TURNING POINT BEHAVIORAL HEALTH CARE CENTER

FINANCIAL STATEMENTS AS OF JUNE 30, 2021 AND 2020

TOGETHER WITH AUDITOR'S REPORT

Dugan & Lopatka

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Turning Point Behavioral Health Care Center:

Report on the Financial Statements

We have audited the accompanying financial statements of Turning Point Behavioral Health Care Center, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, cash flows and functional expenses 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditor's 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 entity'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 entity'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 Turning Point Behavioral Health Care Center as of June 30, 2021 and 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of Turning Point Behavioral Health Care Center'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 Turning Point Behavioral Health Care Center'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 Turning Point Behavioral Health Care Center's internal control over financial reporting and compliance.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
December 20, 2021

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INDEPENDENT AUDITOR'S 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

To the Board of Directors of
Turning Point Behavioral Health Care Center:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Turning Point Behavioral Health Care Center (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, 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 20, 2021.

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. 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 may exist that have not been identified.

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 statement amounts. 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 results 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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
December 20, 2021

EXHIBIT 1

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
A S S E T S		
CURRENT ASSETS:		
Cash and cash equivalents	$ 538,775	$ 443,710
Accounts receivable	426,338	500,928
Prepaid expenses	-	1,355
Total current assets	965,113	945,993
PROPERTY AND EQUIPMENT, at cost:	2,740,280	2,826,253
OTHER ASSETS:		
Investments	1,353,948	912,634
Intangible assets, net	24,871	38,087
Deposits	40,210	31,609
Total other assets	1,419,029	982,330
Total assets	$ 5,124,422	$ 4,754,576
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Notes payable, current	$ 85,924	$ 82,512
Accounts payable and accrued expenses	55,308	17,255
Accrued payroll expenses	149,089	137,107
Refundable advance	-	114,361
Deferred income	8,250	6,750
Total current liabilities	298,571	357,985
LONG-TERM LIABILITIES:		
Notes payable, net of current maturities	1,522,830	1,606,657
Total liabilities	1,821,401	1,964,642
NET ASSETS:		
Without donor restrictions	3,070,521	2,531,034
With donor restrictions	232,500	258,900
Total net assets	3,303,021	2,789,934
Total liabilities and net assets	$ 5,124,422	$ 4,754,576

The accompanying notes are an integral part of this statement.

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:						
Public support -						
Contributions	$ 23,908	$ -	$ 23,908	$ 67,989	$ -	$ 67,989
Special events revenue, net of expenses	68,158	-	68,158	-	-	-
Total public support	92,066	-	92,066	67,989	-	67,989
Grants -						
Department of Human Services	1,387,252	-	1,387,252	885,770	-	885,770
Grant under CARES act	114,361	-	114,361	318,839	-	318,839
Other grants	122,619	190,000	312,619	130,906	184,600	315,506
Total grants	1,624,232	190,000	1,814,232	1,335,515	184,600	1,520,115
Program services fees -						
Department of Human Services	1,745,962	-	1,745,962	1,731,347	-	1,731,347
Program service fees	387,290	-	387,290	481,191	-	481,191
Total program service fees	2,133,252	-	2,133,252	2,212,538	-	2,212,538
Other revenue -						
Rental income	76,729	-	76,729	91,614	-	91,614
Miscellaneous income	85,637	-	85,637	17,197	-	17,197
Total other revenue	162,366	-	162,366	108,811	-	108,811
Investment income-						
Gain (loss) on investments	221,802	-	221,802	(872)	-	(872)
Interest and dividend income	23,906	-	23,906	26,500	-	26,500
Total investment income	245,708	-	245,708	25,628	-	25,628
Net assets released from restrictions	216,400	(216,400)	-	105,700	(105,700)	-
Total support, fees and revenue	4,474,024	(26,400)	4,447,624	3,856,181	78,900	3,935,081
EXPENSES:						
Program	3,286,809	-	3,286,809	3,074,148	-	3,074,148
Management and general	510,963	-	510,963	631,273	-	631,273
Fundraising	136,765	-	136,765	135,793	-	135,793
Total expenses	3,934,537	-	3,934,537	3,841,214	-	3,841,214
CHANGE IN NET ASSETS	539,487	(26,400)	513,087	14,967	78,900	93,867
NET ASSETS, Beginning of year	2,531,034	258,900	2,789,934	2,516,067	180,000	2,696,067
NET ASSETS, End of year	$ 3,070,521	$ 232,500	$ 3,303,021	$ 2,531,034	$ 258,900	$ 2,789,934

