
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

Financial Report
June 30, 2023

The DuPage Community Foundation (d.b.a. DuPage Foundation)

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Independent Auditor's Report

To the Board of Trustees
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of The DuPage Community Foundation (d.b.a. DuPage Foundation) (the "Foundation"), which comprise the statement of financial position as of June 30, 2023 and 2022 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023 and 2022 and the changes in its net assets, functional expenses, and 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our 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.

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 controls 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits 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 audits conducted in accordance with GAAS and *Government 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.

To the Board of Trustees
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 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 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 12, 2023

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Statement of Financial Position

June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 4,001,815	\$ 4,025,448
Investments (Note 7)	131,080,757	123,170,805
Receivables:		
Pledges receivable	85,300	118,800
Charitable lead trust receivable (Note 6)	119,234	112,074
Prepaid expenses and other assets:		
Prepaid expenses	62,428	91,660
Cash value of life insurance	60,671	114,166
Property and equipment - Net (Note 4)	1,156,462	1,182,246
	<u>\$ 136,566,667</u>	<u>\$ 128,815,199</u>
Liabilities and Net Assets		
Liabilities		
Accrued liabilities:		
Agency funds (Note 8)	\$ 26,143,671	\$ 23,531,409
Annuity payable (Note 5)	60,370	71,881
Accrued expenses	296,824	285,280
Deferred revenue (Note 9)	7,437,701	10,588,571
Grants payable	150,000	-
	<u>34,088,566</u>	<u>34,477,141</u>
Net Assets		
Without donor restrictions	17,811,445	14,502,998
With donor restrictions	84,666,656	79,835,060
	<u>102,478,101</u>	<u>94,338,058</u>
	<u>\$ 136,566,667</u>	<u>\$ 128,815,199</u>

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains (Losses), and Other Support						
Gifts, bequests, and grants	\$ 963,284	\$ 10,879,200	\$ 11,842,484	\$ 624,543	\$ 12,644,600	\$ 13,269,143
Federal grants	3,150,870	-	3,150,870	-	-	-
Net investment gain (loss)	417,118	4,940,300	5,357,418	(1,923,712)	(13,246,798)	(15,170,510)
Investment income - Net	100,881	2,437,397	2,538,278	126,060	3,030,636	3,156,696
Fee revenue	239,146	-	239,146	244,559	-	244,559
Net assets released from restrictions	13,425,301	(13,425,301)	-	7,608,874	(7,608,874)	-
Total revenue, gains (losses), and other support	18,296,600	4,831,596	23,128,196	6,680,324	(5,180,436)	1,499,888
Expenses						
Grants awarded	12,614,346	-	12,614,346	6,405,271	-	6,405,271
Grant-making activities	820,758	-	820,758	632,431	-	632,431
Management and general	658,734	-	658,734	589,936	-	589,936
Fundraising	894,315	-	894,315	648,275	-	648,275
Total expenses	14,988,153	-	14,988,153	8,275,913	-	8,275,913
Increase (Decrease) in Net Assets	3,308,447	4,831,596	8,140,043	(1,595,589)	(5,180,436)	(6,776,025)
Net Assets - Beginning of year	14,502,998	79,835,060	94,338,058	16,098,587	85,015,496	101,114,083
Net Assets - End of year	\$ 17,811,445	\$ 84,666,656	\$ 102,478,101	\$ 14,502,998	\$ 79,835,060	\$ 94,338,058

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Statement of Functional Expenses

