

**PILLARS COMMUNITY HEALTH**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2020 AND 2019**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pillars Community Health  
La Grange Park, Illinois

### **Report on Financial Statements**

We have audited the accompanying financial statements of Pillars Community Health (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019 and the related statements of operations, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pillars Community Health as of June 30, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 29 to 36 is presented for the purpose of additional analysis, and is not a required part of the financial statements. Supplemental information consists of schedules of revenues and expenses for Proviso Mental Health Commission, Illinois Coalition Against Sexual Assault Programs, Illinois Coalition Against Domestic Violence Programs and Cook County Department of Planning and Development. 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 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.



**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
February 4, 2021

**PILLARS COMMUNITY HEALTH  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,475,689	\$ 1,466,224
Fee for Service Receivable, Net of Allowance for Doubtful Accounts	819,931	715,224
Grants Receivable	2,140,725	1,569,840
Pledges Receivable	170,000	100,000
Prepaid Expenses	107,367	231,399
Inventory	12,216	57,216
Total Current Assets	5,725,928	4,139,903
<b>INVESTMENTS</b>		
Investment in ProviderCo, LLC	40,000	40,000
Investment in Behavioral Health Consortium of Illinois, LLC	35,000	35,000
Investments	4,070,278	3,821,713
Investments Held in Trust by Others	1,817,712	1,797,383
Total Investments	5,962,990	5,694,096
<b>PROPERTY AND EQUIPMENT, Net</b>	5,149,905	5,405,562
Total Assets	\$ 16,838,823	\$ 15,239,561
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 501,560	\$ 853,562
Accrued Payroll, Vacation, and Related Expenses	1,436,947	969,281
Accrued Expenses	284,633	150,385
Deferred Revenue	336,359	349,121
Current Portion of Long-Term Debt	162,072	1,112,102
Refundable Advances	1,036,073	-
Total Current Liabilities	3,757,644	3,434,451
<b>NONCURRENT LIABILITIES</b>		
Long-Term Portion of Debt, Net of Unamortized Debt Issuance Costs	1,727,744	924,150
Deferred Rent	12,452	21,557
Total Noncurrent Liabilities	1,740,196	945,707
Total Liabilities	5,497,840	4,380,158
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	4,872,971	6,063,627
Board Designated	3,214,000	1,727,554
With Donor Restrictions	3,254,012	3,068,222
Total Net Assets	11,340,983	10,859,403
Total Liabilities and Net Assets	\$ 16,838,823	\$ 15,239,561

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
STATEMENTS OF OPERATIONS  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>REVENUE</b>		
Support and Revenue:		
Contributions	\$ 363,028	\$ 927,813
Special Events, Net	239,845	291,371
Shop Sales, Net	280,165	397,474
Federal Government Grants	8,029,494	6,678,785
State and Coalition Grants	2,352,263	2,148,947
Township and Local Grants	2,356,449	2,496,937
Other Grants	227,162	38,786
Fee for Service Revenue, Net	6,684,490	6,594,147
Net Assets Released from Restrictions Used for Operations	1,191,426	1,069,265
Total Revenue	21,724,322	20,643,525
 <b>EXPENSES</b>		
Program Services	17,781,298	17,805,177
Support Services:		
Management and General	3,621,835	3,672,597
Philanthropy	363,842	450,084
Total Expenses	21,766,975	21,927,858
 <b>OPERATING LOSS</b>	(42,653)	(1,284,333)
 <b>OTHER REVENUE</b>		
Dividends and Interest	119,277	133,715
Realized Gain (Loss) on Investments	105,337	(2,391)
Unrealized Gain on Investments	85,491	76,815
Miscellaneous	28,338	78,812
Total Other Revenue	338,443	286,951
 <b>EXCESS (DEFICIT) OF REVENUES OVER EXPENSES</b>	\$ 295,790	\$ (997,382)

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Excess (Deficit) of Revenue over Expenses	\$ 295,790	\$ (997,382)
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Grants and Contributions	1,356,887	1,002,599
Net Assets Released from Restrictions	(1,191,426)	(1,069,265)
Change in Value of Investments Held in Trust by Others	20,329	(7,512)
Increase (Decrease) in Net Assets With Donor Restrictions	185,790	(74,178)
<b>CHANGE IN NET ASSETS</b>	481,580	(1,071,560)
Net Assets - Beginning of Year	10,859,403	11,930,963
<b>NET ASSETS - END OF YEAR</b>	\$ 11,340,983	\$ 10,859,403

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020**

	Program Services								Supporting Services			
	Mental Health Services	Addiction Services	Sexual Assault Services	Domestic Violence Services	Early Childhood Education	Medical Health	Dental Services	Shops Services	Total Program Services	Management and General	Philanthropy	Total
Salaries and Wages	\$ 3,426,762	\$ 378,681	\$ 611,594	\$ 849,818	\$ 1,474,174	\$ 1,516,154	\$ 583,587	\$ 203,811	\$ 9,044,581	\$ 2,199,957	\$ 208,557	\$ 11,453,095
Payroll Taxes and Benefits	783,029	76,104	135,782	215,704	314,477	309,417	105,806	55,137	1,995,456	437,011	52,612	2,485,079
Bad Debt	5,519	-	-	-	-	14,000	-	-	19,519	-	-	19,519
Client Assistance and Transportation	86,290	2,790	19,319	41,845	192,496	6,284	703	2,938	352,665	3,570	246	356,481
Clinical Providers	156,849	8,290	-	2,236	41,585	278,008	28,918	-	515,886	30,945	-	546,831
Depreciation	111,770	25,207	14,345	30,000	59,809	56,640	26,291	18,974	343,036	36,023	9,058	388,117
Information Technology and Telecommunications	309,921	34,154	42,161	79,209	104,255	185,967	67,689	24,648	848,004	178,000	16,649	1,042,653
Donated Services and Supplies	-	-	-	-	-	10,000	-	-	10,000	-	20,637	30,637
Professional Development, Licenses, Dues, and Subscriptions	36,101	2,373	4,478	7,889	101,969	34,209	11,741	145	198,905	36,836	2,169	237,910
Insurance	33,359	4,852	4,627	9,597	15,283	27,364	6,333	4,243	105,658	13,798	2,238	121,694
Interest Expense	27,102	9,700	4,812	667	49,647	139	-	-	92,067	1,263	31	93,361
Occupancy	245,234	35,761	33,252	146,881	254,616	149,474	84,514	44,285	994,017	186,230	25,214	1,205,461
Professional Fees and Outside Services	27,026	5,479	245	187	173,172	26,317	2,648	425	235,499	343,630	-	579,129
Payments to Subrecipients	-	-	-	-	1,972,705	-	-	-	1,972,705	-	-	1,972,705
Supplies	117,513	10,634	50,449	56,733	371,740	146,252	61,510	10,485	825,316	148,237	22,633	996,186
Other Expenses	105,688	30,044	7,376	7,354	23,326	1,205	1,299	51,692	227,984	6,335	3,798	238,117
<b>Total Functional Expenses</b>	<b>\$ 5,472,163</b>	<b>\$ 624,069</b>	<b>\$ 928,440</b>	<b>\$ 1,448,120</b>	<b>\$ 5,149,254</b>	<b>\$ 2,761,430</b>	<b>\$ 981,039</b>	<b>\$ 416,783</b>	<b>\$ 17,781,298</b>	<b>\$ 3,621,835</b>	<b>\$ 363,842</b>	<b>\$ 21,766,975</b>

