

HEALTH AND MEDICINE POLICY RESEARCH GROUP

INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS

DECEMBER 31, 2022

HEALTH AND MEDICINE POLICY RESEARCH GROUP

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

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Kopczyk, Osher, & Scott
Certified Public Accountants
4415 Harrison St. Suite 552
Hillside, IL 60162
Voice (312) 527-0111
Fax (312) 527-9441
www.rcscottcpa.com

CERTIFIED PUBLIC ACCOUNTANTS **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors
Health and Medicine Policy Research Group

Opinion

We have audited the financial statements of Health and Medicine Policy Research Group, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position Health and Medicine Policy Research Group as of December 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. 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 Health and Medicine Policy Research Group 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 Health and Medicine Policy Research Group's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS and GAGAS, 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 Health and Medicine Policy Research Group'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 Health and Medicine Policy Research Group's ability to continue as a going concern for a reasonable period of time.

Report on Summarized Comparative Information

We have previously audited Health and Medicine Policy Research Group's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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.



Kopczyk, Osher and Scott

Chicago, Illinois
October 03, 2023

HEALTH AND MEDICINE POLICY RESEARCH GROUP
STATEMENT OF FINANCIAL POSITION AS OF
DECEMBER 31, 2022 AND DECEMBER 31, 2021

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$1,788,027	\$1,489,169
Accounts Receivable	36,569	0
Grants Receivable	619,437	453,589
Prepaid Expenses	<u>4,345</u>	<u>4,932</u>
Total Current Assets	<u>2,448,378</u>	<u>1,947,690</u>
Fixed Assets		
Furniture and Equipment, Net of Accumulated Depreciation	<u>1,792</u>	<u>4,864</u>
Long Term Assets		
Grants Receivable	621,513	229,438
Security Deposit	<u>3,969</u>	<u>3,969</u>
Total Long Term Assets	<u>625,482</u>	<u>233,407</u>
Total Assets	<u><u>\$3,075,652</u></u>	<u><u>\$2,185,961</u></u>
LIABILITIES AND NET ASSETS		
	<u>2022</u>	<u>2021</u>
Current Liabilities		
Accounts Payable and Accrued Expenses	\$124,830	\$111,612
Amounts Held for Others	<u>897,221</u>	<u>500,685</u>
Total Current Liabilities	<u>1,022,051</u>	<u>612,297</u>
Net Assets		
Without Donor Restrictions	574,336	500,165
With Donor Restrictions	<u>1,479,265</u>	<u>1,073,499</u>
	<u>2,053,601</u>	<u>1,573,664</u>
Total Liabilities and Net Assets	<u><u>\$3,075,652</u></u>	<u><u>\$2,185,961</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, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>NET ASSETS WITHOUT DONOR RESTRICTION</u>	<u>NET ASSETS WITH DONOR RESTRICTION</u>	<u>2022 TOTAL</u>	<u>2021 TOTAL</u>
Revenue:				
Public Support:				
Contributions	\$725,883	\$826,256	\$1,552,139	\$1,424,376
Government Contracts	365,031	501,196	866,227	316,974
PPP Loan Advance Forgiven	0	0	0	347,920
Special Events				
(Less Direct Expenses of \$56,264 in 2022 and \$48,199 in 2021)	67,415	0	67,415	65,480
	<u>1,158,329</u>	<u>1,327,452</u>	<u>2,485,781</u>	<u>2,154,750</u>
Other Revenue:				
Interest	3,987	0	3,987	475
Program Income	123,088	0	123,088	112,839
	<u>127,075</u>	<u>0</u>	<u>127,075</u>	<u>113,314</u>
Net Assets Released from Restrictions:	<u>921,686</u>	<u>(921,686)</u>	<u>0</u>	<u>0</u>
	<u>921,686</u>	<u>(921,686)</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>2,207,090</u>	<u>405,766</u>	<u>2,612,856</u>	<u>2,268,064</u>
Expenses:				
Schweitzer	304,636	0	304,636	290,498
Adverse Childhood Experiences (ACEs)	359,628	0	359,628	324,018
Long Term Care	266,717	0	266,717	164,335
Health Equity	183,631	0	183,631	321,998
Area Health Education Center (AHEC)	242,778	0	242,778	230,541
Community Health Workers (CHWs)/Workfor	338,026	0	338,026	225,620
Total Program Services	<u>1,695,416</u>	<u>0</u>	<u>1,695,416</u>	<u>1,557,010</u>
Supporting Services				
Management and General	286,701	0	286,701	156,294
Fundraising	150,802	0	150,802	174,802
Total Supporting Services	<u>437,503</u>	<u>0</u>	<u>437,503</u>	<u>331,096</u>
Total Expenses	<u>2,132,919</u>	<u>0</u>	<u>2,132,919</u>	<u>1,888,106</u>
Change in Net Assets	74,171	405,766	479,937	379,958
Net Assets, Beginning of Year	<u>500,165</u>	<u>1,073,499</u>	<u>1,573,664</u>	<u>1,193,706</u>
Net Assets, End of Year	<u>\$574,336</u>	<u>\$1,479,265</u>	<u>\$2,053,601</u>	<u>\$1,573,664</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, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021

