



THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

FINANCIAL STATEMENTS

JUNE 30, 2021

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

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INDEPENDENT AUDITOR'S REPORT

Management and the Trustees
The Declan Drumm Sullivan Memorial Fund
Long Grove, Illinois

We have audited the accompanying financial statements of The Declan Drumm Sullivan Memorial Fund (a nonprofit organization) ("the Organization") which comprise the statement of financial position as of June 30, 2021, and the related statements of activities 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

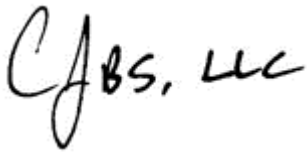
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Declan Drumm Sullivan Memorial Fund as of June 30, 2021, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of expenses are presented for purposes of additional analysis and are 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.

A handwritten signature in black ink that reads "CJBS, LLC". The letters are cursive and somewhat stylized, with the "C" and "J" being particularly large and connected.

CJBS, LLC
Northbrook, Illinois

May 9, 2022

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

	<u>2021</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 101,359
OTHER ASSETS	
Beneficial interest in assets held by others	<u>821,957</u>
TOTAL ASSETS	<u>\$ 923,316</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 140
NET ASSETS	
Without donor restrictions:	
Undesignated	101,219
Board designated	<u>821,957</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 923,316</u>

The accompanying notes are an integral part of these financial statements.

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	2021	
	<u>Unrestricted</u>	<u>% of Revenue</u>
REVENUES		
Donations	177,877	23.14 %
Sponsorship	226,136	29.41
Ticket sales	73,506	9.56
Other	175	0.02
Investment earnings	<u>291,123</u>	<u>37.87</u>
Total Revenues	768,817	100.00
EXPENSES		
Salaries and payroll taxes	64,605	8.40
Awards and grants	538,588	70.05
Office expense	9,272	1.21
Professional fees	9,370	1.22
Merchant fees	<u>7,907</u>	<u>1.03</u>
Total Expenses	<u>629,742</u>	<u>81.91</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	139,075	<u>18.09</u> %
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	<u>784,101</u>	
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 923,176</u>	

The accompanying notes are an integral part of these financial statements.

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

	<u>2021</u>
OPERATING ACTIVITIES	
Change in net assets	\$ 139,075
Adjustments to reconcile change in net assets to net cash from operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	45,000
Accounts payable	<u>399</u>
Net cash provided by operating activities	184,474
INVESTING ACTIVITIES	
Change in beneficial interest in assets held by others	<u>(211,108)</u>
Net Change in Cash	(26,634)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>127,993</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 101,359</u></u>

The accompanying notes are an integral part of these financial statements.

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Programs</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Payroll Taxes	\$ -	\$ 64,605	\$ 64,605
Awards and Grants	-	538,588	538,588
Office Expense	8,578	694	9,272
Professional Fees	7,142	2,228	9,370
Merchant Fees	4,223	3,684	7,907
	<u>\$ 19,943</u>	<u>\$ 609,799</u>	<u>\$ 629,742</u>

The accompanying notes are an integral part of these financial statements.

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE A – NATURE OF ORGANIZATION

The Declan Drumm Sullivan Memorial Fund (the "Trust") was created on October 29, 2010, after Declan Drumm Sullivan tragically lost his life. The trust was incorporated on October 29, 2010 and is an Illinois not-for-profit corporation. Its purpose is to memorialize Declan's life, as well as to support Chicago non-profits working in the areas of education and community service, specifically Horizons for Youth.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of significant accounting policies of the Trust is presented to assist in understanding the Trust's financial statements. The financial statements and notes are representations of the Trust's management, who is responsible for their integrity and objectivity. The accounting policies conform to the accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

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 are available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Trust to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or Board approved spending policy.

The Trust reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash and cash equivalents.

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

Revenue from Contributions

Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Income Taxes

The Trust is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and is not a private foundation. The Trust is subject to income tax only to the extent of unrelated business income.

