

Up2Us, Inc.

Financial Statements

August 31, 2020

Up2Us, Inc.

Financial Statements

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TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
 FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14

Independent Auditors' Report

Board of Directors
Up2Us, Inc.

We have audited the accompanying financial statements of Up2Us, Inc. ("Up2Us"), which comprise the statement of financial position as of August 31, 2020, and the related statements of activities, 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.

Auditors' 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 auditors' 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 Up2Us, Inc. as of August 31, 2020, and the changes 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.

Emphasis of Matter

We draw attention to Note 10 of the financial statements, which describes Up2Us's discussion of the current events, conditions and plans to improve the results of operation, and net deficiency in net assets. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Up2Us's August 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

June 7, 2021

Up2Us, Inc.

Statement of Financial Position
August 31, 2020
(with comparative amounts at August 31, 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 803,961	\$ 26,274
Government grants receivable, net	482,226	169,658
Contracts receivable, net	288,417	265,485
Contributions receivable, net	27,040	129,174
Prepaid expenses	2,900	6,624
Security deposits	<u>9,403</u>	<u>8,503</u>
	<u>\$ 1,613,947</u>	<u>\$ 605,718</u>
LIABILITIES AND NET ASSETS (DEFICIT)		
Liabilities		
Accounts payable and accrued expenses	\$ 717,800	\$ 309,047
Line of credit	-	98,159
Loan payable	50,000	85,000
Paycheck Protection Program loan payable	925,500	-
Deferred revenue	66,525	227,196
Government grant advances	<u>-</u>	<u>27,162</u>
Total Liabilities	<u>1,759,825</u>	<u>746,564</u>
Net Assets (Deficit)		
Without donor restrictions	(1,854,773)	(1,996,397)
With donor restrictions	<u>1,708,895</u>	<u>1,855,551</u>
Total Net Assets (Deficit)	<u>(145,878)</u>	<u>(140,846)</u>
	<u>\$ 1,613,947</u>	<u>\$ 605,718</u>

See notes to financials statements

Up2Us, Inc.

Statement of Activities
Year Ended August 31, 2020
(with summarized totals for the year ended August 31, 2019)

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Contributions	\$ 252,247	\$ 1,603,870	\$ 1,856,117	\$ 1,726,142
Government grants	3,357,496	-	3,357,496	2,398,010
Contract income	1,441,885	-	1,441,885	1,914,594
Donated services	254,767	-	254,767	265,591
Consulting income	109,165	-	109,165	75,410
Special event revenue (net of costs of direct benefits to donors of \$0 and \$47,377)	765	-	765	443,976
Other income	33,087	-	33,087	57,007
Net assets released from restrictions	<u>1,750,526</u>	<u>(1,750,526)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>7,199,938</u>	<u>(146,656)</u>	<u>7,053,282</u>	<u>6,880,730</u>
EXPENSES				
Program services	5,871,328	-	5,871,328	5,898,331
Management and general	1,065,444	-	1,065,444	1,467,134
Fundraising	<u>121,542</u>	<u>-</u>	<u>121,542</u>	<u>226,969</u>
Total Expenses	<u>7,058,314</u>	<u>-</u>	<u>7,058,314</u>	<u>7,592,434</u>
Change in Net Assets (Deficit)	141,624	(146,656)	(5,032)	(711,704)
NET ASSETS (DEFICIT)				
Beginning of year	<u>(1,996,397)</u>	<u>1,855,551</u>	<u>(140,846)</u>	<u>570,858</u>
End of year	<u>\$ (1,854,773)</u>	<u>\$ 1,708,895</u>	<u>\$ (145,878)</u>	<u>\$ (140,846)</u>

See notes to financial statements

Up2Us, Inc.