See accompanying Notes to Financial Statements.



**PILLARS COMMUNITY HEALTH  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2019**

	Program Services								Supporting Services			
	Mental Health Services	Addiction Services	Sexual Assault Services	Domestic Violence Services	Early Childhood Education	Medical Health	Dental Services	Shops Services	Total Program Services	Management and General	Philanthropy	Total
Salaries and Wages	\$ 3,495,398	\$ 439,205	\$ 503,950	\$ 828,212	\$ 1,147,687	\$ 1,442,157	\$ 636,315	\$ 217,983	\$ 8,710,907	\$ 2,241,100	\$ 284,837	\$ 11,236,844
Payroll Taxes and Benefits	870,012	100,510	120,029	238,550	318,423	291,633	132,126	58,991	2,130,274	479,276	66,496	2,676,046
Bad Debt	160,834	83,627	-	8,715	-	-	-	-	253,176	-	-	253,176
Client Assistance and Transportation	87,751	5,148	12,402	15,677	231,344	682	1,177	6,985	361,166	5,468	452	367,086
Clinical Providers	183,420	8,606	-	948	78,928	371,278	-	-	643,180	34,394	-	677,574
Depreciation	136,229	35,496	20,257	34,337	39,071	51,267	18,577	20,800	356,034	45,955	6,818	408,807
Information Technology and Telecommunications	226,301	25,056	27,802	47,538	119,141	136,554	59,034	17,043	658,469	128,092	12,171	798,732
Donated Services and Supplies	111	-	-	5,682	126,382	15,701	-	-	147,876	-	26,886	174,762
Professional Development, Licenses, Dues, and Subscriptions	35,592	5,891	12,846	12,026	128,831	35,209	18,505	842	249,742	66,907	1,262	317,911
Insurance	31,857	4,255	4,551	7,512	13,727	21,107	7,168	5,010	95,187	29,147	1,414	125,748
Interest Expense	20,302	33,535	8,077	1,875	33,435	38	26	-	97,288	3,735	1,393	102,416
Occupancy	158,889	46,032	19,570	80,588	115,933	54,771	17,163	47,031	539,977	151,933	10,776	702,686
Professional Fees and Outside Services	35,427	9,482	531	807	289,907	9,212	12,028	525	357,919	320,861	-	678,780
Payments to Subrecipients	-	-	-	-	2,297,454	-	-	-	2,297,454	-	-	2,297,454
Supplies	166,690	22,849	41,127	43,776	332,119	172,571	98,018	15,448	892,598	139,810	28,925	1,061,333
Other Expenses	1,803	445	189	11	-	1,391	1,461	8,630	13,930	25,919	8,654	48,503
<b>Total Functional Expenses</b>	<b>\$ 5,610,616</b>	<b>\$ 820,137</b>	<b>\$ 771,331</b>	<b>\$ 1,326,254</b>	<b>\$ 5,272,382</b>	<b>\$ 2,603,571</b>	<b>\$ 1,001,598</b>	<b>\$ 399,288</b>	<b>\$ 17,805,177</b>	<b>\$ 3,672,597</b>	<b>\$ 450,084</b>	<b>\$ 21,927,858</b>

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 481,580	\$ (1,071,560)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	388,117	408,807
Bad Debt Expense	19,519	253,176
Loss on Disposal of Fixed Assets	23,260	10,898
Recognition of Refundable Advances	(1,091,025)	-
Unrealized and Realized Gains on Investments	(190,828)	(74,424)
Change in Value of Investments Held in Trust by Others	(20,329)	7,512
Donated Stock	(5,793)	-
Changes in Assets and Liabilities:		
Fee for Service Receivables	(124,226)	1,046,484
Inventory	45,000	(10,485)
Grants and Pledges Receivable	(640,885)	90,638
Prepaid Expenses	124,032	(47,473)
Accounts Payable	(352,002)	(26,603)
Accrued Payroll, Vacation, and Related Expenses	467,666	(2,232)
Accrued Expenses	125,143	(84,062)
Refundable Advances	2,127,098	-
Deferred Revenue	(12,762)	(25,435)
Net Cash Provided by Operating Activities	1,363,565	475,241
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	4,626,559	723,014
Proceeds from Sale of Property and Equipment	-	90,560
Purchases of Investments and Dividend Reinvestments	(4,678,503)	(828,857)
Purchases of Property and Equipment	(155,720)	(164,344)
Net Cash Used by Investing Activities	(207,664)	(179,627)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Long-Term Debt	(146,435)	(206,968)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,009,466	88,646
Cash and Cash Equivalents - Beginning of Year	1,466,224	1,377,578
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,475,690	\$ 1,466,224
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 95,515	\$ 102,416

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Pillars Community Health (the Organization) is a nonprofit organization incorporated in the state of Illinois which traces its history through its predecessor organizations to 1921 and was formed on January 1, 2018 as the result of a merger. The Organization provides health, social, and educational services to build strong healthy communities. The Organization operates a Federally Qualified Health Center (FQHC), a Community Mental Health Center (CMHC), a Child Development Center with Head Start and Early Head Start programs, Domestic Violence and Sexual Assault, and other Social Service Programs which provide and coordinate quality, comprehensive health and human services to people in the western suburbs of Chicago, with an emphasis on those with limited access to care. The activities are primarily funded by contributions from individuals and private foundations, support from federal and local grants, clinical revenues including Medicaid, sales of items donated to The Community Shop, and investment income.

