

IMD GUEST HOUSE FOUNDATION

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2021 and 2020**

IMD GUEST HOUSE FOUNDATION

Annual Financial Report

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Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors
IMD Guest House Foundation
Chicago, IL

Opinion

We have audited the accompanying financial statements of IMD Guest House Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IMD Guest House Foundation as of December 31, 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.

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 IMD Guest House Foundation 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IMD Guest House Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IMD Guest House Foundation'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.

Desmond & Ahern, Ltd

August 11, 2022
Chicago, IL

IMD GUEST HOUSE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 974,732	\$ 881,837
Contributions receivables, net	40,662	24,540
Other receiveables	26,006	19,006
Total current assets	<u>1,041,400</u>	<u>925,383</u>
Property and Equipment		
Furniture and fixtures	336,813	336,813
Leasehold improvements	1,201,739	1,201,739
Computers	29,120	29,120
Total property and equipment	<u>1,567,672</u>	<u>1,567,672</u>
Less accumulated depreciation	<u>(1,167,534)</u>	<u>(1,006,111)</u>
Net property and equipment	<u>400,138</u>	<u>561,561</u>
Other Assets		
Prepaid insurance	<u>34,840</u>	<u>35,297</u>
Total Assets	<u>\$ 1,476,378</u>	<u>\$ 1,522,241</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 13,211	\$ 8,454
Accrued expenses	25,943	10,676
Deferred rent	19,164	60,084
Deferred revenue	288,095	428,548
Total current liabilities	<u>346,413</u>	<u>507,762</u>
Long-Term Liability		
Deferred rent	<u>239,790</u>	<u>153,192</u>
Total liabilities	<u>586,203</u>	<u>660,954</u>
<u>Net Assets</u>		
Without donor restrictions	722,115	808,237
With donor restrictions	<u>168,060</u>	<u>53,050</u>
Total net assets	<u>890,175</u>	<u>861,287</u>
Total Liabilities and Net Assets	<u>\$ 1,476,378</u>	<u>\$ 1,522,241</u>

See independent auditor's report and notes to financial statements.

IMD GUEST HOUSE FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Public support and contribution	\$ 104,574	\$ 305,320	\$ 409,894	\$ 272,315	\$ 50,000	\$ 322,315
Government grants - SBA PPP	101,295	-	101,295	96,537	-	96,537
Program service revenue	1,102,543	-	1,102,543	1,096,770	-	1,096,770
Special events, net	40,380	-	40,380	41,661	-	41,661
Donated services	64,007	-	64,007	67,623	-	67,623
Interest	672	-	672	3,809	-	3,809
Employee retention credit	11,155	-	11,155	-	-	-
Net assets released from restrictions	190,310	(190,310)	-	35,585	(35,585)	-
Total revenues and other support	1,614,936	115,010	1,729,946	1,614,300	14,415	1,628,715
Expenses						
Program services	1,286,476	-	1,286,476	1,350,201	-	1,350,201
Management and general	199,219	-	199,219	189,971	-	189,971
Fundraising	215,363	-	215,363	240,301	-	240,301
Total expenses	1,701,058	-	1,701,058	1,780,473	-	1,780,473
Change in net assets	(86,122)	115,010	28,888	(166,173)	14,415	(151,758)
Net assets, beginning of year	808,237	53,050	861,287	974,410	38,635	1,013,045
Net assets, end of year	\$ 722,115	\$ 168,060	\$ 890,175	\$ 808,237	\$ 53,050	\$ 861,287

See independent auditor's report and notes to financial statements.

