

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Tragedy Assistance Program for Survivors, Inc.  
Arlington, Virginia

We have audited the accompanying financial statements of Tragedy Assistance Program for Survivors, Inc. (TAPS), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, 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 auditors' 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.

Board of Directors  
Tragedy Assistance Program for Survivors, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tragedy Assistance Program for Survivors, Inc. as of December 31, 2020, 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.

***Change in Accounting Principles***

As discussed in Note 1 to the financial statements, TAPS adopted new accounting guidance contained in Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
August 16, 2021

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 2,928,963
Pledges Receivable	1,811,000
Prepaid Expenses	189,535
Total Current Assets	4,929,498

**INVESTMENTS**

164,839

**PROPERTY AND EQUIPMENT, NET**

1,288,754

**COLLECTIONS**

79,800

**OTHER ASSETS**

19,870

Total Assets

\$ 6,482,761

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 128,413
Accrued Leave and Salaries	348,727
Deferred Rent	263,706
Total Current Liabilities	740,846

**NONCURRENT LIABILITIES**

Paycheck Protection Program Loan	1,091,100
Deferred Rent	2,222,324
Total NonCurrent Liabilities	3,313,424

Total Liabilities

4,054,270

**NET ASSETS (DEFICIT)**

Without Donor Restrictions	(3,697,355)
With Donor Restrictions	6,125,846
Total Net Assets	2,428,491

Total Liabilities and Net Assets

\$ 6,482,761

*See accompanying Notes to Financial Statements.*

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions, Sponsorships, and Grants	\$ 7,436,070	\$ 3,592,973	\$ 11,029,043
Seminar Registrations	6,878	-	6,878
Investment Income	27,584	-	27,584
Other Income	144,809	-	144,809
Net Assets Released from Restrictions	<u>7,808,293</u>	<u>(7,808,293)</u>	<u>-</u>
Total Support and Revenue	15,423,634	(4,215,320)	11,208,314
<b>EXPENSES</b>			
Program Services:			
Survivor Programs	6,775,164	-	6,775,164
Survivor Care	2,895,624	-	2,895,624
Survivor Seminars	<u>1,614,348</u>	<u>-</u>	<u>1,614,348</u>
Total Program Services	11,285,136	-	11,285,136
Supporting Services:			
Management and General	1,100,500	-	1,100,500
Fundraising	<u>976,848</u>	<u>-</u>	<u>976,848</u>
Total Supporting Services	<u>2,077,348</u>	<u>-</u>	<u>2,077,348</u>
Total Expenses	<u>13,362,484</u>	<u>-</u>	<u>13,362,484</u>
<b>CHANGE IN NET ASSETS</b>	2,061,150	(4,215,320)	(2,154,170)
Net Assets - Beginning of Year	<u>(5,758,505)</u>	<u>10,341,166</u>	<u>4,582,661</u>
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u><u>\$ (3,697,355)</u></u>	<u><u>\$ 6,125,846</u></u>	<u><u>\$ 2,428,491</u></u>

See accompanying Notes to Financial Statements.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	Program Services				Supporting Services			Total
	Survivor Programs	Survivor Care	Survivor Seminars	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 2,469,551	\$ 1,849,080	\$ 514,019	\$ 4,832,650	\$ 428,307	\$ 109,593	\$ 537,900	\$ 5,370,550
Benefits	133,603	135,132	35,588	304,323	73,721	3,678	77,399	381,722
Payroll Taxes	184,337	133,484	37,691	355,512	29,779	8,018	37,797	393,309
Professional Services	1,076,613	134,740	132,523	1,343,876	295,973	598,298	894,271	2,238,147
Advertising	744,595	148,919	99,279	992,793	25	4,107	4,132	996,925
Supplies and Other Office Expenses	137,216	95,926	18,128	251,270	38,668	96,527	135,195	386,465
Information Technology	14,580	9,568	964	25,112	21,349	-	21,349	46,461
Occupancy	631,888	52,529	102,654	787,071	74,077	64,818	138,895	925,966
Travel, Conferences, Conventions, and Meetings	602,586	132,647	652,023	1,387,256	2,560	67,312	69,872	1,457,128
Grants	326,399	127,447	-	453,846	-	-	-	453,846
Depreciation	172,402	-	-	172,402	30,424	-	30,424	202,826
Insurance	36,867	-	-	36,867	6,506	-	6,506	43,373
Printing, Design, and Production	171,222	61,731	1,335	234,288	51,092	6,987	58,079	292,367
Merchandise Expense	-	-	-	-	-	15,465	15,465	15,465
All Other Expenses	73,305	14,421	20,144	107,870	48,019	2,045	50,064	157,934
<b>Total Expenses</b>	<b>\$ 6,775,164</b>	<b>\$ 2,895,624</b>	<b>\$ 1,614,348</b>	<b>\$ 11,285,136</b>	<b>\$ 1,100,500</b>	<b>\$ 976,848</b>	<b>\$ 2,077,348</b>	<b>\$ 13,362,484</b>

