

**MAPLEWOOD HOUSING  
FOR THE VISUALLY  
IMPAIRED**

**d/b/a FRIEDMAN PLACE**

**Report on Audited Financial Statements**

**June 30, 2019 and 2018**

**MANNING SILVERMAN & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
(847) 459-8850**

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**TABLE OF CONTENTS**  
**JUNE 30, 2019 AND 2018**

|  | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report                       | 1 - 2       |
| Statements of Financial Position                   | 3           |
| Statements of Activities and Changes in Net Assets | 4           |
| Statements of Functional Expenses                  | 5           |
| Statements of Cash Flows                           | 6           |
| Notes to Financial Statements                      | 7 - 13      |



CERTIFIED PUBLIC ACCOUNTANTS

Home Office

175 Olde Half Day Rd, Suite 290

Lincolnshire, IL 60069

P: (847) 459-8850

F: (847) 537-8954

[www.manningsilverman.com](http://www.manningsilverman.com)

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Maplewood Housing for the Visually Impaired  
d/b/a Friedman Place  
Chicago, Illinois

We have audited the accompanying financial statements of Maplewood Housing for the Visually Impaired, d/b/a Friedman Place (an Illinois not-for-profit corporation), which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **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. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

• Lincolnshire • Chicago • St. Charles • Schaumburg •

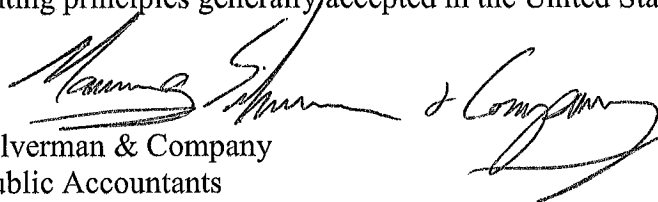
"HELPING OUR CLIENTS GROW AND PROSPER SINCE 1987"

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 Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maplewood Housing for the Visually Impaired, d/b/a Friedman Place, as of June 30, 2019 and 2018 and the results of its activities and changes in net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Manning Silverman & Company", is written over the printed name of the firm.

Manning Silverman & Company  
Certified Public Accountants  
Lincolnshire, Illinois

December 11 , 2019

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

| <b>ASSETS</b>                  |    | <u>2019</u>             | <u>2018</u>                |
|--------------------------------|----|-------------------------|----------------------------|
| <b>Current Assets:</b>         |    |                         |                            |
| Cash and Cash Equivalents      | \$ | 236,472                 | \$ 268,759                 |
| Accounts Receivable            |    | 421,832                 | 388,221                    |
| Prepaid Expenses               |    | 2,693                   | 2,693                      |
| Resident Deposits              |    | <u>21,225</u>           | <u>14,496</u>              |
| Total Current Assets           |    | <u>682,222</u>          | <u>674,169</u>             |
| <b>Fixed Assets:</b>           |    |                         |                            |
| Land                           |    | 1,028,500               | 1,028,500                  |
| Building and Improvements      |    | 6,936,241               | 6,932,141                  |
| Machinery and Equipment        |    | 273,286                 | 266,590                    |
| Furniture and Fixtures         |    | 42,696                  | 42,696                     |
| Vehicles                       |    | 96,641                  | 36,361                     |
| Less: Accumulated Depreciation |    | <u>(3,630,582)</u>      | <u>(3,332,718)</u>         |
| Total Fixed Assets             |    | 4,746,782               | 4,973,570                  |
| Investments                    |    | <u>423,268</u>          | <u>404,278</u>             |
| Total Assets                   | \$ | <u><u>5,852,272</u></u> | \$ <u><u>6,052,017</u></u> |

