GREENWOOD PROJECT

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023



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GREENWOOD PROJECT
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Greenwood Project
Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Greenwood Project (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Greenwood Project as of September 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greenwood Project and to meet our other ethical responsibilities in accordance with the 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 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 Greenwood Project's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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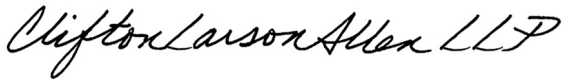
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 GAAS will always detect a material misstatement when it exists. 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 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 GAAS, 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 Greenwood Project'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 Greenwood Project'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.



CliftonLarsonAllen LLP

Middleton, Wisconsin
February 13, 2024

GREENWOOD PROJECT
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023

ASSETS

Cash and Cash Equivalents	$ 1,242,585
Investments	6,586
Promises to Give, Net	1,457,077
Prepaid Expenses and Other Assets	35,378
Operating Right-of-Use Asset, Net	3,404
Total Assets	$ 2,745,030

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	$ 9,506
Accrued Expenses and Other Liabilities	57,755
Operating Lease Liability	3,404
Total Liabilities	70,665
NET ASSETS	
Without Donor Restrictions	1,840,715
With Donor Restrictions	833,650
Total Net Assets	2,674,365
Total Liabilities and Net Assets	$ 2,745,030

See accompanying Notes to Financial Statements.

GREENWOOD PROJECT
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Donations and Grants	$ 1,293,559	$ 946,814	$ 2,240,373
In-Kind Contributions	58,012	-	58,012
Investment Income	2,077	-	2,077
Other Revenue	35	-	35
Net Assets Released from Restriction	626,768	(626,768)	-
Total Revenue	1,980,451	320,046	2,300,497
EXPENSES			
Program Services Expense	1,651,663	-	1,651,663
Supporting Services Expense:			
Management and General	541,398	-	541,398
Fundraising and Development	92,188	-	92,188
Total Supporting Services Expenses	633,586	-	633,586
Total Expenses for General Operations	2,285,249	-	2,285,249
CHANGE IN NET ASSETS FROM GENERAL OPERATIONS	(304,798)	320,046	15,248
OTHER INCOME (EXPENSE)			
Professional Services Revenue, In-Kind	850,000	-	850,000
Professional Services Expense, In-Kind	(850,000)	-	(850,000)
CHANGE IN NET ASSETS	(304,798)	320,046	15,248
Net Assets - Beginning of Year	2,145,513	513,604	2,659,117
NET ASSETS - END OF YEAR	$ 1,840,715	$ 833,650	$ 2,674,365

See accompanying Notes to Financial Statements.

GREENWOOD PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023

	Program Services	Management and General	Fundraising and Development	Total
Salaries and Wages	$ 600,173	$ 86,851	$ 48,819	$ 735,843
Employee Benefits	20,948	6,054	3,759	30,761
Payroll Taxes	51,858	7,504	4,218	63,580
Professional Services	96,380	141,379	-	237,759
Accounting Fees	-	158,024	-	158,024
Legal Fees	-	56,180	-	56,180
Advertising and Promotion	100	14,447	39	14,586
Office Expenses	31,538	8,692	9,594	49,824
Occupancy	41,843	6,050	3,521	51,414
Travel, Conferences and Meetings	61,995	16,671	1,872	80,538
Student Support	736,988	-	4,210	741,198
Insurance	-	4,682	-	4,682
Bad Debt Expense	-	-	15,000	15,000
Other	9,840	34,864	1,156	45,860
Total Operating Expenses	1,651,663	541,398	92,188	2,285,249
Nonoperating Expenses:				
Professional Services, In-Kind	-	74,000	776,000	850,000
Total Functional Expenses	$ 1,651,663	$ 615,398	$ 868,188	$ 3,135,249

See accompanying Notes to Financial Statements.

GREENWOOD PROJECT
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$	15,248
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Net Realized and Unrealized Investment (Gains) Losses		(1,763)
Provision for Uncollectible Promises to Give		15,000
Changes in Operating Assets and Liabilities:		
Promises to Give, Net		(622,077)
Prepaid Expenses and Other Assets		(26,920)
Accounts Payable		894
Accrued Expenses and Other Liabilities		32,784
Net Cash Provided (Used) by Operating Activities		(586,834)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(586,834)
Cash and Cash Equivalents - Beginning of Year		1,829,419
CASH AND CASH EQUIVALENTS - END OF YEAR	$	1,242,585

See accompanying Notes to Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Greenwood Project (we, us, our) is a nonprofit organization that benefits diverse, underserved students as well as our partner firms' efforts towards enhanced Diversity, Equity, and Inclusion initiatives. We create career pathways in the financial services industry for Black and Latino students. We partner with companies to find equitable and inclusive solutions for recruitment, retention, and advancement.