PROGRAM SERVICES

	<u>Schweitzer</u>	<u>ACEs</u>	<u>Long Term Care</u>	<u>Health Equity</u>	<u>AHEC</u>	<u>CHW Workforce</u>	<u>Total Program Services</u>
Salaries	\$145,074	\$236,874	\$197,129	\$100,610	\$147,463	\$164,679	\$991,829
Payroll Taxes	11,212	18,632	14,614	7,984	11,749	13,122	77,313
Employee Benefits	14,394	42,901	25,431	23,833	24,627	28,600	159,786
	<u>170,680</u>	<u>298,407</u>	<u>237,174</u>	<u>132,427</u>	<u>183,839</u>	<u>206,401</u>	<u>1,228,928</u>
Conferences	0	28	930	0	211	25	1,194
Contract Services	28,796	22,876	1,735	27,291	18,123	105,050	203,871
Depreciation (Notes 2 and 4)	369	614	399	399	399	430	2,610
Dues and Subscriptions	752	1,201	910	889	780	902	5,434
Equipment and Repairs	1,908	3,127	1,959	2,044	2,307	2,110	13,455
Fellowships	76,250	0	0	0	0	0	76,250
Insurance	1,356	2,259	1,468	1,468	1,468	1,581	9,600
Meetings and Forums	5,709	111	303	72	15,020	924	22,139
Occupancy (Note 6)	12,145	20,242	13,157	13,157	13,157	14,169	86,027
Postage	66	122	34	29	29	32	312
Printing	1,307	1,636	2,138	1,064	1,726	1,189	9,060
Professional Fees	1,176	1,960	1,274	1,274	1,274	1,372	8,330
Supplies	912	741	362	292	1,166	421	3,894
Telephone	574	956	622	622	622	669	4,065
Travel	290	1,438	1,680	26	115	14	3,563
Technology	2,346	3,910	2,572	2,577	2,542	2,737	16,684
Total Expenses	<u>\$304,636</u>	<u>\$359,628</u>	<u>\$266,717</u>	<u>\$183,631</u>	<u>\$242,778</u>	<u>\$338,026</u>	<u>\$1,695,416</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, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021

SUPPORTING SERVICES

	Program Services (continued)	Management and General	Fund Raising	Total Supporting Services	TOTALS	
					2022	2021
Salaries	\$991,829	\$172,533	\$86,185	\$258,718	\$1,250,547	\$1,039,671
Payroll Taxes	77,313	14,591	6,826	21,417	98,730	87,624
Employee Benefits	159,786	36,976	14,300	51,276	211,062	137,602
	<u>1,228,928</u>	<u>224,100</u>	<u>107,311</u>	<u>331,411</u>	<u>1,560,339</u>	<u>1,264,897</u>
Conferences	1,194	0	263	263	1,457	5,189
Contract Services	203,871	46,073	18,820	64,893	268,764	323,832
Depreciation	2,610	276	184	460	3,070	3,182
Dues and Subscriptions	5,434	540	1,105	1,645	7,079	11,152
Equipment and Repairs	13,455	1,357	924	2,281	15,736	20,357
Fellowships	76,250	0	0	0	76,250	72,250
Insurance	9,600	1,017	678	1,695	11,295	8,160
Meetings and Forums	22,139	51	433	484	22,623	9,536
Occupancy	86,027	9,117	6,072	15,189	101,216	74,232
Postage	312	20	2,613	2,633	2,945	4,547
Printing	9,060	736	6,360	7,096	16,156	28,018
Professional Fees	8,330	882	588	1,470	9,800	9,000
Supplies	3,894	198	298	496	4,390	10,217
Telephone	4,065	432	287	719	4,784	4,800
Travel	3,563	9	268	277	3,840	2,886
Technology	16,684	1,893	4,598	6,491	23,175	35,851
Total Expenses	<u>\$1,695,416</u>	<u>\$286,701</u>	<u>\$150,802</u>	<u>\$437,503</u>	<u>\$2,132,919</u>	<u>\$1,888,106</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, 2022 AND DECEMBER 31, 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Increase/(decrease) in net assets	\$479,937	\$379,958
Adjustments to reconcile increase/(decrease) in net assets to net cash provided by/(used in) operating activities:		
Depreciation	3,072	3,181
Changes in assets and liabilities:		
(Increase)/Decrease in contributions receivable	(557,923)	(35,101)
(Increase)/Decrease in prepaid expenses	587	0
(Increase)/Decrease in accounts receivable	(36,569)	(3,859)
(Decrease)/Increase in accounts payable and accrued expenses	13,218	22,812
(Decrease)/Increase in amounts held for others	<u>396,536</u>	<u>284,258</u>
Net cash provided by/(used in) operating activities	<u>298,858</u>	<u>651,249</u>
Cash Flows from Financing Activities:		
Payroll Protection Program Refundable Advance	0	(173,960)
Net cash provided <used> by Financing Activities	<u>0</u>	<u>(173,960)</u>
Net Increase/(Decrease) In Cash	298,858	477,289
Cash, Beginning of Year	<u>1,489,169</u>	<u>1,011,880</u>
Cash, End of Year	<u><u>\$1,788,027</u></u>	<u><u>\$1,489,169</u></u>
Cash paid for interest	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The accompanying notes are an integral part of these statements.