**LIABILITIES AND NET ASSETS**

|  |    |                         |                            |
|--|----|-------------------------|----------------------------|
| <b>Current Liabilities:</b>                      |    |                         |                            |
| Accounts Payable and Accrued Expenses            | \$ | 26,779                  | \$ 46,163                  |
| Accrued Payroll                                  |    | 102,047                 | 83,928                     |
| Due to Residents                                 |    | <u>21,036</u>           | <u>14,175</u>              |
| Total Current Liabilities                        |    | <u>149,862</u>          | <u>144,266</u>             |
| Long-Term Obligations to Affiliated Organization |    | <u>1,925,000</u>        | <u>2,075,000</u>           |
| Total Liabilities                                |    | <u>2,074,862</u>        | <u>2,219,266</u>           |
| <b>Net Assets:</b>                               |    |                         |                            |
| Without Donor Restrictions                       |    | 3,777,410               | 3,809,834                  |
| With Donor Restrictions                          |    | <u>-</u>                | <u>22,917</u>              |
| Total Net Assets                                 |    | <u>3,777,410</u>        | <u>3,832,751</u>           |
| Total Liabilities and Net Assets                 | \$ | <u><u>5,852,272</u></u> | \$ <u><u>6,052,017</u></u> |

See Independent Auditor's Report.  
The accompanying notes are an integral part of these financial statements.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED  
d/b/a FRIEDMAN PLACE  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2019 AND 2018**

|                                       | 2019                          |                            | 2018                          |                            |
|---------------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|
|                                       | Without Donor<br>Restrictions | With Donor<br>Restrictions | Without Donor<br>Restrictions | With Donor<br>Restrictions |
|                                       |                               | Total                      |                               | Total                      |
| Revenue and Other Support:            |                               |                            |                               |                            |
| Resident Fees for Service             | \$ 871,141                    | \$ 871,141                 | \$ 1,007,787                  | \$ 1,007,787               |
| Managed Care Organization Revenue     | 2,072,558                     | 2,072,558                  | 1,768,232                     | 1,768,232                  |
| State of Illinois Funding             | 302,967                       | 302,967                    | 254,972                       | 254,972                    |
| Donations                             | 349,985                       | 349,985                    | 662,494                       | 685,411                    |
| Forgiveness of Interest               | -                             | -                          | -                             | -                          |
| Other Income                          | 42,302                        | 42,302                     | 28,238                        | 28,238                     |
| Investment Income                     | 22,275                        | 22,275                     | 4,626                         | 4,626                      |
| Net Assets Released from Restrictions | 22,917                        | (22,917)                   | 25,000                        | (25,000)                   |
| Total Revenue and Other Support       | 3,684,145                     | (22,917)                   | 3,751,349                     | (2,083)                    |
| Expenses:                             |                               |                            |                               |                            |
| Program Services                      | 2,985,482                     | 2,985,482                  | 2,979,812                     | 2,979,812                  |
| Management and General                | 503,922                       | 503,922                    | 493,790                       | 493,790                    |
| Fundraising and Development           | 227,165                       | 227,165                    | 227,873                       | 227,873                    |
| Total Expenses                        | 3,716,569                     | 3,716,569                  | 3,701,475                     | 3,701,475                  |
| Increase (Decrease) in Net Assets     | (32,424)                      | (22,917)                   | 49,874                        | (2,083)                    |
| Net Assets, Beginning of Year         | 3,809,834                     | 22,917                     | 3,759,960                     | 25,000                     |
| Net Assets, End of Year               | \$ 3,777,410                  | \$ 3,777,410               | \$ 3,809,834                  | \$ 22,917                  |