As of June 30, 2021, the Trust was not aware of any uncertain tax positions that it is obligated to disclose in accordance with FASB ASC 740, *Income Taxes*. Additionally, there were no returns open to review or under review by taxing authorities in excess of annual statutory periods which is typically three years. The Organization follows a conservative approach of research and open disclosure in regard to its tax-exempt status and positions held. The Trust files Forms 990 in the U.S. federal jurisdiction and the State of Illinois. The Trust is generally no longer subject to examination by the Internal Revenue Service for years before 2018.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Natural expenses directly attributable to a specific functional area of the Trust are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among various functional areas using a variety of cost allocation techniques such as square footage and time and effort.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and money market accounts with high credit quality financial institutions. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates.

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments and Credit Risk (continued)

Because a significant portion of the Trust's assets are market investments, there is an inherent concentration of risk for associated income and loss tied to market performance. However, the Trust's Trustees seek to mitigate this risk through diversification of investment portfolio, ongoing monitoring, and consultation with third-party investment professionals. Additionally, the Trust continues to investigate and pursue additional sources of income from donors and private sources.

Beneficial Interest in Assets Held by Others

Beneficial interest in assets held by others consists of amounts held and invested at the designation of The University of Notre Dame (the "University"). The beneficial interest is reported at fair market value of the fund as determined by the University. Investment income of the fund, net of any expenses, and any net realized and unrealized gains and losses, are included in investment income, net, in the statement of activities and changes in net assets.

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity to be able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial Assets at end of year::	
Cash	\$ 101,359
Beneficial interest in assets held by others	<u>821,957</u>
Less: amounts not available to be used within one year:	
Beneficial interest in assets held by others	<u>(821,957)</u>
Total financial assets available within one year	<u>\$ 101,359</u>

NOTE D – PROGRAMS

The Organization has one principal program, which is to support organizations that demonstrate local impact in the areas of education and community service. Most contributions and donations are received from the annual No Ordinary Evening (NOE) event.

NOTE E – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2021 and 2020 there were no balances in excess of the FDIC insured limit.

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE F – FAIR VALUE MEASUREMENTS

The Organization applies the U.S. GAAP authoritative guidance for *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements.

The standard describes three levels of inputs that may be used to measure fair value. These levels include:

- Level 1, observable inputs such as quoted prices in active markets;
- Level 2, inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data; and
- Level 3, unobservable inputs in which little or no market data exists, therefore requiring the Organization to develop its own assumptions.

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

Beneficial Interest in Assets Held by Others. The Organization established the Declan Drumm Sullivan Memorial Fund, an endowment scholarship fund at The University of Notre Dame (the "University"). The beneficial interest is reported at the fund's fair market value as determined by the University. The Organization considers the measurement of its beneficial interest to be a Level 3 measurement within the fair value measurement hierarchy because that measurement is based on the unadjusted fair value of assets reported by the University.

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statement of financial position using significant unobservable (Level 3) inputs:

Beneficial Interest in Assets Held by Others

Balance, July 1, 2020	\$ 610,849
Investment gains	291,108
Disbursement of funds	<u>(80,000)</u>
Balance, June 30, 2021	<u>\$ 821,957</u>

NOTE F – FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2021:

	<u>Assets at Fair Value at June 30, 2021</u>			<u>Total Fair Value</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Beneficial Interest in Assets Held by Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 821,957</u>	<u>\$ 821,957</u>

NOTE G – ENDOWMENT FUNDS WITH THE UNIVERSITY OF NOTRE DAME

The Organization established the Declan Drumm Sullivan Memorial Fund, an endowment scholarship fund at the University. The fund is held and invested by the University for the Organization's benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities. The University determines investment and spending policies for the endowment fund.

The distributable fund assets available for grants to Notre Dame or other charities of \$821,957 as of June 30, 2021, and \$610,849 as of June 30, 2020, are included as beneficial interest in assets held by others in the statements of financial position of the Organization.

Changes in endowment net assets for the year ended June 30:

Endowment net assets without donor restrictions at beginning of year	\$ 610,849
Investment income	3,703
Net realized and unrealized gains	287,405
Disbursement of funds	<u>(80,000)</u>
Endowment net assets without donor restrictions at end of year	<u>\$ 821,957</u>

NOTE H – SUBSEQUENT EVENTS

The management of the Organization has evaluated events subsequent to the statement of financial position date of June 30, 2021, through May 9, 2022, the date the financial statements were available to be issued. It has concluded that there are no effects that provide additional evidence about conditions that existed at the statement of financial position date that require recognition in the financial statements or related note disclosures in accordance with FASB ASC 855, *Subsequent Events*.