Funds raised are used for programs developed by the Organization as follows:

- Within its FQHC, health center services include:
  - Coordinated preventive and acute medical care, chronic illness care and management, health education to patients ages 0-90, and prenatal care.
  - Integrated psychiatric and behavioral health services.
  - Dental services including comprehensive preventive and restorative oral health care and oral health education provided by dentists and a dental hygienist.
  - Care coordination and benefits assistance services.
  - Services as a Health Care for the Homeless Health Resources and Services Administration grantee.

The health center operates a 340B pharmacy assistance program as a covered entity and has Federal Public Health Service deemed status with respect to certain health or health-related claims, including medical malpractice claims, for itself and its covered individuals.

- Behavioral Health Services – The Organization is a Community Mental Health Provider and a SUPR Substance Use Disorder Provider licensed by the state of Illinois and some of these services are accredited by the Commission on Accreditation of Rehabilitation Facilities. The Organization provides outpatient and community-based services to help clients develop strategies to manage the symptoms related to their mental illnesses. This includes recovery-focused services, crisis services, community support and/or substance use disorder services, community independent living arrangement services, a childhood bereavement program, and other supportive services.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Organization (Continued)**

- The Child and Family Development Center supports the growth and development of children ages 0-5 in a strong positive learning environment that provides supportive services to over 600 children and their families. Programs include state-funded day care and federally-funded Head Start and Early Head Start. In September 2019, the Organization made the strategic decision to end Early Childhood Education Services when the Head Start and Early Head Start funding ended on June 30, 2020. Services continued through the end of the current school year ended in June 2020.
  
- The Organization's Domestic and Sexual Violence Programs manage two 24-hour telephone hotlines for domestic violence and sexual assault survivors, respectively, as well as advocacy and support services for survivors of sexual assault and domestic violence. Constance Morris House is a comprehensive residential shelter including case management, health care, and legal advocacy for shelter residents. The program also performs outreach, awareness, and prevention activities in the communities that the Organization serves.
  
- The Community Healthcare Network (Network) is a health care safety net program for low income, uninsured adults ages 19-64. Services include primary care, mental health services, specialty care referrals to a network of volunteer providers, pharmacy services and access to hospital-based laboratory, diagnostic, and inpatient services, if needed. The Organization is the enrollment site, a primary care site, and the managing entity for the Network, which is collaboration between AMITA Health Adventist La Grange Medical Center, Community Memorial Foundation, and multiple volunteer specialists.

The fiscal year for the Organization ends on June 30. Significant accounting policies followed by the Organization are presented below:

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

**Use of Estimates in Preparing Financial Statements**

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

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Excess (Deficit) of Revenue over Expenses**

The statement of operations includes deficit of revenue over expenses. Changes in net assets without donor restrictions that are excluded from the deficit of revenue over expenses, consistent with industry practice, include unrealized gains and losses on debt securities, contributions of long-lived assets (including assets acquired using contributions restricted by donors for the purpose of acquiring such assets), and grants for the acquisition of long-lived assets.

**Basis of Accounting**

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

The Organization reports information regarding its financial position and activities, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a capital reserve, an operating reserve, and a board designated quasi-endowment unrestricted fund.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) 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, when the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

**Cash and Cash Equivalents**

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

The Organization accounts for investments at fair value, based on quoted market prices. Unrealized gains or losses on such securities are based on the change in market value of the assets from the beginning to the end of the fiscal year. Realized gains or losses are based on the proceeds received less the fair market value as of the previous year or original cost if it was purchased during the year. Unrealized gains and losses are included in the change in net assets.

**Investments Held in Trust by Others**

The Organization has funds held in a perpetual trust by others from which income is received based on the Organization's ownership share. The interest in the trust is stated at the estimated fair value of the assets based on the percentage of the trust designated to the Organization applied to the total fair value of the trust, which is based primarily on quoted market prices of the trust's underlying assets. The Organization's share of the trust's assets is included in the statement of financial position as investments held in trust by others and is classified as net assets with donor restrictions.

**Investment in Behavioral Health Consortium of Illinois, LLC**

As of June 30, 2020 and 2019, the Organization had an 8.33% ownership of Behavioral Health Consortium of Illinois, LLC (the LLC). The purposes of the LLC is to establish and operate a network of clinically-integrated behavioral health service providers in Cook County and its surrounding communities who will serve as preferred providers to CountyCare and other third-party payors; to share best practices for the provision of high quality behavioral health services; to achieve efficiencies among the members; and to provide behavioral health services over a broader continuum of care inclusive of the social determinants of health. Members of the LLC are subject to an operating agreement which places limits on the transfer, sale, and pledging of units, including the first right of refusal by the LLC and other members in the event a member wishes to sell or dispose of its units. Withdrawal from the LLC requires written notice provided at least 180 days prior to the withdrawal date.

As the Organization does not have the ability to exercise significant influence on the activities of Behavioral Health Consortium of Illinois, LLC, the investment is accounted for under the cost method and valued at \$35,000.

**Investment in ProviderCo, LLC**

As of June 30, 2020 and 2019, the Organization had a 3.45% ownership of ProviderCo, LLC. The ProviderCo, LLC is a 50% owner of the Illinois Health Practice Alliance, which is an independent practice association of behavioral health providers in Illinois. As the Organization does not have the ability to exercise significant influence on the activities of ProviderCo, LLC, the investment is accounted for under the cost method and valued at \$40,000.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fee for Service Receivable**

Fee for service receivables, for which a third-party payor is responsible for paying, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual fee adjustments or discounts provided to third-party payors.

Fee for service receivables due directly from the patients are carried at the original charge for the service provided, less contractual allowances, and less an estimated allowance for uncollectible receivables. Management determines the allowance for uncollectible accounts, fee adjustments, and discounts by identifying troubled accounts and by historical experience applied to an aging of accounts. Fee for service receivables are written off as adjustments to service fee revenue when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of service fee revenue adjustment account when received. The Organization determines when an account is past due based on payor classification. The Organization does not charge interest on past due accounts. The allowance for uncollectible accounts at June 30, 2020 and 2019 was \$109,072 and \$130,997, respectively.

**Pledges and Contributions Receivable**

Unconditional promises to give contributions are recorded as revenue when the promises are received. Pledges expected to be collected in periods greater than one year are discounted to their estimated present value. There were no long-term pledges at June 30, 2020 or 2019. Management assesses the collectability of pledges receivable based on historical experience. When amounts are determined to be uncollectible, they are written off and charged to bad debt expense.

