

**PILLARS COMMUNITY HEALTH**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2023 AND 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pillars Community Health  
Countryside, Illinois

### Report on Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Pillars Community Health (the Organization) which comprise the statements of financial position as of June 30, 2023 and 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pillars Community Health as of June 30, 2023 and 2022, and the results of its operations and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our 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 State. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pillars Community Health, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter – Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the Organization adopted new accounting guidance for leases during the year ended June 30, 2023. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to that matter.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pillars Community Health's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pillars Community Health'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 Pillars Community Health's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on 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 34 to 41 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of Pillars Community Health’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Pillars Community Health’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 Pillars Community Health’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
December 5, 2023

**PILLARS COMMUNITY HEALTH  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,880,190	\$ 2,693,259
Patient Service Receivable	674,570	419,877
Grants Receivable	2,503,281	1,512,264
Pledges Receivable	331,250	24,998
Prepaid Expenses	167,689	187,656
Total Current Assets	6,556,980	4,838,054
<b>INVESTMENTS</b>		
Investment in ProviderCo, LLC	40,000	40,000
Investment in Behavioral Health Consortium of Illinois, LLC	35,000	35,000
Investments	6,044,778	5,821,313
Investments Held in Trust by Others	2,026,596	1,937,045
Total Investments	8,146,374	7,833,358
<b>PROPERTY AND EQUIPMENT, NET</b>	4,695,905	4,741,423
<b>RIGHT-OF-USE ASSET</b>	482,914	-
Total Assets	\$ 19,882,173	\$ 17,412,835
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 394,288	\$ 721,980
Accrued Payroll, Vacation, and Related Expenses	919,569	1,224,191
Accrued Expenses	43,299	59,044
Deferred Revenue	702,343	346,937
Current Portion of Long-Term Debt	183,904	177,939
Operating Lease Liability, Current Portion	134,891	-
Total Current Liabilities	2,378,294	2,530,091
<b>NONCURRENT LIABILITIES</b>		
Long-Term Portion of Debt, Net of Unamortized Debt Issuance Costs	1,202,091	1,386,468
Operating Lease liability, Long-Term Portion	348,487	-
Security Deposits	12,539	12,539
Deferred Rent	-	4,533
Total Noncurrent Liabilities	1,563,117	1,403,540
Total Liabilities	3,941,411	3,933,631
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	6,873,896	5,654,263
Board Designated	5,184,007	4,965,113
With Donor Restrictions	3,882,859	2,859,828
Total Net Assets	15,940,762	13,479,204
Total Liabilities and Net Assets	\$ 19,882,173	\$ 17,412,835

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
STATEMENTS OF OPERATIONS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>REVENUE</b>		
Support and Revenue:		
Contributions	\$ 116,657	\$ 627,000
Special Events, Net	174,936	133,545
Federal, State, Coalition, Township, and Local Grants	9,886,518	9,455,165
Other Grants	301,058	571,538
Patient Service Revenue	8,979,048	6,323,080
Net Assets Released from Restrictions Used for Operations	1,673,775	1,065,520
Total Revenue	21,131,992	18,175,848
<b>EXPENSES</b>		
Program Services	15,274,247	13,639,382
Support Services:		
Management and General	4,904,049	4,420,688
Philanthropy	242,430	253,180
Total Expenses	20,420,726	18,313,250
<b>OPERATING INCOME (LOSS)</b>	711,266	(137,402)
<b>OTHER REVENUE (EXPENSE)</b>		
Dividends and Interest	182,915	97,128
Realized Gain on Investments	27,917	119,822
Unrealized Gain (Loss) on Investments	83,511	(605,250)
Miscellaneous	432,918	310,088
Gain on Disposal of Property and Equipment	-	1,093,361
Total Other Revenue	727,261	1,015,149
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 1,438,527</b>	<b>\$ 877,747</b>

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Excess of Revenue over Expenses	\$ 1,438,527	\$ 877,747
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Grants and Contributions	2,607,255	927,550
Net Assets Released from Restrictions	(1,673,775)	(1,065,520)
Change in Value of Investments Held in Trust by Others	89,551	(434,299)
Increase (Decrease) in Net Assets With Donor Restrictions	1,023,031	(572,269)
<b>CHANGE IN NET ASSETS</b>	2,461,558	305,478
Net Assets - Beginning of Year	13,479,204	13,173,726
<b>NET ASSETS - END OF YEAR</b>	\$ 15,940,762	\$ 13,479,204

See accompanying Notes to Financial Statements.



