

**MAPLEWOOD HOUSING
FOR THE VISUALLY
IMPAIRED and
THE ASSOCIATION OF
THE JEWISH BLIND OF
CHICAGO**

**Report on Combined Audited Financial
Statements**

June 30, 2022

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

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
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JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

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Board of Directors
Maplewood Housing for the Visually Impaired and
The Association of the Jewish Blind of Chicago
Chicago, Illinois

Opinion

We have audited the accompanying combined financial statements of Maplewood Housing for the Visually Impaired and The Association of the Jewish Blind of Chicago (both nonprofit organizations referred to collectively as "Organization"), which comprise the combined statements of financial position as of June 30, 2022, and the related combined statements of activities and changes in net assets, combined functional expenses and combined cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Maplewood Housing for the Visually Impaired and The Association of the Jewish Blind of Chicago as of June 30, 2022, and the changes in its combined net assets and its combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2022, The Organization adopted new accounting guidance as issued by the Financial Accounting Standards Board under Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to that matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maplewood Housing for the Visually Impaired and The Association of the Jewish Blind of Chicago and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maplewood Housing for the Visually Impaired and The Association of the Jewish Blind of Chicago's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Maplewood Housing for the Visually Impaired and The Association of the Jewish Blind of Chicago'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maplewood Housing for the Visually Impaired and The Association of the Jewish Blind of Chicago'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.



Manning Silverman & Company
Certified Public Accountants
Lincolnshire, Illinois

April 16, 2023

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022**

ASSETS				
	Maplewood Housing for the Visually Impaired	The Association of the Jewish Blind of Chicago	Combining Eliminations	Combined Total
Current Assets:				
Cash and Cash Equivalents	\$ 583,601	\$ -	\$ -	\$ 583,601
Accounts Receivable	837,362	-	-	837,362
Resident Deposits	30,317	-	-	30,317
Total Current Assets	1,451,280	-	-	1,451,280
Fixed Assets:				
Land	1,028,500	-	-	1,028,500
Building and Improvements	7,419,614	-	-	7,419,614
Machinery and Equipment	316,897	-	-	316,897
Furniture and Fixtures	139,993	-	-	139,993
Vehicles	96,641	-	-	96,641
Less: Accumulated Depreciation	(4,517,949)	-	-	(4,517,949)
Total Fixed Assets	4,483,696	-	-	4,483,696
Notes Receivable	-	1,700,000	(1,700,000)	-
Investments	1,383,492	11,744,884	-	13,128,376
Total Assets	\$ 7,318,468	\$ 13,444,884	\$ (1,700,000)	\$ 19,063,352
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 54,139	\$ -	\$ -	\$ 54,139
Accrued Payroll	151,965	-	-	151,965
Due to Residents	31,907	-	-	31,907
Total Current Liabilities	238,011	-	-	238,011
Long-Term Obligations to Affiliated Organization	1,700,000	-	(1,700,000)	-
Total Liabilities	1,938,011	-	(1,700,000)	238,011
Net Assets:				
Without Donor Restrictions	5,380,457	-	1,700,000	7,080,457
With Donor Restrictions	-	13,444,884	(1,700,000)	11,744,884
Total Net Assets	5,380,457	13,444,884	-	18,825,341
Total Liabilities and Net Assets	\$ 7,318,468	\$ 13,444,884	\$ (1,700,000)	\$ 19,063,352

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

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED
and THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2022**

	Maplewood Housing for the Visually Impaired			The Association of the Jewish Blind of Chicago			Combining Eliminations			Combined Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:												
Resident Fee for Service	\$ 954,119	\$ -	\$ 954,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 954,119	\$ -	\$ 954,119
Managed Care Organization Revenue	3,427,764	-	3,427,764	-	-	-	-	-	-	3,427,764	-	3,427,764
State of Illinois Funding	507,022	-	507,022	-	-	-	-	-	-	507,022	-	507,022
Donations	545,700	-	545,700	-	-	-	-	-	-	545,700	-	545,700
Other Income	27,546	-	27,546	-	-	-	-	-	-	27,546	-	27,546
Investment Income	(699,881)	-	(699,881)	-	(4,731,595)	(4,731,595)	-	(119,000)	(119,000)	(699,881)	(4,850,595)	(5,550,476)
Net Assets Released from Restrictions	30,000	(30,000)	-	-	-	-	-	-	-	30,000	(30,000)	-
Total Revenue and Other Support	4,792,270	(30,000)	4,762,270	-	(4,731,595)	(4,731,595)	-	(119,000)	(119,000)	4,792,270	(4,880,595)	(88,325)
Expenses:												
Program Services	3,955,474	-	3,955,474	-	-	-	(93,218)	-	(93,218)	3,862,256	-	3,862,256
Management and General	641,546	-	641,546	-	56,196	56,196	(17,900)	-	(17,900)	623,646	56,196	679,842
Fundraising and Development	315,649	-	315,649	-	-	-	(7,882)	-	(7,882)	307,767	-	307,767
Total Expenses	4,912,669	-	4,912,669	-	56,196	56,196	(119,000)	-	(119,000)	4,793,669	56,196	4,849,865
Increase (Decrease) in Net Assets	(120,399)	(30,000)	(150,399)	-	(4,787,791)	(4,787,791)	119,000	(119,000)	-	(1,399)	(4,936,791)	(4,938,190)
Net Assets, Beginning of Year	5,500,856	30,000	5,530,856	-	18,232,675	18,232,675	-	-	-	5,500,856	18,262,675	23,763,531
Net Assets, End of Year	\$ 5,380,457	\$ -	\$ 5,380,457	\$ -	\$ 13,444,884	\$ 13,444,884	\$ 119,000	\$ (119,000)	\$ -	\$ 5,499,457	\$ 13,325,884	\$ 18,825,341

