



AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED DECEMBER 31, 2023

UPWARDLY GLOBAL

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FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

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, 2023 and 2022, 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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 2022 and 2023 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-(21 - 24) 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-(25 - 26), 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 August 6, 2024, 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 black ink that reads "Gelman Rosenberg & Freedman". The signature is written in a cursive, flowing style.

August 6, 2024

UPWARDLY GLOBAL

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

ASSETS

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------------------|-----------------------------|-----------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 6,285,369 | \$ 19,032,642 |
| Investments | 14,197,214 | - |
| Interest receivable | 168,032 | - |
| Grants receivable, net | 5,835,129 | 2,838,128 |
| Prepaid expenses | <u>128,803</u> | <u>59,246</u> |
| Total current assets | <u>26,614,547</u> | <u>21,930,016</u> |
| FIXED ASSETS | | |
| Equipment | 11,944 | 15,079 |
| Furniture | 52,400 | 105,999 |
| Computer equipment | 5,321 | 35,900 |
| Leasehold improvements | 7,525 | 7,525 |
| Software | <u>662,491</u> | <u>121,830</u> |
| | 739,681 | 286,333 |
| Less: Accumulated depreciation and amortization | <u>(71,346)</u> | <u>(138,602)</u> |
| Net fixed assets | <u>668,335</u> | <u>147,731</u> |
| OTHER ASSETS | | |
| Deposits | 76,362 | 99,085 |
| Right-of-use assets, net | 961,941 | 1,229,232 |
| Grants receivable, net | <u>3,461,231</u> | <u>-</u> |
| Total other assets | <u>4,499,534</u> | <u>1,328,317</u> |
| TOTAL ASSETS | <u>\$ 31,782,416</u> | <u>\$ 23,406,064</u> |

LIABILITIES AND NET ASSETS

| | | |
|-----------------------------------------|-----------------------------|-----------------------------|
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 267,759 | \$ 220,449 |
| Accrued salaries and related benefits | 619,696 | 451,813 |
| Refundable advances | 69,305 | 175,000 |
| Deferred employer partner fees | 204,896 | 402,992 |
| Operating lease liabilities | <u>242,417</u> | <u>266,712</u> |
| Total current liabilities | 1,404,073 | 1,516,966 |
| LONG-TERM LIABILITIES | | |
| Operating lease liabilities, net | <u>777,106</u> | <u>1,019,523</u> |
| Total liabilities | <u>2,181,179</u> | <u>2,536,489</u> |
| NET ASSETS | | |
| Without donor restrictions | 12,526,222 | 8,945,007 |
| With donor restrictions | <u>17,075,015</u> | <u>11,924,568</u> |
| Total net assets | <u>29,601,237</u> | <u>20,869,575</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 31,782,416</u> | <u>\$ 23,406,064</u> |

See accompanying notes to financial statements.

