

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**

**INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

draft

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**

**INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Health and Medicine Policy Research Group

We have audited the accompanying financial statements of Health and Medicine Policy Research Group (an Illinois not-for-profit corporation) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health and Medicine Policy Research Group as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited Health and Medicine Policy Research Group's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kopczyk, Osher and Scott  
Chicago, Illinois  
June , 2022

draft

HEALTH AND MEDICINE POLICY RESEARCH GROUP  
STATEMENT OF FINANCIAL POSITION AS OF  
DECEMBER 31, 2021 AND DECEMBER 31, 2020

ASSETS	<u>2021</u>	<u>2020</u>
<b>Current Assets</b>		
Cash	\$1,489,169	\$1,011,880
Contributions Receivable	453,589	647,926
Prepaid Expenses	<u>4,932</u>	<u>1,073</u>
Total Current Assets	<u>1,947,690</u>	<u>1,660,879</u>
<b>Fixed Assets</b>		
Furniture and Equipment, Net of Accumulated Depreciation	<u>4,864</u>	<u>8,045</u>
<b>Long Term Assets</b>		
Contributions Receivable	229,438	0
Security Deposit	<u>3,969</u>	<u>3,969</u>
Total Long Term Assets	<u>233,407</u>	<u>3,969</u>
Total Assets	<u><u>\$2,185,961</u></u>	<u><u>\$1,672,893</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
	<u>2021</u>	<u>2020</u>
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$111,612	\$88,800
Amounts Held for Others	500,685	216,427
PPP Forgivable Advance	<u>0</u>	<u>173,960</u>
Total Current Liabilities	<u>612,297</u>	<u>479,187</u>
<b>Net Assets</b>		
Without Donor Restrictions	500,165	332,252
With Donor Restrictions	<u>1,073,499</u>	<u>861,454</u>
	<u>1,573,664</u>	<u>1,193,706</u>
Total Liabilities and Net Assets	<u><u>\$2,185,961</u></u>	<u><u>\$1,672,893</u></u>

The accompanying notes are an integral part of these statements.

HEALTH AND MEDICINE POLICY RESEARCH GROUP  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>NET ASSETS WITHOUT DONOR RESTRICTION</u>	<u>NET ASSETS WITH DONOR RESTRICTION</u>	<u>2021 TOTAL</u>	<u>2020 TOTAL</u>
Revenue:				
Public Support:				
Contributions	\$417,061	\$886,562	\$1,303,623	\$1,286,247
Government Contracts	175,036	141,938	316,974	115,788
PPP Loan Advance Forgiven	347,920	0	347,920	0
Special Events				
(Less Direct Expenses of \$ 48,199 in 2021 and \$12,409 in 2020)	186,233	0	186,233	75,620
	<u>1,126,250</u>	<u>1,028,500</u>	<u>2,154,750</u>	<u>1,477,655</u>
Other Revenue:				
Interest	475	0	475	3,180
Program Income	112,839	0	112,839	54,475
	<u>113,314</u>	<u>0</u>	<u>113,314</u>	<u>57,655</u>
Net Assets Released from Restrictions:	816,455	(816,455)	0	0
	<u>816,455</u>	<u>(816,455)</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>2,056,019</u>	<u>212,045</u>	<u>2,268,064</u>	<u>1,535,310</u>
Expenses:				
Schweitzer	290,498	0	290,498	290,291
Adverse Childhood Experiences (ACEs)	324,018	0	324,018	251,307
Long Term Care	164,335	0	164,335	33,553
Health Equity	321,998	0	321,998	233,808
Area Health Education Center (AHEC)	230,541	0	230,541	205,450
Community Health Workers (CHWs)	225,620	0	225,620	120,524
Total Program Services	<u>1,557,010</u>	<u>0</u>	<u>1,557,010</u>	<u>1,134,933</u>
Supporting Services				
Management and General	156,294	0	156,294	167,416
Fundraising	174,802	0	174,802	161,598
Total Supporting Services	<u>331,096</u>	<u>0</u>	<u>331,096</u>	<u>329,014</u>
Total Expenses	<u>1,888,106</u>	<u>0</u>	<u>1,888,106</u>	<u>1,463,947</u>
Change in Net Assets	167,913	212,045	379,958	71,363
Net Assets, Beginning of Year	<u>332,252</u>	<u>861,454</u>	<u>1,193,706</u>	<u>1,122,343</u>
Net Assets, End of Year	<u>\$500,165</u>	<u>\$1,073,499</u>	<u>\$1,573,664</u>	<u>\$1,193,706</u>