**Grants Receivable**

Grants receivable consists of costs under the grant agreements that were incurred prior to year-end, for which payment has not been received.

Costs incurred recoverable under grants are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for uncollectible grants expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. There was no allowance for doubtful accounts at June 30, 2020 or 2019.

**Inventory**

Inventory held at the resale shop is comprised solely of donated goods and is appraised and recorded at fair market value at year-end.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment purchases of \$5,000 or more are stated at cost. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of the property are capitalized. Assets received as donations are stated at the fair value at the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	27.5 to 50 Years
Building Improvements	5 to 50 Years
Furniture and Fixtures	5 Years
Machinery and Equipment	5 Years

**Impairment of Long-Lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Recognition of Support and Revenues**

Grants are recognized as revenue when earned. Expense-driven grants are recognized as revenue when the qualifying expenses have been incurred and all other grant requirements have been met. Grant funds received prior to the incurrence of the qualifying expenses are deferred.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations as net assets released from restrictions.

Grant revenues are recognized in the period in which they are expended for cost reimbursement agreements. Amounts received under these grants that have not yet been expended are recorded as deferred revenue. Grants advanced and not expended by the end of the grant or contract period are refundable to the grantor. Certain organizations involved in exchange transactions may specify monies be used in a specific future period and, as such, they are initially recorded as deferred revenue, and are then recognized in the period for which they were designated.



**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fee for Service Revenue, Net**

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include prospectively determined rates per encounter, reimbursed costs, case rates, discounted charges, per diem payments, and enhancements. Fee for service revenue, net is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors as final settlements are determined. Total adjustments and fees discounts to patient and third-party payors were approximately \$6,632,000 and \$5,718,000 for the years ended June 30, 2020 and 2019, respectively.

Centers for Medicare and Medicaid Services (CMS) reimburse the Organization based on the PPS rate for all services provided in the scope of the FQHC. Under the FQHC PPS, Medicare pays FQHCs based on the PPS rate for all FQHC services furnished to a beneficiary on the same day when a medically necessary, FQHC visit is furnished to a Medicare beneficiary.

The Organization receives Medicaid reimbursement for FQHC-covered services at predetermined rates, adjusted annually by the Medicare economic index. The Organization also receives Medicaid reimbursement for CMHC covered services based on a service specific fee schedule which is adjusted annually.

The Organization also has contractual arrangements with commercial insurance carriers, the terms of which call for the Organization to be paid for covered services at negotiated rates.

Provisions have been made in the financial statements for estimated contractual adjustments, which represent the difference between the charges for service and estimated payments.

For uninsured patients who do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided. A significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for bad debts related to uninsured patients in the period the services are provided. The Organization also records a provision for doubtful accounts related to third-party payors for services provided.

**Contributed Goods and Services**

The Organization recognizes donated services of specialized skills which would need to be purchased if they were not donated as in-kind contributions in the statement of operations. Donated health care and professional services amounted to \$-0- and \$92,251 for the years ended June 30, 2020 and 2019, respectively. The Organization also receives a significant amount of donated services from unpaid volunteers who assist in its programs in the furtherance of its purposes. No amounts have been recognized in the statement of operations for unpaid volunteers. The Organization received donated supplies for operations. Donated supplies amounted to \$30,637 and \$82,512 for the years ended June 30, 2020 and 2019, respectively.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Sliding Fee Adjustments (Charity Care)**

The Organization is a nonprofit health care provider established to meet the health care needs of its community. The Organization has a policy of providing care to uninsured patients who meet certain criteria under its policy at amounts less than its established rates, or without charge. If the free care exception does not apply patients are requested to pay a minimum fee for each visit, although no patient is denied services because of inability to pay.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. The Organization allocates its expenses between program and support services. Expenses that can be identified with a specific program or support service are allocated directly according to the benefits provided. Costs not directly attributable to a function, including depreciation, interest, and other occupancy costs are allocated by various statistical bases as determined by management.

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation. The Organization determined that it was not required to record a liability related to uncertain tax positions.

**Reclassification**

Certain prior year amounts have been reclassified, where appropriate, to conform to the current year method of presentation. These reclassifications had no impact to the total assets, liabilities, net assets or change in net assets previously presented.

**Adoption of New Accounting Standard**

In June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The adoption of this standard had no impact on the Organization's financial statements.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pending Accounting Standards**

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard was originally effective for the Organization for the fiscal year ended June 30, 2020, however, given the impact of the COVID-19 pandemic, the FASB issued ASU 2020-05 allowing for delay in implementing the standard until the fiscal year ending June 30, 2021.

Leases

In February 2016, FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standard. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance are effective for the Organization for the fiscal year ending June 30, 2023.

**NOTE 2 LIQUIDITY**

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programmatic activities as well as the conduct of services undertaken to support those activities to be general expenditures. The Organization also utilizes a line of credit (see Note 7).

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 LIQUIDITY (CONTINUED)**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 2,475,689	\$ 1,466,224
Fee for Service Receivable, Net	819,931	715,224
Grants and Pledges Receivable	2,310,725	1,669,840
Investments	4,070,278	3,821,713
Less:		
Board-Designated Net Assets	(3,214,000)	(1,727,554)
Net Assets With Donor Restrictions	(1,436,300)	(1,270,839)
Financial Assets Available for Use Within One Year to Meet Cash Needs for General Expenditures	<u>\$ 5,026,323</u>	<u>\$ 4,674,608</u>

**NOTE 3 GRANTS RECEIVABLE**

Grants receivable represents amounts due from various governmental and charitable entities for services to be provided by the Organization. The Organization's grants receivable consisted of the following restricted amounts at June 30:

	2020	2019
Head Start	\$ 515,404	\$ 904,322
Health Resources and Services Administration	1,089,443	-
State of Illinois Department of Human Services	38,861	80,699
Community Memorial Foundation	-	100,000
Illinois Coalition Against Sexual Assault	243,800	220,646
Illinois Coalition Against Domestic Violence	76,069	73,906
Other	177,148	190,267
Total Grants Receivables	<u>\$ 2,140,725</u>	<u>\$ 1,569,840</u>

**NOTE 4 INVESTMENTS**

Investments consisted of the following as of June 30:

	2020	2019
Money Market Funds	\$ 189,335	\$ 368,689
Equity Securities	1,122,986	2,218,085
Fixed Income Securities	2,757,957	1,161,701
Real Estate Securities	-	73,238
Investment in Behavioral Health Consortium of Illinois, LLC	35,000	35,000
Investments in ProviderCo, LLC	40,000	40,000
Investments Held in Trust by Others	1,817,712	1,797,383
Total Investments	<u>\$ 5,962,990</u>	<u>\$ 5,694,096</u>

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 5 PROPERTY AND EQUIPMENT**

A summary of property and equipment at June 30 is as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 891,686	\$ 891,686
Building and Improvements	9,048,711	9,048,711
Furniture and Equipment	2,662,762	2,208,708
Vehicles	65,713	65,713
Capital Work in Progress	-	328,662
Total	<u>12,668,872</u>	<u>12,543,480</u>
Less: Accumulated Depreciation	<u>7,518,967</u>	<u>7,137,918</u>
Property and Equipment, Net	<u>\$ 5,149,905</u>	<u>\$ 5,405,562</u>

Capital work in progress balance noted above was related to information technology projects that were still in progress as of June 30, 2019. These projects were completed prior to June 30, 2020.