UPWARDLY GLOBAL

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

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|------------------------------------------------------------------|-------------------------------------------|------------------------------------|-----------------------------|
| SUPPORT AND REVENUE | | | |
| Contributions and grants: | | | |
| 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 |
| Individual contributions | 1,011,294 | - | 1,011,294 |
| 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 | <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 |
| Occupancy | 340,101 | - | 340,101 |
| Hardware and software | 329,495 | - | 329,495 |
| Travel and meals | 262,899 | - | 262,899 |
| Advertising and outreach | 238,064 | - | 238,064 |
| Scholarships | 232,204 | - | 232,204 |
| Third party processing fees | 91,241 | - | 91,241 |
| Supplies and office | 33,882 | - | 33,882 |
| Insurance | 43,076 | - | 43,076 |
| Depreciation and amortization | 28,112 | - | 28,112 |
| 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 ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|------------------------------------------------------------------|-------------------------------------------|------------------------------------|-----------------------------|
| SUPPORT AND REVENUE | | | |
| Contributions and grants: | | | |
| Corporate and foundation grants | \$ 568,267 | \$ 13,340,925 | \$ 13,909,192 |
| Contributed nonfinancial assets | 2,432,380 | - | 2,432,380 |
| Government grants | 2,113,687 | - | 2,113,687 |
| Individual contributions | 669,753 | - | 669,753 |
| Special events, net of direct benefits to donors of \$141,369 | 661,762 | - | 661,762 |
| Net assets released from donor restrictions | <u>7,092,777</u> | <u>(7,092,777)</u> | <u>-</u> |
| Total contributions | <u>13,538,626</u> | <u>6,248,148</u> | <u>19,786,774</u> |
| Earned revenue | 1,064,285 | - | 1,064,285 |
| Other revenue | <u>20,914</u> | <u>-</u> | <u>20,914</u> |
| Total support and revenue | <u>14,623,825</u> | <u>6,248,148</u> | <u>20,871,973</u> |
| EXPENSES | | | |
| Personnel | 7,325,240 | - | 7,325,240 |
| Contract services | 686,621 | - | 686,621 |
| Occupancy | 336,790 | - | 336,790 |
| Hardware and software | 281,252 | - | 281,252 |
| Scholarships | 149,437 | - | 149,437 |
| Travel and meals | 143,754 | - | 143,754 |
| Advertising and outreach | 141,188 | - | 141,188 |
| Third party processing fees | 78,468 | - | 78,468 |
| Insurance | 40,199 | - | 40,199 |
| Supplies and office | 19,122 | - | 19,122 |
| Depreciation and amortization | 10,016 | - | 10,016 |
| Other expenses | 104,306 | - | 104,306 |
| Contributed nonfinancial assets | <u>2,432,380</u> | <u>-</u> | <u>2,432,380</u> |
| Total expenses | <u>11,748,773</u> | <u>-</u> | <u>11,748,773</u> |
| Changes in net assets before other item | 2,875,052 | 6,248,148 | 9,123,200 |
| OTHER ITEM | | | |
| Forgiveness of debt | <u>866,359</u> | <u>-</u> | <u>866,359</u> |
| Changes in net assets after other item | 3,741,411 | 6,248,148 | 9,989,559 |
| Net assets at beginning of year | <u>5,203,596</u> | <u>5,676,420</u> | <u>10,880,016</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 8,945,007</u> | <u>\$ 11,924,568</u> | <u>\$ 20,869,575</u> |

UPWARDLY GLOBAL

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

| | Program Services | | | Total Program Services | Supporting Services | | Total Supporting Services | Total Expenses |
|---------------------------------|----------------------|---------------------|------------------------|------------------------------|------------------------------|---------------------|---------------------------------|----------------------|
| | Career Services | Partnerships | Employer Engagement | | Management and General | Fundraising | | |
| 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 |
| Occupancy | 211,246 | 26,861 | 17,818 | 255,925 | 70,172 | 14,004 | 84,176 | 340,101 |
| Hardware and software | 200,242 | 22,556 | 11,048 | 233,846 | 67,540 | 28,109 | 95,649 | 329,495 |
| Travel and meals | 187,873 | 8,621 | 2,974 | 199,468 | 39,747 | 23,684 | 63,431 | 262,899 |
| Advertising and outreach | 228,030 | 10,034 | - | 238,064 | - | - | - | 238,064 |
| Scholarships | 228,394 | 3,810 | - | 232,204 | - | - | - | 232,204 |
| Third party processing fees | 41,846 | 5,289 | 3,508 | 50,643 | 11,572 | 29,026 | 40,598 | 91,241 |
| Supplies and office | 26,173 | 1,199 | 525 | 27,897 | 11,349 | 4,293 | 15,642 | 43,539 |
| Insurance | 26,965 | 3,429 | 2,274 | 32,668 | 7,502 | 2,906 | 10,408 | 43,076 |
| Depreciation and amortization | 21,243 | 1,462 | 970 | 23,675 | 3,198 | 1,239 | 4,437 | 28,112 |
| 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

