

**IRISH FELLOWSHIP EDUCATIONAL
AND CULTURAL FOUNDATION**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2021 AND 2020

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
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December 31, 2021 and 2020

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WSDD

WSDD CPAs, Ltd. Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

Board of Directors
IRISH FELLOWSHIP EDUCATIONAL
AND CULTURAL FOUNDATION

Opinion

We have audited the accompanying financial statements of the Irish Fellowship Educational and Cultural Foundation (a nonprofit organization), which comprise the statements of assets and net assets - modified cash basis as of December 31, 2021 and 2020, and the related statements of revenue, expenses and changes in net assets - modified cash basis and of functional expenses - modified cash basis for the years 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 assets and net assets of the Irish Fellowship Educational and Cultural Foundation as of December 31, 2021 and 2020, and its revenue and expenses for the years then ended, in accordance with the modified cash basis of accounting as described in Note 2.

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 Irish Fellowship Educational and Cultural Foundation 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.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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 Irish Fellowship Educational and Cultural Foundation'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 Irish Fellowship Educational and Cultural Foundation'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 10 through 12 is presented for purposes of additional analysis and is 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.

WSDD CPAs, Ltd.

WSDD CPAs, Ltd.

Chicago, Illinois
August 5, 2022

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
Statements of Assets and Net Assets
Modified Cash Basis
December 31, 2021 and 2020

	ASSETS	<u>2021</u>	<u>2020</u>
Cash		\$ 171,763	\$ 130,840
Money market		<u>98,535</u>	<u>268,426</u>
TOTAL ASSETS		<u>\$ 270,298</u>	<u>\$ 399,266</u>
	NET ASSETS		
NET ASSETS WITHOUT DONOR RESTRICTIONS		<u>\$ 270,298</u>	<u>\$ 399,266</u>

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
Statements of Revenue, Expenses and Changes in Net Assets
Modified Cash Basis
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUE		
Special events revenue (net of costs of direct benefit to donors of \$147,430 in 2021 and \$200,004 in 2020)	\$ 99,560	\$ 211,571
Contributions	10,300	2,800
Interest income	319	342
Other income		<u>3,000</u>
Total Revenue	<u>110,179</u>	<u>217,713</u>
EXPENSES		
Program	227,500	236,420
General and administrative	7,897	7,000
Fundraising	<u>3,750</u>	<u>3,750</u>
Total Expenses	<u>239,147</u>	<u>247,170</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(128,968)	(29,457)
NET ASSETS WITH DONOR RESTRICTIONS (Releases)	<u> </u>	<u>(88,000)</u>
CHANGE IN NET ASSETS	(128,968)	(117,457)
NET ASSETS		
Beginning of year	<u>399,266</u>	<u>516,723</u>
End of year	<u>\$ 270,298</u>	<u>\$ 399,266</u>

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
Statement of Functional Expenses
Modified Cash Basis
For the Year Ended December 31, 2021

	<u>SUPPORTING SERVICES</u>				<u>TOTAL</u>
	<u>PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>COST OF GOODS SOLD</u>	
Educational grants	\$ 216,000	\$	\$	\$	\$ 216,000
Cultural grants	750				750
Cost of direct benefits to donors				147,430	147,430
Audit and accounting fees		3,000			3,000
Miscellaneous		1,147			1,147
Printing and stationery	250				250
Secretarial stipend	10,500	3,750	3,750		18,000
Total Expenses by Function	<u>227,500</u>	<u>7,897</u>	<u>3,750</u>	<u>147,430</u>	<u>386,577</u>
Less:					
Cost of direct benefit to donors				(147,430)	(147,430)
Total Expenses	<u>\$ 227,500</u>	<u>\$ 7,897</u>	<u>\$ 3,750</u>	<u>\$ 0</u>	<u>\$ 239,147</u>

See independent auditors' report and notes to financial statements.

