



AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED DECEMBER 31, 2024

UPWARDLY GLOBAL

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FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

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, 2024 and 2023, and the related statements of activities and change 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, 2024 and 2023, 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 and *Government 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 and *Government 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 2023 and 2024 financials, but does not include the audited 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Illinois Grant Accountability and Transparency Consolidated Year-End Financial Report on pages I-(20 - 21) is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards on pages I-(22 - 23), as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2025, on our consideration of Upwardly Global's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Upwardly Global's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Upwardly Global's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

July 16, 2025

UPWARDLY GLOBAL

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS			
		2024	2023
CURRENT ASSETS			
Cash and cash equivalents	\$	2,894,051	\$ 6,285,369
Investments		29,328,025	14,197,214
Interest receivable		321,518	168,032
Grants receivable, net		6,718,719	5,835,129
Prepaid expenses		<u>347,680</u>	<u>128,803</u>
Total current assets		<u>39,609,993</u>	<u>26,614,547</u>
FIXED ASSETS			
Capitalized software		662,491	662,491
Furniture, equipment and other		<u>69,925</u>	<u>77,190</u>
		732,416	739,681
Less: Accumulated depreciation and amortization		<u>(175,883)</u>	<u>(71,346)</u>
Net fixed assets		<u>556,533</u>	<u>668,335</u>
OTHER ASSETS			
Deposits		70,662	76,362
Operating lease right-of-use assets, net		763,271	961,941
Grants receivable, net		<u>1,583,332</u>	<u>3,461,231</u>
Total other assets		<u>2,417,265</u>	<u>4,499,534</u>
TOTAL ASSETS	\$	<u>42,583,791</u>	<u>\$ 31,782,416</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$	710,317	\$ 267,759
Accrued salaries and related benefits		827,751	619,696
Refundable advances		160,048	69,305
Deferred employer partner fees		156,963	204,896
Operating lease liabilities		<u>218,756</u>	<u>242,417</u>
Total current liabilities		2,073,835	1,404,073
LONG-TERM LIABILITIES			
Operating lease liabilities, net		<u>602,902</u>	<u>777,106</u>
Total liabilities		<u>2,676,737</u>	<u>2,181,179</u>
NET ASSETS			
Without donor restrictions:			
Undesignated		10,701,576	12,526,222
Board designated		<u>20,350,000</u>	<u>-</u>
Total without donor restrictions		31,051,576	12,526,222
With donor restrictions		<u>8,855,478</u>	<u>17,075,015</u>
Total net assets		<u>39,907,054</u>	<u>29,601,237</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>42,583,791</u>	<u>\$ 31,782,416</u>

See accompanying notes to financial statements.

UPWARDLY GLOBAL

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and grants:			
Individual contributions	\$ 15,385,080	\$ -	\$ 15,385,080
Corporate and foundation grants	283,958	8,093,479	8,377,437
Contributed nonfinancial assets	3,335,490	-	3,335,490
Government grants	1,860,473	-	1,860,473
Special events, net of direct benefits to donors of \$126,188	334,396	-	334,396
Net assets released from donor restrictions	<u>16,313,016</u>	<u>(16,313,016)</u>	<u>-</u>
Total contributions and grants	<u>37,512,413</u>	<u>(8,219,537)</u>	<u>29,292,876</u>
Earned revenue	1,149,752	-	1,149,752
Net investment return	<u>1,402,288</u>	<u>-</u>	<u>1,402,288</u>
Total support and revenue	<u>40,064,453</u>	<u>(8,219,537)</u>	<u>31,844,916</u>
EXPENSES			
Personnel	12,907,054	-	12,907,054
Contract services	2,405,167	-	2,405,167
Hardware and software	524,981	-	524,981
Scholarships	457,698	-	457,698
Advertising and outreach	425,226	-	425,226
Occupancy	343,433	-	343,433
Travel and meals	326,940	-	326,940
Depreciation and amortization	111,802	-	111,802
Third party processing fees	93,056	-	93,056
Insurance	60,206	-	60,206
Supplies and office	23,492	-	23,492
Other expenses	524,554	-	524,554
Contributed nonfinancial assets	<u>3,335,490</u>	<u>-</u>	<u>3,335,490</u>
Total expenses	<u>21,539,099</u>	<u>-</u>	<u>21,539,099</u>
Changes in net assets	18,525,354	(8,219,537)	10,305,817
Net assets at beginning of year	<u>12,526,222</u>	<u>17,075,015</u>	<u>29,601,237</u>
NET ASSETS AT END OF YEAR	<u>\$ 31,051,576</u>	<u>\$ 8,855,478</u>	<u>\$ 39,907,054</u>