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Program Services | | | Total Program Services | Supporting Services | | Total Supporting Services | Total Expenses |
|---------------------------------|---------------------|-------------------|------------------------|------------------------------|------------------------------|-------------------|---------------------------------|----------------------|
| | Career Services | Partnerships | Employer Engagement | | Management and General | Fundraising | | |
| Salaries | \$ 3,897,867 | \$ 322,892 | \$ 214,260 | \$ 4,435,019 | \$ 1,059,148 | \$ 413,728 | \$ 1,472,876 | \$ 5,907,895 |
| Employee benefits | 598,547 | 68,787 | 12,524 | 679,858 | 221,941 | 60,956 | 282,897 | 962,755 |
| Payroll taxes | 298,987 | 25,391 | 16,652 | 341,030 | 82,193 | 31,367 | 113,560 | 454,590 |
| Total personnel | 4,795,401 | 417,070 | 243,436 | 5,455,907 | 1,363,282 | 506,051 | 1,869,333 | 7,325,240 |
| Contract services | 655,709 | 7,910 | 5,155 | 668,774 | 128,564 | 75,776 | 204,340 | 873,114 |
| Occupancy | 220,066 | 19,138 | 11,148 | 250,352 | 72,213 | 14,225 | 86,438 | 336,790 |
| Hardware and software | 187,263 | 10,291 | 3,523 | 201,077 | 57,498 | 22,677 | 80,175 | 281,252 |
| Scholarships | 149,437 | - | - | 149,437 | - | - | - | 149,437 |
| Travel and meals | 120,581 | 5,252 | - | 125,833 | 9,461 | 8,460 | 17,921 | 143,754 |
| Advertising and outreach | 136,188 | - | - | 136,188 | - | 5,000 | 5,000 | 141,188 |
| Third party processing fees | 33,455 | 2,909 | 1,694 | 38,058 | 9,153 | 31,257 | 40,410 | 78,468 |
| Insurance | 26,527 | 2,307 | 1,344 | 30,178 | 7,206 | 2,815 | 10,021 | 40,199 |
| Supplies and office | 24,499 | 161 | - | 24,660 | 5,041 | 1,291 | 6,332 | 30,992 |
| Depreciation and amortization | 6,609 | 575 | 335 | 7,519 | 1,796 | 701 | 2,497 | 10,016 |
| Other expenses | 58,101 | 1,274 | - | 59,375 | 29,336 | 25,564 | 54,900 | 114,275 |
| Contributed nonfinancial assets | 1,867,299 | 385,209 | 144,000 | 2,396,508 | 35,872 | - | 35,872 | 2,432,380 |
| Total expenses | 8,281,135 | 852,096 | 410,635 | 9,543,866 | 1,719,422 | 693,817 | 2,413,239 | 11,957,105 |
| Less: Special event expenses | (141,369) | - | - | (141,369) | - | (66,963) | (66,963) | (208,332) |
| TOTAL | \$ 8,139,766 | \$ 852,096 | \$ 410,635 | \$ 9,402,497 | \$ 1,719,422 | \$ 626,854 | \$ 2,346,276 | \$ 11,748,773 |

See accompanying notes to financial statements.

UPWARDLY GLOBAL

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | 2023 | 2022 |
|----------------------------------------------------------------------------------------------|---------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Changes in net assets | \$ 8,731,662 | \$ 9,989,559 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 28,112 | 10,016 |
| Unrealized gain on investments | (74) | - |
| Amortization of right-of-use assets | 267,291 | 280,280 |
| Forgiveness of debt | - | (866,359) |
| Donated securities received | (423,634) | (22,163) |
| Proceeds from sale of donated securities | 402,972 | 22,449 |
| Realized loss (gain) on donated securities | 1,011 | (286) |
| Change in discount on grants receivable | 247,104 | - |
| Change in allowance for doubtful accounts | (2,400) | - |
| (Increase) decrease in: | | |
| Interest receivable | (168,032) | - |
| Grants receivable | (6,702,936) | 1,029,998 |
| Prepaid expenses | (69,557) | (16,691) |
| Deposits | 22,723 | 21,584 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 47,310 | 53,847 |
| Accrued salaries and related benefits | 167,883 | 84,779 |
| Refundable advances | (105,695) | 66,625 |
| Deferred employer partner fees | (198,096) | 210,562 |
| Operating lease liabilities | (266,712) | (236,257) |
| Net cash provided by operating activities | <u>1,978,932</u> | <u>10,627,943</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of fixed assets | (548,716) | (154,882) |
| Net purchases of investments | <u>(14,177,489)</u> | <u>-</u> |
| Net cash used by investing activities | <u>(14,726,205)</u> | <u>(154,882)</u> |
| Net (decrease) increase in cash and cash equivalents | (12,747,273) | 10,473,061 |
| Cash and cash equivalents at beginning of year | <u>19,032,642</u> | <u>8,559,581</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 6,285,369</u> | <u>\$ 19,032,642</u> |
| SUPPLEMENTAL INFORMATION: | | |
| Donated Stock Liquidated After Year-End | <u>\$ 19,651</u> | <u>\$ 4,926</u> |
| Right-of-Use-Assets | <u>\$ -</u> | <u>\$ 1,509,512</u> |
| Operating Lease Liabilities for Right-of-Use Assets | <u>\$ -</u> | <u>\$ 1,522,492</u> |

See accompanying notes to financial statements.