See accompanying Notes to Financial Statements.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (2,154,170)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Used by Operating Activities:	
Depreciation	202,826
Bad Debt Expense	29,986
Realized Gain on Investments	(1,000)
Changes in Assets and Liabilities:	
Pledges Receivable, Net	2,349,568
Prepaid Expenses	(5,787)
Accounts Receivable	-
Accounts Payable and Accrued Expenses	(304,076)
Accrued Leave and Salaries	61,545
Deferred Revenue	(57,400)
Deferred Rent	(235,358)
Net Cash Used by Operating Activities	(113,866)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Investments	(20,983)
Purchases of Property and Equipment	(21,348)
Net Cash Used by Investing Activities	(42,331)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from Paycheck Protection Program Loan	1,091,100
Net Cash Provided by Financing Activities	1,091,100

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

934,903

Cash and Cash Equivalents - Beginning of Year

1,994,060

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 2,928,963

*See accompanying Notes to Financial Statements.*



**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Tragedy Assistance Program for Survivors, Inc. (TAPS) was incorporated in Alaska on October 17, 1994. It provides a national military survivor peer support network by offering grief counseling referrals, caseworker assistance, and crisis information to help families and military personnel cope and recover.

**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 certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

**Income Tax Status**

TAPS is exempt from the payment of federal income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as other than a private foundation.

TAPS adopted the income tax standard for uncertain tax positions. TAPS evaluated its income tax positions and determined that they are more-likely-than-not to be sustained on examination. TAPS' tax returns are subject to review and examination by federal, state, and local authorities.

**Cash and Cash Equivalents**

For financial statement purposes, TAPS considers all unrestricted highly liquid instruments with an initial maturity of three months or less to be cash equivalents.

**Pledges Receivable**

Unconditional pledges receivable are recorded at fair value at the date the promise to give is received. Amounts that are expected to be collected within one year are recorded at their net realizable value. Amounts that are expected to be collected in future years are recorded at the present value of their net realizable value. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue.

Balances are reviewed individually for collectability. As of December 31, 2020, management estimates that all outstanding pledges receivable are fully collectible.

**Investments**

Investments in marketable securities with readily determinable fair values are stated at fair value in the accompanying statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. TAPS reports investment income and gains and losses on investments as increases or decreases in net assets without donor restrictions unless a donor temporarily or permanently restricts their use.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Instruments**

TAPS financial instruments are cash and cash equivalents, investments, pledges receivable, long-term pledges receivable, accounts payable and accrued expenses and other liabilities. The recorded values of cash and cash equivalents, pledges receivable, and accounts payable and accrued expenses and other liabilities approximate their fair values based on their short-term nature. Fair value of long-term pledges receivable are based on the net realizable present value. Fair values of investments are based on quoted market prices as of the end of the reporting period.

**Fair Value Measurements**

TAPS accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. TAPS values its financial instruments based on 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.

**Fair Value Hierarchy**

TAPS has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that TAPS has the ability to access. These include investments that are recorded at fair value on a recurring basis and fair value measurement is based upon quoted prices, if available. Securities valued using Level 1 inputs include those traded on active exchanges (such as the New York Stock Exchange).

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include, among others, quoted prices for similar assets or liabilities in an active market or nonactive market.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Acquisitions of property and equipment greater than \$1,000 are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the related assets range from 5 to 10 years. Leasehold improvements are recorded at cost and amortized over the shorter of the asset's useful life or the term of the lease period.

**Collections**

TAPS acquired a statue through donation during the year ended December 31, 2015, which is included in property and equipment. The statue is held for public exhibition, and is protected and preserved. The value as of December 31, 2020, is based on fair market value from a third-party appraisal made soon after the donation date. As the estimated useful life of the statue is extremely long, the asset is not depreciated.

**Deferred Revenue**

Deferred revenue consists of the exchange portion of Gala sponsorships and registrations paid prior to December 31, 2020, for the 2021 Gala. When the event occurs, these payments will be recognized as revenue. There was no deferred revenue as of December 31, 2020.

**Net Assets**

Net assets are classified into the following categories based on the existence or absence of donor-imposed restrictions:

**Without Donor Restrictions**

Net assets available for use in general operations and not subject to donor restrictions.

**With Donor Restrictions**

Net assets subject to donor-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.

**Revenue Recognition**

**Contributions, Sponsorships, and Grants**

TAPS records contributions, sponsorships, and grants as without donor restrictions or with donor restrictions depending on the existence of any donor restrictions. Recognition of a pledge occurs on the date the pledge is made or committed. All other income is recognized when earned at the point of occurrence of an event or incurring qualified grant expenditures.