The accompanying notes are an integral part of this statement.

EXHIBIT 3

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	$ 513,087	$ 93,867
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation and amortization	213,948	217,591
Net realized and Unrealized (gain) loss on investments	(221,802)	872
Change in assets and liabilities:		
(Increase) decrease in receivables	74,590	(303,498)
(Increase) decrease in deposits	(8,601)	674
Decrease in prepaid expenses	1,355	16,734
Increase (decrease) in accounts payable and accrued expenses	38,053	(140,293)
Increase in accrued payroll expenses	11,982	47,136
Increase (decrease) in refundable advance	(114,361)	114,361
Increase (decrease) in deferred income	1,500	(29,333)
Net cash provided by operating activities	509,751	18,111
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(36,075)
Purchase of intangibles	(114,759)	(10,000)
Proceeds from sale of investments	90,895	379,269
Purchases of investments	(310,407)	(23,535)
Net cash provided by (used in) investing activities	(334,271)	309,659
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term debt	(80,415)	(50,994)
Net cash (used in) financing activities	(80,415)	(50,994)
NET CHANGE IN CASH AND CASH EQUIVALENTS	95,065	276,776
CASH AND CASH EQUIVALENTS, Beginning of year	443,710	166,934
CASH AND CASH EQUIVALENTS, End of year	$ 538,775	$ 443,710
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 81,463	$ 66,162
Line of credit converted to note payable	$ -	750,000

The accompanying notes are an integral part of this statement.

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program expenses										
	Living Room	Adult Crisis & Emergency	Supportive Residential	CCBYS	Out Patient	FCCT-510	CRSS	Total Program	Management & General	Fundraising	Total
Salaries and wages	$ 241,657	$ 245,623	$ 216,533	$ 215,953	$ 962,849	$ 2,956	$ 38,366	$ 1,923,937	$ 352,085	$ 85,805	$ 2,361,827
Payroll taxes and benefits	40,140	50,841	49,817	37,079	198,844	730	9,714	387,165	55,002	19,884	462,051
Program consultants	-	5,395	-	-	126,381	35,119	-	166,895	-	-	166,895
Administrative and office supplies	34,041	30,182	22,877	14,685	161,332	740	5,195	269,052	46,592	12,996	328,640
Occupancy	16,617	16,617	14,955	9,970	74,778	-	3,323	136,260	25,308	4,985	166,553
Depreciation and amortization	47,704	20,916	18,824	12,550	72,122	-	4,183	176,299	31,374	6,275	213,948
Program equipment and supplies	20,386	21,448	9,662	-	5,438	-	2,500	59,434	602	-	60,036
Program rent	-	-	164,057	3,629	-	-	-	167,686	-	-	167,686
Fundraising	-	-	-	81	-	-	-	81	-	27,830	27,911
Total functional expenses	400,545	391,022	496,725	293,947	1,601,744	39,545	63,281	3,286,809	510,963	157,775	3,955,547
Less expenses included with revenues on the statement of activities:											
Special events expenses	-	-	-	-	-	-	-	-	-	(21,010)	(21,010)
Total functional expenses included in the expenses section of the statement of activities	$ 400,545	$ 391,022	$ 496,725	$ 293,947	$ 1,601,744	$ 39,545	$ 63,281	$ 3,286,809	$ 510,963	$ 136,765	$ 3,934,537