See Independent Auditor's Report.  
The accompanying notes are an integral part of these financial statements.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED  
d/b/a FRIEDMAN PLACE  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED JUNE 30, 2019 AND 2018**

|  | 2019             |                        |                             | 2018           |                  |                        |                             |                |
|--|------------------|------------------------|-----------------------------|----------------|------------------|------------------------|-----------------------------|----------------|
|  | Program Services | Management and General | Fundraising and Development | Total Expenses | Program Services | Management and General | Fundraising and Development | Total Expenses |
| Salaries   | \$ 1,526,779     | \$ 293,611             | \$ 137,019                  | \$ 1,957,409   | \$ 1,437,329     | \$ 272,890             | \$ 128,473                  | \$ 1,838,692   |
| Payroll Taxes  | 113,536          | 23,593                 | 10,322                      | 147,451        | 108,478          | 22,541                 | 9,862                       | 140,881        |
| Employee Benefits  | 271,083          | 56,329                 | 24,644                      | 352,056        | 279,257          | 58,027                 | 25,387                      | 362,671        |
| Total Salaries and Related Expenses  | 1,911,398        | 373,533                | 171,985                     | 2,456,916      | 1,825,064        | 353,458                | 163,722                     | 2,342,244      |
| Building Operations and Maintenance  | 314,760          | 20,306                 | 3,384                       | 338,450        | 396,929          | 25,606                 | 4,268                       | 426,803        |
| Food Services  | 289,393          | -                      | -                           | 289,393        | 281,496          | -                      | -                           | 281,496        |
| Resident Services  | 41,567           | -                      | -                           | 41,567         | 45,740           | -                      | -                           | 45,740         |
| Insurance  | 8,585            | 22,633                 | 7,803                       | 39,021         | 9,009            | 23,749                 | 8,189                       | 40,947         |
| Wellness Services  | 29,951           | -                      | -                           | 29,951         | 37,431           | -                      | -                           | 37,431         |
| Professional Fees  | 7,013            | 18,488                 | 6,375                       | 31,876         | 7,914            | 20,863                 | 7,194                       | 35,971         |
| Office Expenses  | 6,388            | 16,844                 | 5,808                       | 29,040         | 5,487            | 14,467                 | 4,989                       | 24,943         |
| Telephone  | 3,866            | 10,194                 | 3,515                       | 17,575         | 4,185            | 11,034                 | 3,805                       | 19,024         |
| Computer Equipment and Supplies  | 1,038            | 2,741                  | 944                         | 4,723          | 2,508            | 6,613                  | 2,280                       | 11,401         |
| Development  | -                | -                      | 15,314                      | 15,314         | -                | -                      | 21,714                      | 21,714         |
| Training and Education   | 522              | 1,376                  | 474                         | 2,372          | 208              | 547                    | 189                         | 944            |
| Bank Fees  | 545              | 1,435                  | 495                         | 2,475          | 540              | 1,423                  | 491                         | 2,454          |
| Miscellaneous  | 225              | 599                    | 208                         | 1,032          | 272              | 723                    | 249                         | 1,244          |
| Total Expenses Before Depreciation and Interest on Loan from Affiliated Organization | 2,615,251        | 468,149                | 216,305                     | 3,299,705      | 2,616,783        | 458,483                | 217,090                     | 3,292,356      |
| Interest on Loan from Affiliated Organization  | 93,218           | 17,900                 | 7,882                       | 119,000        | 93,218           | 17,900                 | 7,882                       | 119,000        |
| Depreciation   | 277,013          | 17,873                 | 2,978                       | 297,864        | 269,811          | 17,407                 | 2,901                       | 290,119        |
| Total Expenses   | \$ 2,985,482     | \$ 503,922             | \$ 227,165                  | \$ 3,716,569   | \$ 2,979,812     | \$ 493,790             | \$ 227,873                  | \$ 3,701,475   |