IMD GUEST HOUSE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2021 and 2020

Functional Expenses	2021				2020			
	Program	Supporting Services		Total	Program	Supporting Services		Total
		Administrative	Fundraising			Administrative	Fundraising	
Salaries	\$ 310,147	\$ 44,307	\$ 137,843	\$ 492,297	\$ 278,158	\$ 42,431	\$ 150,866	\$ 471,455
Payroll taxes	24,153	3,450	10,735	38,338	21,752	3,318	11,798	36,868
Employee benefits	35,272	5,039	15,676	55,987	28,917	4,411	15,684	49,012
Bank service charge	7,008	1,001	3,115	11,124	8,326	1,270	4,516	14,112
Conferences	1,898	271	844	3,013	1,859	284	1,009	3,152
Printing and copying	31	5	14	50	219	33	118	370
Housekeeping	13,861	-	-	13,861	16,210	-	-	16,210
Insurance	12,965	1,852	5,762	20,579	11,228	1,712	6,090	19,030
Marketing	7,215	1,031	8,007	16,253	12,555	1,915	11,609	26,079
Membership dues	4,836	691	2,150	7,677	4,454	679	2,416	7,549
Miscellaneous	3,038	559	1,349	4,946	3,499	2,357	1,898	7,754
IT services	10,634	1,519	4,726	16,879	12,134	1,850	6,581	20,565
Postage and delivery	879	125	390	1,394	510	78	276	864
Professional fees	57,607	118,894	3,200	179,701	60,862	100,545	3,381	164,788
Occupancy	638,508	2,333	7,258	648,099	722,126	2,110	7,501	731,737
Repairs and maintenance	1,470	210	654	2,334	892	136	484	1,512
Supplies	14,766	1,079	3,357	19,202	17,811	1,472	5,234	24,517
Telephone	4,978	711	2,212	7,901	4,329	660	2,348	7,337
Depreciation	137,210	16,142	8,071	161,423	144,360	16,984	8,492	169,836
Taxes and fees	-	-	-	-	-	676	-	676
Bad debt	-	-	-	-	-	7,050	-	7,050
Total Expenses	\$ 1,286,476	\$ 199,219	\$ 215,363	\$ 1,701,058	\$ 1,350,201	\$ 189,971	\$ 240,301	\$ 1,780,473

See independent auditor's report and notes to financial statements.

IMD GUEST HOUSE FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 28,888	\$ (151,758)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	161,423	169,836
(Increase) decrease in:		
Contributions receivable	(23,122)	27,413
Prepaid expenses and security deposits	457	(17,415)
Increase (decrease) in:		
Accounts payable	4,757	(12,082)
Accrued expenses	15,267	(11,116)
Deferred revenue	(140,453)	160,453
Deferred rent	45,678	(29,400)
Net cash provided by operating activities	<u>92,895</u>	<u>135,931</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property and equipment	-	(14,558)
Net cash used in operating activities	<u>-</u>	<u>(14,558)</u>
Net increase in cash and cash equivalents	92,895	121,373
Cash and cash equivalents, beginning of year	<u>881,837</u>	<u>760,464</u>
Cash and cash equivalents, end of year	<u><u>\$ 974,732</u></u>	<u><u>\$ 881,837</u></u>
<u>Supplemental Information</u>		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ 10</u>
<u>Supplemental Disclosure of Non-Cash Operations</u>		
Forgiveness of PPP loan recorded as refundable advance (Note 9)	<u><u>\$ 101,295</u></u>	<u><u>\$ 96,537</u></u>

See independent auditor's report and notes to financial statements.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The IMD Guest House Foundation (the “Foundation”) is an Illinois non-profit organization. The Foundation is an independent non-profit that provides a comfortable, secure, temporary residence that serves as a supportive environment for medical patients and their caregivers. The Foundation currently offers short-term accommodations through a referral process for Chicago area hospitals.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities in accordance with the accounting principles generally accepted in the United States of America (“GAAP”).

Basis of Presentation

As required by the generally accepted accounting principles for Not-for-Profit accounting, the Foundation is required to report information regarding its financial position and activities according to two classes:

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions. Such gifts include gifts without restrictions, including restricted gifts whose donor-imposed restrictions were met during the year.

With donor restrictions – Net assets subject to donor-imposed restrictions which will be met either by actions of the Foundation or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Restrictions that have been met on net assets with donor restrictions are reported as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as without donor restrictions.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in federally insured accounts. At times, the Foundation’s bank balances may be excess of the Federal Deposit Insurance Corporation (“FDIC”) limits. The Foundation has not experienced any losses in such accounts and management believes the Foundation is not exposed to any significant credit risk related to cash and cash equivalents.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Cash and Cash Equivalents (cont.)