The annual Gala revenues span multiple years as it takes place each February and TAPS receives payments beginning multiple months prior to the event date. All amounts received prior to December 31, 2020, for the 2021 Gala are divided between the exchange portion (that is, the estimated cost of benefits provided to donors who attend) and the contribution portion. The portion of payment that is an exchange transaction is deferred upon receipt and recognized as revenue after the event takes place. The nonexchange portion of the payment is considered unconditional and with donor restrictions for time by TAPS, and is released into net assets without donor restrictions in the year in which the event takes place.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

*Contributions, Sponsorships, and Grants (Continued)*

Noncash donations are recorded as contributions at their fair values at the date of donation.

*Seminar Registrations*

Seminar registrations revenue is recognized when the events are held. The organization records deferred revenue for any amounts for which services have not been provided.

*Other Income*

Other income primarily consists of merchandise sale income. Revenue is recognized at the point of sale.

**Allocation of Functional Expenses**

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, TAPS allocates personnel and overhead costs to each of its program and supporting services based upon the actual staff time incurred for each program and supporting service.

**Liquidity**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the cash and cash equivalents of \$2,928,963, pledges receivable within one year from the date of the financial statements of \$1,811,000, and investments of \$164,839. TAPS manages its liquid resources available to meet cash needs for general expenditures within one year of the statement of financial position date by investing in liquid investments.

TAPS also has net assets with donor restrictions of \$6,125,846, a large portion of which will be released from restriction within one year from the date of the financial statements and used for delivering programs-related services.

**Change in Accounting Principles**

TAPS adopted the accounting guidance in Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, issued by the Financial Accounting Standards Board (FASB). The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. TAPS adopted ASU 2014-09 during 2020 using modified retrospective approach, which did not result in an adjustment to net assets because the adoption of ASU 2014-09 did not have a material impact on TAPS' reported historical revenue.

In March 2019, FASB issued ASU 2019-03, *Updating the Definition of Collections*. The amendments in this update modify the definition of the term collections and require that a collection-holding entity disclose its policy for the use of proceeds from when collection items are deaccessioned (that is, removed from a collection). The adoption of this ASU did not have a material impact on TAPS' financial statements.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, TAPS has evaluated events and transactions for potential recognition or disclosure through August 16, 2021, the date the financial statements were available to be issued.

**NOTE 2 CONCENTRATIONS OF RISKS**

**Credit Risk**

Financial instruments which subject TAPS to a concentration of credit risk consist of demand deposits placed with financial institutions. At times during the year, TAPS had funds on deposit with local financial institutions in excess of the Federal Deposit Insurance Corporation limits. TAPS has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash balances.

**Market Value Risk**

TAPS also invests in a variety of investments. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

**NOTE 3 PLEDGES RECEIVABLE**

Promises to give at December 31, 2020, represent unconditional amounts pledged. Pledges expected to be collected in more than one year are reflected at fair value. The fair value is estimated by calculating the present value of estimated future cash flows. There were no long term pledges received in 2020.

The amount of the discounted promises to give as of December 31, 2020, pledges receivable are as follows:

Amounts Due Less than One Year	\$ 1,811,000
Amounts Due Between One and Five Years	-
Total	<u>1,811,000</u>
Less: Discount to Reduce to Present Value	-
Net Pledges Receivable	<u><u>\$ 1,811,000</u></u>

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 INVESTMENTS**

Investments consist of the following as of December 31, 2020:

ETF - Equity	\$ 118,041
Stocks	20,626
USAA Mutual Funds:	
Equity Mutual Funds	22,089
Fixed Income Mutual Funds	4,083
Total Investments	<u>\$ 164,839</u>

**NOTE 5 FAIR VALUE HIERARCHY**

The following table presents TAPS' fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ETF - Equity	\$ 118,041	\$ -	\$ -	\$ 118,041
Stocks	20,626	-	-	20,626
USAA Mutual Funds:				
Equity Mutual Funds	22,089	-	-	22,089
Fixed Income Mutual Funds	4,083	-	-	4,083
Total	<u>\$ 164,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,839</u>

**NOTE 6 PROPERTY AND EQUIPMENT**

A summary of property and equipment as of December 31, 2020, is as follows:

Furniture and Equipment	\$ 485,057
Leasehold Improvement	1,518,600
Accumulated Depreciation and Amortization	(714,903)
Total	<u>\$ 1,288,754</u>

Depreciation expense totaled \$202,826 for the year ended December 31, 2020.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2020:

Net Assets With Donor Restrictions -	
Purpose Restrictions:	
Helpline/Suicide Post and Prevention	\$ 2,556,087
Education Support	294,827
Casework	320,726
Future Events	2,800,000
Other Resources	20,000
Regional Seminars	292
NMSS & NMSS GGC	25,923
Home Base ICPs	31,788
TAPS PSA	24,995
NFL Events	51,208
Subtotal	<u>6,125,846</u>
Net Assets With Donor Restrictions - Time Restrictions:	
Gala Sponsorships	-
Total	<u><u>\$ 6,125,846</u></u>

**NOTE 8 IN-KIND CONTRIBUTIONS AND DONATED SERVICES**

TAPS received in-kind tickets from various donors valued at approximately \$431,000 for survivors to attend sporting events. TAPS also received pro bono legal services valued at \$50,457 and PSA Airtime valued at \$992,793. These amounts have been recorded as contributions and program service expense in the accompanying statement of activities.