UPWARDLY GLOBAL

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants:			
Individual contributions	\$ 1,011,294	\$ -	\$ 1,011,294
Corporate and foundation grants	540,417	16,323,207	16,863,624
Contributed nonfinancial assets	3,862,717	-	3,862,717
Government grants	2,209,637	-	2,209,637
Special events, net of direct benefits to donors of \$122,558	568,480	-	568,480
Net assets released from donor restrictions	<u>11,172,760</u>	<u>(11,172,760)</u>	<u>-</u>
Total contributions and grants	<u>19,365,305</u>	<u>5,150,447</u>	<u>24,515,752</u>
Earned revenue	1,066,130	-	1,066,130
Net investment return	<u>659,212</u>	<u>-</u>	<u>659,212</u>
Total support and revenue	<u>21,090,647</u>	<u>5,150,447</u>	<u>26,241,094</u>
EXPENSES			
Personnel	9,745,759	-	9,745,759
Contract services	2,016,470	-	2,016,470
Hardware and software	329,495	-	329,495
Scholarships	232,204	-	232,204
Advertising and outreach	238,064	-	238,064
Occupancy	340,101	-	340,101
Travel and meals	262,899	-	262,899
Depreciation and amortization	28,112	-	28,112
Third party processing fees	91,241	-	91,241
Insurance	43,076	-	43,076
Supplies and office	33,882	-	33,882
Other expenses	285,412	-	285,412
Contributed nonfinancial assets	<u>3,862,717</u>	<u>-</u>	<u>3,862,717</u>
Total expenses	<u>17,509,432</u>	<u>-</u>	<u>17,509,432</u>
Changes in net assets	3,581,215	5,150,447	8,731,662
Net assets at beginning of year	<u>8,945,007</u>	<u>11,924,568</u>	<u>20,869,575</u>
NET ASSETS AT END OF YEAR	<u>\$ 12,526,222</u>	<u>\$ 17,075,015</u>	<u>\$ 29,601,237</u>

UPWARDLY GLOBAL

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services				Supporting Services			Total Expenses
	Career Services	Workforce Partnerships	Employer Engagement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 5,590,815	\$ 1,347,388	\$ 724,456	\$ 7,662,659	\$ 1,705,370	\$ 820,957	\$ 2,526,327	\$ 10,188,986
Employee benefits	902,205	397,378	178,794	1,478,377	377,320	85,294	462,614	1,940,991
Payroll taxes	435,328	107,509	58,528	601,365	107,448	68,264	175,712	777,077
Total personnel	6,928,348	1,852,275	961,778	9,742,401	2,190,138	974,515	3,164,653	12,907,054
Contract services	1,293,938	610,732	244,465	2,149,135	271,724	104,820	376,544	2,525,679
Hardware and software	257,248	65,350	27,007	349,605	124,577	50,799	175,376	524,981
Scholarships	350,731	106,967	-	457,698	-	-	-	457,698
Advertising and outreach	392,890	11,128	16,693	420,711	-	4,515	4,515	425,226
Occupancy	187,587	47,568	24,695	259,850	62,196	21,387	83,583	343,433
Travel and meals	141,370	70,000	21,621	232,991	65,502	28,447	93,949	326,940
Depreciation and amortization	10,264	61,248	35,601	107,113	3,245	1,444	4,689	111,802
Third party processing fees	41,160	10,943	5,721	57,824	12,891	22,341	35,232	93,056
Insurance	32,318	8,640	4,486	45,444	10,216	4,546	14,762	60,206
Supplies and office	12,350	1,179	823	14,352	10,601	4,215	14,816	29,168
Other expenses	194,986	60,188	39,224	294,398	84,539	145,617	230,156	524,554
Contributed nonfinancial assets	2,594,077	255,681	288,623	3,138,381	134,971	62,138	197,109	3,335,490
Total expenses	12,437,267	3,161,899	1,670,737	17,269,903	2,970,600	1,424,784	4,395,384	21,665,287
Less: Special event expenses	(126,188)	-	-	(126,188)	-	-	-	(126,188)
TOTAL	\$ 12,311,079	\$ 3,161,899	\$ 1,670,737	\$ 17,143,715	\$ 2,970,600	\$ 1,424,784	\$ 4,395,384	\$ 21,539,099

See accompanying notes to financial statements.

