

**FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2017**

# UPWARDLY GLOBAL

## CONTENTS

	<b>PAGE NO.</b>
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of December 31, 2018, with Summarized Financial Information for 2017	4
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2018, with Summarized Financial Information for 2017	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2018, with Summarized Financial Information for 2017	6 - 7
EXHIBIT D - Statement of Cash Flows, for the Year Ended December 31, 2018, with Summarized Financial Information for 2017	8
NOTES TO FINANCIAL STATEMENTS	9 - 15



**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of Upwardly Global, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upwardly Global as of December 31, 2018, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

---

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

### **Report on Summarized Comparative Information**

The prior year summarized comparative information has been derived from Upwardly Global's 2017 financial statements, which were audited by other auditors and, in their report dated September 7, 2018, they expressed an unmodified opinion on those statements.

*Gelman Rosenberg & Freedman*

October 23, 2019

**UPWARDLY GLOBAL**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2018**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

<b>ASSETS</b>		<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	2,301,983	\$ 1,017,114
Investments		13,583	-
Receivables		1,125,894	2,040,903
Prepaid expenses		<u>45,970</u>	<u>68,961</u>
Total current assets		<u>3,487,430</u>	<u>3,126,978</u>
<b>FIXED ASSETS</b>			
Equipment		31,815	28,415
Furniture		117,802	117,802
Computer equipment		<u>58,271</u>	<u>60,286</u>
		207,888	206,503
Less: Accumulated depreciation		<u>(150,784)</u>	<u>(123,637)</u>
Net fixed assets		<u>57,104</u>	<u>82,866</u>
<b>OTHER ASSETS</b>			
Deposits		<u>60,306</u>	<u>82,876</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>3,604,840</u></b>	<b>\$ <u>3,292,720</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$	134,253	\$ 167,899
Accrued salaries and related benefits		185,753	89,744
Deferred revenue		<u>49,421</u>	<u>67,500</u>
Total liabilities		<u>369,427</u>	<u>325,143</u>
<b>NET ASSETS</b>			
Without donor restrictions		1,742,053	740,753
With donor restrictions		<u>1,493,360</u>	<u>2,226,824</u>
Total net assets		<u>3,235,413</u>	<u>2,967,577</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>3,604,840</u></b>	<b>\$ <u>3,292,720</u></b>

See accompanying notes to financial statements.

## UPWARDLY GLOBAL

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Corporate and foundation contributions	\$ 295,269	\$ 3,144,824	\$ 3,440,093	\$ 3,684,959
Individual contributions	343,334	45,500	388,834	652,012
Government grants	443,920	-	443,920	648,084
In-kind contributions	756,379	-	756,379	580,821
Special events, net	598,929	-	598,929	600,957
Employer partner fees	333,503	-	333,503	186,400
Other revenue	1,428	-	1,428	5,368
Net assets released from donor restrictions	<u>3,923,788</u>	<u>(3,923,788)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>6,696,550</u>	<u>(733,464)</u>	<u>5,963,086</u>	<u>6,358,601</u>
<b>EXPENSES</b>				
Program Services:				
National Program	2,083,021	-	2,083,021	2,221,779
New York Program	605,983	-	605,983	532,753
Eastern Program	225,547	-	225,547	356,373
Central Program	449,396	-	449,396	529,043
Western Program	587,868	-	587,868	838,828
Jobversity Program	<u>388,825</u>	<u>-</u>	<u>388,825</u>	<u>123,283</u>
Total program services	<u>4,340,640</u>	<u>-</u>	<u>4,340,640</u>	<u>4,602,059</u>
Supporting Services:				
Management and General	970,660	-	970,660	461,267
Fundraising	<u>383,950</u>	<u>-</u>	<u>383,950</u>	<u>786,389</u>
Total supporting services	<u>1,354,610</u>	<u>-</u>	<u>1,354,610</u>	<u>1,247,656</u>
Total expenses	<u>5,695,250</u>	<u>-</u>	<u>5,695,250</u>	<u>5,849,715</u>
Change in net assets	1,001,300	(733,464)	267,836	508,886
Net assets at beginning of year	<u>740,753</u>	<u>2,226,824</u>	<u>2,967,577</u>	<u>2,458,691</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,742,053</u></b>	<b><u>\$ 1,493,360</u></b>	<b><u>\$ 3,235,413</u></b>	<b><u>\$ 2,967,577</u></b>