**PILLARS COMMUNITY HEALTH  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023**

	Program Services						Supporting Services			
	Behavioral Health Services	Pathways to Success Services	Sexual Assault Services	Domestic Violence Services	FQHC Health Center Services	Access & Referral Services	Total Program Services	Management and General	Philanthropy	Total
Salaries & Wages	\$4,465,653	\$ 150,360	\$ 567,230	\$ 879,217	\$ 3,489,960	\$153,000	\$ 9,705,420	\$2,754,187	\$ 77,476	\$ 12,537,083
Payroll Taxes and Benefits	971,054	17,765	130,806	206,938	612,531	34,128	1,973,222	531,659	12,936	2,517,817
Bad Debt	-	-	20,000	3,394	-	-	23,394	-	-	23,394
Client Assistance & Transportation	42,580	-	13,312	26,865	8,320	259	91,336	3,735	396	95,467
Clinical Providers	10,946	-	-	-	70,020	-	80,966	-	-	80,966
Depreciation & Amortization	75,302	-	24,106	36,796	103,858	5,887	245,949	59,359	4,205	309,513
Information Technology and Telecommunications	456,039	-	67,666	101,392	357,634	15,748	998,479	398,407	25,117	1,422,003
Professional Development, Licenses, Dues, and Subscriptions	34,321	-	2,047	8,402	66,896	-	111,666	46,396	333	158,395
Insurance	23,943	-	4,206	8,889	59,203	1,442	97,683	11,360	1,928	110,971
Interest Expense	9,889	-	12,241	10,573	8,531	14	41,248	26,431	138	67,817
Occupancy	225,814	-	52,583	142,946	377,455	16,510	815,308	335,748	43,693	1,194,749
Professional Fees & Outside Services	42,577	-	55	4,234	103,046	-	149,912	449,478	62,453	661,843
Payments to Subrecipients	37,575	-	-	-	-	-	37,575	-	-	37,575
Supplies	158,190	296	27,957	162,367	539,001	4,963	892,774	256,651	11,707	1,161,132
Miscellaneous	3,692	-	-	58	5,565	-	9,315	30,638	2,048	42,001
<b>Total Functional Expenses</b>	<b>\$ 6,557,575</b>	<b>\$ 168,421</b>	<b>\$ 922,209</b>	<b>\$ 1,592,071</b>	<b>\$ 5,802,020</b>	<b>\$ 231,951</b>	<b>\$ 15,274,247</b>	<b>\$ 4,904,049</b>	<b>\$ 242,430</b>	<b>\$ 20,420,726</b>

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

						Supporting Services		Total
	Behavioral Health Services	Sexual Assault Services	Domestic Violence Services	FQHC Health Center Services	Total Program Services	Management and General	Philanthropy	
Salaries and Wages	\$ 3,864,692	\$ 624,502	\$ 916,399	\$ 3,160,877	\$ 8,566,470	\$ 2,112,300	\$ 135,399	\$ 10,814,169
Payroll Taxes and Benefits	891,770	146,062	220,557	582,929	1,841,318	391,451	30,707	2,263,476
Bad debt	11,134	-	-	-	11,134	-	-	11,134
Client Assistance and Transportation	34,473	36,680	50,088	5,156	126,397	7,877	439	134,713
Clinical Providers	22,879	-	-	114,344	137,223	-	-	137,223
Depreciation	83,414	24,814	37,961	84,471	230,660	98,123	7,255	336,038
Information Technology and Telecommunications	316,828	56,393	80,312	360,543	814,076	313,795	18,417	1,146,288
Professional Development, Licenses, Dues, and Subscriptions	26,744	3,278	3,325	42,375	75,722	44,540	36	120,298
Insurance	37,728	6,215	13,438	53,488	110,869	26,876	3,137	140,882
Interest Expense	4,149	17,456	13,803	315	35,723	40,554	-	76,277
Occupancy	217,575	54,066	177,579	278,024	727,244	380,967	29,982	1,138,193
Professional Fees and Outside Services	19,139	-	5,500	167,673	192,312	363,706	2,500	558,518
Supplies	102,051	32,028	51,872	380,098	566,049	604,747	20,885	1,191,681
Other Expenses	183,032	1,936	4,358	14,859	204,185	35,752	4,423	244,360
Total Functional Expenses	<u>\$ 5,815,608</u>	<u>\$ 1,003,430</u>	<u>\$ 1,575,192</u>	<u>\$ 5,245,152</u>	<u>\$ 13,639,382</u>	<u>\$ 4,420,688</u>	<u>\$ 253,180</u>	<u>\$ 18,313,250</u>

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 2,461,558	\$305,478
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	309,513	336,038
Gain on Disposal of Property and Equipment	-	(1,093,361)
Unrealized and Realized (Gain) Loss on Investments	(111,428)	485,428
Change in Value of Investments Held in Trust by Others	(89,551)	434,299
Donated Stock	-	(4,893)
Changes in Assets and Liabilities:		
Patient Service Receivables	(254,693)	297,166
Grants and Pledges Receivable	(1,297,269)	(370,351)
Prepaid Expenses	19,967	(90,656)
Accounts Payable	(327,692)	546,649
Accrued Payroll, Vacation, and Related Expenses	(304,622)	92,690
Accrued Expenses	(19,814)	(117,201)
Deferred Revenue	355,406	(94,500)
Net Cash Provided by Operating Activities	741,375	726,786
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	2,675	72,696
Proceeds from Sale of Property and Equipment	-	1,205,005
Purchases of Investments and Dividend Reinvestments	(114,712)	(1,668,529)
Purchases of Property and Equipment	(263,995)	(78,503)
Net Cash Used by Investing Activities	(376,032)	(469,331)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Long-Term Debt	(178,412)	(167,039)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	186,931	90,416
Cash and Cash Equivalents - Beginning of Year	2,693,259	2,602,843
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,880,190	\$ 2,693,259
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 67,817	\$ 76,277
Right-of-Use Asset Obtained in Exchange for Lease Liability	\$ 494,414	\$ -

See accompanying Notes to Financial Statements.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**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) which is licensed to provide substance use prevention and recovery and substance abuse disorder (SUPR/SUD) services, 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, 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.
  - Coronavirus Disease (COVID-19) testing and vaccination services.
  - Outreach and engagement activities which include community events, patient education and capacity building with community partners.