The accompanying notes are an integral part of these statements.

HEALTH AND MEDICINE POLICY RESEARCH GROUP  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

PROGRAM SERVICES

	<u>Schweitzer</u>	<u>ACEs</u>	<u>Long Term Care</u>	<u>Health Equity</u>	<u>AHEC</u>	<u>CHW</u>	<u>Total Program Services</u>
Salaries	\$146,740	\$170,727	\$109,216	\$166,971	\$119,258	\$122,518	\$835,430
Payroll Taxes	12,718	14,698	8,890	13,694	10,104	10,267	70,371
Employee Benefits	19,838	24,913	14,640	17,027	14,351	17,575	108,344
	<u>179,296</u>	<u>210,338</u>	<u>132,746</u>	<u>197,692</u>	<u>143,713</u>	<u>150,360</u>	<u>1,014,145</u>
Conferences	48	706	656	546	1,425	1,122	4,503
Contract Services	13,006	85,692	2,495	104,636	42,435	54,991	303,255
Depreciation	509	541	382	414	350	414	2,610
Dues and Subscriptions	233	211	99	215	6,839	228	7,825
Equipment and Repairs	2,493	2,649	1,870	2,026	6,474	2,026	17,538
Fellowships	72,250	0	0	0	0	0	72,250
Insurance	1,306	1,387	979	1,061	898	1,061	6,692
Meetings and Forums	1,176	272	161	160	7,201	226	9,196
Occupancy	11,877	12,619	8,908	9,650	8,166	9,650	60,870
Postage	877	220	155	168	142	168	1,730
Printing	1,365	1,450	1,024	1,109	939	1,109	6,996
Professional Fees	1,440	1,530	1,080	1,170	990	1,170	7,380
Supplies	1,010	477	328	271	7,344	216	9,646
Telephone	768	816	576	624	528	624	3,936
Travel	81	1,203	777	9	697	9	2,776
Technology	2,763	3,907	12,099	2,247	2,400	2,246	25,662
Total Expenses	<u>\$290,498</u>	<u>\$324,018</u>	<u>\$164,335</u>	<u>\$321,998</u>	<u>\$230,541</u>	<u>\$225,620</u>	<u>\$1,557,010</u>

The accompanying notes are an integral part of these statements.