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
Statement of Functional Expenses
Modified Cash Basis
For the Year Ended December 31, 2020

	SUPPORTING SERVICES				<u>TOTAL</u>
	<u>PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>COST OF GOODS SOLD</u>	
Educational grants	\$ 222,000	\$	\$	\$	\$ 222,000
Cultural grants	500				500
Cost of direct benefits to donors				200,004	200,004
Audit and accounting fees		3,000			3,000
Miscellaneous		250			250
Printing and stationery	420				420
Secretarial stipend	13,500	3,750	3,750		21,000
Total Expenses by Function	236,420	7,000	3,750	200,004	447,174
Less:					
Cost of direct benefit to donors				(200,004)	(200,004)
Total Expenses	\$ 236,420	\$ 7,000	\$ 3,750	\$ 0	\$ 247,170

See independent auditors' report and notes to financial statements.

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 1 - ORGANIZATION AND TAX STATUS

Irish Fellowship Educational and Cultural Foundation (the "Foundation") was formed exclusively for charitable, religious, educational and literary purposes including, but not limited to, providing for scholarships, grants or other aid to needy students of Irish heritage who are citizens of the United States and reside in the Chicago metropolitan area.

The Internal Revenue Service has advised that the Foundation is exempt under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws. In addition, the Internal Revenue Service has determined that the Foundation is not a private foundation within the meaning of Section 509(2) of the Internal Revenue Code.

The Foundation is required to evaluate its tax positions and disclose the amount of a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by tax authorities. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Illinois Department of Revenue has granted the Foundation an exemption from the Retailers' Occupation Tax, the Service Occupation Tax (both state and local), the Use Tax, and the Service Use Tax in the state of Illinois, as the Foundation is organized and operated exclusively for charitable purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the modified cash basis of accounting. Except for assets and liabilities which arise from cash transactions, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred.

Basis of Presentation

Net assets are classified based on the existence or absence of donor restrictions. Net assets available for use in general operations and not subject to donor restrictions are classified as net assets without donor restrictions. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

Functional Allocation of Costs

The costs of providing various program and supporting services have been summarized on a functional basis in the statements of functional expenses. Expenses are allocated based on estimates of time and effort.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements requires the Foundation to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through August 5, 2022, which is the date the financial statements were available to be issued.

NOTE 3 - RELATED ORGANIZATION

The Foundation is affiliated with the Irish Fellowship Club of Chicago (the "Club").

The Foundation shares equipment and staff with the Club. The Foundation does not reimburse the Club for any shared expenses. The Foundation has estimated the value of administrative services received from personnel of the Club to be approximately \$2,000 for each of the years ended December 31, 2021 and 2020. The value of the services received has not been recorded in these modified cash basis financial statements.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

As of December 31, 2021 and 2020, financial assets available to meet cash needs for general expenditures within one year are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 171,763	\$ 130,840
Money market	<u>98,535</u>	<u>268,426</u>
Total	<u>\$ 270,298</u>	<u>\$ 399,266</u>

NOTE 5 - CONCENTRATION OF CASH

Cash consists of monies held in highly liquid interest bearing accounts. The Foundation places its cash with financial institutions deemed to be creditworthy. Balances are insured by the FDIC up to \$250,000 per financial institution. Balances may at times exceed insured limits.

NOTE 6 - COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The Foundation is closely monitoring its operations and its liquidity and is actively working to minimize the impact of restrictions, including special event cancellations or limitations and social distancing guidelines. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation's assets and net assets, change in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

SUPPLEMENTARY INFORMATION

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
Schedule of Special Events Revenue and Expenses
Modified Cash Basis
For the Year Ended December 31, 2021