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 health and/or substance use disorders. This includes individual, family, and group therapy, recovery-focused services, crisis services, community support and/or substance use disorder services, community independent living arrangement services, employment services, a childhood bereavement program, and other supportive services.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**Organization (Continued)**

- 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 medical and legal 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 Organization is also a certified Rape Crisis Center.
  
- 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 Advent Health, 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.

**Excess of Revenue over Expenses**

The statement of operations includes excess of revenue over expenses. Changes in net assets that are excluded from the excess of revenue over expenses, consistent with industry practice, include unrealized gains and losses on other than trading debt securities, contributions of long-lived assets (including assets acquired using contributions restricted by donors for the purpose of acquiring such assets), contributions with donor restrictions and grants for the acquisition of long-lived assets.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**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.

**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 excess of revenue over expenses.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**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, 2023 and 2022, 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, 2023 and 2022, the Organization had a 3.45% ownership of ProviderCo, LLC. 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.

**Patient Service Receivable**

Patient accounts receivable are reported at their transaction price from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. The Organization grants credit without collateral to its patients, most of whom are residents in the communities that it serves and are either insured under third-party payor agreements or uninsured. Patient accounts receivable are reduced for explicit and implicit price concessions. In establishing its estimate of collectability of accounts receivable, the Organization analyzes its past history and collection patterns of its major payor revenue sources. These estimates are adjusted as appropriate for volume, service mix and rate changes.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**Patient Service Receivable (Continued)**

For receivables associated with self-pay patients (which include patients without insurance who are not covered by the Organization's sliding fee discount program and patients with deductible and copayments balances due for which third-party coverages exists for part of the bill), the Organization records an implicit price concession in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted are considered a change in estimate of the implicit price concession.

**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, 2023 or 2022. 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, 2023 or 2022.

**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



**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**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. The Organization has been awarded \$5,844,885 and \$4,000,000 of cost-reimbursement grants from the Health Resources and Services Administration and the Substance Abuse and Mental Health Services Administration respectively, as of June 30, 2023, \$879,577 and \$2,433,649 have not been utilized.

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.

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.

**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- for the years ended June 30, 2023 and 2022. 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.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**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 policies 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. 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.

**Adoption of New Accounting Standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. The most prominent change in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of this guidance effective July 1, 2022. As of the date of adoption, the Organization did not have any leases in effect which would result in a cumulative effect adjustment. During the year ended June 30, 2022 and prior to the adoption of Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, the Organization followed ASC 840 and expensed approximately \$164,000 of operating lease costs as incurred. The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**Leases**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in ROU assets – financing and lease liability, financing in the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use the risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**NOTE 2 PATIENT SERVICE REVENUE AND RECEIVABLES**

Patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government payors), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party after the services are performed. Revenue is recognized as the performance obligations are satisfied.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 PATIENT SERVICE REVENUE AND RECEIVABLES (CONTINUED)**

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time are recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patient service revenue from primary and preventative care, care coordination fees and capitation revenue, and totaled approximately \$6,180,000 and \$6,793,000 for the years ended June 30, 2023 and 2022, respectively. The Organization measures the performance obligation at the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the completion of the outpatient service. Revenue for performance obligations satisfied at a point in time, pharmacy services, are recognized when goods are provided to patients and the Organization is not required to provide additional goods or services related to that sale, and totaled approximately \$165,000 and \$143,000 for the years ended June 30, 2023 and 2022, respectively.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions provided to third-party payors, discounts provided to uninsured and under-insured patients in accordance with the Organization's policy and/or implicit price concessions provided to uninsured and under-insured patients. The Organization determines its estimates of explicit price concessions based on contractual agreements, its discount policy, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

The opening and closing contract balances with customers were as follows:

	Patient Service Receivable
Balance as of July 1, 2021	\$ 717,043
Balance as of July 1, 2022	419,877
Balance as of June 30, 2023	674,570

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 PATIENT SERVICE REVENUE AND RECEIVABLES (CONTINUED)**

Agreements with third-party payors typically provide for payments at amounts less than established charges. Contractual adjustments under third-party reimbursement programs principally represent the differences between the Organization's billings at list price and the amounts reimbursed by Medicare, Medicaid, commercial insurance carriers, and certain other third-party payors; they also include any differences between estimated retroactive third-party reimbursement settlements for prior years and subsequent final settlements. A summary of the payment arrangements with major third-party payors follows:

Medicare

The Health Center is paid a Prospective Payment System (PPS) rate for FQHCs under Medicare Part B for outpatient services rendered to Medicare program beneficiaries. The rates vary according to patient classification systems and are based on clinical, diagnostic, and other factors. Under the FQHC PPS, Medicare pays FQHCs based on the lesser of their actual charges or the PPS rate for FQHC services furnished to a beneficiary for a medically necessary, face-to-face FQHC visit. The Organization is paid 80% of the established FQHC rate, with the beneficiary being responsible for the remaining 20%, or alternatively, the remaining 20% is billed to Medicaid for qualifying patients (dual eligible). The FQHC PPS base rate is adjusted for each FQHC site by the FQHC geographic adjustment factor (GAF), based on the geographic cost indices (GPCIs) used to adjust payment under the Medicare Physician Fee Schedule (MPFS).