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UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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 nonprofit 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncements adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by Upwardly Global that are subject to the guidance in FASB ASC 326 are trade accounts receivable. Upwardly Global implemented the ASU on January 1, 2023 using a modified retrospective approach. The implementation did not have a material impact and resulted in new/enhanced disclosures only.

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.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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

Cash and cash equivalents (continued) -

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.

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 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 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, 2023 and 2022 totaled \$28,112 and \$10,016, 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.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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

Revenue from contracts with customers (continued) -

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.

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. Contributions and grants that are both received and released from restrictions in the same year are classified as without donor restrictions.

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 \$69,305 and \$175,000 as of December 31, 2023 and 2022, 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 totaled \$2,635,000 and \$3,500,000 as of December 31, 2023 and 2022, 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.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of 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.

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.

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, 2023 and 2022.

UPWARDLY GLOBAL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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, 2023. There were no investments held at December 31, 2022.

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|------------------|----------------------|----------------|----------------------|
| 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 | \$ 19,652 | \$ 14,177,562 | \$ - | \$ 14,197,214 |

Net investment return consisted of the following for the year ended December 31, 2023. There was no net investment return as of December 31, 2022.

| | |
|------------------------------|-------------------|
| Interest and dividends | \$ 672,813 |
| Unrealized gain | 74 |
| Realized loss | (1,011) |
| Investment expenses | (12,664) |
| NET INVESTMENT RETURN | \$ 659,212 |

3. GRANTS RECEIVABLE

As of December 31, 2023 and 2022, Upwardly Global has grants receivable totaling \$9,544,164 and \$2,841,228, 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%.

Following is a schedule of amounts due, by year, as of December 31, 2023 and 2022:

| | 2023 | 2022 |
|------------------------------------------------------|---------------------|---------------------|
| Less than one year | \$ 5,835,829 | \$ 2,841,228 |
| One to five years | 3,708,335 | - |
| Total | 9,544,164 | 2,841,228 |
| Less: Allowance to discount balance to present value | (247,104) | - |
| Less: Allowance for doubtful receivables | (700) | (3,100) |
| GRANTS RECEIVABLE, NET | \$ 9,296,360 | \$ 2,838,128 |

UPWARDLY GLOBAL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

4. CONTRACT ASSETS AND CONTRACT LIABILITIES

Upwardly Global did not have any contract assets as of December 31, 2023 or 2022 or January 1, 2022.

Contract liabilities consisted of the following revenue streams as of:

| | December 31, 2023 | December 31, 2022 | January 1, 2022 |
|-----------------------|------------------------------|------------------------------|----------------------------|
| Earned Revenue | \$ <u>204,896</u> | \$ <u>402,992</u> | \$ <u>192,430</u> |

5. LOAN PAYABLE

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, 2022, 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 the 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".

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2023 and 2022:

| | 2023 | 2022 |
|-------------------------------------------------|-----------------------------|-----------------------------|
| Purpose restrictions: | | |
| Career Services | \$ 11,705,981 | \$ 6,821,738 |
| Other Programs and Support | <u>5,369,034</u> | <u>5,102,830</u> |
| TOTAL NET ASSETS WITH DONOR RESTRICTIONS | \$ <u>17,075,015</u> | \$ <u>11,924,568</u> |

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the years ended December 31, 2023 and 2022, respectively:

| | 2023 | 2022 |
|----------------------------------------------------|-----------------------------|----------------------------|
| Purpose restrictions accomplished: | | |
| Career Services | \$ 7,588,968 | \$ 4,816,247 |
| Other Programs and Support | <u>3,583,792</u> | <u>2,276,530</u> |
| TOTAL NET ASSETS RELEASED FROM RESTRICTIONS | \$ <u>11,172,760</u> | \$ <u>7,092,777</u> |

UPWARDLY GLOBAL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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, 2023 and 2022:

| | 2023 | 2022 |
|---------------------------------------------------------------------------------------------------|----------------------|---------------------|
| Cash and cash equivalents | \$ 6,285,369 | \$ 19,032,642 |
| Investments | 14,197,214 | - |
| Interest receivable | 168,032 | - |
| Grants receivable | 9,296,360 | 2,838,128 |
| Subtotal financial assets | 29,946,975 | 21,870,770 |
| Less: Donor funds restricted for specific purposes | (17,075,015) | (11,924,568) |
| FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR | \$ 12,871,960 | \$ 9,946,202 |

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

8. CONTRIBUTED NONFINANCIAL ASSETS

During the years ended December 31, 2023 and 2022, Upwardly Global was the beneficiary of donated goods and services which allowed Upwardly Global to provide greater resources toward various programs. There were no donor-imposed restrictions associated with the contributed nonfinancial assets during the years ended December 31, 2023 and 2022.

