



**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 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

### **Opinion**

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, 2022, 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 The Declan Drumm Sullivan Memorial Fund as of June 30, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Declan Drumm Sullivan Memorial Fund 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.

### **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.

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 The Declan Drumm Sullivan Memorial Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

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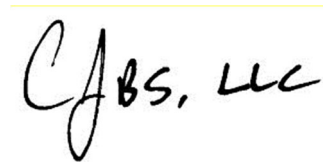
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Declan Drumm Sullivan Memorial Fund'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 The Declan Drumm Sullivan Memorial Fund'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.

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

We have previously audited The Declan Drumm Sullivan Memorial Fund's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "CJBS, LLC". The signature is written in a cursive, stylized font. The letters "C", "J", and "S" are large and prominent, with the "B" and "S" being smaller and more compact. The "LLC" is written in a simpler, more upright font to the right of the main signature.

CJBS, LLC  
Northbrook, Illinois

February 8, 2023

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2022 AND 2021**

	<b><u>ASSETS</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 88,830	\$ 101,359
Prepaid expenses		3,500	-
		<hr/>	<hr/>
Total Current Assets		92,330	101,359
<b>OTHER ASSETS</b>			
Beneficial interest in assets held by others		792,218	821,957
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b><u>\$ 884,548</u></b>	<b><u>\$ 923,316</u></b>
	<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>			
Accounts payable		\$ 3,366	\$ 140
<b>NET ASSETS</b>			
Without donor restrictions:			
Undesignated		88,964	\$ 101,219
Board designated		792,218	821,957
		<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>\$ 884,548</u></b>	<b><u>\$ 923,316</u></b>

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, 2022**

	<b>2022</b>		<b>2021</b>	
	<b><u>Unrestricted</u></b>	<b><u>% of Revenue</u></b>	<b><u>Unrestricted</u></b>	<b><u>% of Revenue</u></b>
<b>REVENUES</b>				
Donations	\$ 499,319	62.82 %	\$ 177,877	23.14 %
Sponsorship	213,279	26.83	226,136	29.41
Ticket sales	58,932	7.41	73,506	9.56
Other	3,000	0.38	175	0.02
Investment earnings	<u>20,270</u>	<u>2.55</u>	<u>291,123</u>	<u>37.87</u>
Total Revenues	794,800	100.00	768,817	100.00
<b>EXPENSES</b>				
Salaries and payroll taxes	64,615	8.13	64,605	8.40
Awards and grants	574,494	72.28	538,588	70.05
Office expense	97,561	12.27	9,272	1.21
Others	52,685	6.63	-	-
Professional fees	22,999	2.89	9,370	1.22
Merchant fees	<u>24,440</u>	<u>3.07</u>	<u>7,907</u>	<u>1.03</u>
Total Expenses	<u>836,794</u>	<u>105.28</u>	<u>629,742</u>	<u>81.91</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	( 41,994)	<u>( 5.28) %</u>	139,075	<u>18.09 %</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR</b>	<u>923,176</u>		784,101	
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR</b>	<u>\$ 881,182</u>		<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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	(\$ 41,994)	\$ 139,075
Adjustments to reconcile change in net assets to net cash from operating activities:		
Changes in operating assets and liabilities:		
Prepaid expenses	( 3,500)	-
Accounts payable	<u>3,225</u>	<u>-</u>
Net cash (used in) provided by operating activities	( 42,269)	139,075
<b>INVESTING ACTIVITIES</b>		
Change in beneficial interest in assets held by others	<u>29,739</u>	<u>( 211,108)</u>
Net change in cash	( 12,530)	( 72,033)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>101,360</u>	<u>127,993</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 88,830</u></u>	<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, 2022 AND 2021**

	<b><u>Programs</u></b>	<b><u>Management and General</u></b>	<b><u>2022 Total</u></b>	<b><u>2021 Total</u></b>
Salaries and Payroll Taxes	\$ -	\$ 64,615	\$ 64,615	\$ 64,605
Awards and Grants	-	574,494	574,494	538,588
Office Expense	95,707	1,854	97,561	9,272
Professional Fees	17,476	5,523	22,999	9,370
Others	-	52,685	52,685	-
Merchant Fees	24,193	247	24,440	7,907
	<b><u>\$ 137,376</u></b>	<b><u>\$ 699,418</u></b>	<b><u>\$ 836,794</u></b>	<b><u>\$ 629,742</u></b>

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



## **THE DECLAN DRUMM SULLIVAN MEMORIAL FUND**

### **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 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, 2022 AND 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, 2022, 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 2019.

**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, 2022 AND 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:	<b><u>2022</u></b>	<b><u>2021</u></b>
Cash	\$ 88,830	\$ 101,359
Beneficial interest in assets held by others	<u>792,218</u>	<u>821,957</u>
Less: amounts not available to be used within one year:		
Beneficial interest in assets held by others	<u>( 792,218)</u>	<u>( 821,957)</u>
Total financial assets available within one year	<u>\$ 88,830</u>	<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, 2022 and 2021 there were no balances in excess of the FDIC insured limit.

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 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>
Balance, July 1, 2021	\$ 821,957
Investment gains	20,260
Disbursement of funds	<u>( 50,000)</u>
Balance, June 30, 2022	<u>\$ 792,218</u>

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**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, and June 30, 2022:

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

	<b><u>Assets at Fair Value at June 30, 2022</u></b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Beneficial Interest in Assets Held by Others	\$ -	\$ -	\$ 792,218	\$ 792,218

**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 \$792,218 as of June 30, 2022, \$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.

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**NOTE G – ENDOWMENT FUNDS WITH THE UNIVERSITY OF NOTRE DAME (continued)**

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	( 80,000)
Endowment net assets without donor restrictions at end of year	<u>\$ 821,957</u>
Endowment net assets without donor restrictions at beginning of year	\$ 821,957
Investment income	6,783
Net realized and unrealized gains	13,477
Disbursement of funds	( 50,000)
Endowment net assets without donor restrictions at end of year	<u>\$ 792,218</u>

**NOTE H – SUBSEQUENT EVENTS**

The management of the Organization has evaluated events subsequent to the statement of financial position date of June 30, 2022, through February 8, 2023, 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*