Year Ended June 30, 2023

	Grants Awarded and Grant-making Activities	Management and General	Fundraising	Total
Salaries	\$ 462,343	\$ 422,714	\$ 435,924	\$ 1,320,981
Health and disability insurance	43,219	39,514	40,749	123,482
Payroll taxes	33,447	30,580	31,535	95,562
Other benefits	18,986	17,359	17,901	54,246
Total salaries and related expenses	557,995	510,167	526,109	1,594,271
Grants and assistance	12,614,346	-	-	12,614,346
Professional fees	22,615	55,860	21,950	100,425
Public relations and marketing	21,394	5,799	50,067	77,260
Special events	-	-	154,969	154,969
Fund expenses	87,231	-	-	87,231
Occupancy	18,349	17,809	17,809	53,967
Depreciation	12,460	12,087	12,091	36,638
Printing and publications	5,862	4,323	10,066	20,251
Supplies	8,122	7,883	7,883	23,888
Conferences and meetings	3,533	113	13,342	16,988
Consulting	67,981	28,457	61,657	158,095
Insurance	3,608	3,502	3,502	10,612
Telecommunications	3,599	3,493	3,493	10,585
Membership dues	2,610	2,387	2,461	7,458
Other expenses	3,034	3,016	2,982	9,032
Transportation and travel	1,527	1,066	1,828	4,421
Other fundraising costs	-	-	3,293	3,293
Postage and delivery	838	813	813	2,464
Bank charges and fees	-	1,959	-	1,959
Total functional expenses	\$ 13,435,104	\$ 658,734	\$ 894,315	\$ 14,988,153

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Statement of Functional Expenses

Year Ended June 30, 2022

	Grants Awarded and Grant-making Activities	Management and General	Fundraising	Total
Salaries	\$ 393,961	\$ 393,961	\$ 370,787	\$ 1,158,709
Health and disability insurance	38,076	38,076	35,836	111,988
Payroll taxes	27,101	27,101	25,507	79,709
Other benefits	15,792	15,792	14,863	46,447
Total salaries and related expenses	474,930	474,930	446,993	1,396,853
Grants and assistance	6,405,271	-	-	6,405,271
Professional fees	18,896	55,727	19,487	94,110
Public relations and marketing	25,073	6,706	50,065	81,844
Special events	-	-	58,990	58,990
Fund expenses	47,285	-	-	47,285
Occupancy	14,111	15,433	14,551	44,095
Depreciation	11,724	12,823	12,091	36,638
Printing and publications	7,438	3,241	12,338	23,017
Supplies	6,386	6,983	6,585	19,954
Conferences and meetings	1,421	545	12,114	14,080
Consulting	13,295	-	-	13,295
Insurance	3,372	3,688	3,477	10,537
Telecommunications	3,029	3,313	3,124	9,466
Membership dues	2,230	2,230	2,099	6,559
Other expenses	1,959	1,959	1,844	5,762
Transportation and travel	579	654	1,592	2,825
Other fundraising costs	-	-	2,200	2,200
Postage and delivery	703	769	725	2,197
Bank charges and fees	-	935	-	935
Total functional expenses	\$ 7,037,702	\$ 589,936	\$ 648,275	\$ 8,275,913

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Statement of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 8,140,043	\$ (6,776,025)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Net investment (gains) losses	(5,357,418)	15,170,510
Depreciation	36,638	36,638
Noncash donations	(3,705,297)	(6,357,800)
Contributions restricted for long-term purposes	(5,434,038)	(8,994,801)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Charitable lead trust receivable	(7,160)	33,983
Prepaid expenses	29,232	(59,566)
Other assets	-	73,200
Cash value of life insurance	53,495	358,970
Pledges receivable	33,500	168,200
Grants payable	150,000	-
Agency funds	2,612,262	(869,832)
Annuity payable	(11,511)	1,295
Accrued liabilities	11,544	167,939
Deferred revenue	(3,150,870)	10,588,571
Net cash and cash equivalents (used in) provided by operating activities	(6,599,580)	3,541,282
Cash Flows from Investing Activities		
Purchase of property and equipment	(10,854)	-
Purchases of investments	(26,552,686)	(33,037,242)
Proceeds from sales and maturities of investments	27,705,449	22,601,758
Net cash and cash equivalents provided by (used in) investing activities	1,141,909	(10,435,484)
Cash Flows Provided by Financing Activities - Contributions restricted for long-term purposes	5,434,038	8,994,801
Net (Decrease) Increase in Cash and Cash Equivalents	(23,633)	2,100,599
Cash and Cash Equivalents - Beginning of year	4,025,448	1,924,849
Cash and Cash Equivalents - End of year	\$ 4,001,815	\$ 4,025,448