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 advertisement multiplied by the number of advertisements donated. 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.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended December 31, 2023 and 2022.

| | 2023 | 2022 |
|----------------------------|---------------------|---------------------|
| Licenses and subscriptions | \$ 2,690,965 | \$ 1,552,331 |
| Consulting | 1,137,563 | 730,919 |
| Advertising | 21,511 | 100,000 |
| Rent | 742 | 10,518 |
| Materials and other | 11,936 | 38,612 |
| TOTAL | \$ 3,862,717 | \$ 2,432,380 |

UPWARDLY GLOBAL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

8. CONTRIBUTED NONFINANCIAL ASSETS (Continued)

The following programs have benefited from these donated services:

| | 2023 | 2022 |
|------------------------|---------------------|---------------------|
| Career Services | \$ 2,951,041 | \$ 1,867,299 |
| Employer Engagement | 340,304 | 144,000 |
| Partnerships | 462,331 | 385,209 |
| Management and General | 109,041 | 35,872 |
| TOTAL | \$ 3,862,717 | \$ 2,432,380 |

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, 2023 and 2022:

| | 2023 | 2022 |
|-------------------------------------------|-------------------|-------------------|
| Corporate sponsorships | \$ 444,750 | \$ 541,143 |
| Ticket sales and individual contributions | 246,288 | 261,988 |
| Less: Cost of direct donor benefits | (122,558) | (141,369) |
| TOTAL | \$ 568,480 | \$ 661,762 |

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.

Upwardly Global leases office space in New York, Chicago, 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.

During 2022, Upwardly Global signed an amendment to the Chicago office lease agreement that commenced on June 1, 2017. The amendment extended the lease through August 31, 2023. Base rent under this agreement was \$4,350 per month.

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.

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.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

10. LEASE COMMITMENTS (Continued)

For the year ended December 31, 2022, total lease cost was \$301,337 and total cash paid was \$257,315 for all operating leases. As of December 31, 2022, the weighted-average remaining lease term and rate for operating leases is 5.26 years and 4.29%, respectively.

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

Year Ending December 31,

| | | |
|--------------------------|-----------|-----------------------|
| 2024 | \$ | 255,918 |
| 2025 | | 197,668 |
| 2026 | | 156,275 |
| 2027 | | 160,182 |
| 2028 | | 164,186 |
| Thereafter | | 125,699 |
| Less: Imputed Interest | | (40,405) |
| Less: Current Portion | | <u>(242,417)</u> |
| LONG-TERM PORTION | \$ | <u>777,106</u> |

11. 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 \$172,564 and \$118,125 made to the Plan for the years ended December 31, 2023 and 2022, respectively.

12. CONTINGENCY

Upwardly Global receives grants from various agencies of the United States Government. Beginning for fiscal year ended December 31, 2015, 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 United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2023. 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.

13. RELATED PARTY TRANSACTIONS

During 2023 and 2022, Upwardly Global received financial support from entities affiliated with members of Upwardly Global's Board of Directors totaling approximately \$682,000 and \$712,000, 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, 2023 and 2022 totaling approximately \$171,000 and \$576,000, respectively.

UPWARDLY GLOBAL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

14. SUBSEQUENT EVENTS

In preparing these financial statements, Upwardly Global has evaluated events and transactions for potential recognition or disclosure through August 6, 2024, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