	<u>GOLF OUTING</u>	ARLINGTON PARK <u>RACE TRACK</u>	2021 CHRISTMAS <u>LUNCHEON</u>	I AM <u>IRELAND</u>	<u>TOTAL</u>
SPECIAL EVENTS REVENUE	\$ 75,550	\$ 2,440	\$ 167,000	\$ 2,000	\$ 246,990
SPECIAL EVENTS EXPENSES					
Hotel, meals and rentals	57,979		53,286		111,265
Printing, postage and book expenses	4,250		3,124		7,374
Photography and production			750	6,867	7,617
Music and entertainment			1,450		1,450
Flowers, decorations and prizes			7,824		7,824
Event tickets		5,900			5,900
Event coordinator	3,000		3,000		6,000
Total Special Events Expenses	<u>65,229</u>	<u>5,900</u>	<u>69,434</u>	<u>6,867</u>	<u>147,430</u>
SPECIAL EVENTS REVENUE - NET	<u>\$ 10,321</u>	<u>\$ (3,460)</u>	<u>\$ 97,566</u>	<u>\$ (4,867)</u>	<u>\$ 99,560</u>

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
Schedule of Special Events Revenue and Expenses
Modified Cash Basis
For the Year Ended December 31, 2020

	<u>ST. PATRICK'S DAY DINNER AND RECEPTION</u>	<u>GOLF OUTING</u>	<u>2019 CHRISTMAS LUNCHEON</u>	<u>I AM IRELAND</u>	<u>TOTAL</u>
SPECIAL EVENTS REVENUE	\$ 144,950	\$ 61,025	\$ 54,950	\$ 150,650	\$ 411,575
SPECIAL EVENTS EXPENSES					
Hotel, meals and rentals		51,517	49,974		101,491
Printing, postage and book expenses	3,225	830			4,055
Photography				91,458	91,458
Event coordinator		3,000			3,000
Total Special Events Expenses	<u>3,225</u>	<u>55,347</u>	<u>49,974</u>	<u>91,458</u>	<u>200,004</u>
SPECIAL EVENTS REVENUE - NET	<u>\$ 141,725</u>	<u>\$ 5,678</u>	<u>\$ 4,976</u>	<u>\$ 59,192</u>	<u>\$ 211,571</u>

IRISH FELLOWSHIP EDUCATIONAL AND CULTURAL FOUNDATION
Schedules of Educational Grants
Modified Cash Basis
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Benet Academy	\$ 6,000	\$ 6,000
Brother Rice High School	6,000	6,000
Carmel High School Mundelein	6,000	6,000
Christ the King Jesuit College Prep	6,000	6,000
Cristo Rey Jesuit High School	6,000	6,000
Cristo Rey St. Martin College Prep	6,000	6,000
De La Salle High School for Boys	6,000	6,000
De La Salle High School for Girls	6,000	6,000
Fenwick High School	6,000	6,000
Gordon Technical High School (DePaul College Prep).	6,000	6,000
Holy Trinity High School	6,000	6,000
Joliet Catholic High School	6,000	6,000
Josephinum High School	6,000	6,000
Leo High School	6,000	6,000
Loyola Academy	6,000	6,000
Marian Catholic High School	6,000	6,000
Marist High School	6,000	6,000
Montini High School	6,000	6,000
Mother McAuley High School	6,000	6,000
Mount Carmel High School	6,000	6,000
Nazareth Academy	6,000	6,000
Northridge Preparatory School	6,000	6,000
Notre Dame High School for Boys	6,000	6,000
Our Lady of Tepeyac	6,000	6,000
Providence Catholic High School	6,000	6,000
Regina Dominican High School	6,000	6,000
Resurrection High School	6,000	6,000
St. Francis De Sales High School	6,000	6,000
St. Ignatius High School	6,000	6,000
St. Joseph High School		6,000
St. Laurence High School	6,000	6,000
St. Patrick High School	6,000	6,000
St. Rita High School	6,000	6,000
St. Viator High School	6,000	6,000
Trinity High School	6,000	6,000
Willows Academy	6,000	6,000
Woodlands Academy of the Sacred Heart	<u>6,000</u>	<u>6,000</u>
Total	<u>\$ 216,000</u>	<u>\$ 222,000</u>