The Organization is reimbursed at the PPS rate with final settlement related to Medicare bad debts and vaccines provided during the Medicare year determined after submission of annual cost reports by the Organization and audits thereof by the Centers for Medicare and Medicaid (CMS) fiscal intermediary. Historically, these settlement amounts have not been material.

Medicaid

The Organization is paid for services rendered to Medicaid program beneficiaries based on rates established by the Illinois Department of Healthcare and Family Services. Health Center rates are adjusted annually based on the Medicare Economic Index. The prospectively determined rates for the Health Center are not subject to retroactive adjustment.

Managed Care Organizations

The Organization also provides health care services under various agreements with health maintenance organizations (HMOs) and preferred provider organizations (PPOs). The terms of each contract vary, but typically include a negotiated discount offered by the Organization for services provided to contracted HMO and PPO patients.

Other

The Organization has payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement under these agreements includes discounts from established charges and prospectively determined rates.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 PATIENT SERVICE REVENUE AND RECEIVABLES (CONTINUED)**

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price, were not significant in 2023 and 2022.

Generally, patients who are covered by third-party payors are responsible for related deductibles that vary in amount. The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. Specifically, the Organization has a policy of providing care to patients who meet certain criteria under its Sliding Fee Discount Program at amounts less than its established rates. However, all patients are requested to pay a nominal fee for each visit, and no patient is denied services because of inability to pay. Discounts under the Sliding Fee Discount Program are considered explicit price concessions. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The Organization estimates the cost of providing charity care by applying a cost-to-gross charges ratio to the gross uncompensated charges associated with providing charity care to patients.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended June 30, 2023 and 2022. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 PATIENT SERVICE REVENUE AND RECEIVABLES (CONTINUED)**

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured patients and other uninsured balances (for example, copays, and deductibles). The implicit price concessions included in estimating the transaction price represents the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, other insurance, or patient) have different reimbursement/payment methodologies;
- Length of patient's service;
- Method of reimbursement (fee for service or capitation);
- the Organization's line of business that provided the service such as medical, dental, and behavioral health visits.

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Organization does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

The following summarizes the composition of the patient accounts receivable by payor and patient service revenue by payor, for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Receivables:		
Medicaid and Medicaid Managed Care	88%	67%
Medicare	4%	4%
Other Third Parties Including Commercial	3%	7%
Self-Pay	5%	22%
Total Receivables, Net	<u>100%</u>	<u>100%</u>
Revenue:		
Medicaid and Medicaid Managed Care	90%	81%
Medicare	3%	7%
Other Third Parties Including Commercial	6%	10%
Self-Pay	1%	2%
Total Patient Services Revenue, Net	<u>100%</u>	<u>100%</u>

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 3 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 8).

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:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 2,880,190	\$ 2,693,259
Patient Service Receivable	674,570	419,877
Grants and Pledges Receivable	2,834,531	1,537,262
Investments	6,044,778	5,821,313
Less:		
Board-Designated Net Assets	(5,184,007)	(4,965,113)
Net Assets With Donor Restrictions	<u>(1,856,263)</u>	<u>(922,783)</u>
Financial Assets Available for Use Within One Year to Meet Cash Needs for General Expenditures	<u>\$ 5,393,799</u>	<u>\$ 4,583,815</u>

**NOTE 4 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:

	<u>2023</u>	<u>2022</u>
Substance Abuse and Mental Health Services	\$ 214,440	\$ 135,939
Proviso Township Mental Health Commission	63,000	48,000
Riverside Township Mental Health Commission	107,424	75,924
Cook County	25,000	108,946
Federal Communications Commission	-	208,495
Health Resources and Services Administration	422,195	435,812
State of Illinois Department of Human Services	836,952	153,779
Illinois Coalition Against Sexual Assault	220,842	147,545
Illinois Coalition Against Domestic Violence	86,343	31,508
Cook County Department of Public Health	108,132	-
Illinois Primary Health Care Association	22,699	-
Other	396,254	166,316
Total Grants Receivables	<u>\$ 2,503,281</u>	<u>\$ 1,512,264</u>



**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 5 INVESTMENTS**

Investments consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Money Market Funds	\$ 111,201	\$ 1,159,195
Equity Securities	4,289,224	1,368,069
Fixed Income Securities	1,644,353	3,294,049
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	2,026,596	1,937,045
Total Investments	<u>\$ 8,146,374</u>	<u>\$ 7,833,358</u>

**NOTE 6 PROPERTY AND EQUIPMENT**

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

	<u>2023</u>	<u>2022</u>
Land	\$ 703,686	\$ 703,686
Building and Improvements	7,322,872	7,259,486
Furniture and Equipment	2,676,991	2,616,423
Vehicles	65,713	65,713
Capital Work in Progress	806,846	666,059
Total	11,576,108	11,311,367
Less: Accumulated Depreciation	6,880,203	6,569,944
Property and Equipment, Net	<u>\$ 4,695,905</u>	<u>\$ 4,741,423</u>

Capital work in progress noted above is related to a building purchased for the expansion of services, which was not yet being used as of June 30, 2023 and 2022. There are no outstanding commitments or construction costs outstanding for this building. The Organization expects to start using this building during the year ending June 30, 2024.