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

| | |
|----------------------|----------------------------------------------------------------------------|
| Grantee Name | Upwardly Global |
| ID Numbers | AUDIT:41617 Grantee:678526 UEI:T3AKBWA7X4H6 FEIN:943346127 |
| Audit Period | 1/1/2023 - 12/31/2023 |
| Submitted | 07/18/2024; LEART SHAKA; Controller; learts@upwardlyglobal.org; 2122198828 |
| Accepted | |
| Program Count | 1 |

| All Programs Total | | | | |
|----------------------------------------|--------------|---------------------|----------------------|----------------------|
| Category | State | Federal | Other | Total |
| Personal Services (Salaries and Wages) | 0.00 | 724,306.09 | 6,979,784.60 | 7,704,090.69 |
| Fringe Benefits | 0.00 | 171,245.41 | 1,870,420.69 | 2,041,666.10 |
| Travel | 0.00 | 6,325.77 | 256,573.18 | 262,898.95 |
| Equipment | 0.00 | 0.00 | 93,811.64 | 93,811.64 |
| Supplies | 0.00 | 0.00 | 22,858.29 | 22,858.29 |
| Contractual Services | 0.00 | 50,608.39 | 3,206,003.03 | 3,256,611.42 |
| Consultant (Professional Services) | 0.00 | 0.00 | 2,804,584.38 | 2,804,584.38 |
| Construction | 0.00 | 0.00 | 0.00 | 0.00 |
| Occupancy - Rent and Utilities | 0.00 | 0.00 | 340,100.60 | 340,100.60 |
| Research and Development | 0.00 | 0.00 | 0.00 | 0.00 |
| Telecommunications | 0.00 | 0.00 | 33,595.34 | 33,595.34 |
| Training and Education | 0.00 | 15,874.00 | 249,739.51 | 265,613.51 |
| Direct Administrative Costs | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Costs | 0.00 | 149,546.90 | 525,980.18 | 675,527.08 |
| ALN 21.027 CSLFRF | 0.00 | 0.00 | 0.00 | 0.00 |
| All Grant Specific Categories | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL DIRECT EXPENDITURES | 0.00 | 1,117,906.56 | 16,383,451.44 | 17,501,358.00 |
| Indirect Costs | 0.00 | 6,276.84 | 1,797.05 | 8,073.89 |
| TOTAL EXPENDITURES | 0.00 | 1,124,183.40 | 16,385,248.49 | 17,509,431.89 |

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

| | |
|----------------------------|---------------------------------------------------------|
| State Agency | Department Of Human Services (444) |
| Program Name | Title XX DFI Refugee & Immigrant Services (444-80-1233) |
| Program Limitations | No |
| Mandatory Match | Yes 25% |
| Indirect Cost Rate | 10.00 Base:\$80,027.27 |

| Category | State | Federal | Other | Total |
|----------------------------------------|--------------|------------------|------------------|------------------|
| Personal Services (Salaries and Wages) | 0.00 | 48,173.51 | 14,916.95 | 63,090.46 |
| Fringe Benefits | 0.00 | 14,595.05 | 3,053.96 | 17,649.01 |
| Indirect Costs | 0.00 | 6,276.84 | 1,797.05 | 8,073.89 |
| TOTAL DIRECT EXPENDITURES | 0.00 | 69,045.40 | 19,767.96 | 88,813.36 |

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

| | |
|---------------------|-------------------------------------|
| Program Name | Other grant programs and activities |
|---------------------|-------------------------------------|

| Category | State | Federal | Other | Total |
|----------------------------------------|--------------|---------------------|-------------------|---------------------|
| Personal Services (Salaries and Wages) | 0.00 | 676,132.58 | 560,662.81 | 1,236,795.39 |
| Fringe Benefits | 0.00 | 156,650.36 | 140,669.02 | 297,319.38 |
| Travel | 0.00 | 6,325.77 | 0.00 | 6,325.77 |
| Contractual Services | 0.00 | 50,608.39 | 590.00 | 51,198.39 |
| Training and Education | 0.00 | 15,874.00 | 0.00 | 15,874.00 |
| Miscellaneous Costs | 0.00 | 149,546.90 | 137,678.77 | 287,225.67 |
| TOTAL DIRECT EXPENDITURES | 0.00 | 1,055,138.00 | 839,600.60 | 1,894,738.60 |