June 30, 2023 and 2022

Note 1 - Nature of Business

The DuPage Community Foundation (d.b.a. DuPage Foundation) (the "Foundation") is a grant-making community foundation created in 1986 to benefit the people of DuPage County, Illinois. The Foundation receives contributions and bequests into endowment funds. The earnings on these funds are used, according to donors' wishes, for the Foundation's grant-making and community leadership activities.

During 2015, the Foundation started doing business as DuPage Foundation. Its legal name has not been changed.

Note 2 - Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. This method records revenue and related assets when earned and records expenses and related liabilities when the obligations are incurred.

Classification of Net Assets

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Foundation maintains its cash in bank deposit accounts at Northern Trust that at times may exceed federally insured limits. The Foundation has not experienced any losses.

Investments

The Foundation's investments are reported at fair value. Donated investments are reflected as contributions at their fair values at the date the donor relinquishes control. Gain or loss on the sale of investments is computed using the specific recorded costs of each security. Investment income is recorded on the accrual basis and is reported in the statement of activities and changes in net assets.

The Foundation's investments are exposed to various risks, such as interest rate, credit risk, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and could materially affect the amounts reported in the statement of financial position.

Agency Funds

The Foundation adopted the accounting treatment prescribed by generally accepted accounting principles, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, and, accordingly, records the funds received on behalf of others as a liability.

Note 2 - Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at their estimated fair value at the date donated or at cost, if purchased. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. The capitalization policy is set at \$5,000. Costs of maintenance and repairs are charged to expense when incurred.

Pledges Receivable

All pledges receivable are expected to be collected within one year and are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. As of June 30, 2023 and 2022, there was \$85,300 and \$118,800, respectively, in pledges receivable, and no allowance for uncollectible contributions was recorded.

Gifts, Bequests, and Grants

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Conditional promises are recorded when donor stipulations are substantially met. Contributions are recorded net of allowances.

Contributions received with donor-imposed restrictions are reported as revenue with donor restrictions, as required by the donor intent. Contributions of land, building, and equipment without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenue without donor restrictions.

The bylaws of the Foundation include a variance provision and powers of modification, giving the board of trustees the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in the board's sole judgment (without the approval of any trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community that the Foundation serves. Based on these provisions, the Foundation accounts for contributions with the donor's imposed restrictions until they use variance power to modify the restrictions.

Donated Services

The Foundation records contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation. When such contributions are received, they are recorded at their fair values in the period received. The Foundation did not receive donated services during the years ended June 30, 2023 and 2022.

Deferred Revenue

Deferred revenue represents funding received from the American Rescue Plan Act of 2021 (ARPA) but not utilized for the conditions specified in the agreement and, therefore, not recognized as revenue. This amount will be recognized as the conditions are met, as stated in the agreement. See Note 9 for additional information.

Income Taxes

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Note 2 - Significant Accounting Policies (Continued)

Grants

Grants are recognized as an expense at the time of formal approval by the board of trustees. Conditional grants, if any, are expensed when such conditions are substantially met. There were conditional grants of \$0 and \$138,000 for the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other services have been reported on a functional basis in the statements of activities and changes in net assets and functional expenses. Costs are charged to program services and support services on an actual basis when available. In addition, costs may be allocated between the program and support functions based on various methods and estimates. Allocations for personnel expenses are based on estimates of time and effort of personnel involved in each function. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 12, 2023, which is the date the financial statements were available to be issued.

