

**TRAGEDY ASSISTANCE PROGRAM FOR  
SURVIVORS, INC. AND CONTROLLED ENTITY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAAconnect.com](https://CLAAconnect.com)

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2023**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>3</b>
<b>CONSOLIDATED STATEMENT OF ACTIVITIES</b>	<b>4</b>
<b>CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>7</b>



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Tragedy Assistance Program for Survivors, Inc. and Controlled Entity (TAPS), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TAPS, as of December 31, 2023, 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). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of TAPS 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 these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 TAPS' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TAPS' 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.



**CliftonLarsonAllen LLP**

Greenbelt, Maryland  
September 18, 2024

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 2,183,910
Contribution Receivable	278,408
Other Receivable	199,092
Prepaid Expenses	23,308
Inventory	89,445
Total Current Assets	<u>2,774,163</u>

**INVESTMENTS**

329,661

**RIGHT-OF-USE OF ASSET - OPERATING, NET**

3,414,195

**PROPERTY AND EQUIPMENT, NET**

811,387

**COLLECTIONS**

79,800

**OTHER ASSETS**

19,870

Total Assets

\$ 7,429,076

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 769,429
Accrued Leave and Salaries	328,045
Lease Liability - Operating - ST	<u>1,170,020</u>
Total Current Liabilities	2,267,494

**NONCURRENT LIABILITIES**

Lease Liability - Operating - LT	3,850,505
Deferred Revenue	<u>10,150</u>
Total Noncurrent Liabilities	<u>3,860,655</u>

Total Liabilities

6,128,149

**NET ASSETS**

Without Donor Restrictions	104,852
With Donor Restrictions	<u>1,196,075</u>
Total Net Assets	<u>1,300,927</u>

Total Liabilities and Net Assets

\$ 7,429,076

*See accompanying Notes to Consolidated Financial Statements.*

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and Grants	\$ 5,983,015	\$ 10,224,100	\$ 16,207,115
Special Events and Sponsorships (Net of Cost of Direct Benefit of \$210,000)	1,732,557	-	1,732,557
Investment Income	137,289	-	137,289
Other Income	247,675	-	247,675
In-Kind Contributions	822,431	-	822,431
Net Assets Released from Restrictions	12,056,742	(12,056,742)	-
Total Support and Revenue	20,979,709	(1,832,642)	19,147,067
<b>EXPENSES</b>			
Program Services:			
Survivor Programs	11,483,555	-	11,483,555
Survivor Care	3,957,527	-	3,957,527
Survivor Seminars	3,696,513	-	3,696,513
Total Program Services	19,137,595	-	19,137,595
Supporting Services:			
Management and General	1,315,731	-	1,315,731
Fundraising	1,355,097	-	1,355,097
Total Supporting Services	2,670,828	-	2,670,828
Total Expenses	21,808,423	-	21,808,423
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	(828,714)	(1,832,642)	(2,661,356)
<b>OTHER CHANGES</b>			
Fraudulent Credit Card Charges	199,092	-	199,092
Reimbursement of Credit Card Charges	(199,092)	-	(199,092)
<b>CHANGE IN NET ASSETS</b>	(828,714)	(1,832,642)	(2,661,356)
Net Assets - Beginning of Year	933,566	3,028,717	3,962,283
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 104,852</u>	<u>\$ 1,196,075</u>	<u>\$ 1,300,927</u>

See accompanying Notes to Consolidated Financial Statements.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

	Program Services				Supporting Services			
	Survivor Programs	Survivor Care	Survivor Seminars	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 2,791,817	\$ 2,026,190	\$ 451,636	\$ 5,269,643	\$ 281,420	\$ 148,092	\$ 429,512	\$ 5,699,155
Professional Services	4,978,054	388,420	339,006	5,705,480	330,273	794,328	1,124,601	6,830,081
Travel, Conferences, Conventions, and Meetings	1,635,544	917,652	2,719,349	5,272,545	26,909	419,104	446,013	5,718,558
Occupancy	800,921	-	-	800,921	20,306	75,140	95,446	896,367
Advertising	-	625	1,955	2,580	425,500	25,000	450,500	453,080
Supplies and Other Office Expenses	195,071	156,329	63,799	415,199	76,833	67,729	144,562	559,761
Payroll Taxes	208,768	146,122	33,590	388,480	21,730	11,034	32,764	421,244
Grants	339,923	55,996	-	395,919	-	-	-	395,919
Benefits	150,022	127,831	25,305	303,158	34,605	-	34,605	337,763
Printing, Design, and Production	213,977	74,260	32,385	320,622	5,091	9,781	14,872	335,494
Depreciation	129,081	-	-	129,081	67,255	12,149	79,404	208,485
All Other Expenses	26,392	41,008	266	67,666	5,491	-	5,491	73,157
Information Technology	13,985	8,214	107	22,306	15,453	-	15,453	37,759
Insurance	-	-	29,115	29,115	4,865	2,740	7,605	36,720
Merchandise Expense	-	14,880	-	14,880	-	-	-	14,880
<b>Total Expenses</b>	<b>\$ 11,483,555</b>	<b>\$ 3,957,527</b>	<b>\$ 3,696,513</b>	<b>\$ 19,137,595</b>	<b>\$ 1,315,731</b>	<b>\$ 1,565,097</b>	<b>\$ 2,880,828</b>	<b>\$ 22,018,423</b>
Less: Cost of Direct Benefit Included with Special Events and Sponsorships Revenue on the Statement of Activities	-	-	-	-	-	(210,000)	(210,000)	(210,000)
<b>Total Expenses Included in the Expense Section of the Statement of Activities</b>	<b><u>\$ 11,483,555</u></b>	<b><u>\$ 3,957,527</u></b>	<b><u>\$ 3,696,513</u></b>	<b><u>\$ 19,137,595</u></b>	<b><u>\$ 1,315,731</u></b>	<b><u>\$ 1,355,097</u></b>	<b><u>\$ 2,670,828</u></b>	<b><u>\$ 21,808,423</u></b>