**NOTE 7 BOARD-DESIGNATED FUNDS**

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

	<u>2023</u>	<u>2022</u>
Capital Reserve	\$ 2,078,473	\$ 2,046,347
Operating Reserve	1,545,425	1,485,564
Board Designated Quasi-Endowment Unrestricted Fund	1,560,109	1,433,202
Total Board-Designated Funds	<u>\$ 5,184,007</u>	<u>\$ 4,965,113</u>

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 8 LINE OF CREDIT**

The Organization has a \$1,000,000 revolving credit agreement with FNBC Bank & Trust. The line of credit bears interest at a variable rate equal to the prime rate plus 0.50%. There were no borrowings outstanding as of June 30, 2023 and 2022. Borrowings under this line of credit are collateralized by substantially all business assets. The agreement expires on July 5, 2024.

**NOTE 9 LEASES**

The Organization leases equipment as well as certain buildings for various terms under long-term, noncancelable lease agreements. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require the Organization to pay real estate taxes, insurance, and repairs.

The following table provides quantitative information concerning the Organization's leases for the year ended June 30, 2023:

Lease Cost:	
Operating Lease Cost	\$ 12,687
Short-Term Lease Cost	183,116
Total Lease Cost	<u>\$ 195,803</u>

Other Information:

Cash Paid for Amounts included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	12,223
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities:	494,414
Weighted-Average Remaining Lease Term - Operating	3.5
Weighted-Average Discount Rate - Operating	2.88%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023 is as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>
2024	\$ 147,045
2025	151,457
2026	156,000
2027	<u>53,427</u>
Undiscounted Cash Flows	507,929
(Less) Imputed Interest	<u>(24,551)</u>
Total Present Value	<u>\$ 483,378</u>
Short-Term Lease Liabilities	<u>\$ 134,891</u>
Long-Term Lease Liabilities	<u>\$ 348,487</u>

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 10 LONG-TERM DEBT**

Long-term debt at June 30 is as follows:

<u>Description</u>	<u>2023</u>	<u>2022</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.	\$ 762,873	\$ 835,189
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.	<u>631,668</u>	<u>740,168</u>
Total	1,394,541	1,575,357
Less: Unamortized Debt Issuance Costs	(8,546)	(10,950)
Less: Current Portion	<u>(183,904)</u>	<u>(177,939)</u>
Total Long-Term Debt	<u><u>\$ 1,202,091</u></u>	<u><u>\$ 1,386,468</u></u>

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

<u>Year Ending June 30,</u>	Amount
2024	\$ 183,904
2025	812,732
2026	126,020
2027	132,467
2028	139,418
Total	<u><u>\$ 1,394,541</u></u>

The provisions of the debt agreements as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the debt is outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Domestic Violence Program	\$ 443,064	\$ 290,699
Capital Initiative Program	611,252	211,252
Medical Services Program	121,290	108,519
Dental Services Program	82,114	181,064
Mental Health Services	183,405	60,821
Other	388,043	43,333
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Trust	2,026,596	1,937,045
Other Donor Restricted	<u>27,095</u>	<u>27,095</u>
Total Net Assets With Donor Restrictions	<u>\$ 3,882,859</u>	<u>\$ 2,859,828</u>

For the years ended June 30, 2023 and 2022, 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:

	<u>2023</u>	<u>2022</u>
Domestic Violence	\$ 463,850	\$ 207,583
Medical Services	391,714	223,774
Dental Services	309,708	322,512
Mental Health Services	294,358	243,890
Other	14,145	67,761
Total	<u>\$ 1,473,775</u>	<u>\$ 1,065,520</u>

**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.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)**

*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 equity securities and fixed income securities (Level 1 assets) are based on quoted market prices for identical assets in active markets. There are no Level 2 assets at June 30, 2023 and 2022.

The value of the Investments Held in Trust represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third party. The Organization does not have variance power over the trust’s portfolio. The Investments Held 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.

The following table summarizes the valuation methods and inputs used to determine fair value at June 30, 2023 and 2022 for assets measured at fair value on a recurring basis using unobservable inputs (Level 3 inputs).

	<u>Fair Value at June 30, 2023</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs Used</u>	<u>Range Weighted Avg</u>
Beneficial Interest in Trust	\$ 2,026,596	Percentage of the Trust Designated to the Organization	Amount and timing of future distributions	N/A
	<u>Fair Value at June 30, 2022</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs Used</u>	<u>Range Weighted Avg</u>
Investments Held in Trust	\$ 1,937,045	Percentage of the Trust Designated to the Organization	Fair Value of Underlying Assets	N/A

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)**

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, 2023 and 2022:

Balance at June 30, 2021	\$ 2,371,344
Total Unrealized Losses	<u>(434,299)</u>
Balance at June 30, 2022	1,937,045
Total Unrealized Gains	<u>89,551</u>
Balance at June 30, 2023	<u><u>\$ 2,026,596</u></u>

Unrealized gains (losses) reported above for the years ended June 30, 2023 and 2022 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.