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

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Maplewood Housing for the Visually Impaired				The Association of the Jewish Blind of Chicago	Combining Eliminations	Combined Total
	Program Services	Management and General	Fundraising and Development	Total Expenses			
Salaries	\$ 1,820,005	\$ 350,000	\$ 163,332	\$ 2,333,337	\$ -	\$ -	\$ 2,333,337
Payroll Taxes	133,274	25,630	11,960	170,864	-	-	170,864
Employee Benefits	521,068	100,205	46,763	668,036	-	-	668,036
Total Salaries and Related Expenses	2,474,347	475,835	222,055	3,172,237	-	-	3,172,237
Building Operations and Maintenance	498,779	32,179	5,364	536,322	-	-	536,322
Food Services	418,349	-	-	418,349	-	-	418,349
Resident Services	108,447	-	-	108,447	-	-	108,447
Insurance	8,422	22,203	7,656	38,281	-	-	38,281
Wellness Services	43,021	-	-	43,021	-	-	43,021
Professional Fees	5,550	14,632	5,045	25,227	-	-	25,227
Office Expenses	9,109	24,002	8,276	41,387	-	-	41,387
Telephone	4,205	11,085	3,822	19,112	-	-	19,112
Computer Equipment and Supplies	5,652	14,839	5,115	25,606	-	-	25,606
Development	-	-	43,723	43,723	-	-	43,723
Bad Debt Expense	1,561	4,116	1,419	7,096	-	-	7,096
Bank Fees	2,482	6,543	2,256	11,281	56,196	-	67,477
Total Expenses Before Depreciation and	3,579,924	605,434	304,731	4,490,089	56,196	-	4,546,285
Interest on Loan from Affiliated Organization	93,218	17,900	7,882	119,000	-	(119,000)	-
Depreciation	282,332	18,212	3,036	303,580	-	-	303,580
Total Expenses	\$ 3,955,474	\$ 641,546	\$ 315,649	\$ 4,912,669	\$ 56,196	\$ (119,000)	\$ 4,849,865

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

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	2022
Cash Flows from Operating Activities:	
(Decrease) in Net Assets	\$ (4,938,190)
Adjustments to Reconcile (Decrease) in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	303,580
Realized (Gain)	(994,666)
Unrealized Loss on Investments	6,680,209
Decrease (Increase) in Assets	
Accounts Receivable	(448,543)
Resident Deposits	30,922
Increase (Decrease) in Liabilities	
Accounts Payable and Accrued Expenses	(43,764)
Accrued Payroll	16,283
Due to Residents	(29,332)
Net Cash Provided by Operating Activities	576,499
Cash Flows from Investing Activities	
Net Sales (Purchases) of Investments	(215,878)
Purchases of Fixed Assets	(195,925)
Net Cash (Used in) Investing Activities	(411,803)
Net Increase in Cash and Cash Equivalents	164,696
Cash and Cash Equivalents, Beginning of Year	418,905
Cash and Cash Equivalents, End of Year	\$ 583,601
Supplemental Information:	
Cash Paid for Interest	\$ 119,000

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

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1 – Organization and Nature of Activities

Maplewood Housing for the Visually Impaired (d/b/a Friedman Place) (“Friedman”), 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 a 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. Kagan’s mission is to provide financial assistance to a supported living program for the blind and visually handicapped. Kagan’s funds have been used to support only Friedman.

The combined financial statements include the accounts of Friedman and Kagan (referred to collectively as “Organization”). All material intercompany accounts of the combined Organizations have been eliminated.

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.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022**

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.

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.

The Organization earns revenue from resident housing fees and resident services. Revenue from housing fees is billed and recognized monthly. Revenue from resident services is recognized as services are provided to residents.