**NOTE 6 BOARD-DESIGNATED FUNDS**

The board has designated the following net assets without donor restrictions as of June 30:

	<u>2020</u>	<u>2019</u>
Capital Reserve	\$ 400,000	\$ 266,798
Operating Reserve	1,500,000	825,600
Board Designated Quasi-Endowment Unrestricted Fund	1,314,000	635,156
Total Board-Designated Funds	<u>\$ 3,214,000</u>	<u>\$ 1,727,554</u>

**NOTE 7 LINE OF CREDIT**

The Organization has a \$1,000,000 revolving credit agreement with FNBC Bank & Trust. The line of credit bears interest at the greater of prime rate plus 0.50% or 4.75%. There were no borrowings outstanding as of June 30, 2020 and 2019. Borrowings under this line of credit are collateralized by substantially all business assets. The agreement expires on March 5, 2021.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 8 LEASES**

The Organization has an operating lease agreement for office space located in LaGrange Park, Illinois. The lease expires in March 2021. The lease calls for monthly escalating rental payments over the lease term as well as provides for rent abatement for the first four months of the lease. Rental expense is recorded on a straight-line basis over the lease term. Deferred rent, as a result of escalating payments and abatements, totaled \$12,452 and \$21,557 at June 30, 2020 and 2019, respectively. The Organization also has various operating leases for office equipment expiring through the year ending June 30, 2025. Lease expense during the fiscal years ended June 30, 2020 and 2019 was \$215,688 and \$159,780, respectively.

The future minimum rental payments required under the above lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 177,450
2022	75,866
2023	75,866
2024	59,711
2025	13,433
Total	<u>\$ 402,326</u>

**NOTE 9 LONG-TERM DEBT**

Long-term debt at June 30 is as follows:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Note payable to FNBC Bank & Trust. Note was refinanced on May 5, 2020 with monthly installments of \$8,588, including interest at 4.125%, with a final balloon payment of \$632,908. The note is collateralized by certain property owned by the Organization and is due on May 25, 2025.	\$ 965,666	\$ 1,018,686
Note payable to IFF with a principal amount of \$1,500,000. Monthly payments of \$11,920, including interest at 5%. This note is collateralized by certain properties owned by the Organization and is due on June 1, 2028.	941,582	1,034,998
Less: Unamortized Debt Issuance Costs	<u>(17,432)</u>	<u>(17,432)</u>
Total	1,889,816	2,036,252
Less: Current Portion	<u>(162,072)</u>	<u>(1,112,102)</u>
Total Long-Term Debt	<u>\$ 1,727,744</u>	<u>\$ 924,150</u>

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

The balance of the above debt matures as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 162,072
2022	170,359
2023	178,463
2024	186,955
2025	811,113
Thereafter	398,286
Unamortized Debt Issuance Costs	(17,432)
Total	<u>\$ 1,889,816</u>

**NOTE 10 REFUNDABLE ADVANCES**

A summary of refundable advances at June 30 is as follows:

	<u>2020</u>	<u>2019</u>
Paycheck Protection Program	\$ 908,975	\$ -
Provider Relief Funds	127,098	-
Total	<u>\$ 1,036,073</u>	<u>\$ -</u>

On April 15, 2020, the Organization received proceeds in the amount of \$2,000,000 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and The Coronavirus Aid, Relief, and Economic Security (CARES) Act. Therefore, the Organization has classified this loan as a conditional contribution for accounting purposes. The Organization recognized \$1,091,025 of federal government grants revenue related to this agreement during the year ended June 30, 2020, which represents the portion of the PPP funds for which the performance barriers have been met. As of June 30, 2020, the Organization has not satisfied the performance barriers attributable to \$908,975 of the PPP Loan proceeds, and this amount is classified as a refundable advance in the accompanying statement of financial position. The SBA has not formally forgiven any portion of the Organization's obligation under this PPP Loan. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, the payment of principal and interest shall begin on that date. If the SBA determines that a portion of the PPP Loan proceeds will not be forgiven, the Organization would be obligated to repay those funds to the SBA at an interest rate of 1% over a period of two years, with payments deferred for up to six months. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP at a rate of 1.0% per annum, and commencing in August 2021 principal and interest payments will be required through the maturity date in August 2023.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10 REFUNDABLE ADVANCES (CONTINUED)**

The Organization also received funding from the general distribution of the Provider Relief Fund established by the CARES Act, which was signed into law on March 27, 2020. \$127,098 of funding was received during the year ended June 30, 2020 and is to be used to reimburse the Organization for costs related to preventing, preparing for, and responding to coronavirus along with lost revenues. This funding has not yet been recognized as revenue and this amount is classified as a refundable advance in the accompanying statement of financial position.

**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS**

Net asset balances were comprised of the following at June 30:

	2020	2019
Subject to Expenditure for Specified Purpose:		
Domestic Violence Program	\$ 549,313	\$ 596,265
Capital Initiative Program	211,252	236,784
Electronic Health Record Initiative	-	25,000
Medical Services Program	260,417	100,081
Dental Services Program	154,911	119,398
Mental Health Services	130,337	117,225
Other	102,975	48,991
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Trust	1,817,712	1,797,383
Other Donor Restricted	27,095	27,095
Total Net Assets With Donor Restrictions	\$ 3,254,012	\$ 3,068,222

For the years ended June 30, 2020 and 2019, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished are as follows for the years ended June 30:

	2020	2019
Domestic Violence	\$ 275,696	\$ 321,776
Capital Initiative	25,532	63,216
Electronic Health Record Initiative	25,000	-
Medical Services	336,697	195,030
Dental Services	216,807	163,023
Mental Health Services	199,276	241,299
Other	112,418	84,921
Total	\$ 1,191,426	\$ 1,069,265



**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 12 FAIR VALUE MEASUREMENTS**

Accounting principles generally accepted in the United States of America define fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Accounting principles generally accepted in the United States of America establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

*Level 1* – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2* – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

*Level 3* – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following is a description of the valuation methodologies used for assets measured at fair value.