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program expenses									
	Living Room	Adult Crisis & Emergency	Supportive Residential	CCBYS	Out Patient	MD	Total Program	Management & General	Fundraising	Total
Salaries and wages	$ 118,876	$ 190,800	$ 189,756	$ 176,781	$ 1,096,981	$ 9,683	$ 1,782,877	$ 389,520	$ 84,361	$ 2,256,758
Payroll taxes and benefits	14,782	45,932	44,814	40,152	219,868	4,826	370,374	64,117	20,103	454,594
Program consultants	2,811	4,168	-		47,105	94,458	148,542	52,080	-	200,622
Administrative and office supplies	10,965	17,568	17,098	15,929	121,903	9,384	192,847	54,704	7,752	255,303
Occupancy	7,932	12,709	12,369	11,523	74,577	6,788	125,898	31,750	5,499	163,147
Depreciation and amortization	10,775	17,264	16,802	15,653	101,304	9,221	171,019	39,102	7,470	217,591
Program equipment and supplies	1,226	8,700	43,552	-	76,312	154	129,944	-	-	129,944
Program rent	-	-	152,647	-	-	-	152,647	-	-	152,647
Fundraising	-	-	-	-	-	-	-	-	10,608	10,608
Total functional expenses	$ 167,367	$ 297,141	$ 477,038	$ 260,038	$ 1,738,050	$ 134,514	$ 3,074,148	$ 631,273	$ 135,793	$ 3,841,214

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Turning Point Behavioral Health Care Center (the "Organization"), a not-for-profit organization, operates an outpatient community mental health center providing services to adults, adolescents, and children residing in Niles Township, Illinois and neighboring communities.

The financial statements were available to be issued on December 20, 2021, with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies and practices reflected in the accompanying financial statements.

Basis of Accounting -

The financial statements are maintained on the accrual basis of accounting which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Not-for-Profit Organizations.* Under the ASC, the Organization is required to report information regarding two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions – Net assets subjects to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates -

The preparation of financial statements in conformity with U.S. GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an initial maturity of three months or less to be cash equivalents.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Concentrations of Credit Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits in various banks from time to time. The Organization has not experienced any losses in such accounts.

Receivables -

Accounts, grants, and pledges receivable arise in the normal course of the Organization's activities. The Organization recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs. Bad debt expense for the years ended June 30, 2021 and 2020 was $-0-.

Investments -

The Organization has investments that are comprised of mutual funds, common stock, corporate bonds, municipal bonds, exchange traded funds, and money markets that are carried at fair market value.

Investment are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment -

Property and equipment are stated at cost if purchased or fair value if contributed. The Organization capitalizes fixed asset additions over $500. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Below are the estimated useful lives of the assets:

Furniture and office equipment	5 - 15 years
Vehicles	7 years
Building improvements	7 - 27 years
Buildings	50 years

Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains and losses on dispositions of property and equipment are included in the statement of activities and changes in net assets.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Impairment of Long-Lived Assets -

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of June 30, 2021 and 2020, there have been no such losses.

Intangible Assets -

The Organization incurred the following costs related to intangible assets as of June 30, 2021 and 2020:

	2021	2020
Website	$ 31,355	$ 31,355
EMR System	92,515	92,515
	123,870	123,870
Less: Accumulated amortization	(98,999)	(85,783)
Net intangible assets	$ 24,871	$ 38,087

Under Accounting Standards Codification ("ASC") 350, these costs are recognized as an intangible asset and are being amortized using the straight-line method over five - seven years. Amortization expense related to these assets totaled $13,216 and $17,847 for the years ended June 30, 2021 and 2020, respectively.

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, administrative and office supplies, occupancy, depreciation and amortization, and program equipment and supplies which are allocated on the basis of estimates of time and effort.

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes - (Continued)

The Organization files informational returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2018. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Revenue Recognition for Program Fees -

The Organization receives program fees from the Illinois Department of Human Services (DHS) through fee for service arrangements. The Organization bills for various services provided to DHS based on preapproved rates for each service provided. These services are considered a single performance obligation which is satisfied at a point in time. The performance obligation is met, and revenue recognized, when the services are provided.