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:

	2023			
	Total	Level 1	Level 2	Level 3
Investments:				
Money Market Funds	\$ 111,201	\$ 111,201	\$ -	\$ -
Equity Securities	4,289,224	4,289,224	-	-
Fixed Income Securities	1,644,353	1,644,353	-	-
Beneficial Interest in Trust	2,026,596	-	-	2,026,596
Total Assets at Fair Value	<u>8,071,374</u>	<u>\$ 6,044,778</u>	<u>\$ -</u>	<u>\$ 2,026,596</u>
Investments Held at Cost	75,000			
Total Investments	<u><u>\$ 8,146,374</u></u>			

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)**

	2022			
	Total	Level 1	Level 2	Level 3
Investments:				
Money Market Funds	\$ 1,159,195	\$ 1,159,195	\$ -	\$ -
Equity Securities	1,368,069	1,368,069	-	-
Fixed Income Securities	3,294,049	3,294,049	-	-
Beneficial Interest in Trust	1,937,045	-	-	1,937,045
Total Assets at Fair Value	<u>7,758,358</u>	<u>\$ 5,821,313</u>	<u>\$ -</u>	<u>\$ 1,937,045</u>
Investments Held at Cost	75,000			
Total Investments	<u>\$ 7,833,358</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.

**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.

**Concentrations**

Federal grant awards from two agencies represented 20% and 22% of total revenue support during 2023 and 2022, respectively.

Approximately 12% of the Organization's workforce is covered by a collective bargaining agreement as of the years ended June 30, 2023 and 2022. The agreement is in effect through February 28, 2024.

**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**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's Health Center 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 and social workers who provide services outside the scope of the FQHC.

**Paycheck Protection Program**

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). Under the terms of the PPP Loan, the Organization was eligible to apply for forgiveness subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. During the year ended June 30, 2021, the Organization applied for and received full forgiveness on the PPP Loan.

The U.S. Small Business Administration may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.



**PILLARS COMMUNITY HEALTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 14 RETIREMENT PLAN**

The Organization has two retirement plans. The nonunion plan was a safe harbor plan, through August 2020, 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 \$116,713 and \$100,544 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 15 SUBSEQUENT EVENTS**

Management evaluated subsequent events through December 5, 2023, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2023, but prior to December 5, 2023, that provided additional evidence about conditions that existed at June 30, 2023, have been recognized in the financial statements for the year ended June 30, 2023. Events or transactions that provided evidence about conditions that did not exist at June 30, 2023, 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, 2023. Management of the Organization has identified the following subsequent events requiring disclosure:

The Organization entered into a \$2,000,000 loan agreement on October 5, 2023 related to the purchase of a building. The loan bears interest at a fixed rate of 5.89% and requires interest only payment starting on November 5, 2023 through April 5, 2025. Commencing May 5, 2025, the Organization is required to make monthly payments of \$14,301 consisting of principal and interest. The loan matures on April 5, 2029 and which point a balloon payment will be due for the outstanding principal balance.

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
PROVISO MENTAL HEALTH COMMISSION  
YEAR ENDED JUNE 30, 2023  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Domestic Violence	Total
<b>REVENUES</b>		
Service Fees	\$ 60,000	\$ 60,000
Total Revenues	60,000	60,000
 <b>EXPENSES</b>		
Staff Salaries	39,232	39,232
Fringe Benefits and Taxes	9,272	9,272
Conferences, Meetings & Prof. Development	-	-
Depreciation	-	-
Furniture & Equip - Purch & Maint.	-	-
Insurance	149	149
IT/Tech Support	181	181
Occupancy	7	7
Supplies	440	440
Telecommunications	-	-
Local Travel & Transportation	-	-
Allocated Intake Services	-	-
Allocated Supporting Services	10,739	10,739
Total Expenses	60,020	60,020
 <b>SURPLUS/DEFICIT</b>	 \$ (20)	 \$ (20)

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
PROVISO MENTAL HEALTH COMMISSION  
YEAR ENDED JUNE 30, 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Behavioral Health	Domestic Violence	Total
<b>REVENUES</b>			
Service Fees	\$ 36,000	\$ 60,000	\$ 96,000
Total Revenues	36,000	60,000	96,000
<b>EXPENSES</b>			
Staff Salaries and Fringe Benefits	6,535	39,207	45,742
Fringe Benefits	3,541	9,059	12,600
Professional/Contractual Services	-	-	-
Supplies	540	2,014	2,554
Telecommunications	279	476	755
Occupancy	158	789	947
Local Transportation	756	1,288	2,044
Conferences and Meetings	1,201	5,968	7,169
Furniture and Equipment-Purchase and Maintenance	249	740	989
Insurance	421	1,255	1,676
Depreciation and Amortization	15	384	399
Allocated Support Services	12,465	-	12,465
Total Expenses	7,746	12,403	20,149
	33,906	73,583	107,489
<b>SURPLUS/DEFICIT</b>	\$ 2,094	\$ (13,583)	\$ (11,489)