Note 3 - Liquidity

The following reflects the Foundation's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2023	2022
Cash and cash equivalents	\$ 4,001,815	\$ 4,025,448
Investments	131,080,757	123,170,805
Receivables	204,534	230,874
Cash value of life insurance	60,671	114,166
Financial assets - At year end	135,347,777	127,541,293
Less those unavailable for general expenditures within one year due to - Subject to donor restriction:		
Agency funds	26,143,671	23,531,409
Donor-restricted endowment funds	84,666,656	79,835,060
Board-designated endowment funds	11,712,904	11,762,927
Funds received in advance of satisfaction of conditions	7,437,701	10,000,000
Financial assets unavailable for general expenditures within one year - At year end	129,960,932	125,129,396
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,386,845	\$ 2,411,897

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Notes to Financial Statements

June 30, 2023 and 2022

Note 3 - Liquidity (Continued)

The pledges receivable are subject to implied time restrictions, but the amount reported above is expected to be collected within one year.

The Foundation is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors.

The Foundation has board-designated endowment funds allocated for other purposes; however, the board-designated endowment funds could be made available for general expenditures upon board approval.

The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 180 days of normal operating expenses, which are, on average, approximately \$1,341,000 and \$1,076,000 at June 30, 2023 and 2022, respectively. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in various short-term investments, including short-term treasury instruments.

The Foundation also realizes there could be unanticipated liquidity needs.

The Foundation's endowment funds consist of donor-restricted endowments of \$84,666,656 and \$79,835,060 at June 30, 2023 and 2022, respectively. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

Note 4 - Property and Equipment

Property and equipment are summarized as follows:

	2023	2022	Depreciable Life - Years
Land	\$ 68,860	\$ 68,860	-
Buildings	1,019,839	1,019,839	7-40
Building improvements	350,014	350,014	3-10
Computer software	104,433	93,578	3-5
Furniture and equipment	56,667	56,667	5
Total cost	1,599,813	1,588,958	
Accumulated depreciation	443,351	406,712	
Net property and equipment	<u>\$ 1,156,462</u>	<u>\$ 1,182,246</u>	

Depreciation expense for the years ended June 30, 2023 and 2022 was \$36,638.

Note 5 - Charitable Gift Annuities

During fiscal years 2013 through 2022, the Foundation entered into nine charitable gift annuity agreements with donors. The donors agreed to provide a gift to the fund in exchange for a lifetime annuity to be paid to the donors. The present value of the annuity payments expected to be made has been shown as a liability in the statement of financial position. The gift, net of the annuity liability and the expenses related to the donation, was reported as a contribution in the statement of activities and changes in net assets in the respective year ends. The Foundation met state law requirements and was not required to enter into an agreement with an insurance company to fund payment of the annuity to those donors. At June 30, 2023 and 2022, the liability arising from these agreements is reported at \$60,370 and \$71,881, respectively.

Note 6 - Charitable Lead Trust

During fiscal year 2009, a donor established a trust naming the Foundation as one of the lead beneficiaries of a charitable lead annuity trust. Under terms of the split-interest agreement, the Foundation is to receive 45 percent of a unitrust amount equal to 4 percent of the net fair market value of the assets of the trust valued as of the first business day of each taxable year for the trust for a period of 22 years. After that time, the trust is to terminate, and remaining trust assets are to be distributed to others. The receivable for the split-interest agreement is carried at fair value, which the Foundation has estimated based on the present value of expected future cash inflows. Based on the duration of the trust and a 5 percent discount rate, the fair value of the Foundation's interest in the trust was estimated and recorded in 2009 as a contribution with donor restrictions and as a charitable lead trust receivable. The Foundation received \$24,269 and \$26,161 from the trust in 2023 and 2022, respectively, which was recorded as a reduction in the receivable and a corresponding reclassification from net assets with donor restrictions to net assets without donor restrictions. On an annual basis, the Foundation will revalue the contribution receivable based on asset valuation and current market conditions.