TAPS receives donated services from a variety of unpaid volunteers assisting in TAPS programs. Total hours approximated 70,000 for the year ended December 31, 2020. No amounts have been recognized in the accompanying statement of activities because the criteria for the recognition of such volunteer efforts under the respective accounting standards have not been satisfied.

**NOTE 9 COMMITMENTS**

**Severance Liability**

TAPS has entered into an employment agreement with the President through June 30, 2022, with the potential to extend for a year. The agreement contains a clause whereby TAPS is liable for severance pay in the event of termination other than for cause. At December 31, 2020, the maximum potential amount of severance is approximately \$158,000.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 9 COMMITMENTS (CONTINUED)**

**Office Lease**

In June 2017, TAPS entered into a ten-year lease with Clarendon Square Associates LP for move-in January 1, 2018. Rental payments are due monthly and escalate at a rate of 2.50% annually. Total lease payments are recognized on a straight-line basis over the life of the lease. The lease offers a tenant improvement allowance of up to \$1,518,600 and eighteen months' rent abatement. Related deferred rent totaled \$2,486,030 at December 31, 2020.

Total rent expense for the year ended December 31, 2020, totaled \$916,605.

Future minimum annual lease payments required under the operating lease are as follows:

<u>Year Ending</u>	<u>Amount</u>
2021	\$ 1,167,803
2022	1,197,163
2023	1,227,028
2024	1,257,654
2025	1,289,291
Thereafter	<u>2,675,773</u>
Total	<u>\$ 8,814,712</u>

**Hotel Contracts**

TAPS has entered into several contracts for hotel rooms for future meetings and conferences through 2023. In the event of cancellation, TAPS is required to pay various costs stipulated by the contracts, the amounts of which are dependent on the dates of cancellation.

**NOTE 10 BENEFIT PLANS**

TAPS has established a 401(k) Plan. Employees over 21 years of age, working at least 30 hours per week are eligible for participation after 90 days of employment. Under the Plan, employees may contribute up to 92% of their eligible compensation, subject to statutory limitations. There is a discretionary profit sharing employer contribution allowed by TAPS to be determined each year. For the year ended December 31, 2020, TAPS did not contribute to the Plan.

TAPS offers medical insurance to full-time employees working at least 30 hours per week after 90 days of employment. For the year ended December 31, 2020, TAPS paid for the individual plan premiums for participating employees, which was \$327,177.



**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 11 PAYCHECK PROTECTION PROGRAM LOAN**

On April 20, 2020 the Organization received a loan from a financial institution in the amount of \$1,091,100 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date.

These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. As the application for forgiveness has not been completed as of the date the financial statements were available to be issued, information such as the covered period is not determinable.

Subsequent to year-end, on January 25, 2021, the Organization received an additional loan from a financial institution in the amount of \$1,091,100 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program. The terms of the loan are the same and these amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The application for forgiveness has not been completed as of the date the financial statements were available to be issued.

**NOTE 12 RISKS AND UNCERTAINTIES**

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to TAPS, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, declines in contributions and special events participation, costs for increased use of technology, or potential shortages of personnel. Management believes TAPS is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

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**NOTE 13 GOING CONCERN CONSIDERATIONS**

TAPS has a deficit in its Net Assets Without Donor Restrictions (Unrestricted Net Assets). Over the years, this deficit has resulted in part from the increased number of contributions and costs associated with maintaining the contributed funds and meeting all the donor restrictions. These costs are borne by unrestricted operations of the Organization and not supported by the restricted contributions. Management recognizes the need to increase unrestricted operating revenues and margins. As such, TAPS is taking proactive steps to increase the level of donations without restrictions which can be used to support the overall operations of the Organization and reduce the net assets deficit. In addition, TAPS is considering allocating, with donor consent, a portion of restricted grants or contributions to an administrative fee to support the costs of administering such funding. This practice is common in the nonprofit industry. This would allow TAPS to offset some of its operating costs and reduce the net deficit. Given TAPS' ability to raise funding and support the costs of the Organization through stable cash flow, management believes the plans to address the deficit in Net Assets Without Donor Restrictions will produce favorable results.