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
ILLINOIS COALITION AGAINST SEXUAL ASSAULT  
YEAR ENDED JUNE 30, 2023  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Total Sexual Assault	General	VOCA Advocacy	VAWA STOP	VAWA Prevention	ICJIA CESF	VAWA RPE COVID-19	OVW LAV	Member Travel GEN	Other Sexual Assault
<b>REVENUES</b>										
ICASA/General	\$ 199,157	\$ 199,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ICASA/VOCA	538,095	-	538,095	-	-	-	-	-	-	-
ICASA/Satellite	59,549	-	-	59,549	-	-	-	-	-	-
ICASA/Prevention	26,210	-	-	-	26,210	-	-	-	-	-
ICASA/ICJIA CESF	10,977	-	-	-	-	10,977	-	-	-	-
ICASA/VAWA RPE COVID 19	42,751	-	-	-	-	-	42,751	-	-	-
ICASA/ LAV	3,969	-	-	-	-	-	-	3,969	-	-
ICASA/MEMBER TRAVEL General	670	-	-	-	-	-	-	-	670	-
Lyons Township Mental Health Commission	73,873	-	-	-	-	-	-	-	-	73,873
Federal Grants	7,716	-	-	-	-	-	-	-	-	7,716
United Way	7,600	-	-	-	-	-	-	-	-	7,600
Other revenue	135	-	-	-	-	-	-	-	-	135
<b>Total Revenues</b>	<b>970,702</b>	<b>199,157</b>	<b>538,095</b>	<b>59,549</b>	<b>26,210</b>	<b>10,977</b>	<b>42,751</b>	<b>3,969</b>	<b>670</b>	<b>89,324</b>
<b>EXPENSES</b>										
Personnel/Fringes	704,265	140,751	379,343	45,266	19,097	2,735	35,099	3,969	-	78,005
Contractual	180,897	15,004	53,253	2,997	1,659	-	-	-	-	107,984
Travel	5,065	108	1,487	-	188	-	-	-	670	2,612
Supplies	20,808	2,693	7,739	628	575	-	-	-	-	9,173
Equipment/Purchase & Maintenance	7,540	2,630	-	-	-	-	-	-	-	4,910
Indirect Costs	248,958	36,702	96,273	10,658	4,691	-	7,652	-	-	92,982
Dues, Licenses & Fees	1,611	-	-	-	-	-	-	-	-	1,611
Client Assistance	8,253	-	-	-	-	8,242	-	-	-	11
<b>Total Expenses</b>	<b>1,177,397</b>	<b>197,888</b>	<b>538,095</b>	<b>59,549</b>	<b>26,210</b>	<b>10,977</b>	<b>42,751</b>	<b>3,969</b>	<b>670</b>	<b>297,288</b>
<b>SURPLUS/DEFICIT</b>	<b>\$ (206,695)</b>	<b>\$ 1,269</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (207,964)</b>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
ILLINOIS COALITION AGAINST SEXUAL ASSAULT  
YEAR ENDED JUNE 30, 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Total Sexual Assault	General	VOCA Advocacy	VAWA STOP	VAWA Prevention	ICJIA CESF	VAWA RPE COVID-19	OVW LAV	Member Travel GEN	Other Sexual Assault
<b>REVENUES</b>										
ICASA/General	\$ 197,888	\$ 197,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ICASA/VOCA	615,946	-	615,946	-	-	-	-	-	-	-
ICASA/Satellite	58,607	-	-	58,607	-	-	-	-	-	-
ICASA/Prevention	42,213	-	-	-	42,213	-	-	-	-	-
ICASA/ICJIA CESF	6,191	-	-	-	-	6,191	-	-	-	-
ICASA/VAWA RPE COVID 19	30,096	-	-	-	-	-	30,096	-	-	-
ICASA/ LAV	2,705	-	-	-	-	-	-	2,705	-	-
ICASA/MEMBER TRAVEL General	404	-	-	-	-	-	-	-	404	-
Lyons Township Mental Health Commission	35,437	-	-	-	-	-	-	-	-	35,437
Federal Grants	34,727	-	-	-	-	-	-	-	-	34,727
Contributions-Foundations	25,000	-	-	-	-	-	-	-	-	25,000
Released From Restriction	5,000	-	-	-	-	-	-	-	-	5,000
United Way	7,600	-	-	-	-	-	-	-	-	7,600
Other Revenue	830	-	-	-	-	-	-	-	-	830
<b>Total Revenues</b>	<b>1,062,644</b>	<b>197,888</b>	<b>615,946</b>	<b>58,607</b>	<b>42,213</b>	<b>6,191</b>	<b>30,096</b>	<b>2,705</b>	<b>404</b>	<b>108,594</b>
<b>EXPENSES</b>										
Personnel/Fringes	770,564	140,751	451,186	44,153	26,385	6,191	-	2,705	-	99,193
Contractual	159,624	15,004	63,737	2,437	1,950	-	-	-	-	76,496
Travel	4,603	108	2,662	-	-	-	-	-	404	1,429
Supplies	26,228	2,693	9,734	1,148	6,459	-	-	-	-	6,194
Equipment Purchases and Maintenance	7,370	2,630	-	-	-	-	-	-	-	4,740
Indirect Costs	280,070	36,702	120,569	10,869	7,419	-	5,582	-	-	98,929
	1,025	-	-	-	-	-	-	-	-	1,025
Dues, Licenses, and Fees	32,081	-	-	-	-	-	24,514	-	-	7,567
<b>Total Expenses</b>	<b>1,281,565</b>	<b>197,888</b>	<b>647,888</b>	<b>58,607</b>	<b>42,213</b>	<b>6,191</b>	<b>30,096</b>	<b>2,705</b>	<b>404</b>	<b>295,573</b>
<b>SURPLUS/DEFICIT</b>	<b>\$ (218,921)</b>	<b>\$ -</b>	<b>\$ (31,942)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (186,979)</b>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
ILLINOIS COALITION AGAINST DOMESTIC VIOLENCE  
YEAR ENDED JUNE 30, 2023  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Total Domestic Violence	#219001 VOCA Grants	Other Domestic Violence
<b>REVENUES</b>			
United Way	\$ 7,600	\$ -	\$ 7,600
Federal Revenue	12,233	-	12,233
Program Income	1,558,531	524,728	1,033,803
Other Revenue	1,304	-	1,304
Released from Restriction	463,850	-	463,850
Total Revenues	<u>2,043,518</u>	<u>524,728</u>	<u>1,518,790</u>
<b>EXPENSES</b>			
Salaries	879,247	319,089	560,158
Fringe Benefits/Taxes	206,908	84,264	122,644
Supplies	42,161	3,027	39,134
Staff Travel	1,481	-	1,481
Contractual Services	83,634	12,980	70,654
Occupancy	142,946	2,530	140,416
Telecommunications	30,871	8,921	21,950
Training and Education	3,837	-	3,837
Client Assistance	23,621	-	23,621
Equipment	109,782	-	109,782
Miscellaneous Costs	67,584	-	67,584
Indirect Costs	443,248	93,917	349,331
Total Expenses	<u>2,035,320</u>	<u>524,728</u>	<u>1,510,592</u>
<b>SURPLUS/DEFICIT</b>	<u>\$ 8,198</u>	<u>\$ -</u>	<u>\$ 8,198</u>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
ILLINOIS COALITION AGAINST DOMESTIC VIOLENCE  
YEAR ENDED JUNE 30, 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Total Domestic Violence	#218001 VOCA Grants	IDHS #219001 VOCA Grants	Other Domestic Violence
<b>REVENUES</b>				
United Way	\$ 7,600	\$ -	\$ -	\$ 7,600
Program Income	52,872	-	-	52,872
Other Revenue	1,449,855	154,626	425,906	869,323
	830	-	-	830
Released from Restriction	444,705	-	-	444,705
Total Revenues	<u>1,955,862</u>	<u>154,626</u>	<u>425,906</u>	<u>1,375,330</u>
<b>EXPENSES</b>				
Salaries	916,399	107,752	256,339	552,308
Fringe Benefits/Taxes	220,557	21,172	67,545	131,840
Program Supplies	41,919	1,243	2,200	38,476
Staff Travel	1,094	-	-	1,094
Contractual Services	138,288	3,016	7,457	127,815
Occupancy	177,579	2,040	4,395	171,144
Telecommunications	27,995	1,644	4,801	21,550
Training and Education	248	-	-	248
Miscellaneous Costs	47,242	-	-	47,242
Indirect Costs	382,436	29,404	71,524	281,508
Total Expenses	<u>1,953,757</u>	<u>166,271</u>	<u>414,261</u>	<u>1,373,225</u>
<b>SURPLUS/DEFICIT</b>	<u>\$ 2,105</u>	<u>\$ (11,645)</u>	<u>\$ 11,645</u>	<u>\$ 2,105</u>