Revenues from housing fees and resident services are as follows at June 30, 2022:

Resident Housing Fees	\$ 3,934,786
Resident Services	<u>954,119</u>
 Total	 <u>\$ 4,888,905</u>

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.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022**

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.

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.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022**

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:

Description	Years
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 combined statement of activities and changes in net assets.

Use of Estimates

The preparation of combined 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 combined 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 combined financial statements include any uncertain tax positions. The Organization’s income tax filings for the years ending June 30, 2019 and thereafter remain subject to examination by the Internal Revenue Service.

New Accounting Standards

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, requiring an entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. ASU 2020-07 includes additional disclosure requirements about contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services. The standard will be applied on a retrospective basis and will be effective for the year ending on June 30, 2022. The Organization does not expect the new standard will impact its financial statements other than a reclassification on the statement of activities and changes in net assets and additional footnote disclosures.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022**

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, Leases. This update 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 statement of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. However, the FASB extended the implementation deadline; the new standard is effective for the fiscal year beginning July 1, 2022. The Organization is still evaluating the final effect that ASU 2016-02 will have on its financial statements and disclosures; however, management does not expect the adoption of the standard to have a material impact.

Note 3 – Liquidity and Availability of Resources

The Organization has \$14,579,656 of financial assets available for use within one year as of the fiscal year ended June 30, 2022. There are no net assets with donor restrictions as of June 30, 2022. The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

The following table reflects the Organization's financial assets at June 30, 2022, which are available for general expenditure within one year of the combined statements of financial position:

Cash and Cash Equivalents	\$ 583,601
Accounts Receivable	837,362
Resident Deposits	30,317
Investments	<u>13,128,376</u>
Total Available Current Assets	<u>\$ 14,579,656</u>

Note 4 – Concentrations

For the year ended June 30, 2022, approximately 61% 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.

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, 2022, the amount of restricted cash was \$31,907.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022**

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 combined financial statements.

The following are the restricted net assets of the Organization as of June 30, 2022:

Grantor	Beginning Balance	Amount	Expended	Ending Balance
National Endowment for the Arts	\$ 30,000	\$ -	\$ (30,000)	\$ -
Total	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ (30,000)</u>	<u>\$ -</u>

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, 2022 and 2021 approximates \$1,400,000. During the year ended June 30, 2022, Kagan has deferred payments of principal and the Organization made interest payments of \$119,000. The loan balance at June 30, 2022 remains to be \$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. During the year ended June 30, 2022, the Organization has made a payment of \$150,000 to Kagan and has paid off the balance of the loan.

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

The intercompany loan transactions have been eliminated in the combined financial statements as of June 30, 2022.

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022**

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, 2022:

	Friedman	
	Cost	Market
Cash	\$ 35,012	\$ 35,012
Equities	1,151,207	1,043,740
Exchange Traded Funds	177,753	174,720
Other Assets	130,254	130,020
	\$ 1,494,226	\$ 1,383,492

	Kagan	
	Cost	Market
Cash	\$ 2,684,208	\$ 2,684,208
Equities	6,600,913	7,503,498
Fixed Income	1,183,804	1,182,118
Other Assets	382,301	375,060
	\$ 10,851,226	\$ 11,744,884

	Combined Total	
	Cost	Market
Cash	\$ 2,719,220	\$ 2,719,220
Equities	7,752,120	8,547,238
Exchange Traded Funds	177,753	174,720
Fixed Income	1,183,804	1,182,118
Other Assets	512,555	505,080
	\$ 12,345,452	\$ 13,128,376

The following schedule summarizes the investment return and its components for the year ended June 30, 2022:

	Friedman	Kagan	Combined Total
Interest and Dividends	\$ 11,275	\$ 123,792	\$ 135,067
Realized Gains (Losses)	(85,434)	1,080,100	994,666
Unrealized Gains (Losses)	(625,722)	(6,054,487)	(6,680,209)
Net Investment Return	\$ (699,881)	\$ (4,850,595)	\$ (5,550,476)

**MAPLEWOOD HOUSING FOR THE VISUALLY IMPAIRED and
THE ASSOCIATION OF THE JEWISH BLIND OF CHICAGO
COMBINED NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022**

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 year ended June 30, 2022, 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 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 year ended June 30, 2022 the Organization received \$35,107 from this charitable trust.

Note 11 – Covid-19

As of March 2020, a pandemic coronavirus outbreak has hit both the United States and the world at large. A federal emergency has been declared. The effects of the coronavirus pandemic on future revenue flows and operations cannot be determined and is not reflected as part of these combined financial statements.

The Organization received a total of \$700,000 in grants during the fiscal year ended June 30, 2022, from the Illinois Department of Healthcare and Family Services as a subrecipient of the CARES Pandemic Related Stability Payments Program for Funds Made Available Through the Federal CARES Act.

Note 12 – Subsequent Events

Subsequent events have been evaluated through April 16, 2023, 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.