

Cheryl Rohlfis & Associates, Ltd.

Certified Public Accountants

THE DECLAN DRUMM SULLIVAN MEMORIAL FUND

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Cheryl Rohlfs & Associates, Ltd.

Certified Public Accountants

Independent Auditor's Report

December 28, 2023

The Board of Directors of
The Declan Drumm Sullivan Memorial Fund

Opinion

We have audited the accompanying financial statements of The Declan Drumm Sullivan Memorial Fund (an Illinois nonprofit organization), which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the fiscal 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 as of June 30, 2023 and the changes in its net assets and its cash flows of The Declan Drumm Sullivan Memorial Fund for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility of Management 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, 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 The Declan Drumm Sullivan Memorial Fund's ability to continue as a going concern within one year after the date that 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.

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 misstatements 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 of timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CHERYL ROHLFS & ASSOCIATES, LTD.

Northbrook, Illinois

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023**

ASSETS

Cash and Cash Equivalents	\$ 62,558
Prepaid Expenses	5,000
Beneficial Interest in Assets Held by Others	<u>722,652</u>
Total Assets	<u>\$ 790,210</u>

LIABILITIES

Accounts Payable	\$ <u>5,000</u>
Total Liabilities	<u>5,000</u>
Net Assets:	
Without Donor Restrictions:	
Undesignated	62,558
Board Designated	<u>722,652</u>
Total Net Assets	<u>785,210</u>
Total Liabilities and Net Assets	<u>\$ 790,210</u>

See accompanying notes and independent auditor's report.

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:**Revenues and Gains:**

Donations	\$ 8,397
Special Fundraising Event:	
Sponsorships	331,234
Donations	43,407
Ticket Sales	35,933
Gifts In Kind	23,239
Auction	76,666
Live Donations	<u>326,375</u>
Total	836,854
Investment Return	<u>(19,559)</u>

**Total Revenues, Gains and Other Support
Without Donor Restrictions**

825,692

Expenses:

Program	604,439
Supporting Services:	
Management	72,199
Development	<u>245,026</u>
Total Expenses	<u>921,664</u>

**INCREASE (DECREASE) IN NET ASSETS
WITHOUT DONOR RESTRICTIONS**

\$ (95,972)

Net Assets, at Beginning of Fiscal Year

881,182

Net Assets, at End of Fiscal Year

785,210

See accompanying notes and independent auditor's report.

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Program	Supporting Services		Total
		Management and General	Development	
Compensation and Related Expenses:				
Compensation	\$ -	\$ 60,000	\$ -	\$ 60,000
Payroll Taxes	-	4,590	-	4,590
	<u>\$ -</u>	<u>\$ 64,590</u>	<u>\$ -</u>	<u>\$ 64,590</u>
Awards and Grants	604,439	-	-	604,439
Professional Fees and Contract Services	-	6,139	43,989	50,128
Office Expenses	-	714	4,772	5,486
Fundraising Expenses	-	-	183,962	183,962
Miscellaneous	-	585	-	585
Bank and Credit Card Fees	-	171	12,303	12,474
	<u>-</u>	<u>171</u>	<u>12,303</u>	<u>12,474</u>
TOTAL EXPENSES	<u>\$ 604,439</u>	<u>\$ 72,199</u>	<u>\$ 245,026</u>	<u>\$ 921,664</u>

See accompanying notes and independent auditor's report.

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) in Net Assets	\$ (95,972)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Unrealized Losses on Investments	29,034
(Increase) Decrease in Operating Assets:	
Prepaid Expenses	(1,500)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	<u>1,634</u>

NET CASH USED IN OPERATING ACTIVITIES \$ (66,804)

CASH FLOWS FROM INVESTING ACTIVITIES:

Sales (Purchases) of Investments	<u>\$ 40,532</u>
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NET CASH PROVIDED BY INVESTING ACTIVITIES \$ 40,532

CASH FLOWS FROM FINANCING ACTIVITIES:

\$ -

NET INCREASE (DECREASE) IN CASH \$ (26,272)

**CASH AND CASH EQUIVALENTS,
at Beginning of Fiscal Year**

88,830

**CASH AND CASH EQUIVALENTS,
at End of Fiscal Year**

\$ 62,558

See accompanying notes and independent auditor's report.

**THE DECLAN DRUMM SULLIVAN MEMORIAL FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

1. DESCRIPTION OF THE ORGANIZATION

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

The Trust 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Trust reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use of that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some 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. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Trust, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Trust's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Basis of Accounting

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

Cash and Cash Equivalents

The Trust considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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 and the assets in the fund are determined by the University. Investment income, net of any expenses, and any net realized and unrealized gains and losses, are included in investment income, in the statement of activities.

Sponsorships and Contributions

Sponsorships and Contributions are recognized when the donor makes a promise to give to the Trust that is, in substance, unconditional. Sponsorships and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the sponsorships and contributions are recognized. All other donor-restricted sponsorships and contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Trust. Volunteers provided administrative and fundraising services throughout the fiscal year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Expense Allocations

The costs of providing program and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, costs have been allocated between the program services and the supporting services in a direct functional method, when applicable, and on the basis of proportional use of the service provided.

Financial Instruments

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 the 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.

Income Taxes

The Trust is not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Trust's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Trust qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Trust files U.S. federal and Illinois state information returns. The federal and state information tax returns for tax fiscal years 2021, 2022 and 2023 can be subject to examinations by tax authorities, generally for three years from the date of filing.

3. CHANGE IN ACCOUNTING PRINCIPLES

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Update increases transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update is effective for nonprofit organizations for annual reporting periods beginning after June 15, 2021.

4. CONCENTRATION OF CREDIT RISK

The Trust maintains its cash balances at a financial institution. Accounts at the financial institution are fully insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash balances did not exceed the insured limits as of June 30, 2023.

5. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The beneficial interest in assets held at the designation of the University of Notre Dame of \$722,652 as of June 30, 2023, consists of cash, fixed income, equities and other investments, subject to applicable investment policies.

6. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following are the Trust's financial assets as of the date of the statement of financial position reduced by amounts not available for general use within one year:

Financial Assets at June 30:	
Cash and Cash Equivalents	\$ 62,558
Beneficial Interest In Assets Held By Others	<u>722,652</u>
Total Financial Assets	\$ 785,210

Less: amount not available to be used within one year:

Board Designated Net Assets	<u>(722,652)</u>
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Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 62,558</u>
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The Trust regularly monitors the availability of resources required to meet its operating needs and commitments. In addition to the financial assets available to meet general expenditures over the next twelve months, the Trust anticipates collecting sufficient revenue to cover the general expenditures of the programs and related administration costs.

The Trust has planned for stable revenue streams with the donations, sponsorships, and fundraising revenues. The Trust maintains sufficient reserves to provide reasonable assurance that all commitments will continue to be met, ensuring the sustainability of the Trust.

7. GIFTS IN-KIND

The Trust received \$23,129 of goods for the annual fundraising event to be used for the auction. These items were recorded at the donor's determined fair value at the date of the contribution in the statement of activities.

8. EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 28, 2023, the date on which the financial statements were available to be issued.