UPWARDLY GLOBAL

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services			
	Career Services	Workforce Partnerships	Employer Engagement	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 4,918,645	\$ 531,343	\$ 374,057	\$ 5,824,045	\$ 1,328,729	\$ 551,317	\$ 1,880,046	\$ 7,704,091
Employee benefits	796,994	202,002	110,622	1,109,618	261,677	63,908	325,585	1,435,203
Payroll taxes	384,877	42,361	29,878	457,116	106,969	42,380	149,349	606,465
Total personnel	6,100,516	775,706	514,557	7,390,779	1,697,375	657,605	2,354,980	9,745,759
Contract services	1,355,587	201,176	132,129	1,688,892	193,352	247,127	440,479	2,129,371
Hardware and software	200,242	22,556	11,048	233,846	67,540	28,109	95,649	329,495
Scholarships	228,394	3,810	-	232,204	-	-	-	232,204
Advertising and outreach	228,030	10,034	-	238,064	-	-	-	238,064
Occupancy	211,246	26,861	17,818	255,925	70,172	14,004	84,176	340,101
Travel and meals	187,873	8,621	2,974	199,468	39,747	23,684	63,431	262,899
Depreciation and amortization	21,243	1,462	970	23,675	3,198	1,239	4,437	28,112
Third party processing fees	41,846	5,289	3,508	50,643	11,572	29,026	40,598	91,241
Insurance	26,965	3,429	2,274	32,668	7,502	2,906	10,408	43,076
Supplies and office	26,173	1,199	525	27,897	11,349	4,293	15,642	43,539
Other expenses	161,726	9,232	3,013	173,971	54,111	57,330	111,441	285,412
Contributed nonfinancial assets	2,951,041	462,331	340,304	3,753,676	109,041	-	109,041	3,862,717
Total expenses	11,740,882	1,531,706	1,029,120	14,301,708	2,264,959	1,065,323	3,330,282	17,631,990
Less: Special event expenses	(122,558)	-	-	(122,558)	-	-	-	(122,558)
TOTAL	\$ 11,618,324	\$ 1,531,706	\$ 1,029,120	\$ 14,179,150	\$ 2,264,959	\$ 1,065,323	\$ 3,330,282	\$ 17,509,432

See accompanying notes to financial statements.

UPWARDLY GLOBAL

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 10,305,817	\$ 8,731,662
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	111,802	28,112
Unrealized gain on investments	(1,052)	(74)
Amortization of operating lease	252,687	267,291
Donated securities received	(333,741)	(423,634)
Proceeds from sales of donated securities	337,244	402,972
Realized (gain) loss on donated securities	(3,503)	1,011
Change in discount on grants receivable	(247,104)	247,104
Change in allowance for doubtful accounts	-	(2,400)
(Increase) decrease in:		
Interest receivable	(153,486)	(168,032)
Grants receivable	1,241,413	(6,702,936)
Prepaid expenses	(218,877)	(69,557)
Deposits	5,700	22,723
Increase (decrease) in:		
Accounts payable and accrued expenses	442,558	47,310
Accrued salaries and related benefits	208,055	167,883
Refundable advances	90,743	(105,695)
Deferred employer partner fees	(47,933)	(198,096)
Operating lease liabilities	<u>(251,882)</u>	<u>(266,712)</u>
Net cash provided by operating activities	<u>11,738,441</u>	<u>1,978,932</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	-	(548,716)
Net purchases of investments	<u>(15,129,759)</u>	<u>(14,177,489)</u>
Net cash used by investing activities	<u>(15,129,759)</u>	<u>(14,726,205)</u>
Net decrease in cash and cash equivalents	(3,391,318)	(12,747,273)
Cash and cash equivalents at beginning of year	<u>6,285,369</u>	<u>19,032,642</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,894,051</u>	<u>\$ 6,285,369</u>
SUPPLEMENTAL INFORMATION:		
Donated Stock Liquidated After Year-End	<u>\$ -</u>	<u>\$ 19,651</u>
Operating Lease Right-of-Use Asset	<u>\$ 54,017</u>	<u>\$ -</u>
Operating Lease Liabilities for Right-of-Use Assets	<u>\$ 54,017</u>	<u>\$ -</u>

See accompanying notes to financial statements.