Statement of Functional Expenses Year Ended August 31, 2020 (with summarized totals for the year ended August 31, 2019)

	2020			2019 Total	
	Program Services	Management and General	Fundraising		Total
Salaries	\$ 1,665,062	\$ 518,885	\$ 28,088	\$ 2,212,035	\$ 2,395,122
Payroll taxes and employee benefits	604,453	96,641	8,179	709,273	727,848
Coaches'/Vistas' living allowance	2,205,151	-	-	2,205,151	2,419,051
Total Personnel	<u>4,474,666</u>	<u>615,526</u>	<u>36,267</u>	<u>5,126,459</u>	<u>5,542,021</u>
Program expenses (including in-kind equipment of \$75,000 and \$75,000)	151,920	-	54	151,974	114,436
Grants to sub-grantees	281,703	-	-	281,703	237,954
Rent (including in-kind of \$95,054 and \$86,400)	141,162	76,000	-	217,162	363,027
Telephone and utilities	24,233	10,066	-	34,299	42,318
Repairs and maintenance	140	8,733	-	8,873	8,671
Equipment rental	961	2,047	-	3,008	2,284
Professional fees (including in-kind legal fees of \$84,713 and \$104,191)	542,868	249,233	82,648	874,749	678,114
Insurance	-	20,593	-	20,593	14,581
Publications, office equipment and supplies	9,523	46,973	69	56,565	47,567
Dues and subscriptions	16,263	6,376	199	22,838	17,353
Travel and conferences	132,491	-	2,075	134,566	278,886
Licenses and fees	11,855	29,897	230	41,982	30,901
Stipend	71,693	-	-	71,693	38,665
Bad debt	8,641	-	-	8,641	166,441
Miscellaneous	3,209	-	-	3,209	56,592
	<u>5,871,328</u>	<u>1,065,444</u>	<u>121,542</u>	<u>7,058,314</u>	<u>7,639,811</u>
Less direct benefits to donors	-	-	-	-	<u>(47,377)</u>
Total Expenses Reported by Function on Statement of Activities	<u>\$ 5,871,328</u>	<u>\$ 1,065,444</u>	<u>\$ 121,542</u>	<u>\$ 7,058,314</u>	<u>\$ 7,592,434</u>

See notes to financials statements

Up2Us, Inc.

Statement of Cash Flows Year Ended August 31, 2020

(with comparative amounts for the year ended August 31, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets (deficit)	\$ (5,032)	\$ (711,704)
Adjustments to reconcile change in net assets (deficit) to net cash from operating activities		
Bad debt expense	8,641	166,441
Changes in assets and liabilities		
Government grants receivable	(312,568)	163,776
Contracts receivable	(31,573)	448,362
Contributions receivable	102,134	(129,174)
Prepaid expenses	3,724	(3,368)
Security deposits	(900)	14
Accounts payable and accrued expenses	408,753	(55,399)
Deferred revenue	(160,671)	(55,984)
Government grant advances	(27,162)	-
Net Cash From Operating Activities	(14,654)	(177,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	70,621	418,200
Repayments of line of credit	(168,780)	(320,041)
Proceeds from Paycheck Protection Program loan	925,500	-
Proceeds from loan payable	175,000	100,000
Repayments of loans payable	(210,000)	(15,000)
Net Cash From Financing Activities	792,341	183,159
Net Change in Cash	777,687	6,123
CASH		
Beginning of year	26,274	20,151
End of year	\$ 803,961	\$ 26,274
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 22,187	\$ 23,697
Taxes paid	190	105

See notes to financial statements

Up2Us, Inc.

Notes to Financial Statements
August 31, 2020

1. Organization and Tax Status

Up2Us, Inc. (Up2Us), is leading a national movement to advance sports as a tool for addressing the critical issues facing youth in this nation, including childhood obesity, academic failure, and anti-social behavior. Up2Us accomplishes this by supporting a national network of more than 500 member organizations operating in all fifty states. Together, these organizations serve 20 million youth through both traditional and nontraditional sports. Upon joining Up2Us, these members pledge to share best practices, advance initiatives that extend opportunities to new youth, and deliver quality programs in underserved communities where there is a tremendous need for constructive outlets for kids.

Up2Us has been notified by the Internal Revenue Service that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

Revenue from Contracts with Customers

Effective September 1, 2019, Up2Us adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, as amended. The guidance provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition guidance does not apply to how contributions are recognized, as they are specifically scoped out of the new guidance.