Note 7 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2023 and 2022 and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Notes to Financial Statements

June 30, 2023 and 2022

Note 7 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at June 30, 2023
Assets - Investments:					
Domestic common stock	\$ 9,504,929	\$ -	\$ -	\$ -	\$ 9,504,929
Domestic mutual funds	30,660,359	-	-	5,127,312	35,787,671
Emerging markets mutual funds	1,032,723	-	-	1,715,061	2,747,784
Exchange-traded funds	12,746,647	-	-	-	12,746,647
Fixed-income securities	31,043,970	-	-	6,429,992	37,473,962
Hedge funds	754,189	-	-	2,330,788	3,084,977
International mutual funds	10,419,640	-	-	4,131,879	14,551,519
International common stock	743,739	-	-	-	743,739
Private equity funds	-	-	-	9,572,962	9,572,962
Real estate funds	1,435,711	-	-	-	1,435,711
Total assets	\$ 98,341,907	\$ -	\$ -	\$ 29,307,994	\$ 127,649,901

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at June 30, 2022
Assets - Investments:					
Domestic common stock	\$ 9,573,520	\$ -	\$ -	\$ -	\$ 9,573,520
Domestic mutual funds	25,957,601	-	-	5,206,935	31,164,536
Emerging markets mutual funds	1,144,949	-	-	1,308,192	2,453,141
Exchange-traded funds	13,299,788	-	-	-	13,299,788
Fixed-income securities	32,031,914	-	-	4,396,348	36,428,262
Hedge funds	385,368	-	-	2,280,713	2,666,081
International mutual funds	9,832,417	-	-	2,821,813	12,654,230
International common stock	527,736	-	-	-	527,736
Private equity funds	-	-	-	10,905,520	10,905,520
Real estate funds	1,224,027	-	-	-	1,224,027
Total assets	\$ 93,977,320	\$ -	\$ -	\$ 26,919,521	\$ 120,896,841

Not included in the tables above is \$3,430,856 and \$2,273,964 in cash and cash equivalents held in brokerage accounts as of June 30, 2023 and 2022, respectively.

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Notes to Financial Statements

June 30, 2023 and 2022

Note 7 - Fair Value Measurements (Continued)

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Investments Held at June 30, 2023			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Domestic mutual funds (a)	\$ 5,127,312	\$ -	Daily	1-2 days
Emerging market mutual funds (b)	1,715,061	-	Daily	1-2 days
Fixed-income securities (c)	6,429,992	-	Daily	None
Funds of hedge funds (d)	2,330,788	-	90 days or less	90 days or less
International mutual funds (e)	4,131,879	-	Daily	2-3 days
Private equity (f)	9,572,962	3,749,919	Not eligible	None
Total	\$ 29,307,994	\$ 3,749,919		

	Investments Held at June 30, 2022			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Domestic mutual funds (a)	\$ 5,206,935	\$ -	Daily	1-2 days
Emerging markets mutual funds (b)	1,308,192	-	Daily	1-2 days
Fixed-income securities (c)	4,396,348	-	Daily	None
Funds of hedge funds (d)	2,280,713	-	90 days or less	90 days or less
International mutual funds (e)	2,821,813	-	Daily	2-3 days
Private equity (f)	10,905,520	1,285,647	Not eligible	None
Total	\$ 26,919,521	\$ 1,285,647		

- (a) Domestic mutual funds invest in domestic equities in the Russell 1000, Midcap, and 2000 Indices, with the objective of outperforming the Russell 1000, Midcap, and 2000 Indices.
- (b) Emerging markets mutual funds invest in international securities that are in the MSCI Emerging Markets Index, with the objective of replicating the performance of the MSCI Emerging Markets Index.
- (c) Fixed-income securities invest in domestic fixed-income securities, with the objective of replicating the BC US Aggregate Bond Index.
- (d) Funds of hedge funds are designated to provide a competitive rate of return. Generally, these investments have a redemption period of 90 days or less and a notification period of 90 days or less. Approximately 0.2 percent of the investments are in side-pocket arrangements. The Foundation will not be able to redeem such value from any particular underlying investments until such amount is released from its respective side pocket arrangement. The Foundation is not able to estimate the timing of receipt of such amounts.
- (e) International mutual funds invest in international securities that are in the MSCI EAFE Index and in the MSCI Emerging Markets Index, with the objective of outperforming the MSCI EAFE Index and replicating the performance of the MSCI ACWI ex-US.
- (f) Private equity invests in private equity, with the objective of obtaining a competitive rate of return.