The fair values of exchange traded funds (ETF), bond funds, and stock mutual funds (Level 1 assets) are based on quoted market prices for identical assets in active markets. There are no Level 2 assets at June 30, 2020 and 2019.

The beneficial interest in trust is stated at fair value, which is based on the percentage of the trust designated to the Organization applied to the total fair value of the trust, which is based on quoted market prices of the underlying assets when available (Level 3 assets). Changes in the fair value of the underlying assets, as determined by the trustees that hold and manage these assets, are recognized in the statement of operations and changes in net assets in the period in which they occur.

**PILLARS COMMUNITY HEALTH  
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**NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table summarizes the valuation methods and inputs used to determine fair value at June 30, 2020 and 2019 for assets measured at fair value on a recurring basis using unobservable inputs (Level 3 inputs).

	<u>Fair Value at June 30, 2020</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs Used</u>	<u>Range Weighted Avg</u>
Beneficial Interest in Trust	\$ 1,817,712	Percentage of the Trust Designated to the Organization	Fair Value of Underlying Assets	N/A
	<u>Fair Value at June 30, 2019</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs Used</u>	<u>Range Weighted Avg</u>
Beneficial Interest in Trust	\$ 1,797,383	Percentage of the Trust Designated to the Organization	Fair Value of Underlying Assets	N/A

The Organization has processes in place to select the appropriate valuation technique and unobservable inputs to perform Level 3 fair value measurements. These processes include obtaining the trust's monthly statements and analyzing the changes in fair value from period to period.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended June 30, 2020 and 2019:

Balance at June 30, 2018	\$ 1,804,895
Total Unrealized Losses	<u>(7,512)</u>
Balance at June 30, 2019	1,797,383
Total Unrealized Gains	<u>20,329</u>
Balance at June 30, 2020	<u>\$ 1,817,712</u>

Unrealized gains (losses) reported above for the years ended June 30, 2020 and 2019 are reported in the change in fair value of investments held in trust by others in the statement of changes in net assets.

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets and liabilities. As a result, the unrealized losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

**PILLARS COMMUNITY HEALTH  
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**NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)**

The methods described above may produce a full value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at June 30 are as follows:

	2020			
	Total	Level 1	Level 2	Level 3
Investments:				
Money Market Funds	\$ 189,335	\$ 189,335	\$ -	\$ -
Equity Securities	1,122,986	1,122,986	-	-
Fixed Income Securities	2,757,957	1,980,398	777,559	-
Beneficial Interest in Trust	1,817,712	-	-	1,817,712
Total Assets at Fair Value	<u>5,887,990</u>	<u>\$ 3,292,719</u>	<u>\$ 777,559</u>	<u>\$ 1,817,712</u>
Investments Held at Cost	75,000			
Total Investments	<u>\$ 5,962,990</u>			
	2019			
	Total	Level 1	Level 2	Level 3
Investments:				
Money Market Funds	\$ 368,689	\$ 368,689	\$ -	\$ -
Equity Securities	2,218,085	2,218,085	-	-
Fixed Income Securities	1,161,701	1,161,701	-	-
Real Estate Securities	73,238	73,238	-	-
Beneficial Interest in Trust	1,797,383	-	-	1,797,383
Total Assets at Fair Value	<u>5,619,096</u>	<u>\$ 3,821,713</u>	<u>\$ -</u>	<u>\$ 1,797,383</u>
Investments Held at Cost	75,000			
Total Investments	<u>\$ 5,694,096</u>			

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

The Organization maintains cash in certain financial institutions for which the balances exceeded federally insured limits during the year. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term, and that such changes could materially affect the Organization and the amounts reported in the statement of operations.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Risk Management**

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. This coverage has not changed significantly from the previous year. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**Grants**

The Organization has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a review or audit by the grantor may become a liability of the Organization. Such amounts will be recognized in the period they become known.

**Regulatory Environment Including Fraud and Abuse Matters**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, and reimbursement for fee for services and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with imposition of significant fines and penalties, as well as significant repayments for fee for services previously billed. Management believes that the Organization is in compliance with fraud and abuse and other applicable government laws and regulations. While no regulatory inquiries that are expected to have a material adverse effect on the Organization have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

**Other**

The U.S. Department of Health and Human Services approves components of the Organization's annual budget.

**Medical Malpractice Insurance Coverage and Claims**

The Organization is covered under the provision of the Federal Tort Claims Act (FTCA) for malpractice for services provided within the scope of the FQHC. The FTCA is a government-funded program which allows federally qualified health centers to be covered for malpractice. The agency also carries GAP insurance for health center activities that may fall outside the scope of the FQHC as well as liability insurance for counselors, social workers, and teachers.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Concentrations**

Federal grant awards from two agencies represented 46% and 48% of public support during 2020 and 2019, respectively.

The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows at June 30:

	2020	2019
Medicare	6 %	1 %
Medicaid	79	85
Other Third-Party Payors and Patients	16	13
Total	<u>100 %</u>	<u>100 %</u>

Approximately 23% and 22% of the Organization's workforce is covered by a collective bargaining agreement as of the years ended June 30, 2020 and 2019, respectively. The agreement is in effect through February 28, 2021.

**Other**

In addition, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may have continuing impacts on various parts of its operations and financial results including, but not limited to, additional costs for emergency preparedness, disease control and containment, potential shortages of healthcare personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**NOTE 14 RETIREMENT PLAN**

The Organization has two retirement plans. The nonunion plan is a safe harbor plan with a 1% match on the first 3% of employee contributions and a 1/2% match on the next 1% of employee contributions for a maximum match of 4%. The union plan has a match of up to 2% on the first 2% of employee contributions. Both plans allow eligible employees to contribute up to 80% of their salary. Total expense for matching contributions was \$191,197 and \$183,229 for the years ended June 30, 2020 and 2019.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 15 SUBSEQUENT EVENTS**

Management evaluated subsequent events through February 4, 2021, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2020, but prior to February 4, 2021, that provided additional evidence about conditions that existed at June 30, 2020, have been recognized in the financial statements for the year ended June 30, 2020. Events or transactions that provided evidence about conditions that did not exist at June 30, 2020, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2020.