See accompanying Notes to Consolidated Financial Statements.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (2,661,356)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Used by Operating Activities:	
Depreciation	208,485
Unrealized and Realized Gain on Investments	(75,534)
Changes in Assets and Liabilities:	
Contribution Receivable	(65,608)
Other Receivable	(199,092)
Prepaid Expenses	(3,548)
Inventory	1,837
Right-of-Use Asset	793,600
Accounts Payable and Accrued Expenses	439,877
Accrued Leave and Salaries	34,997
Deferred Revenue	10,150
Lease Liability	<u>(1,116,522)</u>
Net Cash Used by Operating Activities	<u>(2,632,714)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Sales of Investments	21,807
Purchase of Investments	(34,502)
Purchases of Property and Equipment	<u>(79,631)</u>
Net Cash Used by Investing Activities	<u>(92,326)</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

(2,725,040)

Cash and Cash Equivalents - Beginning of Year

4,908,950

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

\$ 2,183,910

*See accompanying Notes to Consolidated Financial Statements.*



**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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.

TAPS International LLC was formed in Delaware on July 12, 2017. It extends the mission of TAPS internationally.

**Principles of Consolidation**

The consolidated financial statements include the accounts of TAPS and TAPS International (collectively referred to as TAPS) because TAPS has controlling financial interest in TAPS International. All significant intercompany balances and transactions have been eliminated in the consolidation.

**Estimates**

The preparation of consolidated 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 consolidated 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 International LLC (LLC) is a limited liability company whose operating results flow through to TAPS, which is a sole corporate member. LLC is a disregarded entity for income tax purposes.

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 consolidated financial statement purposes, TAPS considers all highly liquid instruments without donor restrictions with an initial maturity of three months or less to be cash equivalents.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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, 2023, 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.

**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.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Fair Value Hierarchy (Continued)**

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.

**Inventory**

Inventory consists of branded merchandise to be sold to the external parties at various events and through the website. It is stated at the lower of cost (first-in, first-out method) or net realizable value.

**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 depreciated over the shorter of the asset's useful life or the term of the lease period.

**Leases**

TAPS leases office space. TAPS determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. Finance leases are included in financing lease right-of-use (ROU) assets and financing lease liabilities on the statements of financial position.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Leases (Continued)**

ROU assets represent TAPS' right to use an underlying asset for the lease term and lease liabilities represent TAPS' obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, TAPS uses risk free market rate allowed by the new guidance. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that TAPS will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. TAPS has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

TAPS has elected to use a risk-free discount rate, commensurate with the term of the lease, to determine the present value of the lease payments for each lease agreement. TAPS has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**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, 2023, 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, 2023, for the 2024 Gala. When the event occurs, these payments will be recognized as revenue. Deferred revenue as of December 31, 2023 was \$10,150.

**Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets 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.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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, 2023, for the 2024 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. The exchange portion of the Gala revenue was \$210,000 for the year ended December 31, 2023.

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 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 related costs to each of its program and supporting services based upon the actual staff time incurred for each program and supporting service. Occupancy, insurance and depreciation are allocated based on management's estimate of utilization of the office building.

**Measure of Operations**

TAPS considers loss from cyber theft and gain from insurance proceeds to be a nonoperating activity reported as other change in the statement of activities.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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 \$2,183,910, receivables within one year from the date of the consolidated financial statements of \$477,500, and investments of \$329,661. 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 \$1,196,075, a large portion of which will be released from restriction within one year from the date of the consolidated financial statements and used for delivering programs-related services.

**Recently Adopted New Accounting Standards**

At the beginning of 2023, TAPS adopted the Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. TAPS adopted this new guidance using the modified retrospective transition method. The adoption of this ASU changed how the allowance for credit losses is determined, but did not have a material impact on the TAPS' consolidated financial statements.