HEALTH AND MEDICINE POLICY RESEARCH GROUP

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

SUPPORTING SERVICES

	Program Services (continued)	Management and General	Fund Raising	Total Supporting Services	TOTALS	
					2021	2020
Salaries	\$835,430	\$96,984	\$107,257	\$204,241	\$1,039,671	\$775,229
Payroll Taxes	70,371	8,006	9,247	17,253	87,624	63,777
Employee Benefits	108,344	16,512	12,746	29,258	137,602	100,687
	<u>1,014,145</u>	<u>121,502</u>	<u>129,250</u>	<u>250,752</u>	<u>1,264,897</u>	<u>939,693</u>
Conferences	4,503	607	79	686	5,189	4,772
Contract Services	303,255	18,010	2,567	20,577	323,832	210,509
Depreciation	2,610	286	286	572	3,182	15,074
Dues and Subscriptions	7,825	3,090	237	3,327	11,152	8,412
Equipment and Repairs	17,538	1,402	1,417	2,819	20,357	13,084
Fellowships	72,250	0	0	0	72,250	66,250
Insurance	6,692	734	734	1,468	8,160	6,897
Meetings and Forums	9,196	72	268	340	9,536	21,391
Occupancy	60,870	6,681	6,681	13,362	74,232	111,469
Postage	1,730	116	2,701	2,817	4,547	2,806
Printing	6,996	768	20,254	21,022	28,018	21,151
Professional Fees	7,380	810	810	1,620	9,000	9,000
Supplies	9,646	219	352	571	10,217	3,625
Telephone	3,936	432	432	864	4,800	5,585
Travel	2,776	10	100	110	2,886	2,427
Technology	25,662	1,555	8,634	10,189	35,851	21,802
Total Expenses	<u>\$1,557,010</u>	<u>\$156,294</u>	<u>\$174,802</u>	<u>\$331,096</u>	<u>\$1,888,106</u>	<u>\$1,463,947</u>

The accompanying notes are an integral part of these statements.



HEALTH AND MEDICINE POLICY RESEARCH GROUP  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Increase/(decrease) in net assets	\$379,958	\$71,363
Adjustments to reconcile increase/(decrease) in net assets to net cash provided by/(used in) operating activities:		
Depreciation	3,181	15,074
Changes in assets and liabilities:		
(Increase)/Decrease in contributions receivable	(35,101)	(182,344)
(Increase)/Decrease in prepaid expenses	(3,859)	1,991
(Decrease)/Increase in accounts payable and accrued expenses	22,812	16,595
(Decrease)/Increase in amounts held for others	284,258	97,886
(Decrease)/Increase in deferred rent	0	(1,863)
Net cash provided by/(used in) operating activities	<u>651,249</u>	<u>18,702</u>
Cash Flows from Financing Activities:		
Payroll Protection Program Refundable Advance	(173,960)	173,960
Net cash provided <used> by Financing Activities	<u>(173,960)</u>	<u>173,960</u>
Net Increase/(Decrease) In Cash	477,289	192,662
Cash, Beginning of Year	<u>1,011,880</u>	<u>819,218</u>
Cash, End of Year	<u>\$1,489,169</u>	<u>\$1,011,880</u>
Cash paid for interest	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of these statements.

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

Note 1 -- Description of Organization:

Health and Medicine Policy Research Group (the “Organization”) is a not for profit corporation formed under the General Not for Profit Act of the State of Illinois. The Organization mission is to promote social justice and challenge inequities in health and health care. The Organization formed in 1981 as an independent policy center that conducts research, educates and collaborates with other groups to advocate policies and impact health systems to improve the health status of all people. The Organization addresses emerging and persistent public health challenges, conducting research and developing systems and programmatic solutions across a multitude of issues. In addition, current funded programs include:

Schweitzer – Health & Medicine’s Chicago Area Schweitzer Fellows Program cultivates aspiring health and human services professionals to be informed, concerned, and involved with addressing health inequities. Each year, the Schweitzer Program provides 30 exceptional students with opportunities to design and implement projects to improve the health and well-being of underserved Chicago communities.

Long Term Care - conduct research and evaluation, including assessments of nursing facility transition demonstration, focus group studies with health and social service professionals on problems coordinating care across systems for older clients includes a collaborative effort to integrate behavioral health and primary care.

Center for Public Health Equity - organized to identify gaps in needed health services and funding while developing policy recommendations to strengthen health care in the region and efforts to develop health equity program.

Area Health Education Center (AHEC) - a workforce development program designed to recruit, train and retain a health profession workforce committed to underserved populations, with a special focus on promoting health career to minorities and underserved populations

Adverse Childhood Experiences (ACEs) – Health & Medicine is the lead convener of the Illinois Adverse Childhood Experiences Response Collaborative, a group of multi-sectoral stakeholders committed to expanding the understanding of trauma and its impact on people’s lives. Through advocacy and mobilization efforts, we work to put the issues of ACEs and resilience on the forefront of the equity agenda in Illinois.