Basis of Presentation

The financial statements of Greenwood Project have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Promises to Give

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. We determine the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At September 30, 2023, the allowance was $15,000.

Property and Equipment

We record property and equipment additions over $2,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method.

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment income is reported in the statement of activities and consists of interest income and unrealized gains and losses.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Donor-imposed restrictions 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 a 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.

Leases

We determine if an arrangement is a lease at inception. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain we will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. We have elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or right-of-use assets in the statement of financial position.

When individual lease contracts do not provide information about the discount rate implicit in the lease, we have elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Contributions

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions

Contributed nonfinancial assets include donated professional services and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 9).

Advertising Costs

Advertising costs are expensed as incurred and totaled $14,586 for the year ended September 30, 2023.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, employee benefits and payroll taxes, which are allocated on the basis of estimates of time and effort. All other expenses are directly recorded to their functional classification.

Income Taxes

Greenwood Project is organized as an Illinois nonprofit corporation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Greenwood Project is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Greenwood Project is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that Greenwood Project is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us 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 revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from corporations and foundations supportive of our mission.

Subsequent Events

We have evaluated subsequent events through February 13, 2024, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at September 30, 2023:

Cash and Cash Equivalents	$ 1,242,585
Investments	6,586
Promises to Give, Net	1,457,077
Subtotal	2,706,248
Less: Amounts Restricted by Donors	(833,650)
Total Financial Assets Available for General Expenditures	$ 1,872,598

As part of our liquidity management plan, we invest cash in excess of daily requirements in money market funds.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at September 30, 2023:

Cash in Banks	$ 194,630
Money Market Funds	1,047,955
Total	$ 1,242,585

NOTE 4 INVESTMENTS

Investments consist of the following at September 30, 2023:

Common Stocks	$ 6,586

Common stocks are valued based on the daily closing price reported on the active markets on which the investments are traded and are considered to be within the Level 1 classification on the fair value hierarchy.

NOTE 5 PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at September 30, 2023:

Within One Year	$	855,963
In One to Five Years		650,000
Total		1,505,963
Less: Discount to Net Present Value at a Rate of 5.50%		(33,886)
Less: Allowance for Uncollectible Promises to Give		(15,000)
Total	$	1,457,077

At September 30, 2023, four donors accounted for 91% of total promises to give. Two contributors accounted for approximately 39% of total contribution revenue for the year ended September 30, 2023.

NOTE 6 RETIREMENT PLAN

We sponsor a defined contribution retirement plan which covers all employees who meet the eligibility requirements as defined by the plan. For eligible employees, we make a matching contribution equal to 100% of employees' 401(k) elective deferrals that do not exceed 1% of eligible compensation, plus 50% of employees' 401(k) elective deferrals that exceed 1% but do not exceed 6% of eligible compensation. Total employer matching contributions to the plan were $9,709 for the year ended September 30, 2023.

NOTE 7 LEASES

We lease office space under an operating lease, expiring in October 2023. We have entered into a new lease during fiscal year 2024 which has a one-year term.

The following table provides quantitative information concerning the lease, as of September 30, 2023:

Lease Cost:		
Operating Lease Cost (In-Kind)	$	41,172
Short-Term Lease Cost		-
Total Lease Cost	$	41,172
Other Information:		
Operating Cash Flows for Operating Leases	$	-
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities		-
Weighted-Average Remaining Lease Term - Operating Leases		0.1 Year
Weighted-Average Discount Rate - Operating Leases		0.78%

NOTE 7 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 30, 2023 is as follows:

Year Ending September 30,	Operating Leases
2024	$ 3,431
Less: Imputed Interest	(27)
Total	$ 3,404

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of September 30, 2023:

Subject to the Passage of Time	$ 300,000
Subject to Expenditure for Specified Purpose:	
General Programs	348,650
College Programs	35,000
High School Programs	150,000
Total	$ 833,650

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended September 30:

Satisfaction of Purpose Restrictions:	
General Programs	$ 69,042
College Programs	25,000
High School Programs	532,726
Total	$ 626,768

NOTE 9 IN-KIND CONTRIBUTIONS

We received donated professional services and other in-kind contributions as follows during the year ended September 30, 2023:

	Program Services	Management and General	Fundraising and Development	Total
Professional Services	$ -	$ 74,000	$ 776,000	$ 850,000
Rent	33,507	4,845	2,820	41,172
Software	12,830	1,901	1,109	15,840
Other	-	1,000	-	1,000
Total	$ 46,337	$ 81,746	$ 779,929	$ 908,012

Contributed professional services are recognized at fair value based on current rates for similar services. Contributed rent is recognized at fair value based on the current rates for similar space. All other contributed items are recognized at fair value based on market pricing for similar items. All in-kind contributions received during the year ended September 30, 2023 were without donor restriction.



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