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

| | |
|---------------------|-------------------------------|
| Program Name | All other costs not allocated |
|---------------------|-------------------------------|

| Category | State | Federal | Other | Total |
|----------------------------------------|--------------|----------------|----------------------|----------------------|
| Personal Services (Salaries and Wages) | 0.00 | 0.00 | 6,404,204.84 | 6,404,204.84 |
| Fringe Benefits | 0.00 | 0.00 | 1,726,697.71 | 1,726,697.71 |
| Travel | 0.00 | 0.00 | 256,573.18 | 256,573.18 |
| Equipment | 0.00 | 0.00 | 93,811.64 | 93,811.64 |
| Supplies | 0.00 | 0.00 | 22,858.29 | 22,858.29 |
| Contractual Services | 0.00 | 0.00 | 3,205,413.03 | 3,205,413.03 |
| Consultant (Professional Services) | 0.00 | 0.00 | 2,804,584.38 | 2,804,584.38 |
| Occupancy - Rent and Utilities | 0.00 | 0.00 | 340,100.60 | 340,100.60 |
| Telecommunications | 0.00 | 0.00 | 33,595.34 | 33,595.34 |
| Training and Education | 0.00 | 0.00 | 249,739.51 | 249,739.51 |
| Miscellaneous Costs | 0.00 | 0.00 | 388,301.41 | 388,301.41 |
| TOTAL DIRECT EXPENDITURES | 0.00 | 0.00 | 15,525,879.93 | 15,525,879.93 |

UPWARDLY GLOBAL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

| Federal Granting Agency and Program Title | Assistance Listing Number | Pass-Through Entity Identifying Number | Pass-Through to Subrecipients | 2023 Expenditures |
|-----------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------|-------------------------------------|----------------------|
| United States Department of Health and Human Services | | | | |
| Pass-through from the State of Illinois: Social Services Block Grants | 93.667 | FCSBK00439 | \$ - | \$ 69,045 |
| Refugee and Entrant Assistance Discretionary Grants | 93.576 | N/A | 32,006 | 581,844 |
| Pass-through from the International Rescue Committee: Switchboard | 93.576 | T3AKBWA7X4H6 | - | 159,530 |
| Subtotal ALN 93.576 | | | 32,006 | 741,374 |
| Pass-through from the New York State Department of State: Community Services Block Grants | 93.569 | C1001862 | - | 5,313 |
| Pass-through from California Department of Social Services: Afghan Arrival Job Readiness | 93.566 | AAJR22 | 18,602 | 282,814 |
| Subtotal United States Department of Health and Human Services | | | 50,608 | 1,098,546 |
| 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 | C19433GG | - | 4,050 |
| Subtotal United States Department of Labor | | | - | 4,050 |
| United States Department of Commerce - Economic Adjustment Assistance Cluster | | | | |
| Pass-through from the Southeast Michigan Community Alliance: Economic Development Activities | 11.307 | 06-79-06449 | - | 21,587 |
| Subtotal United States Department of Commerce | | | - | 21,587 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 50,608 | \$ 1,124,183 |

UPWARDLY GLOBAL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023. 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 Revenue

A reconciliation of government grants revenue for the year ended December 31, 2023 is below:

| | |
|------------------------------------------------------------------------------------------------|----------------------------|
| Federal grant revenue | \$ 1,124,183 |
| Non-Federal grant revenue | <u>1,085,454</u> |
| TOTAL GOVERNMENT GRANT REVENUE PER STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS | <u>\$ 2,209,637</u> |

UPWARDLY GLOBAL
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 |
| 93.566 | Afghan Arrival Job Readiness |

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, 2023

Section II - Financial Statement Findings

There were no reportable findings.

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

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.

Cause: Upwardly Global's internal compliance controls do not require that eligibility documentation for each participant be retained and available for review.

Effect or Potential Effect: It is possible that Upwardly Global provided services to ineligible individuals through the program, as appropriate eligibility documentation cannot be verified.

Questioned Costs: None.

Context: A sample of twenty participants were selected for testing. We consider our sample selection to be representative of the population.

Identification as a Repeat Finding: Not a repeat finding.

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.

Views of Responsible Officials: In June 2024, program leadership reviewed grant eligibility and documentation requirements, and revised protocols and training for the implementing staff to ensure understanding and compliance on proper documentation review and retention for eligible participants. Program leadership will perform regular case file reviews to ensure compliance with these requirements.

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

There were no prior year reportable findings.



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 (Upwardly Global), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Upwardly Global's basic financial statements, and have issued our report thereon dated August 6, 2024.

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

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".

August 6, 2024



CPAs & ADVISORS

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, 2023. 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, 2023.

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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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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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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding 2023-001. Our opinion on each major Federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Upwardly Global's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Upwardly Global's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2023-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Upwardly Global's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Upwardly Global's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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

August 6, 2024