**UPWARDLY GLOBAL**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

	<b>2018</b>				
	<b>Program Services</b>				
	<b>National</b>	<b>New York</b>	<b>Eastern</b>	<b>Central</b>	<b>Western</b>
Salaries	\$ 767,600	\$ 411,017	\$ 161,299	\$ 309,255	\$ 407,045
Employee benefits	100,403	55,291	17,300	52,011	40,891
Payroll taxes	63,012	32,662	12,093	24,538	34,366
Total personnel	931,015	498,970	190,692	385,804	482,302
Contract services	209,805	12,842	18,885	33,077	26,765
Advertising and promotion	21,759	1,147	90	2,800	431
Supplies and office expenses	891	19,403	1,282	6,214	5,328
Occupancy and rentals	72,245	163,358	7,187	37,927	48,218
Printing and publications	75	4,723	185	3,482	4,297
Information technology	350	8,600	28	4,418	4,700
Travel and meals	22,447	2,819	4,116	3,641	4,534
Depreciation	7,987	4,277	1,678	3,218	4,235
Insurance	10,484	5,105	2,203	4,224	5,559
License and service fees	55,980	14,592	128	13,378	1,618
Professional development	533	178	-	1,034	799
Other	5,205	507	401	1,419	1,321
In-kind services - consulting, rent and licenses	744,245	-	-	-	12,134
Total expenses	2,083,021	736,521	226,875	500,636	602,241
Less: Special event expenses	-	(130,538)	(1,328)	(51,240)	(14,373)
<b>TOTAL</b>	<b>\$ 2,083,021</b>	<b>\$ 605,983</b>	<b>\$ 225,547</b>	<b>\$ 449,396</b>	<b>\$ 587,868</b>

							2017
Supporting Services							
Jobversity	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses	
\$ 227,986	\$ 2,284,202	\$ 464,815	\$ 191,998	\$ 656,813	\$ 2,941,015	\$ 3,083,939	
37,214	303,110	55,528	20,435	75,963	379,073	384,935	
17,085	183,756	37,275	15,445	52,720	236,476	252,052	
282,285	2,771,068	557,618	227,878	785,496	3,556,564	3,720,926	
55,408	356,782	193,707	32,428	226,135	582,917	935,758	
2,105	28,332	-	5,499	5,499	33,831	15,736	
24	33,142	8,121	4,376	12,497	45,639	49,408	
9,155	338,090	100,708	57,547	158,255	496,345	455,282	
89	12,851	488	188	676	13,527	-	
8,000	26,096	16,708	872	17,580	43,676	(8,035)	
19,237	56,794	20,882	18,614	39,496	96,290	103,093	
2,372	23,767	4,836	1,998	6,834	30,601	28,363	
3,509	31,084	6,348	2,622	8,970	40,054	18,237	
5,227	90,923	33,058	24,504	57,562	148,485	111,055	
1,414	3,958	685	500	1,185	5,143	11,506	
-	8,853	27,501	6,924	34,425	43,278	3,211	
-	756,379	-	-	-	756,379	580,821	
388,825	4,538,119	970,660	383,950	1,354,610	5,892,729	6,025,361	
-	(197,479)	-	-	-	(197,479)	(175,646)	
<b>\$ 388,825</b>	<b>\$ 4,340,640</b>	<b>\$ 970,660</b>	<b>\$ 383,950</b>	<b>\$ 1,354,610</b>	<b>\$ 5,695,250</b>	<b>\$ 5,849,715</b>	

See accompanying notes to financial statements.

## UPWARDLY GLOBAL

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 267,836	\$ 508,886
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	30,601	28,363
Unrealized loss on investments	678	-
Loss on disposal of property and equipment	-	3,724
Donated investments	(19,393)	-
Decrease (increase) in:		
Receivables	915,009	(223,440)
Prepaid expenses	22,991	(37,461)
Deposits	22,570	(6,716)
(Decrease) increase in:		
Accounts payable and accrued expenses	(33,646)	136,177
Accrued salaries and related benefits	96,009	(98,739)
Deferred revenue	(18,079)	67,500
Net cash provided by operating activities	<u>1,284,576</u>	<u>378,294</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(4,839)	(15,501)
Net proceeds from sale of investments	<u>5,132</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>293</u>	<u>(15,501)</u>
Net increase in cash and cash equivalents	1,284,869	362,793
Cash and cash equivalents at beginning of year	<u>1,017,114</u>	<u>654,321</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 2,301,983</u></b>	<b><u>\$ 1,017,114</u></b>

## UPWARDLY GLOBAL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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

##### Organization -

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

On June 28, 2018, management of Upwardly Global entered into an agreement with Alight (formerly, the American Refugee Committee), whereby Upwardly Global and Alight agreed to join operations through a shared governance arrangement between the organizations' board of directors. In accordance with the agreement, Alight would retain control of Upwardly Global and Alight would consult with Upwardly Global in shaping strategy, designing initiatives and decision-making for Alight in matters regarding Alight's engagement in job-seeking programs in the United States and other matters related to the Upwardly Global mission. To support Upwardly Global's mission, Alight awarded a grant of \$250,000 during the 2018 fiscal year. Such amount is included in corporate and foundation contributions with donor restrictions in the accompanying Statement of Activities and Change in Net Assets.

