from the U.S. Government, organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied.

Most grants and awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

Revenue (continued) -

Contributions and grants (continued) -

Funds received in advance of the incurrence of qualifying expenditures are recorded as deferred revenue unless they are from the United States Government which is then recorded as a refundable advance. For contributions and grants treated as contributions, Upwardly Global did not have any unrecognized conditional awards as of December 31, 2021 or December 31, 2020.

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 and program revenue -

Contracts and program revenue classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers* and Upwardly Global records revenue when the performance obligations are met. Upwardly Global has elected to opt out of all (or certain) disclosures not required for nonpublic entities.

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 are recorded as deferred revenue in the accompanying financial statements.

Upwardly Global has determined that employer partner fees, including Access Fees subscriptions from the Jobversity program, are contractual agreements and revenue is recognized when the performance obligation is met. The performance obligations are generally completed within the service period (generally one year), when the related event (generally one day) has occurred or when the user is given access to Upwardly Global's learning environment. Amounts received in advance of completing the performance obligation are reported as deferred revenue in the accompanying financial statements.

Special events -

Special events revenue (net of event expenses) includes ticket sales and sponsorships, which are recorded as revenue when the performance obligation is met which is when the related event has occurred. The transaction price is determined based on the cost or sales price.

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.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

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 Functional Expenses. 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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

New accounting pronouncements not yet adopted -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of 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

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

New accounting pronouncements not yet adopted (continued) -

Upwardly Global plans to adopt the new ASUs at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. RECEIVABLES

As of December 31, 2021 and 2020, contributors to Upwardly Global have made written promises to give, of which \$3,868,126 and \$1,483,977, respectively, remained due and outstanding.

Following is a schedule of amounts due, by year, as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 3,210,679	\$ 1,483,977
One to five years	<u>657,447</u>	<u>-</u>
NET RECEIVABLES	<u>\$ 3,868,126</u>	<u>\$ 1,483,977</u>

3. LOAN PAYABLE

In May 2020, Upwardly Global received loan proceeds in the amount of \$840,845 under the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The promissory note called for monthly principal and interest payments amortized over the two-year term of the promissory note with a deferral of payments for the first six months. During the year ended December 31, 2021, Upwardly Global used the proceeds for purposes consistent with the PPP over the 24-week loan covered period following the disbursement of funds and applied for forgiveness.

On February 24, 2021, Upwardly Global received full forgiveness of their PPP loan by the Small Business Administration, including accrued interest. The PPP loan forgiveness is included in the accompanying Statement of Activities and Changes in Net Assets as an "Other Item".

On April 19, 2021, Upwardly Global received loan proceeds in the amount of \$866,359 under the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The promissory note calls for monthly principal and interest payments amortized over the five-year term of the promissory note with a deferral of payments for the first ten months, or until forgiveness is determined. During the year ended December 31, 2021, Upwardly Global used the proceeds for purposes consistent with the PPP over the 24-week loan covered period following the disbursement of funds and applied for forgiveness.

On January 14 2022, Upwardly Global received full forgiveness of their PPP loan by the Small Business Administration. Upwardly Global will record forgiveness of debt during the year ended December 31, 2022.

UPWARDLY GLOBAL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021 and 2020:

	2021	2020
Purpose restrictions:		
National Program	\$ 4,727,831	\$ 1,427,650
New York Program	571,613	396,451
Eastern Program	37,317	39,727
Central Program	141,923	235,766
Western Program	197,736	234,464
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 5,676,420	\$ 2,334,058

The following net assets with donor restrictions were released from donor restrictions at December 31, 2021 and 2020, by incurring expenses which satisfied the restricted purposes specified by the donors:

	2021	2020
Purpose restrictions accomplished:		
National Program	\$ 2,709,819	\$ 3,134,359
New York Program	919,314	618,450
Eastern Program	58,660	129,031
Central Program	440,593	186,380
Western Program	449,477	240,895
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ 4,577,863	\$ 4,309,115

5. 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, 2021 and 2020:

	2021	2020
Cash and cash equivalents	\$ 8,559,581	\$ 5,511,010
Receivables	3,868,126	1,483,977
Subtotal financial assets	12,427,707	6,994,987
Less: Donor funds restricted for specific purposes	(5,676,420)	(2,334,058)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 6,751,287	\$ 4,660,929

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

UPWARDLY GLOBAL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

6. IN-KIND CONTRIBUTIONS

During the years ended December 31, 2021 and 2020, Upwardly Global was the beneficiary of donated goods and services which allowed Upwardly Global to provide greater resources toward various programs. To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended December 31, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Licenses and Subscriptions	\$ 941,690	\$ 1,059,350
Consulting	753,816	2,058,434
Rent	58,800	79,294
Materials	<u>104,415</u>	<u>-</u>
TOTAL	<u>\$ 1,858,721</u>	<u>\$ 3,197,078</u>

The following programs have benefited from these donated services:

	<u>2021</u>	<u>2020</u>
National Program	\$ 1,603,430	\$ 2,329,978
Eastern Program	35,376	51,903
Central Program	-	32,010
Western Program	14,580	14,293
Jobversity Program	34,544	50,419
Management and General	155,791	543,475
Fundraising	<u>15,000</u>	<u>175,000</u>
TOTAL	<u>\$ 1,858,721</u>	<u>\$ 3,197,078</u>

7. 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Corporate sponsorships	\$ 479,000	\$ 307,873
Ticket sales and individual contributions	253,611	251,482
Less: Cost of direct donor benefits	<u>(40,152)</u>	<u>(51,213)</u>
TOTAL	<u>\$ 692,459</u>	<u>\$ 508,142</u>

8. LEASE COMMITMENTS

Upwardly Global leases office space in New York, Chicago and San Francisco. The leases expire at various dates through May 2025.

In March 2021, Upwardly Global signed a new lease for office space in San Francisco, effective May 1, 2021 and expiring May 31, 2025. Base rent under this agreement is \$8,275 per month, escalating 3% annually thereafter over the lease term.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

8. LEASE COMMITMENTS (Continued)

Subsequent to year-end, Upwardly Global signed an amendment to their New York office lease agreement that commenced on July 1, 2022 and terminates on September 30, 2029. Base rent under this agreement is \$11,944 per month, increasing by a factor of 2.5% per year. Under the lease agreement, Upwardly Global will receive rent abatement for the first six months of the lease.

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

<u>Year Ending December 31,</u>	
2022	\$ 260,014
2023	249,173
2024	255,919
2025	197,668
2026	156,275
Thereafter	<u>450,066</u>
	<u>\$ 1,569,115</u>

Rent expense, net of in-kind contributions, for the years ended December 31, 2021 and 2020 totaled \$312,719 and \$331,032, respectively. This is included in occupancy on the statement of functional expenses.

9. 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 employer contributions in the amount of \$87,374 and \$0 made to the Plan for the years ending December 31, 2021 and 2020, respectively.

10. RELATED PARTY TRANSACTIONS

During 2021 and 2020, Upwardly Global received financial support from entities affiliated with members of Upwardly Global's Board of Directors totaling approximately \$167,000 and \$816,000, respectively. In addition, Upwardly Global received in-kind consulting services, including a five-year strategic plan, from entities affiliated with members of Upwardly Global's Board of Directors for the years ended December 31, 2021 and 2020 totaling approximately \$150,000 and \$1,801,000, respectively.

11. SUBSEQUENT EVENTS

In preparing these financial statements, Upwardly Global has evaluated events and transactions for potential recognition or disclosure through August 22, 2022, the date the financial statements were issued.