UPWARDLY GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 advances workforce inclusion for work-authorized immigrants, refugees, and asylees with professional experience and international degrees by helping them secure jobs at their skill level to ensure a diverse workforce, build resilient communities, and contribute to a robust U.S. economy. We coach and train immigrants and the Organizations that serve them, engage employers in inclusive hiring practices and opening opportunities, and advance policies and narratives that create shared prosperity, foster thriving communities, and promote economic growth.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-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 follow:

- **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 set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and cash equivalents -

Upwardly Global considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and 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. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

Investments acquired by gift, such as donated securities, 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.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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

Receivables -

Interest receivable primarily consists of amounts due within one year related to interest earned on investments. Interest receivable is recorded at the net realizable value which approximates fair value.

Grants receivable include unconditional promises to give that are expected to be collected in future years. Grants receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount, if applicable, on long-term grants is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount, if applicable, is included in corporate and foundation grants. Grants receivable are also presented net of an allowance for doubtful accounts resulting from the inability of funders to make required payments. The allowance for doubtful accounts is based upon historical or projected loss experience.

Fixed assets -

Fixed assets in excess of \$2,500 are capitalized and stated at cost. Fixed assets are depreciated or amortized 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 and amortization expense for the years ended December 31, 2024 and 2023 totaled \$111,802 and \$28,112, respectively.

Income taxes -

Upwardly Global is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an Organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. Upwardly Global is not a private foundation.

Revenue from contracts with customers -

Upwardly Global's earned revenue is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. Upwardly Global has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. Upwardly Global's contracts with customers generally have initial terms of one year or less.

Earned revenue is recorded over the period of time that the performance obligations are met.

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.

Support from contributions and grants, including Federal awards -

Upwardly Global receives contributions and grants, including Federal awards from the U.S. Government. Contributions and grants are recognized in the appropriate category of net assets in the period received. Upwardly Global performs an analysis of the individual contribution or grant agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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

Support from contributions and grants, including Federal awards (continued) -

For contributions and grants qualifying under the contribution rules, support 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, including grants qualifying as contributions, that are unconditional but 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. Contributions and grants with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions and grants contain a right of return and a measurable barrier. Contributions and grants are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions and grants received in advance of meeting specified conditions established by donors are recorded as refundable advances. Upwardly Global's refundable advances totaled \$160,048 and \$69,305 as of December 31, 2024 and 2023, respectively.

In addition, Upwardly Global has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. Upwardly Global's unrecognized conditional contributions to be received in future years were approximately \$1,884,000 and \$2,635,000 as of December 31, 2024 and 2023, respectively.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed services and goods. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Upwardly Global. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale.

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 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 actual time and effort or other reasonable basis.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, Upwardly Global has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Upwardly Global has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended December 31, 2024 and 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *U.S. Treasury Notes* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
U.S. Treasury Notes	\$ -	\$ 28,278,065	\$ -	\$ 28,278,065
Certificates of Deposit	<u>-</u>	<u>1,049,960</u>	<u>-</u>	<u>1,049,960</u>
TOTAL INVESTMENTS	<u>\$ -</u>	<u>\$ 29,328,025</u>	<u>\$ -</u>	<u>\$ 29,328,025</u>

UPWARDLY GLOBAL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Equities	\$ 19,652	\$ -	\$ -	\$ 19,652
U.S. Treasury Notes	-	8,739,029	-	8,739,029
Certificates of Deposit	-	5,438,533	-	5,438,533
TOTAL INVESTMENTS	<u>\$ 19,652</u>	<u>\$ 14,177,562</u>	<u>\$ -</u>	<u>\$ 14,197,214</u>

Net investment return consisted of the following for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 1,397,733	\$ 672,813
Unrealized gain	1,052	74
Realized gain (loss)	3,503	(1,011)
Investment expenses	-	(12,664)
NET INVESTMENT RETURN	<u>\$ 1,402,288</u>	<u>\$ 659,212</u>

3. GRANTS RECEIVABLE

As of December 31, 2024 and 2023, Upwardly Global has grants receivable totaling \$8,302,751 and \$9,544,164, respectively, which are due and outstanding. Grants receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using a discount rate of 3.73%. The discount for the year ended December 31, 2024 is not material and has not been recorded by management.