See Independent Auditor's Report.  
The accompanying notes are an integral part of these financial statements.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

|   | <u>2019</u>       | <u>2018</u>       |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities:   |                   |                   |
| (Decrease) Increase in Net Assets   | \$ (55,341)       | \$ 47,791         |
| Adjustments to Reconcile (Decrease) Increase in Net Assets<br>to Net Cash Provided by (Used in) Operating Activities: |                   |                   |
| Depreciation  | 297,864           | 290,119           |
| Unrealized (Gain) on Investments  | (24,944)          | (3,676)           |
| Decrease (Increase) in Assets   |                   |                   |
| Accounts Receivable   | (33,611)          | 310,339           |
| Prepaid Expenses  | -                 | 3,374             |
| Resident Deposits   | (6,729)           | (4,700)           |
| Increase (Decrease) in Liabilities  |                   |                   |
| Accounts Payable and Accrued Expenses   | (19,384)          | (20,453)          |
| Accrued Payroll   | 18,119            | 19,384            |
| Due to Residents  | 6,861             | 4,579             |
|   | <u>182,835</u>    | <u>646,757</u>    |
| Net Cash Provided by Operating Activities   |                   |                   |
| Cash Flows from Investing Activities  |                   |                   |
| Net Sales (Purchases) of Investments  | 5,954             | (400,690)         |
| Purchase of Fixed Assets  | <u>(71,076)</u>   | <u>(25,565)</u>   |
| Net Cash (Used in) Investing Activities   | <u>(65,122)</u>   | <u>(426,255)</u>  |
| Cash Flows from Financing Activities  |                   |                   |
| Payments on Notes Payable   | <u>(150,000)</u>  | <u>-</u>          |
| Net Cash (Used in) Financing Activities   | <u>(150,000)</u>  | <u>-</u>          |
| Net (Decrease) Increase in Cash and Cash Equivalents  | (32,287)          | 220,502           |
| Cash and Cash Equivalents, Beginning of Year  | <u>268,759</u>    | <u>48,257</u>     |
| Cash and Cash Equivalents, End of Year  | <u>\$ 236,472</u> | <u>\$ 268,759</u> |

See Independent Auditor's Report.  
The accompanying notes are an integral part of these financial statements.



**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**Note 1 – Organization and Nature of Activities**

Maplewood Housing for the Visually Impaired (d/b/a Friedman Place) (the “Organization”), is an Illinois not-for-profit corporation formed to provide an assisted living environment for people who are blind or have diminished sight.

The Organization receives significant financial support from an independent not-for-profit entity, The Association of the Jewish Blind of Chicago (d/b/a Kagan Home for the Blind) (“Kagan”), in the form of long-term loans and grants.

**Note 2 – Summary of Significant Accounting Policies**

Basis of Accounting and Presentation

The accounts of the Organization are maintained on the accrual basis. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- 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, where 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.

Revenue Recognition: Grants and Contracts and Contributions

Grants and contracts are recognized as revenue in the periods received but they may be subject to adjustment in subsequent periods. All revenues from contracts or grants are considered to be available for unrestricted use unless specifically restricted as to time or purpose by the respective grantors or contracting agencies. Amounts received that are designated for future periods or are restricted for specific purposes are reported as net assets with donor restrictions that increase that net asset class. Contract and grant revenues for which time or purpose restrictions expire in the period received are considered net assets without donor restrictions.

A restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

Contributions and donations are recognized as revenue upon receipt of donors' commitments. Unconditional promises to give, which do not state a due date or use restriction, are presumed to be unrestricted net assets.

Donated Goods and Services

Donated services that create or enhance nonfinancial assets or that require specialized skills may be provided by individuals possessing those skills. They would typically need to be purchased if not provided by donation and are recorded at their fair values in the period received.

Contributions of donated noncash assets are recorded at their fair values in the period received. The Organization reports these gifts as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used.

Accounts Receivable

Contract and grant accounts receivable are stated at face value less an allowance for amounts considered to be uncollectible.

Functional Allocation of Expenses

Expenses relating to more than one function are allocated to program services, management and general and fundraising and development based on employee time estimates or other appropriate usage factors.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fair Value Measurements

Under GAAP, *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique.