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Notes to Financial Statements

June 30, 2023 and 2022

Note 8 - Agency Funds

The financial effects of transactions related to agency funds are recorded as changes in the agency funds liability on the statement of financial position and are not included in the statement of activities and changes in net assets. The changes are summarized as follows:

	<u>2023</u>	<u>2022</u>
Additions:		
Deposits	\$ 2,569,995	\$ 4,411,974
Investment income	612,988	566,749
Net realized and unrealized gain (loss)	<u>1,409,001</u>	<u>(3,176,759)</u>
Total additions	4,591,984	1,801,964
Deductions:		
Distributions	1,760,576	2,411,296
Investment expenses	<u>219,146</u>	<u>260,500</u>
Total deductions	<u>1,979,722</u>	<u>2,671,796</u>
Change in balance	2,612,262	(869,832)
Agency funds - Beginning of year	<u>23,531,409</u>	<u>24,401,241</u>
Agency funds - End of year	<u>\$ 26,143,671</u>	<u>\$ 23,531,409</u>

Note 9 - Deferred Revenue

As part of the American Rescue Plan Act of 2021, the Foundation received \$10,600,000 in 2022 to be utilized for grants to the DuPage community and for time incurred for administering the grants. As this funding was received but not utilized for the conditions specified in the agreements, this was recorded as deferred revenue. The Foundation has recognized \$3,150,870 and \$11,429 of the funds as grant revenue based grants awarded and related expenditures incurred during the years ended June 30, 2023 and 2022, respectively.

Note 10 - Donor-restricted and Board-designated Endowments

The Foundation's endowment consists of 381 individual funds established for a variety of purposes. Endowments include both donor-restricted funds and funds designated by the board of trustees to function as endowments for community needs grants. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 10 - Donor-restricted and Board-designated Endowments (Continued)

Interpretation of Relevant Law

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of trustees of the Foundation had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- Donor requests
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

	Endowment Net Asset Composition by Type of Fund as of June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 11,712,904	\$ -	\$ 11,712,904
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	93,466,077	93,466,077
Accumulated investment losses	-	(8,799,421)	(8,799,421)
Total funds	<u>\$ 11,712,904</u>	<u>\$ 84,666,656</u>	<u>\$ 96,379,560</u>

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Notes to Financial Statements

June 30, 2023 and 2022

Note 10 - Donor-restricted and Board-designated Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 11,762,927	\$ 79,835,060	\$ 91,597,987
Investment return:			
Investment income	80,830	2,437,397	2,518,227
Net appreciation (realized and unrealized)	377,742	4,940,300	5,318,042
Total investment return	458,572	7,377,697	7,836,269
Contributions	268,751	10,879,200	11,147,951
Appropriation of endowment assets for expenditure	(777,346)	(13,425,301)	(14,202,647)
Endowment net assets - End of year	<u>\$ 11,712,904</u>	<u>\$ 84,666,656</u>	<u>\$ 96,379,560</u>
	Endowment Net Asset Composition by Type of Fund as of June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 11,762,927	\$ -	\$ 11,762,927
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	88,664,344	88,664,344
Accumulated investment losses	-	(8,829,284)	(8,829,284)
Total funds	<u>\$ 11,762,927</u>	<u>\$ 79,835,060</u>	<u>\$ 91,597,987</u>
	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 13,490,491	\$ 85,015,496	\$ 98,505,987
Investment return:			
Investment income	100,134	3,030,636	3,130,770
Net depreciation (realized and unrealized)	(1,811,046)	(13,246,798)	(15,057,844)
Total investment return	(1,710,912)	(10,216,162)	(11,927,074)
Contributions	378,458	12,644,600	13,023,058
Appropriation of endowment assets for expenditure	(395,110)	(7,608,874)	(8,003,984)
Endowment net assets - End of year	<u>\$ 11,762,927</u>	<u>\$ 79,835,060</u>	<u>\$ 91,597,987</u>