**Subsequent Events**

In preparing these consolidated financial statements, TAPS has evaluated events and transactions for potential recognition or disclosure through September 18, 2024, the date the consolidated 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 consolidated financial statements.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CONTRIBUTION RECEIVABLE**

Promises to give at December 31, 2023, represent unconditional amounts pledged. Contributions 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 contributions received in 2023.

**NOTE 4 INVESTMENTS**

Investments consist of the following as of December 31, 2023:

	Fair Value
ETF - Equity	\$ 74,727
Stocks	201,868
USAA Mutual Funds:	
Equity Mutual Funds	31,260
Fixed Income Mutual Funds	21,806
Total Investments	<u>\$ 329,661</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, 2023:

	2023			
	Level 1	Level 2	Level 3	Total
ETF - Equity	\$ 74,727	\$ -	\$ -	\$ 74,727
Stocks	201,868	-	-	201,868
USAA Mutual Funds:				
Equity Mutual Funds	31,260	-	-	31,260
Fixed Income Mutual Funds	21,806	-	-	21,806
Total	<u>\$ 329,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,661</u>

**NOTE 6 PROPERTY AND EQUIPMENT**

A summary of property and equipment as of December 31, 2023 is as follows:

Furniture and Equipment	\$ 623,399
Leasehold Improvement	1,518,600
Database	60,462
Website	190,093
Accumulated Depreciation and Amortization	(1,581,167)
Total	<u>\$ 811,387</u>

Depreciation expense totaled \$208,485 for the year ended December 31, 2023.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 7    NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2023:

Net Assets With Donor Restrictions - Purpose

Restrictions:

Adult Programs	\$     432,000
Casework	523,123
Helpline	105,000
NMSS & NMSSS	10,000
Regional Seminars	5,000
Suicide Pre/Postvention	40,000
TAPS International	80,952
Total	<u><u>\$   1,196,075</u></u>

Net assets released from donor restriction consist of the following at December 31, 2023:

Adult Programs	\$     561,000
Casework	1,252,244
Education Support	325,000
Helpline	730,000
NMSS & NMSSS	582,500
Outdoor Programs	68,000
Regional Seminars	439,000
Resource Kits	100,300
Suicide Pre/Postvention	2,175,000
Survivor Care	110,000
TAPS Institute	190,000
TAPS International	4,630,018
Young Adults Program	790,000
Youth Services	90,680
Memorial Wall HQ	13,000
Total	<u><u>\$ 12,056,742</u></u>



**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

TAPS received in-kind tickets from various donors valued at \$240,118 for survivors to attend sporting events valued at an independent market price based on the seating selection provided. TAPS also received pro bono legal services valued at \$18,478 valued at the fair value of the professional services available to other nonprofit organization in the same locality. TAPS received advertisement valued at \$450,500 based on the fair market value of the TV-spot available on the market. Other in-kind contributions primarily include gift cards, travel, catering, facilities and a/v services valued at \$113,335 based on fair market prices for similar services available to other nonprofit organization in the same locality. 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 were 71,158 for the year ended December 31, 2023. 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 AND CONTINGENCIES**

**Severance Liability**

In, 2022, TAPS has entered into an updated employment agreement with the President through June 30, 2025, with the potential to extend. The current agreement and subsequent agreement contain a clause whereby TAPS is liable for severance pay in the event of termination other than for cause. At December 31, 2023, the maximum potential amount of severance is approximately \$167,000.

**Hotel Contracts**

TAPS has entered into several contracts for hotel rooms for future meetings and conferences through 2025. 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, 2023, TAPS did not contribute to the Plan.

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 11 RELATED PARTY TRANSACTIONS**

Contributions to TAPS by members of the board of directors of TAPS totaled \$64,500.

An employee of TAPS provides also provides daycare services during TAPS events. Total amount paid to the employee for these services was \$110,000.

**NOTE 12 LEASES**

In June 2017, TAPS entered into a 10-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. The lease offers a tenant improvement allowance of up to \$1,518,600 and 18-months' rent abatement.

The following table provides quantitative information concerning the TAPS' leases.

Lease Costs:	
Operating Lease Costs	<u>\$ 904,098</u>
Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 1,227,024
Weighted-Average Remaining Lease Term - Operating Leases	4 Years
Weighted-Average Discount Rate - Operating Leases	2.00%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023, is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2024	\$ 1,257,648
2025	1,289,292
2026	1,321,440
2027	<u>1,354,344</u>
Total Lease Payments	5,222,724
Less: Interest	<u>(202,199)</u>
Present Value of Lease Liabilities	<u>\$ 5,020,525</u>

**TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS, INC.  
AND CONTROLLED ENTITY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 12 LEASES (CONTINUED)**

TAPS subleases a portion of its office to a third-party. Sublease income recognized during the year ended December 31, 2023 is \$45,442. Future minimum rental payments expected to be received from the sublease tenants are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 50,760
2025	25,943
Total	<u>\$ 76,703</u>