The Organization's assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to measurements involving significant unobservable inputs (Level III measurements). The three levels of fair value hierarchy are as follows:

Level I Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level II Valuation based on inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets, or liabilities in markets that are not active, that is, markets in which there are few transactions, prices are not current, or prices vary substantially over time.

Level III Valuation based on inputs that are unobservable for an asset or liability and should be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input, therefore, reflects the Organization's assumptions about what market participants would use in pricing the asset or liability based on the best information available in the circumstances.

Property and Equipment

Property and equipment is recorded at historical cost. The Organization capitalizes fixed asset additions over \$1,000. Depreciation is computed using the accelerated and straight-line methods for all property and equipment. The estimated useful lives in computing depreciation are as follows:

| <u>Description</u>         | <u>Years</u> |
|----------------------------|--------------|
| Machinery and Equipment    | 3 - 7        |
| Furniture and Fixtures     | 3 - 7        |
| Buildings and Improvements | 27.5         |

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

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered to be a private foundation. It is also required to recognize or derecognize in its financial statements positions taken or expected to be taken in a tax return on a “more likely than not” threshold. The Organization does not believe its financial statements include any uncertain tax positions. The Organization’s income tax filings for the years ending June 30, 2016 and thereafter remain subject to examination by the Internal Revenue Service.

Change in Accounting Principle

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The implementation had no impact on the previously reported results of operations and changes in net assets.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, Leases. This updating requires a lessee to recognize a right-of-use asset and corresponding lease liability, both initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. However, during 2019 the FASB extended the implementation deadline; the new standard is effective for the fiscal year beginning July 1, 2021.

**Note 3 – Liquidity and Availability of Resources**

The Organization has \$1,081,572 of financial assets available for use within one year of the statement of financial position date. There are no net assets with restrictions as of June 30, 2019. The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

The following table reflects the Organization's financial assets at June 30, 2019, which are available for general expenditure within one year of the statement of financial position and are without donor or other restrictions limiting their use:

|                                    |                         |
|------------------------------------|-------------------------|
| Cash and Cash Equivalents          | \$ 236,472              |
| Accounts Receivable                | 421,832                 |
| Investments                        | <u>423,268</u>          |
| <br>Total Available Current Assets | <br><u>\$ 1,081,572</u> |

**Note 4 – Concentrations**

For the years ended June 30, 2019 and 2018, approximately 64% and 55%, respectively, of the Organization's room and board revenue was generated from participation in the Illinois Department of Healthcare and Family Services Supportive Living Facilities program.

For the years ended June 30, 2019 and 2018, approximately 27% (\$95,309) and 21% (\$143,655), respectively, of donations were received from Kagan (see Note 7 for further discussion of the relationship between the two entities).

**Note 5 – Resident Deposits**

The Organization maintains custodial accounts for certain of its residents. These funds are combined in a segregated cash account and are used solely for the purpose of and at the discretion of the specific residents to whom the funds belong. At June 30, 2019 and 2018, the amount of restricted cash was \$21,225 and \$14,496, respectively.

**Note 6 – Net Assets with Donor Restrictions**

Net assets with donor restrictions represent contributions, grants or contracts in which donor/grantor restrictions have been imposed or are applicable to periods subsequent to the date of the financial statements. There are no net assets with donor restrictions as of June 30, 2019. As of June 30, 2018, net assets with donor restrictions are as follows:

| <u>Grantor</u>              | <u>Beginning<br/>Balance</u> | <u>Amount</u>    | <u>Expended</u>    | <u>Ending<br/>Balance</u> |
|-----------------------------|------------------------------|------------------|--------------------|---------------------------|
| Crown Family Philanthropies | <u>\$ 25,000</u>             | <u>\$ 22,917</u> | <u>\$ (25,000)</u> | <u>\$ 22,917</u>          |
| Total                       | <u>\$ 25,000</u>             | <u>\$ 22,917</u> | <u>\$ (25,000)</u> | <u>\$ 22,917</u>          |