The core principle of the new guidance is that an entity should recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those promised goods or services to customers. The guidance includes a five-step framework to determine the timing and amount of revenue to recognize related to contracts with customers. In addition, this guidance requires new or expanded disclosures related to judgments made by entities when following this framework.

Up2Us, Inc.

Notes to Financial Statements
August 31, 2020

2. Summary of Significant Accounting Policies *(continued)*

New Accounting Pronouncements (continued)

Revenue from Contracts with Customers (continued)

Analysis of various provisions of this standard resulted in no changes in the way Up2Us recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

The new guidance requires Up2Us to not recognize revenue until it is probable of collection and management has concluded to date that all revenue recognized is probable of collection.

Recognition of Contributions

Effective September 1, 2019, Up2Us adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as non-exchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way Up2Us recognizes grants and contributions, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

Net Asset Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Without donor restrictions – consist of resources available for the general support of Up2Us's operations and that may be used at the discretion of the Up2Us's management and Board of Directors.

With donor restrictions – consist of resources which have either an implied or stated time restriction or have been restricted by donors for specified activities including gift instruments requiring the principal be invested in perpetuity and the income be used for specific or general purposes. Donor restrictions that have been satisfied are reported in the statement of activities as net assets released from restrictions and are reclassified to net assets without donor restrictions.

Contract Income and Contracts Receivable

Contract income is recognized as income when the service for a host site is provided. The difference between revenue recognized and cash received is reflected as contracts receivable or deferred revenue in the statement of financial position.

Up2Us, Inc.

Notes to Financial Statements
August 31, 2020

2. Summary of Significant Accounting Policies *(continued)*

Contract Income and Contracts Receivable (continued)

Payments that are expected to be received in less than one year are recorded at net realizable value. Those that are due beyond one year are recorded at net present value which is calculated using a risk adjusted rate of return. As of August 31, 2020, all outstanding contract receivables are due to be collected in less than one year.

Contribution and Contributions Receivable

Up2Us reports contributions at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions received with restrictions from the donor for specific purposes or time periods are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Payments that are expected to be received in less than one year are recorded at net realizable value. Those that are due beyond one year are recorded at net present value which is calculated using a risk adjusted rate of return. As of August 31, 2020, all outstanding contributions receivable are due to be collected in less than one year.

Allowance for Doubtful Accounts

Management reviews receivables for collectability based on various factors such as historical experience and subsequent collections. Based on this review, management has established a reserve for potential uncollectible contract and contribution payments of \$107,658 and \$105,182 as of August 31, 2020 and 2019.

Government Grants

Government grants are recognized as income when a reimbursable expense is incurred. The difference between revenue recognized and cash received is reflected as government grant receivable or government grant advances.

Donated Services and Rent

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind.

Up2Us, Inc.

Notes to Financial Statements
August 31, 2020

2. Summary of Significant Accounting Policies *(continued)*

Donated Services and Rent (continued)

The following schedule reflects the details of the donated goods and services received for the years ended August 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Legal services	\$ 84,713	\$ 104,191
Rent	95,054	86,400
Program uniforms	<u>75,000</u>	<u>75,000</u>
	<u>\$ 254,767</u>	<u>\$ 265,591</u>

Functional Allocation of Expenses

The costs of providing various programs, management and general and fundraising services have been summarized on a functional basis. Expenses readily identifiable to program or supporting services are charged directly to that function. Categories of expenses attributable to program, management and general or fundraising services are allocated on a reasonable basis. Allocated expenses among program, management and general and fundraising include rent, professional fees, telephone and utilities, publications, office equipment and supplies, dues and subscriptions, travel and conferences, and licenses and fees which are allocated based on time and costs where efforts are made.

Summarized Comparative Financial Statements

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 U.S. GAAP. Such information should be read in conjunction with the Up2Us's 2019 financial statements, from which the summarized comparative information is derived.

Accounting for Uncertainty of Income Taxes

Up2Us recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that Up2Us has no uncertain tax positions that would require financial statement recognition and/or disclosure. Up2Us is no longer subject to examinations by the applicable taxing jurisdictions for the years prior to August 31, 2017.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 7, 2021.

Up2Us, Inc.