In accordance with section 3.13 of the aforementioned agreement, if at any time prior to the first anniversary of the closing (June, 28, 2018), the board of directors of either Upwardly Global or Alight, upon a majority vote rescinds the agreement, then representatives of each organization shall meet and negotiate in good faith an agreement with such effect, and execute such agreement within three months after the applicable board vote (refer to Note 8 titled "Subsequent Events").

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted during the year ended December 31, 2018 and applied retrospectively.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Upwardly Global's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

##### Cash and cash equivalents -

Upwardly Global considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year Upwardly Global maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Investments -

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

**UPWARDLY GLOBAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

Investments (continued) -

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

Receivables -

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

Fixed assets -

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

Income taxes -

Upwardly Global is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. The organization is not a private foundation.

Uncertain tax positions -

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

Deferred revenue -

Deferred revenue consists of employer partnerships and the revenue is recognized over the life of the partnership (generally one year) or, if single-day event only, on the date of the event.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

## UPWARDLY GLOBAL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Net asset classification (continued) -

- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Contributions and grants -

Contributions and grants received without donor restrictions and with donor restrictions are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restriction in the accompanying financial statements.

Upwardly Global receives awards under grants and contracts from the U.S. government and other sources for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such awards are recorded as revenue "without donor restrictions" to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Grants receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements.

In-kind contributions -

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

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 Statement of Activities and Change in Net Assets.

## UPWARDLY GLOBAL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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

##### Functional allocation of expenses (continued) -

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

##### Fair value measurement -

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

##### New accounting pronouncements (not yet adopted) -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. Upwardly Global has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. Upwardly Global has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements.

UPWARDLY GLOBAL

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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

New accounting pronouncements (not yet adopted) (continued) -

The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

Upwardly Global plans to adopt the new ASUs at the respective required implementation dates.

2. **NET ASSETS WITH DONOR RESTRICTIONS**

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

Purpose Restrictions:	
National program	\$ 973,655
New York program	75,000
Eastern program	35,000
Central program	227,601
Western program	<u>182,104</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 1,493,360</u></b>

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

National program	\$ 1,644,709
New York program	852,286
Eastern program	188,750
Central program	548,166
Western program	<u>689,877</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b><u>\$ 3,923,788</u></b>

3. **LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 2,301,983
Investments	13,583
Receivables	<u>1,125,894</u>
Subtotal financial assets	3,441,460
Less: Donor funds restricted for specific purposes	<u>(1,493,360)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 1,948,100</u></b>

**UPWARDLY GLOBAL**

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

**3. LIQUIDITY AND AVAILABILITY (Continued)**

Upwardly Global has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2018, Upwardly Global has financial assets equal to approximately four months of operating expenses.

**4. SPECIAL EVENTS, NET**

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 year ended December 31, 2018:

Corporate sponsorships	\$ 446,043
Ticket sales and individual contributions	350,365
Less: cost of direct donor benefits	<u>(197,479)</u>
	<b><u>\$ 598,929</u></b>

**5. LEASE COMMITMENTS**

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

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

**Year Ending December 31,**

2019	\$ 328,604
2020	337,138
2021	216,532
2022	<u>34,801</u>
	<b><u>\$ 917,075</u></b>

Rent expense, net of in-kind contributions, for the year ended December 31, 2018 was \$349,886.

**6. RETIREMENT PLAN**

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

**7. RELATED PARTY TRANSACTIONS**

During 2018, Upwardly Global received support from an entity affiliated with a member of Upwardly Global's Board of Directors totaling approximately \$900,000. In addition, Upwardly Global received pro-bono strategy development consulting services from the same organization which totaled approximately \$552,000.

**UPWARDLY GLOBAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**8. SUBSEQUENT EVENTS**

On June 18, 2019, the Board of Directors of Upwardly Global, upon a majority vote, resolved to rescind the shared governance agreement with Alight (formerly, the American Refugee Committee) in accordance with section 3.13 of the shared governance agreement signed on June 28, 2018.

Accordingly, representatives of each organization shall meet and negotiate in good faith with such effect, and execute such agreement within three months after the June 18, 2019 board vote.

In addition to the aforementioned, in preparing these financial statements, Upwardly Global has evaluated events and transactions for potential recognition or disclosure through October 23, 2019, the date the financial statements were issued.