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

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 6,719,419	\$ 5,835,829
One to five years	<u>1,583,332</u>	<u>3,708,335</u>
Total	8,302,751	9,544,164
Less: Allowance to discount balance to present value	-	(247,104)
Less: Allowance for doubtful receivables	<u>(700)</u>	<u>(700)</u>
GRANTS RECEIVABLE, NET	<u>\$ 8,302,051</u>	<u>\$ 9,296,360</u>

4. CONTRACT ASSETS AND CONTRACT LIABILITIES

Upwardly Global did not have any contract assets as of December 31, 2024 and 2023 or January 1, 2023.

Contract liabilities consisted of the following revenue streams as of:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Earned Revenue	<u>\$ 156,963</u>	<u>\$ 204,896</u>	<u>\$ 402,992</u>

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

5. BOARD DESIGNATED NET ASSETS

Upwardly Global's net assets without donor restrictions include certain amounts that have been designated by the Board of Directors.

Board designated net assets included the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating reserve	\$ 10,350,000	\$ -
Opportunity reserve	<u>10,000,000</u>	<u>-</u>
BOARD DESIGNATED NET ASSETS	<u>\$ 20,350,000</u>	<u>\$ -</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Purpose restrictions:		
Career Services	\$ 7,620,547	\$ 11,705,981
Other Programs and Support	<u>1,234,931</u>	<u>5,369,034</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 8,855,478</u>	<u>\$ 17,075,015</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors during the years ended December 31:

	<u>2024</u>	<u>2023</u>
Purpose restrictions accomplished:		
Career Services	\$ 4,946,254	\$ 7,588,968
Other Programs and Support	<u>11,366,762</u>	<u>3,583,792</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 16,313,016</u>	<u>\$ 11,172,760</u>

7. 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:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,894,051	\$ 6,285,369
Investments	29,328,025	14,197,214
Interest receivable	321,518	168,032
Grants receivable, net	<u>8,302,051</u>	<u>9,296,360</u>
Subtotal financial assets	40,845,645	29,946,975
Less: Donor funds restricted for specific purposes	<u>(8,855,478)</u>	<u>(17,075,015)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 31,990,167</u>	<u>\$ 12,871,960</u>

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, 2024 AND 2023

8. CONTRIBUTED NONFINANCIAL ASSETS

During the years ended December 31, 2024 and 2023, Upwardly Global was the beneficiary of donated goods and services which allowed Upwardly Global to provide greater resources toward various programs.

Donated licenses and subscriptions are valued based on the the market price of the license or subscription multiplied by the number of licenses or subscriptions donated. Donated consulting fees are valued based on the consultants' market rates multiplied by the number of hours donated. Donated advertising is valued based on the market cost of the advertisements. Donated rent is valued based on the market rate per square footage multiplied by the number of square feet of space donated. Donated materials are valued based on the market price of the materials donated if they had been purchased by Upwardly Global.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Licenses and subscriptions	\$ 2,665,188	\$ 2,690,965
Consulting	438,645	1,137,563
Advertising	231,657	21,511
Rent	-	742
Materials	<u>-</u>	<u>11,936</u>
TOTAL	<u>\$ 3,335,490</u>	<u>\$ 3,862,717</u>

The following programs have benefited from these contributed nonfinancial assets

	<u>2024</u>	<u>2023</u>
Career Services	\$ 2,594,077	\$ 2,951,041
Employer Engagement	288,623	340,304
Workforce Partnerships	255,681	462,331
Management and General	134,971	109,041
Fundraising	<u>62,138</u>	<u>-</u>
TOTAL	<u>\$ 3,335,490</u>	<u>\$ 3,862,717</u>

9. 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:

	<u>2024</u>	<u>2023</u>
Corporate sponsorships	\$ 205,000	\$ 444,750
Ticket sales and individual contributions	255,584	246,288
Less: Cost of direct donor benefits	<u>(126,188)</u>	<u>(122,558)</u>
TOTAL	<u>\$ 334,396</u>	<u>\$ 568,480</u>

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

10. LEASE COMMITMENTS

Upwardly Global follows FASB ASC 842 for leases. Upwardly Global has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. Upwardly Global has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

Short-term Leases:

Upwardly Global leases certain assets on an as-needed basis. The Organization has elected the practical expedient for these short-term leases as the lease terms are less than 12 months. Total short-term lease expense included in operating expenses for the year ended December 31, 2024 and 2023, was \$59,455 and \$41,515, respectively.