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
PROVISO MENTAL HEALTH COMMISSION  
YEAR ENDED JUNE 30, 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Behavioral Health	Domestic Violence	Total
<b>REVENUES</b>			
Service Fees	\$ 62,879	\$ 93,501	\$ 156,380
Total Revenues	62,879	93,501	156,380
<b>EXPENSES</b>			
Staff Salaries and Fringe Benefits	41,632	66,170	107,802
Fringe Benefits	9,818	17,932	27,750
Professional/Contractual Services	17,370	1,911	19,281
Supplies	576	2,473	3,049
Telecommunications	2,055	1,993	4,048
Occupancy	2,986	5,689	8,675
Local Transportation	297	1,208	1,505
Conferences and Meetings	10	544	554
Furniture and Equipment-Purchase and Maintenance	383	425	808
Insurance	606	644	1,250
Depreciation and Amortization	3,346	2,050	5,396
Allocated Support Services	13,982	14,691	28,673
Total Expenses	93,061	115,730	208,791
<b>SURPLUS/DEFICIT</b>	\$ (30,182)	\$ (22,229)	\$ (52,411)

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
PROVISO MENTAL HEALTH COMMISSION  
YEAR ENDED JUNE 30, 2019  
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Behavioral Health</u>	<u>Domestic Violence</u>	<u>Total</u>
<b>REVENUES</b>			
Service Fees	\$ 56,444	\$ 89,155	\$ 145,599
Total Revenues	<u>56,444</u>	<u>89,155</u>	<u>145,599</u>
<b>EXPENSES</b>			
Staff Salaries and Fringe Benefits	42,240	91,479	133,719
Fringe Benefits	10,019	22,600	32,619
Professional/Contractual Services	1,867	2,373	4,240
Supplies	663	1,723	2,386
Telecommunications	938	1,917	2,855
Occupancy	1,174	9,341	10,515
Local Transportation	11	44	55
Conferences and Meetings	24	544	568
Furniture and Equipment-Purchase and Maintenance	251	524	775
Insurance	345	785	1,130
Interest Expense	165	-	165
Depreciation and Amortization	1,350	3,503	4,853
Allocated Support Services	13,246	27,965	41,211
Total Expenses	<u>72,293</u>	<u>162,798</u>	<u>235,091</u>
<b>SURPLUS/DEFICIT</b>	<u>\$ (15,849)</u>	<u>\$ (73,643)</u>	<u>\$ (89,492)</u>