Note 10 - Donor-restricted and Board-designated Endowments (Continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. The corpus and fair value of 53 funds with deficiencies as of June 30, 2023 were \$28,863,154 and \$17,018,885, respectively. The corpus and fair value of 59 funds with deficiencies as of June 30, 2022 were \$26,818,836 and \$17,136,452, respectively. This resulted in deficiencies that are reported in net assets with donor restrictions of \$11,844,270 and \$9,682,384 as of June 30, 2023 and 2022, respectively. These deficiencies resulted from individual donor requests that were deemed appropriate by the board of trustees in order to comply with the donor's intent.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. Accordingly, the investment process seeks to achieve an after-cost total real rate of return with acceptable levels of risk, including investment income and capital appreciation, which exceeds the annual distribution.

Investment risk is measured in terms of the total endowment fund. Investment assets and allocation between asset classes and strategies are managed to minimize risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation will use the moving average method to plan year-to-year grants in order to reduce annual variations in the amounts distributed from the aggregate portfolio. The amount will be determined based on the moving average of the portfolio's fair value from the previous 12 quarters (that is, the moving average will be determined in the last quarter of the calendar year based on 12 averaged quarters ending September 30 before the calendar year in which the funds are to be spent). For funds less than three years old, the market value will be the average of all averaged quarters to date. This policy creates more consistent and predictable granting by the Foundation over the long term.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Endowment assets are invested in a well-diversified asset mix intended to result in consistent inflation-protected rates of return with sufficient liquidity to make an annual distribution of between 4 percent and 5 percent while growing the funds, if possible. Therefore, the Foundation expects its endowment assets, over time, to produce an average rate of return, net of fees of approximately 8 percent annually. Actual returns in any given year may vary from this amount. The Foundation has a policy that permits spending from underwater endowment funds in order to comply with donor requests, unless otherwise precluded by relevant laws and regulations. The Foundation will communicate with donors annually the recommended spending for their endowment assets, which is based on the Foundation's spending policy of an annual distribution of between 4 percent and 5 percent. There were grants paid from underwater endowment funds of \$3,259,702 and \$1,266,086 during the years ended June 30, 2023 and 2022, respectively.

The DuPage Community Foundation
(d.b.a. DuPage Foundation)

Federal Awards Supplemental Information
June 30, 2023

Independent Auditor's Reports

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Trustees
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

We have audited the financial statements of The DuPage Community Foundation (d.b.a. DuPage Foundation) as of and for the year ended June 30, 2023 and have issued our report thereon dated October 12, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 12, 2023.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 12, 2023

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Trustees
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The DuPage Community Foundation (d.b.a. DuPage Foundation) (the "Foundation"), which comprise the Foundation's statement of financial position as of June 30, 2023 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Trustees
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 12, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Trustees
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The DuPage Community Foundation (d.b.a. DuPage Foundation)'s (the "Foundation") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Foundation's major federal program for the year ended June 30, 2023. The Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal program.

To the Board of Trustees
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Trustees
The DuPage Community Foundation
(d.b.a. DuPage Foundation)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

October 12, 2023

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

<u>Federal Agency/Pass-through Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of the Treasury - COVID-19 - Passed through by The County of DuPage - Coronavirus State and Local Fiscal Recovery Funds	21.027	FI-R-0066-22	\$ 3,083,010 \$	3,150,862

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of The DuPage Community Foundation (d.b.a. DuPage Foundation) (the "Foundation") under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of the Foundation.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available.

The Foundation has elected to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

The DuPage Community Foundation (d.b.a. DuPage Foundation)

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None