Capitalized Operating Leases:

Upwardly Global leases office space in New York, Chicago, Washington, D.C., and San Francisco. The leases expire at various dates through September 2029.

In March 2021, Upwardly Global signed a 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. The lease provides Upwardly Global with a conditional option to renew for an additional 3-year term. Upwardly Global has not exercised this option.

During 2022, Upwardly Global signed an amendment to the 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.

During 2024, Upwardly Global signed a lease for office space in Washington, D.C., effective June 1, 2024 and expiring July 31, 2026. Base rent under this agreement is \$2,830 per month.

For the year ended December 31, 2024, total lease cost was \$267,524 and is included in occupancy in the Statement of Functional Expenses. Total cash paid was \$266,719 for all operating leases. As of December 31, 2024, the weighted-average remaining lease term and rate for operating leases is 4.33 years and 3.32%, respectively.

For the year ended December 31, 2023, total lease cost was \$284,553 and total cash paid was \$283,974 for all operating leases. As of December 31, 2023, the weighted-average remaining lease term and rate for operating leases is 5.11 years and 3.81%, respectively.

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

Year Ending December 31,

2025	\$ 230,069
2026	169,776
2027	160,182
2028	164,186
2029	125,699
Less: Imputed Interest	(28,254)
Less: Current Portion	<u>(218,756)</u>
LONG-TERM PORTION	<u>\$ 602,902</u>

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLAN

Upwardly Global provides retirement benefits through a defined contribution 403(b) plan (the Plan) covering all full-time and long-term part-time employees of at least 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 \$239,962 and \$172,564 made to the Plan for the years ended December 31, 2024 and 2023, respectively, and are included in employee benefits in the accompanying Statements of Functional Expenses.

12. CONTINGENCY

Upwardly Global receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The ultimate determination of amounts received under the Federal Awards is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits. Audits in accordance with the applicable provisions of Subpart F of the Uniform Guidance have been completed for all required fiscal years through 2024.

13. RELATED PARTY TRANSACTIONS

During 2024 and 2023, Upwardly Global received financial support from entities affiliated with members of Upwardly Global's Board of Directors totaling approximately \$1,110,000 and \$682,000, respectively. In addition, Upwardly Global received contributed consulting, advertising and subscription services from entities affiliated with members of Upwardly Global's Board of Directors for the years ended December 31, 2024 and 2023, totaling approximately \$732,000 and \$171,000, respectively.

14. SUBSEQUENT EVENTS

In preparing these financial statements, Upwardly Global has evaluated events and transactions for potential recognition or disclosure through July 16, 2025, the date the financial statements were issued.

On January 27, 2025, the OMB of the United States Federal Government instituted a pause (freeze) on the disbursement of Federal grant and loan funds, which became effective on January 28, 2025. The extent to which the funding freeze impacts Upwardly Global's operations, financial results, and cash flows, both current and future, will depend on future developments, which are highly uncertain and cannot be predicted with any measure of certainty or probability.

SUPPLEMENTAL INFORMATION

Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report

Grantee Name	Upwardly Global
ID Numbers	Audit:54757 Grantee:678526 UEI:T3AKBWA7X4H6 FEIN:943346127
Audit Period	1/1/2024 - 12/31/2024
Last Update	6/24/2025 1:44:27 PM
Program Count	1

EXPENDITURES BY PROGRAM

CSFA #	Program Name	State	Federal	Total	Match
444-80-1233	Title XX DFI Refugee & Immigrant Services	0.00	128,240.20	128,240.20	0.00
	All other federal expenditures		937,015.31	937,015.31	
TOTALS		0.00	1,065,255.51	1,065,255.51	0.00

EXPENDITURES BY CATEGORY

Amount	Category
90,571.62	Personal Services (Salaries and Wages)
26,010.39	Fringe Benefits
11,658.19	Indirect Costs
128,240.20	TOTAL