Notes to Financial Statements August 31, 2020

3. Concentration of Credit Risk

Financial instruments that potentially subject Up2Us to concentrations of credit risk consists principally of cash on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation (“FDIC”) limit. Up2Us does not believe that a significant risk of loss, due to the failure of a financial institution presently exists.

4. Net Assets with Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years ended August 31, 2020 and 2019:

Purpose/Restriction	Balance at September 1, 2019	Additions	Releases	Balance at August 31, 2020
Member services	\$ 699,113	\$ 1,183,870	\$ (1,103,752)	\$ 779,231
Coach Across America	997,938	400,000	(543,183)	854,755
Gala	110,000	20,000	(90,301)	39,699
Other	48,500	-	(13,290)	35,210
Total	<u>\$ 1,855,551</u>	<u>\$ 1,603,870</u>	<u>\$ (1,750,526)</u>	<u>\$ 1,708,895</u>

Purpose/Restriction	Balance at September 1, 2018	Additions	Releases	Balance at August 31, 2019
Member services	\$ 237,889	\$ 659,500	\$ (198,276)	\$ 699,113
Coach Across America	1,882,867	544,000	(1,428,929)	997,938
Gala	-	110,000	-	110,000
Other	-	48,500	-	48,500
Total	<u>\$ 2,120,756</u>	<u>\$ 1,362,000</u>	<u>\$ (1,627,205)</u>	<u>\$ 1,855,551</u>

5. Debt and Related Party Transactions

Bank Line of Credit

In 2016, Up2Us entered into a line of credit agreement with its primary bank in the amount of \$150,000 at a variable rate with monthly payments of 2% of the outstanding principal balance. Up2Us drew down \$70,621 on this line of credit and repaid \$168,780 during the year ended August 31, 2020. As of August 31, 2020, Up2Us had no outstanding balance. Total interest expense amounted to \$22,187 and \$23,697 for the years ended August 31, 2020 and 2019.

Related Party Loan

In October 2019, Up2Us entered into an interest-free loan of \$100,000 to be paid back over two years with family members of a key member of management (the “related party”) as a result of the financial condition of Up2Us. From time to time, Up2Us receives loans from multiple related parties. As of August 31, 2020, Up2Us had an outstanding loan payable balance of \$50,000 to the related party.

Up2Us, Inc.

Notes to Financial Statements
August 31, 2020

5. Debt and Related Party Transactions *(continued)*

Paycheck Protection Program Loan

On April 23, 2020, Up2Us received loan proceeds in the amount of \$925,500 under the Paycheck Protection Program (the “PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the “Covered Period”). The unforgiven portion of the PPP loan, if any, is payable within two years from the date of the loan. Loan payments of principal or interest are deferred until the amount of loan forgiveness is determined by the United States Small Business Administration (“SBA”). If Up2Us does not apply for forgiveness, payments begin approximately 6 months after the loan date.

The approximate annual maturity of the PPP loan over the next two years are payable as follows (provided the PPP loan is not forgiven) for the fiscal years ending August 31:

2021	\$ 514,167
2022	<u>411,333</u>
	<u>\$ 925,500</u>

Up2Us believes it has used all proceeds received in accordance with regulations established by the PPP. Management believes its use of the proceeds, including amounts expended through August 31, 2020, will be forgiven. The entire amount received under the PPP is reported as a loan on the statement of financial position at August 31, 2020. On April 16, 2021, Up2Us received notification of forgiveness of the entire PPP loan amount.

6. Retirement Plan

Up2Us sponsors a tax deferred annuity plan under 403(b) of the Internal Revenue Code for all full-time employees. The employees designate a percentage of their salaries to be contributed to the plan. The plan is non-contributory on the part of Up2Us.

7. Commitments and Contingencies

Program Audits

Government supported projects are subject to audit by the applicable granting agency. Management feels that there is minimal risk that the results of any such audit would reflect disallowed costs and has not recorded an allowance for such an event. Any disallowed costs that may arise in the future will be recognized when Up2Us is notified, and a liability is considered probable. No such audits are in process.

Up2Us, Inc.