**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
ILLINOIS COALITION AGAINST SEXUAL ASSAULT  
YEAR ENDED JUNE 30, 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Total Sexual Assault	General	VOCA Advocacy	VAWA Satellite	VAWA Prevention	Member Travel	Member Travel VAWA	Member Travel Sisters of Charity	VOCA One Time	Other Sexual Assault
<b>REVENUES</b>										
ICASA/General	\$ 226,035	\$ 226,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ICASA/VOCA	664,946	-	664,946	-	-	-	-	-	-	-
ICASA/Satellite	60,000	-	-	60,000	-	-	-	-	-	-
ICASA/Prevention	42,223	-	-	-	42,223	-	-	-	-	-
ICASA/MEMBER TRAVEL General	1,866	-	-	-	-	1,866	-	-	-	-
ICASA/MEMBER TRAVEL VAWA	39	-	-	-	-	-	39	-	-	-
ICASA/MEMBER TRAVEL Sister of Charity	91	-	-	-	-	-	-	91	-	-
ICASA/One Time	4,470	-	-	-	-	-	-	-	4,470	-
Lyons Township Mental Health Commission	33,006	-	-	-	-	-	-	-	-	33,006
Cook County Hospitals	40,000	-	-	-	-	-	-	-	-	40,000
Released from Restriction	750	-	-	-	-	-	-	-	-	750
United Way	9,019	-	-	-	-	-	-	-	-	9,019
Other Revenue	10,812	-	-	-	-	-	-	-	-	10,812
<b>Total Revenues</b>	<b>1,093,257</b>	<b>226,035</b>	<b>664,946</b>	<b>60,000</b>	<b>42,223</b>	<b>1,866</b>	<b>39</b>	<b>91</b>	<b>4,470</b>	<b>93,587</b>
<b>EXPENSES</b>										
Personnel/Fringes	747,376	160,649	461,833	44,700	30,700	-	-	-	-	49,494
Contractual	86,497	15,518	61,034	1,920	189	-	-	-	-	7,836
Travel	42,523	1,894	7,014	2,489	-	1,866	39	91	-	29,130
Supplies	40,000	7,223	15,873	946	3,765	-	-	-	-	12,193
Equipment Purchases and Maintenance	10,482	1,373	-	-	-	-	-	-	4,470	4,639
Indirect Costs	183,948	39,378	119,192	9,945	7,569	-	-	-	-	7,864
Dues, Licenses, and Fees	1,561	-	-	-	-	-	-	-	-	1,561
<b>Total Expenses</b>	<b>1,112,387</b>	<b>226,035</b>	<b>664,946</b>	<b>60,000</b>	<b>42,223</b>	<b>1,866</b>	<b>39</b>	<b>91</b>	<b>4,470</b>	<b>112,717</b>
<b>SURPLUS/DEFICIT</b>	<b>\$ (19,130)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,130)</b>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
ILLINOIS COALITION AGAINST SEXUAL ASSAULT  
YEAR ENDED JUNE 30, 2019  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Total Sexual Assault	General	VOCA Advocacy	VAWA Satellite	VAWA Prevention	Member Travel	Member Travel VAWA	Member Travel Sisters of Charity	SASP	VOCA One Time	Other Sexual Assault
<b>REVENUES</b>											
ICASA/General	\$ 188,845	\$ 188,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ICASA/VOCA	513,649	-	513,649	-	-	-	-	-	-	-	-
ICASA/Satellite	61,586	-	-	61,586	-	-	-	-	-	-	-
ICASA/Prevention	41,744	-	-	-	41,744	-	-	-	-	-	-
ICASA/MEMBER TRAVEL General	2,750	-	-	-	-	2,750	-	-	-	-	-
ICASA/MEMBER TRAVEL VAWA	15	-	-	-	-	-	15	-	-	-	-
ICASA/MEMBER TRAVEL Sister of Charity	11	-	-	-	-	-	-	11	-	-	-
ICASA/SA Services Program (SASP)	16,072	-	-	-	-	-	-	-	16,072	-	-
ICASA/One Time	16,145	-	-	-	-	-	-	-	-	16,145	-
Lyons Township Mental Health Commission	36,006	-	-	-	-	-	-	-	-	-	36,006
Cook County Hospitals	40,000	-	-	-	-	-	-	-	-	-	40,000
Berwyn 708 Mental Health Board	1,212	-	-	-	-	-	-	-	-	-	1,212
Released from Restriction	24,219	-	-	-	-	-	-	-	-	-	24,219
United Way	11,000	-	-	-	-	-	-	-	-	-	11,000
Other Revenue	462	-	-	-	-	-	-	-	-	-	462
<b>Total Revenues</b>	<b>953,716</b>	<b>188,845</b>	<b>513,649</b>	<b>61,586</b>	<b>41,744</b>	<b>2,750</b>	<b>15</b>	<b>11</b>	<b>16,072</b>	<b>16,145</b>	<b>112,899</b>
<b>EXPENSES</b>											
Personnel/Fringes	627,262	133,046	372,432	46,933	32,054	-	-	-	12,920	-	29,877
Contractual	92,340	17,682	35,030	1,953	317	-	-	-	68	-	37,290
Travel	13,177	39	4,815	1,339	-	2,750	15	11	348	-	3,860
Supplies	19,622	3,027	9,300	906	2,361	-	-	-	146	-	3,882
Equipment Purchases and Maintenance	21,944	2,458	-	-	-	-	-	-	-	16,145	3,341
Indirect Costs	181,330	32,593	92,072	10,455	7,012	-	-	-	2,590	-	36,608
Dues, Licenses, and Fees	1,920	-	-	-	-	-	-	-	-	-	1,920
<b>Total Expenses</b>	<b>957,595</b>	<b>188,845</b>	<b>513,649</b>	<b>61,586</b>	<b>41,744</b>	<b>2,750</b>	<b>15</b>	<b>11</b>	<b>16,072</b>	<b>16,145</b>	<b>116,778</b>
<b>SURPLUS/DEFICIT</b>	<b>\$ (3,879)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,879)</b>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
ILLINOIS COALITION AGAINST DOMESTIC VIOLENCE  
YEAR ENDED JUNE 30, 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Total Domestic Violence	#215301 VOCA Grants	IDHS General Revenue Match	COVID-19 Response Foundation Grants	Other Domestic Violence
<b>REVENUES</b>					
Contributions	\$ 1,100	\$ -	\$ -	\$ -	\$ 1,100
United Way	9,019	-	-	-	9,019
Program Income	1,338,851	567,875	128,078	4,902	637,996
Other Revenue	5,555	-	-	-	5,555
Released from Restriction	286,705	-	-	-	286,705
Total Revenues	<u>1,641,230</u>	<u>567,875</u>	<u>128,078</u>	<u>4,902</u>	<u>940,375</u>
<b>EXPENSES</b>					
Salaries	849,818	339,194	99,437	-	411,187
Fringe Benefits/Taxes	215,704	86,645	28,641	-	100,418
Program Supplies	23,992	7,822	-	-	16,170
Staff Travel	4,244	-	-	-	4,244
Contractual Services	16,488	14,078	-	-	2,410
Occupancy	146,881	8,952	-	-	137,929
Telecommunications	38,133	9,392	-	-	28,741
Training and Education	4,497	-	-	-	4,497
Miscellaneous Costs	37,044	-	-	4,902	32,142
Indirect Costs	304,429	101,792	-	-	202,637
Total Expenses	<u>1,641,230</u>	<u>567,875</u>	<u>128,078</u>	<u>4,902</u>	<u>940,375</u>
<b>SURPLUS/DEFICIT</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
ILLINOIS COALITION AGAINST DOMESTIC VIOLENCE  
YEAR ENDED JUNE 30, 2019  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Total Domestic Violence	#215301 VOCA Grants	IDHS General Revenue Match	Other Domestic Violence
<b>REVENUES</b>				
Contributions	\$ 6,672	\$ -	\$ -	\$ 6,672
United Way	11,000	-	-	11,000
Program Income	1,300,262	512,312	128,078	659,872
Other Revenue	1,520	-	-	1,520
Released from Restriction	321,776	-	-	321,776
Total Revenues	<u>1,641,230</u>	<u>512,312</u>	<u>128,078</u>	<u>1,000,840</u>
<b>EXPENSES</b>				
Salaries	828,212	297,768	99,437	431,007
Fringe Benefits/Taxes	238,550	86,460	28,641	123,449
Program Supplies	39,708	5,454	-	34,254
Staff Travel	6,779	-	-	6,779
Contractual Services	257,453	5,092	-	252,361
Occupancy	83,447	11,972	-	71,475
Telecommunications	20,654	4,151	-	16,503
Training and Education	7,974	4,282	-	3,692
Miscellaneous Costs	8,898	5,300	-	3,598
Indirect Costs	150,268	91,833	-	58,435
Total Expenses	<u>1,641,943</u>	<u>512,312</u>	<u>128,078</u>	<u>1,001,553</u>
<b>SURPLUS/DEFICIT</b>	<u>\$ (713)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (713)</u>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
COOK COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
YEAR ENDED JUNE 30, 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Project # 1804-062	Project # 1904-067	Project # E18-11	Project # E19-12
<b>REVENUES</b>				
Program Income	\$ 4,500	\$ 13,075	\$ 181	\$ 19,000
Total Revenues	<u>4,500</u>	<u>13,075</u>	<u>181</u>	<u>19,000</u>
<b>EXPENSES</b>				
Staff Salaries	4,500	13,075	-	-
Shelter Maintenance and Repairs	-	-	-	19,000
Supplies	-	-	181	-
Total Expenses	<u>4,500</u>	<u>13,075</u>	<u>181</u>	<u>19,000</u>
<b>SURPLUS/DEFICIT</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
COOK COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
YEAR ENDED JUNE 30, 2019  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Project # 1804-062	Project # E18-11
<b>REVENUES</b>		
Program Income	\$ 13,500	\$ 19,819
Total Revenues	13,500	19,819
<b>EXPENSES</b>		
Staff Salaries	13,500	-
Transportation	-	1,000
Shelter Maintenance and Repairs	-	16,000
Supplies	-	2,819
Total Expenses	13,500	19,819
<b>SURPLUS/DEFICIT</b>	\$ -	\$ -

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