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

**SCHEDULE 1
(Continued)**

Page 2 of 2

06/24/25

State Agency	Department Of Human Services
CSFA Number	444-80-1233
Program Name	Title XX DFI Refugee & Immigrant Services
Popular Name	Title XX DFI Refugee & Immigrant Services
Program Contact	Name: Agata Fieske-Nesheiwat Phone: 312-720-3426 Email: Agata.Fieske-Nesheiwat@illinois.gov
State Amount Expended	0.00
Federal Amount Expended	128240.20

Expenditures by Category

90,571.62	Personal Services (Salaries and Wages)
26,010.39	Fringe Benefits
11,658.19	Indirect Costs
128,240.20	TOTAL

UPWARDLY GLOBAL

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Federal Granting Agency and Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	2024 Expenditures
United States Department of Health and Human Services - Administration for Children and Families				
Pass-through from the State of Illinois: Social Services Block Grants	93.667	FCSBK00439	\$ -	\$ 128,240
Refugee and Entrant Assistance Discretionary Grants	93.576	N/A	15,000	745,939
Pass-through from California Department of Social Services: Afghan Arrival Job Readiness	93.566	AAJR22	35,526	189,291
Subtotal United States Department of Health and Human Services			50,526	1,063,470
United States Department of Labor - WIOA Cluster				
Pass-through from the New York State Department of Labor: WIA/WIOA Dislocated Worker Formula Grants	17.278	C22376GM	-	1,785
Subtotal United States Department of Labor			-	1,785
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 50,526	\$ 1,065,255

UPWARDLY GLOBAL

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of Upwardly Global under programs of the Federal Government for the year ended December 31, 2024. Information in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The Schedule presents only a selected portion of the operations of Upwardly Global; accordingly, it is not intended to and does not present the financial position, changes in net assets or cash flows of Upwardly Global.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Upwardly Global has elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Reconciliation of Government Grants

A reconciliation of Government grants for the year ended December 31, 2024 is below:

Federal grant revenue	\$ 1,065,255
Non-Federal grant revenue	<u>795,218</u>
TOTAL GOVERNMENT GRANTS PER STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS	<u>\$ 1,860,473</u>

UPWARDLY GLOBAL
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

- 1). Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP on the accrual basis of accounting:

Unmodified

- 2). Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

- 3). Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

- 4). Internal control over major Federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

- 5). Type of auditor's report issued on compliance for major Federal programs:

Unmodified

- 6). Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

- 7). Identification of major Federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

93.576

Refugee and Entrant Assistance Discretionary Grants

- 8). Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

- 9). Auditee qualified as a low-risk auditee?

☒ Yes ☐ No

UPWARDLY GLOBAL

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section II - Financial Statement Findings

There were no reportable findings.

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))

There were no reportable findings.

Section IV - Prior Year Findings and Questioned Costs With Current Year Status

Finding 2023-001: Eligibility Documentation

Information on the Federal Program: 93.566 Afghan Arrival Job Readiness

Criteria or Specific Requirement: As specified in 2 CFR section 200.303, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: Upwardly Global's internal compliance controls require that each potential participant is screened to ensure that they are eligible to participate in the program prior to admission into the program. During our review of the selected participants, we noted that the documentation to support eligibility for each participant was not retained or available for review.

Questioned Costs: None identified.

Recommendation: We recommend that Upwardly Global amend their internal compliance controls to require that all supporting eligibility documentation be retained in each participant's file.

Current Year Status: There have been no instances of noncompliance found during the current year under audit. We consider this matter adequately addressed.



CPAs & ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Upwardly Global, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Upwardly Global's basic financial statements, and have issued our report thereon dated July 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Upwardly Global's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Upwardly Global's internal control. Accordingly, we do not express an opinion on the effectiveness of Upwardly Global's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Upwardly Global's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Upwardly Global's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

July 16, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Upwardly Global's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Upwardly Global's major Federal programs for the year ended December 31, 2024. Upwardly Global's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Upwardly Global complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report

We are required to be independent of Upwardly Global and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of Upwardly Global's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Upwardly Global's Federal programs.

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Upwardly Global's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Upwardly Global's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Upwardly Global's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Upwardly Global's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Upwardly Global's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gelman Rosenberg & Friedman

July 16, 2025