Notes to Financial Statements August 31, 2020

7. Commitments and Contingencies *(continued)*

Leases

As of August 31, 2020, Up2Us has leases for rental of office spaces in several locations, including, Los Angeles, CA, Chicago, IL, Miami, FL, New Orleans, LA and Philadelphia, PA. The leases expire at various times through 2021. Rent expense including in-kind, was \$217,162 and \$363,027 for the years ended August 31, 2020 and 2019. At August 31, 2020, future minimum lease payments owed in 2021 under these agreements were \$9,285.

8. Liquidity and Availability of Financial Assets

The following reflects Up2Us's financial assets as of August 31, 2020 and 2019, reduced by the amounts not available for general use within one year of that date because of donor-advised or contractual restrictions.

	<u>2020</u>	<u>2019</u>
Cash	\$ 803,961	\$ 26,274
Government grants receivable	482,226	169,658
Contracts receivable, net	288,417	265,485
Contributions receivable	<u>27,040</u>	<u>129,174</u>
Financial Assets at Year End	1,601,644	590,591
Less amount unavailable for general expenditures:		
Amounts restricted by donors	<u>(1,708,895)</u>	<u>(1,855,551)</u>
Financial Assets at Year-end Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ (107,251)</u>	<u>\$ (1,264,960)</u>

Operations of Up2Us are funded primarily by government grants, contributions and program service fees. Proactive budgeting and cash management is utilized to ensure availability of funds. Up2Us received a \$925,500 loan through the Small Business Administration related to the Paycheck Protection Program as described in Note 5.

9. Concentration of Revenue and Receivables

For the years ended August 31, 2020 and 2019, government revenue comprised 48% and 35% of total revenue. For the years ended August 31, 2020 and 2019, contribution revenue comprised 26% and 25% of total revenue. For the years ended August 31, 2020 and 2019, contract revenue comprised 20% and 28% of total revenue. At August 31, 2020, grants from one agency comprised 27% of Up2Us's total receivables. At August 31, 2019, grants from one agency comprised 10% of Up2Us's total receivables. At August 31, 2020, four private donors comprised 49%, 20%, 13% and 13% of Up2Us's total contributions receivable. At August 31, 2019, two private donors comprised 58% and 19% of Up2Us's total contributions receivable.

Up2Us, Inc.

Notes to Financial Statements
August 31, 2020

10. Management's Discussion of Current Economic Environment and Plans to Improve Results of Operations

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventive or protective measures including extended closures of in-person programming.

On April 23, 2020, Up2Us received a Paycheck Protection Program loan in the amount of \$925,500 to mitigate the effects of the reduction of contract payments received from its partnering organizations and the general under enrollment of coach service members. Up2Us applied for loan forgiveness on April 5, 2021 and received forgiveness for the full loan amount from the U.S. Small Business Administration on April 16, 2021.

In light of the pandemic, Up2Us altered many of its in-person operations to remote, which has resulted in economic efficiencies resulting in expense savings of \$612,746. Up2Us plans to keep many of these efficiencies to maintain the lower cost of operations. In addition to the expense savings, Up2Us has procured new funding in the amount of \$750,000 in support of our operations. Up2Us's Vista Program is also set to expand, which will result in expanded programming and contracted revenues.

Understanding the negative financial impact that these extended closures would cause, the AmeriCorps Corporation for National and Community Service waived the financial match requirement which has helped to decrease the total expenditures needed to run the program. Subsequent to year end, the AmeriCorps Corporation for National and Community Service extended the waiver of the financial match requirement through 2021. Additionally, Up2Us and many of its partnering organizations continued programming remotely and, where available, shifted responsibilities to aid in COVID-19 relief operations.

11. Risks and Uncertainties

The ongoing coronavirus pandemic has resulted in substantial volatility in the global economy. The pandemic may potentially have an adverse effect on the results of operations. While management has implemented measures to mitigate the impact of the pandemic, including obtaining a PPP loan under the CARES Act as detailed in Note 5, the extent to which Up2Us's operations are impacted will depend on future developments, which are highly uncertain and cannot be predicted. As a result, management cannot reasonably estimate the overall impact of the coronavirus pandemic to Up2Us's future results of operations, cash flows, or financial condition.

* * * * *