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

**Note 7 – Relationships with Affiliated Organization**

The Organization’s support from Kagan consists of the following:

- Interest-bearing loan dated March 3, 2005 in the original amount of \$1,700,000, with scheduled monthly installments of \$11,305 including interest at 7.00%, maturing March 1, 2035. In prior years, Kagan has deferred all payments of principal and forgiven payments of interest; the cumulative total of such interest forgiveness at June 30, 2019 and 2018 approximates \$1,400,000. During the year ended June 30, 2019 and 2018, respectively, Kagan has deferred payments of principal and the Organization made interest payments of \$119,000 in each year. The loan balance at both June 30, 2019 and 2018 remains \$1,700,000.
- Non-interest-bearing loan dated November 21, 2004 in the original amount of \$750,000, with scheduled annual installments of \$37,500, maturing November 1, 2024. As of June 30, 2018, Kagan has deferred collection of two payments totaling \$75,000. During the fiscal year ended June 30, 2019, the Organization made a payment of \$150,000 to Kagan.

Because of the history of interest forgiveness and principal deferral in connection with these two obligations, no portions are considered currently payable in the statements of financial position.

See Note 4, above, for the amount of donations made by Kagan to the Organization.

**Note 8 – Investments**

The Organization’s investments, all of which are considered to be Level I under the fair value hierarchy described above, consist of the following at June 30:

|                       | 2019       |            | 2018       |            |
|-----------------------|------------|------------|------------|------------|
|                       | Cost       | Market     | Cost       | Market     |
| Cash                  | \$ 11,327  | \$ 11,327  | \$ 15,191  | \$ 15,191  |
| Equities              | 254,741    | 283,569    | 256,831    | 260,024    |
| Exchange Traded Funds | 128,580    | 128,372    | 128,580    | 129,063    |
|                       | \$ 394,648 | \$ 423,268 | \$ 400,602 | \$ 404,278 |

The following schedule summarizes the investment return and its components for the year ended June 30:

|                        | 2019      | 2018     |
|------------------------|-----------|----------|
| Interest and Dividends | \$ 7,050  | \$ 1,176 |
| Realized (Losses)      | (9,719)   | (226)    |
| Unrealized Gains       | 24,944    | 3,676    |
| Net Investment Return  | \$ 22,275 | \$ 4,626 |

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED**  
**d/b/a FRIEDMAN PLACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

**Note 9 – Contributed Materials and Services**

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. For the years ended June 30, 2019 and 2018, no materials or services requiring recognition were received by the Organization. A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. No amounts have been reflected for the value of these services.

**Note 10 – Contingencies**

*Contingent Liability*

In 2004, the Organization received a \$345,000 subsidy from the Federal Home Loan Bank of Chicago for its participation in the Federal Housing Finance Board's Affordable Housing Program (the "Program"). Under the terms of the Program, the Organization must maintain and operate a minimum number of affordable rental units for tenants with household incomes within 50% to 80% of the area median income as defined by the U.S. Department of Housing and Urban Development. The Organization is required to certify at least once every three years that it is in compliance with the regulations of the Program. If compliance is not maintained, the \$345,000 subsidy must be repaid. The Program retention period ends February 15, 2020. As of June 30, 2019 and 2018, the Organization was in compliance with all Program regulations.

*Contingent Asset*

The Organization is one of eight designated beneficiaries of a charitable trust and is entitled to annual distributions of 12.5% of its income. In addition, the trustees are authorized to distribute each year a percentage of principal (which percentage may change at their discretion). The Organization is unable to determine the amounts or timing of any potential distributions of income and/or principal. During the fiscal years ended June 30, 2019 and 2018 the Organization received \$36,318 and \$68,566, respectively, from this charitable trust.

**Note 11 – Subsequent Events**

Subsequent events have been evaluated through December 11, 2019, which is the date the financial statements were available to be issued. There are no subsequent events requiring recognition and/or disclosure in the financial statements.