HEALTH AND MEDICINE POLICY RESEARCH GROUP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 28 exceptional students with opportunities to design and implement projects to improve the health and well-being of underserved Chicago communities.

Long Term Care - The Center for Long-Term Care Reform promotes equitable aging within communities for all Illinoisans at all ages. The Center works toward a just society that enables people to age well across the entire life course and an equitable system of long-term services and supports so that people can live according to their own goals and values, without exploitation or unmet needs. The Center advocates for caregiving that supports both the needs and rights of older persons and caregivers.

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 programs.

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 (ACE’s) – 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 (CHW’s)/Workforce - Our program aims to utilize Community Health Workers (CHW’s)/Workforce and address the ongoing local need to increase awareness of health and human service resources, connect people to needed services, and promote healthcare workforce development. We work to build a unified, sustainable, and equitable public health workforce in the Chicagoland region.

HEALTH AND MEDICINE POLICY RESEARCH GROUP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 \$788,431 on December 31, 2022, and \$609,412 on December 31, 2022. 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, 2022

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

Liquidity--Health and Medicine Policy Research Group has \$403,208 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$366,639 and accounts receivable of \$36,569, 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 like CHE Cook County, Chicago South Side birth Center, Chicagoland Equity Network, Vaccine Brigade and Rush University Center for Health & Social Care Integration. 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, 2022

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 October 03, 2023, 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, 2022, and December 31, 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$619,437	\$453,589
One to five years	<u>621,513</u>	<u>229,438</u>
	<u>\$1,240,950</u>	<u>\$683,027</u>

Note 4 – Furniture and Equipment:

At December 31, 2022 and December 31, 2021, the cost and accumulated depreciation for furniture and equipment were as follows:

	<u>2022</u>	<u>2021</u>
Furniture and Equipment	\$37,545	\$37,545
Lease Improvements	45,229	45,229
Less Accumulated Depreciation	<u>(80,982)</u>	<u>(77,910)</u>
	<u>\$ 1,792</u>	<u>\$ 4,864</u>

Depreciation expenses charged to operations for the year ended December 31, 2022 and December 31, 2021 totaled \$3,070 and \$3,181 respectively.

HEALTH AND MEDICINE POLICY RESEARCH GROUP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 5 –Net Assets with Donor Restrictions

Net assets with Donor Restrictions were available for the following uses as of December 31, 2022, and December 31, 2021:

	<u>2022</u>	<u>2021</u>
Adverse Childhood Experiences	\$ 131,239	\$ 15,000
Center for Public Health Equity	0	12,500
Community Health Work/Workforce	808,359	209,646
Long Term Care	216,667	29,100
Schweitzer	99,750	0
Area Health Education Center	<u>83,250</u>	<u>0</u>
Program	1,339,265	266,246
Future	<u>140,000</u>	<u>807,253</u>
Total	<u>\$ 1,479,265</u>	<u>\$ 1,073,499</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 2nd of 2020 the lease got extended till February 28, 2023.

Future minimum obligations under these lease agreements are as follows:

2023	\$ 97,836
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Total charges to operations for rental expense during the years ended December 31, 2022, and December 31, 2021, amounted to \$96,084 and \$78,620, 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, 2022

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 \$57,440 for 2022 and \$33,959 for 2021. 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, 2021, 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, 2022.