Community Health Workers (CHWs) are an important health care workforce helping residents—often in underserved communities—manage chronic conditions, develop healthier lifestyles, and gain access to care.

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

Note 2 -- Summary of Significant Accounting Policies:

Adoption of Accounting Pronouncement -- Effective January 1, 2018, Health and Medicine Policy Research Group adopted Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Basis of Accounting -- The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with United States generally accepted accounting principles applicable to nonprofit organizations.

Contributions -- Contributions received are recorded as support without donor restrictions or support with donor restrictions support depending on the existence of any donor restrictions. When a donor restriction expires, 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. Donor restricted contributions whose restrictions are met in the same accounting period as that in which they are received are reported as support without donor restrictions.

Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents -- Cash is comprised of demand deposit and interest-bearing money market accounts.

Concentration of Credit Risk-- Bank accounts are insured by the FDIC up to \$250,000. The Organization has bank accounts whose cash balances exceeded the FDIC insured limit by \$609,412 on December 31, 2021, and \$487,010 on December 31, 2020. This is due to money being deposited by the end of the year and it is not common for Organization to have cash balance over FDIC limit.

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

Note 2 -- Summary of Significant Accounting Policies (continued):

Liquidity--Health and Medicine Policy Research Group has \$1,942,758 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$1,489,169, and contributions receivable of \$453,589, none of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

Furniture and Equipment – Furniture and equipment is stated at cost or estimated value if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, generally 5 years equipment and 7 years furniture. All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of the assets are capitalized.

Amounts Held for Others – The Organization acts as fiscal agent for several small organizations. These transactions are not recognized as revenue and expenses in the Organization’s Statement of Activities.

Restricted Grants -- The Organization has established procedures to ensure that grant provisions are complied with as is required by its various donors.

Contributions -- Contributions received are recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any restrictions. Donor restricted contributions are reported as unrestricted support where the restrictions have been satisfied in the same year in which the revenue is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services and Materials --

A substantial number of volunteers have donated significant amounts of their time to the Organization's programs and supporting services, but no amounts have been recorded for the value of their services, in accordance with provisions of Accounting Standards Codification (ASC) 958-605-25-16 *Not for Profit Entities - Revenue Recognition - Contributions Received - Contributed Services*.

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

Note 2 – Summary of Significant Accounting Policies (continued):

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an allocation method that is reasonable and consistently applied. Management has allocated expenses based on estimates of time and effort.

Subsequent Events – The financial statements were available to be issued on **June, 2022** with subsequent events being evaluated through this date.

Note 3 – Contributions Receivable:

Unconditional promises are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Receivables expected to be collected in one year or less are reported at net realizable value because that amount, although not equivalent to the present value of estimated future cash flows, results in a reasonable estimate of fair value. Based on management’s assessment of the current status of individual accounts, an allowance for uncollectible receivables is insignificant.

Unconditional promises to give on December 31, 2021, and December 31, 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$453,589	\$647,926
One to five years	<u>229,438</u>	<u>0</u>
	<u>\$683,027</u>	<u>\$647,926</u>

Note 4 – Furniture and Equipment:

At December 31, 2021 and December 31, 2020, the cost and accumulated depreciation for furniture and equipment were as follows:

	<u>2021</u>	<u>2020</u>
Furniture and Equipment	\$37,545	\$37,545
Lease Improvements	45,229	45,229
Less Accumulated Depreciation	<u>(77,910)</u>	<u>(74,729)</u>
	<u>\$ 4,864</u>	<u>\$8,045</u>

Depreciation expense charged to operations for the year ended December 31, 2021 and December 31, 2020 totaled \$3,181 and \$15,074 respectively.