**PILLARS COMMUNITY HEALTH  
SCHEDULE OF REVENUES AND EXPENSES  
COOK COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
YEAR ENDED JUNE 30, 2023  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Project # 2104-065	Project # D22-10	Project # D21-12
<b>REVENUES</b>			
Program Income	\$ 4,020	\$ 25,000	\$ 432
Total Revenues	<u>4,020</u>	<u>25,000</u>	<u>432</u>
<b>EXPENSES</b>			
Staff Salaries	4,020	-	-
Shelter Maintenance, Repairs	-	697	332
Security, Insurance, Utilities, Rent	-	21,964	100
Hotel or Motel Vouchers	-	2,339	-
Administration Costs	-	-	-
Total Expenses	<u>4,020</u>	<u>25,000</u>	<u>432</u>
<b>SURPLUS/DEFICIT</b>	<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, 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Project # 2004-037</u>	<u>Project # 2104-065</u>	<u>Project # CV-11</u>	<u>Project # E20-11</u>
<b>REVENUES</b>				
Program Income	\$ 5,498	\$ 15,980	\$ 61,125	\$ 4,179
Total Revenues	<u>5,498</u>	<u>15,980</u>	<u>61,125</u>	<u>4,179</u>
<b>EXPENSES</b>				
Staff Salaries	5,498	15,980	-	-
Transportation	-	-	-	455
Shelter Maintenance, Repairs				
Security, Insurance, Utilities, Rent	-	-	56,860	2,724
Food, Furnishings, Equipment, and Supplies	-	-	-	1,000
Administration Costs	-	-	4,265	-
Total Expenses	<u>5,498</u>	<u>15,980</u>	<u>61,125</u>	<u>4,179</u>
<b>SURPLUS/DEFICIT</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**INDEPENDENT AUDITORS' 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***

Board of Directors  
Pillars Community Health  
Countryside, Illinois

We have audited, in accordance with the 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 Pillars Community Health (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of operations, changes in net assets, cash flows and functional expenses, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 entity'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.

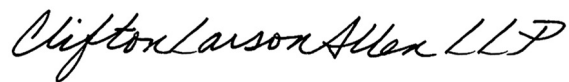
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization’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*.

**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 result of that testing, and not to provide an opinion on the effectiveness of the Organization’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
December 5, 2023



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