The Organization receives program service fees in exchange for providing patient care services. The organization bills these services based on preapproved rates for the services provided. These patient care services are considered a single performance obligation which is satisfied at a point in time. The performance obligation is considered met, and revenue is recognized, when the services are provided to the patients

The Organization rents some of its office space to tenants. Rental income is considered a single performance obligation that is recognized over time. Rental income is charged each month, and the monthly fees are recognized ratably over the life of the lease.

Revenue Recognition for Contributions -

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions resulting from split-interest agreements, measured at the time into which the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor 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 activities as net assets released from restrictions.

(2) CONCENTRATIONS:

The Organization received approximately 70% and 66% of its total revenues and support from the Illinois Department of Human Services for the years ended June 30, 2021 and 2020.

Receivables from the Illinois Department of Human Services represented 37% and 45% of total receivables at June 30, 2021 and 2020, respectively.

(3) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurement established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(3) FAIR VALUE MEASUREMENTS: (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Exchange Traded Funds, Mutual Funds and Common Stocks: Valued at the closing price (net asset value) reported on the active market on which the individual securities are traded.

Corporate Bonds: Valued at the last quoted bid price.

Municipal Bonds: Valued at the last quoted bid price.

Fair values of assets measured on a recurring basis were as follows:

	Assets at Fair Value as of June 30, 2021			
Description	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 303,692	$ -	$ -	$ 303,692
Common stocks	598,024	-	-	598,024
Exchange traded funds	211,534	-	-	211,534
Mutual Funds	25,024	-	-	25,024
Corporate bonds	-	124,222	-	124,222
Foreign Bonds	-	20,147	-	20,147
Municipal bonds	-	71,305	-	71,305
Total	$ 1,138,274	$ 215,674	$ -	$ 1,353,948

	Assets at Fair Value as of June 30, 2020			
Description	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 143,126	$ -	$ -	$ 143,126
Common stocks	387,101	-	-	387,101
Exchange traded funds	123,344	-	-	123,344
Corporate bonds	-	164,136	-	164,136
Municipal bonds	-	94,927	-	94,927
Total	$ 653,571	$ 259,063	$ -	$ 912,634

(4) RECEIVABLES:

Receivables at June 30, 2021 and 2020 consist of:

	2021	2020
Accounts receivable	$ 257,410	$ 271,685
Grants receivable	168,928	229,243
Pledges receivable	-	-
Receivables, net of allowance	$ 426,338	$ 500,928

(5) PROPERTY AND EQUIPMENT:

The costs of the Organization's property and equipment as of June 30, 2021 and 2020 were as follows:

	2021	2020
Land	$ 415,721	$ 415,721
Building	1,543,468	1,543,468
Building improvements	2,410,189	2,378,377
Furniture and equipment	613,007	531,087
Vehicles	62,294	62,294
	5,044,679	4,930,947
Less: Accumulated depreciation	(2,304,399)	(2,104,694)
Net property and equipment	$ 2,740,280	$ 2,826,253

Depreciation expense for the years ended June 30, 2021 and 2020 was $200,732 and $198,047, respectively.

(6) NOTES PAYABLE:

	2021	2020
Notes payable from Illinois Facilities Fund- Land and Buildings; matures in January 2025 with an interest rate of 3.5%	$ 141,673	$ 178,145
Notes payable from Byline Bank, matures June 2025 with an interest rate of 5.00%, plus an estimated balloon payment of $1,276,626	1,470,768	1,515,740
Total notes payable	1,612,441	1,693,885
Less - Current maturities	(85,924)	(82,512)
	1,526,517	1,611,373
Less - unamortized debt issuance cost	(3,687)	(4,716)
Notes payable - long-term	$ 1,522,830	$ 1,606,657

Maturities on long-term debt are as follows:

Year Ending June 30,	
2022	$ 85,924
2023	89,927
2024	93,918
2025	1,342,672
	$ 1,612,441

(7) NET ASSETS:

The Organization's net assets with donor restrictions, as of June 30, were as follows:

	2021	2020
Operation of medical center	$ 90,000	$ 135,000
Time restricted	142,500	123,900
	$ 232,500	$ 258,900

(7) NET ASSETS: (Continued)

The Organization's net assets without donor restrictions, as of June 30, were as follows:

	2021	2020
General	$ 1,716,573	$ 1,618,400
Board designated investments	1,353,948	912,634
	$ 3,070,521	$ 2,531,034

(8) RENTAL INCOME:

The Organization leases portions of its office space to various, unrelated third parties, that expire at various dates through June 2024. Rental income for the years ended June 30, 2021 and June 30, 2020 was $76,729 and $91,614, respectively.

Future minimum rents to be received are as follows:

Year Ending June 30,	
2022	$ 78,214
2023	79,633
2024	40,843
	$ 198,690

(9) LEASE COMMITMENTS:

The Organization leases several residential apartments for participants in the Supported Residential Program. Rent expense under these leases was $145,502 and $152,647 for the years ended June 30, 2021 and 2020, respectively.

Future minimum rent payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year are as follows:

Year Ending June 30,	
2022	$ 58,947

(10) RETIREMENT PLAN:

The Organization maintains a non-contributory defined contribution retirement plan which covers substantially all employees who meet certain eligibility requirements. Some employees of the Organization are, at their own option, participating in tax deferred annuity programs. Each participant can contribute a portion of current earnings on a tax deferred basis. For the years ended June 30, 2021 and 2020, there were no employer contributions to the plan.

(11) CONDITIONAL GRANT:

As part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, in April, 2020, the Organization obtained a Payroll Protection Program (PPP) loan in the amount of $433,200. The interest rate on this loan is 1% with the amount to be repaid in equal installments of principal and interest, beginning at the earlier of the date the SBA remits the loan forgiveness amount or 10 months after the end of the forgivable covered period, with the final payment due in April, 2022. As part of the PPP loan agreement, all or a portion of the loan can be forgiven. The Organization intends to maximize the forgiven portion of this loan as allowed under the Act.

The Organization has determined that the loan represents, in substance, a conditional grant as allowed under ASC 958-605 which recognizes revenue on nonexchange transactions when the barriers to the grants have been met. Per stipulations outlined in the CARES Act, the Organization is using the monies from the PPP loan to fund payroll and other costs. Accordingly, the Organization recognizes a portion of the loan as contribution at the end of each payroll period that is funded by the PPP monies.

Refundable advance July 1, 2019	$ -
2020 funds received under PPP conditional grant	433,200
2020 payroll expenses funded by PPP conditional grant	(318,839)
Refundable advance as of June 30, 2020	114,361
2021 Payroll expenses funded by PPP conditional grant	(114,361)
Refundable advance as of June 30, 2021	$ -

(12) LIQUIDITY AND AVAILABILITY OF RESOURCES:

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2021	2020
Financial assets:		
Cash and cash equivalents	$ 538,775	$ 443,710
Accounts receivable	426,338	500,928
Investments	1,353,948	912,634
Total financial assets	2,319,061	1,857,272
Less:		
Assets with donor restrictions	(232,500)	(258,900)
Board-designated investment fund	(1,353,948)	(912,634)
	(1,586,448)	(1,171,534)
Assets available for general expenditures	$ 732,613	$ 685,738

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Investments are included in the table above as these assets are available to be used should the Organization deem necessary; however, the investments are not expected to be used within one year.

(13) MANAGEMENT'S RESPONSE TO EFFECTS OF COVID-19 PANDEMIC:

In March 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As a part of these mitigation measures the Organization, began using telehealth for its counseling sessions with clients. The Organization also received a PPP loan through the CARES Act (see note 12) to help cover payroll costs during the pandemic.

The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the financial statements in fiscal year 21.