For purposes of the statement of cash flows, the Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recognized as receivables and revenues in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The receivables are due under terms established by the donors.

The carrying amount of receivables is reduced by an allowance for uncollectible promises receivable that reflects management's estimate of the amounts that will not be collected. Management reviews individual receivable balances periodically and determines the adequacy of its estimate for the valuation allowance. At December 31, 2021 and 2020, there was an allowance of \$5,000 for uncollectible promises or receivables.

Property and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets for furniture, fixtures and equipment. Leasehold improvements are depreciated using the straight-line method over the life of the lease. Depreciation expense for the years ended December 31, 2021 and 2020 was \$161,423 and \$169,836, respectively.

Deferred Revenue

Receipts of institutional rent sponsorships collected in advance of applicable period of obligation have been included in deferred revenue in the accompanying statement of financial position. Such deferred revenue is substantially recognizable within one year when the associated sponsorship period occurs.

Deferred Rent

Rent expense is being recognized on a straight-line basis over the life of the lease. The difference between rent expense recognized and rental payments, as stipulated in the lease, is reflected as deferred rent in the statement of financial position.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Income Tax Status

The Foundation was granted an exemption from federal income tax by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The tax-exempt purpose of the Foundation and the nature in which it operates is described above. The Foundation continues to operate in compliance with its tax-exempt purpose.

The Foundation's annual information and income tax returns filed with the federal and state governments are subject to examination for the past three years filed.

The Foundation has adopted the requirements for accounting for uncertain tax positions and management has determined that the Foundation was not required to record a liability related to uncertain tax positions as of December 31, 2021 and 2020.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, fringe benefits, depreciation, and occupancy, which are allocated on the basis of estimates of time.

In-Kind Contributions and Support

In-kind contributions consist of donated goods and services, including legal services, Guest House apartment items, and special event goods and services. The Foundation has requested providers of goods and services to submit documentation in support of their contributions. The value of in-kind contributions is reflected in the financial statements to the extent that the providers of the contributions submitted proper support to quantify the donation's value.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. These contributions for the year ended December 31, 2021 and 2020 of \$64,007 and \$67,623, respectively, have been presented in the financial statements as support with a like amount shown as expense.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Program Service Revenue

The Foundation has institutional sponsorship agreements with various organizations to provide short-term accommodations to their patients and caregivers. Revenue from these arrangements is recognized over the term of the agreement as performance obligations are met. The amount allocated to the performance obligations as well as guests staying in the rooms are daily rates which are determined by the Foundation.

Support and Other Revenue

The Foundation 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. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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.

The Foundation reports gifts of land, buildings, and equipment as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. During the year ending December 31, 2021 and 2020 no such gifts of land, buildings, or equipment were received.

The Foundation recognizes contract revenue at an amount that reflects consideration to which the Foundation expects to be entitled to in exchange for transferring goods or services to a customer. The Foundation is not currently engaged if this type of contract, which is based on performance reporting. All contracts recognize revenue in accordance with ASU No. 2014-09. There was no contract revenue recorded in 2021 and 2020 for any performance obligations met in the prior year.

For performance reporting contracts, a customer pays the agreed upon amounts after the completion and submission of specified deliverables in the contract. For these contracts, the Foundation will allocate the transaction price of the contract to the specific performance obligations based on the contract. The Foundation recognizes revenue when the performance obligations are met and delivered to the customer. There are no contract assets or liabilities.

IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Concentration of Risk

During the years ended December 31, 2021 and 2020, the Foundation received approximately 42% and 50% of its total revenues from two organizations, respectively. A significant reduction in this level of support may have an adverse effect on the Foundation’s programs and activities. The Foundation has continuously worked over the last several years to reduce their concentration exposure and diversify its revenue streams.

Subsequent Events

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Foundation has evaluated subsequent events through August 11, 2022, which is the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed as of that date.