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

Note 5 – Net Assets with Donor Restrictions

Net assets with Donor Restrictions were available for the following uses as of December 31, 2021, and December 31, 2020:

	<u>2021</u>	<u>2020</u>
Adverse Childhood Experiences	\$ 15,000	\$ 97,638
Center for Public Health Equity	12,500	22,500
Community Health Work	209,646	0
Long Term Care	29,100	0
Schweitzer	0	70,875
Area Health Education Center	<u>0</u>	<u>50,250</u>
Program	266,246	241,263
Future	<u>807,253</u>	<u>620,192</u>
Total	<u>\$ 1,073,499</u>	<u>\$ 861,455</u>

Note 6 – Lease Commitments and Contingencies:

The Organization occupies premises as a co-tenant in Chicago, Illinois under a lease that expires December 31, 2020. On October 2<sup>nd</sup> of 2020 the lease got extended till February 28, 2023.

Future minimum obligations under these lease agreements are as follows:

2022	\$ 96,084
2023	\$ 97,836

Total charges to operations for rental expense during the years ended December 31, 2021, and December 31, 2020, amounted to \$78,620 and \$86,478, respectively. The Organization received a rent abatement of the two months base rent.

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

Note 7 – Retirement Plan:

The Organization has established a 401(k)-retirement plan for the benefit of its employees. Employees may contribute any amount up to the maximum permitted by law and are eligible on the plan entry date following date of hire to participate, with respect to making salary reduction contributions. With respect to non-salary reduction contributions, employees will be eligible to participate upon completion of one year of service and attainment of age 21. The Organization made discretionary contributions to the plan that is allocated among participants actively employed as defined by the plan of \$33,959 for 2021 and \$28,243 for 2020. Salary reduction amounts contributed to the plan are 100% vested. Discretionary, non-salary contributions are vested according to the plan's vesting schedule.

Kopczyk, Osher & Scott, Certified Public Accountants has not audited the contributions to the profit-sharing plan, nor the plan itself.

Note 8 -- Comparative Totals for Prior Year:

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived. Certain amounts from the prior year have been reclassified in order to provide a basis for comparison with the current year.

Note 9 -- Income Taxes:

The Organization has been determined by the Internal Revenue Service to be exempt from Federal income tax under Section 501(a) as described under Section 501(c)(3) of the U. S. Internal Revenue Code and exempt from Illinois income tax under the comparable state law. Accordingly, no provision for income tax has been established, and contributions to it are deductible within the limitations as prescribed by the Internal Revenue Code. The Organization files returns in the U.S. federal jurisdiction and Illinois.

With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months. Each of the Organization's prior three years remains subject to examination by the Internal Revenue Service. The Organization has evaluated its tax positions for all open tax years. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2021.

**HEALTH AND MEDICINE POLICY RESEARCH GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

Note 10 – Paycheck Protection Program Refundable Advance:

On May 05, 2020, the Organization received the 1st round of the Paycheck Protection Program ("PPP") established by the US Government Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP provides for assistance for qualifying entities to support personnel costs and other immediate needs. Health and Medicine Policy Research Group received \$ 173,960 in the form of a loan, administered by the SBA (Small Business Administration). This loan and accrued interest are forgivable provided certain guidelines are met. The Organization had not applied for loan forgiveness as of December 31, 2020, and so the amount of the loan remains an outstanding liability on its Statement of Financial Position. The 1<sup>st</sup> round of PPP loan was forgiven on April 09, 2021.

The Organization obtained a second PPP loan under the Paycheck Protection Program on March 24, 2021, in the amount of \$ 173,960. The Organization received full forgiveness of the loan on December 03, 2021.

Note 11 – Subsequent Events:

The COVID-19 outbreak has caused business disruption and cancellation of events and projects in 2020 and 2021. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruptions and the impact on the Organization's members, employees and other stakeholders. The extent to which COVID-19 may impact the Organization's financial condition or results cannot be reasonably estimated at this time.