Note 2 – Financial Assets and Liquidity Resources

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 974,732	\$ 881,837
Accounts receivable, gross	71,668	48,546
Total financial assets at year-end	<u>1,046,400</u>	<u>930,383</u>
Less amounts not available to be used within one year:		
Restricted by donor with purpose restrictions	(130,060)	(53,050)
Allowance for doubtful accounts	<u>(5,000)</u>	<u>(5,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 911,340</u>	<u>\$ 872,333</u>
Additional liquidity resources:		
Unused line of credit	<u>\$ 200,000</u>	<u>\$ 200,000</u>

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

Note 2 – Financial Assets and Liquidity Resources (cont.)

The Foundation provides various program services in which it receives institutional sponsorship as well as significant contributions both with and without donor restrictions. The Foundation manages its liquidity and reserves by adhering to the following principles: operating within a stable and balanced budget, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves beyond near-term to provide reasonable assurance that programming is continued, and obligation will be adequately discharged in the future.

The Foundation also has available up to a \$200,000 line of credit (see Note 3) that could be drawn upon if needed. In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted sources.

Note 3 – Line of Credit

The Foundation has a bank line of credit secured by a blanket lien on all assets which enables the Foundation to borrow up to \$200,000, at the rate of prime, with a stated expiration date of August 24, 2022. For the year ended December 31, 2021, the Foundation had no outstanding borrowings against the line of credit.

Note 4 – Operating Lease

The Foundation has a renewed operating lease which expires July 31, 2028 and provides for the leasing of apartments. By mutual agreement of the parties, the Foundation leased an average of 50 apartments in December 31, 2021. The lease provides for monthly rents to increase during the lease term, and for rent of a community room and office space at no charge. During 2021 the Foundation received a three-month deferred rent credit to be paid back starting in August 2023 over the next sixty months in equals additional payments of \$3,440. The lease also provides that, starting August 1, 2018, either party may opt out of the lease after providing written notice 180 days in advance of termination.

Future base rental minimum lease payments are as follows:

2022	\$ 858,624
2023	875,824
2024	907,184
2025	924,656
2026	942,128
Thereafter	<u>1,525,936</u>
Total	<u>\$ 6,034,352</u>

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

Note 5 – Net Assets

With donor restricted net assets consist of the following contributions at December 31:

	<u>2021</u>	<u>2020</u>
Cancer program/patients (room rate subsidy)	\$ 107,250	\$ 17,500
Veterans program	9,800	25,000
Time restricted	38,000	7,500
NICU/PICU patients (room rate subsidy)	10,000	-
Batten disease patients (room rate subsidy)	3,010	3,050
Total	<u>\$ 168,060</u>	<u>\$ 53,050</u>

Note 6 – Deferred Revenue

Deferred revenue consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
University of Chicago	\$ 87,500	\$ 122,534
Rush Veterans Program	55,000	160,419
Rush Hospital	68,000	68,000
University of Illinois Chicago	55,595	55,595
Stroger Hospital	22,000	22,000
Total	<u>\$ 288,095</u>	<u>\$ 428,548</u>

Note 7 – Special Events

Special events consist of the follow items for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Sponsorships and contributions	\$ 39,856	\$ 43,112
Ticket sales	26,700	3,850
Raffle	1,640	-
Less costs of direct benefits to donors	(27,816)	(5,301)
Net revenues from special events	<u>\$ 40,380</u>	<u>\$ 41,661</u>

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

Note 8 – Pension Plan

The Foundation has a 401(k)-plan covering eligible employees. The employer match is a discretionary percentage determined by management. For the years ended December 31, 2021 and 2020, no employer contribution match has been made.

Note 9 – Paycheck Protection Program

In February 2021 and April 2020, the Foundation received loan proceeds in the amount of \$101,295 and \$96,537 under the Paycheck Protection Program (“PPP”) funding rounds one and two. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and does not terminate employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Foundation has used the proceeds for purposes consistent with the PPP and elected to follow ASC 958-605 and record the loan as a refundable advance where once forgiveness conditions are substantially met or explicitly waived, the entity would reduce the refundable advance and record a contribution for the amount forgiven. During the years ended December 31, 2021 and 2020, both funding round loans of \$101,295 and \$96,537 were completely forgiven and have been recorded as government grant revenues on the statement of activities in the associated year of forgiveness notification.