

T.A.G. TREATMENT ACTION GROUP, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022



LUTZ AND CARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
T.A.G. Treatment Action Group, Inc.

Opinion

We have audited the accompanying financial statements of T.A.G. Treatment Action Group, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.A.G. Treatment Action Group, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 T.A.G. Treatment Action Group, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 T.A.G. Treatment Action Group, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of T.A.G. Treatment Action Group, Inc.'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 T.A.G. Treatment Action Group Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lotz + Carr, LLP

New York, New York
April 18, 2024

T.A.G. TREATMENT ACTION GROUP, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents (Notes 1b and 9)	\$1,442,638	\$1,510,735
Contributions receivable (Notes 1c and 4)		
Without donor restrictions	545,022	356,334
With donor restrictions	1,251,009	199,192
Prepaid expenses and other current assets	81,142	89,945
Donated artwork (Notes 1d and 5)	517,139	481,839
Operating lease right-of-use asset (Note 1f)	723,115	844,900
Security deposit	50,402	50,402
Property and equipment, net of accumulated depreciation (Notes 1e and 6)	<u>13,565</u>	<u>15,931</u>
Total Assets	<u><u>\$4,624,032</u></u>	<u><u>\$3,549,278</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 74,007	\$ 38,723
Refundable advance (Note 1c)	134,874	-
Operating lease liability (Notes 1f and 7)	<u>804,068</u>	<u>892,568</u>
Total Liabilities	<u>1,012,949</u>	<u>931,291</u>
Contingency (Note 8)		
Net Assets		
Without donor restrictions	1,775,039	1,965,644
With donor restrictions (Note 3)	<u>1,836,044</u>	<u>652,343</u>
Total Net Assets	<u>3,611,083</u>	<u>2,617,987</u>
Total Liabilities and Net Assets	<u><u>\$4,624,032</u></u>	<u><u>\$3,549,278</u></u>

See notes to financial statements.

T.A.G. TREATMENT ACTION GROUP, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support						
Contributions	\$ 374,074	\$ 4,037,601	\$4,411,675	\$ 1,136,069	\$ 1,012,501	\$2,148,570
Loan forgiveness - Paycheck Protection Program (Note 10)	-	-	-	301,325	-	301,325
Federal Relief Program - Employee retention tax credits (Note 11)	-	-	-	134,208	-	134,208
Fundraising benefit events	242,151	-	242,151	287,244	-	287,244
Less: Direct benefit costs	(37,625)	-	(37,625)	(44,045)	-	(44,045)
Gifts-in-kind (Note 5)	66,554	-	66,554	28,700	-	28,700
Art sales, net of cost of goods sold, \$17,200 (2023) and \$2,800 (2022)	404	-	404	900	-	900
Other income	43,188	-	43,188	54,560	-	54,560
Interest income	9,829	-	9,829	493	-	493
Net assets released from restrictions	2,853,900	(2,853,900)	-	2,153,938	(2,153,938)	-
Total Revenue and Other Support	3,552,475	1,183,701	4,736,176	4,053,392	(1,141,437)	2,911,955
Expenses						
Program Services						
HIV Program	723,383	-	723,383	784,185	-	784,185
Hepatitis C Virus Program	323,533	-	323,533	433,227	-	433,227
TB Program	1,558,117	-	1,558,117	1,304,149	-	1,304,149
U.S. and Global Health Policy	359,670	-	359,670	435,429	-	435,429
Total Program Services	2,964,703	-	2,964,703	2,956,990	-	2,956,990
Supporting Services						
Management and general	477,045	-	477,045	420,983	-	420,983
Fundraising	301,332	-	301,332	336,100	-	336,100
Total Supporting Services	778,377	-	778,377	757,083	-	757,083
Total Expenses	3,743,080	-	3,743,080	3,714,073	-	3,714,073
Increase (decrease) in net assets	(190,605)	1,183,701	993,096	339,319	(1,141,437)	(802,118)
Net assets, beginning of year	1,965,644	652,343	2,617,987	1,626,325	1,793,780	3,420,105
Net Assets, End of Year	\$ 1,775,039	\$ 1,836,044	\$3,611,083	\$ 1,965,644	\$ 652,343	\$2,617,987

See notes to financial statements.

T.A.G. TREATMENT ACTION GROUP, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services			Total Expenses	
	HIV Program	Hepatitis C Virus Program	TB Program	U.S. and Global Health Policy	Total	Management and General	Fundraising		Total
Salaries	\$405,674	\$ 129,674	\$ 565,562	\$ 201,410	\$1,302,320	\$ 322,417	\$ 126,901	\$449,318	\$1,751,638
Payroll taxes and employee benefits	126,630	44,829	182,183	98,341	451,983	77,159	44,213	121,372	573,355
Consultants	35,559	81,807	220,253	508	338,127	29,175	11,774	40,949	379,076
Grants	8,350	6,000	282,608	-	296,958	1,301	-	1,301	298,259
Conferences and meetings	17,046	11,710	15,598	645	44,999	-	90	90	45,089
Travel	31,189	11,811	171,406	3,770	218,176	3,404	16,823	20,227	238,403
Dues and subscriptions	11,096	6,874	3,113	22,648	43,731	205	708	913	44,644
Occupancy	40,895	12,040	49,640	19,243	121,818	26,714	13,150	39,864	161,682
Insurance	6,294	1,853	7,639	2,961	18,747	4,111	2,024	6,135	24,882
Office expenses	2,714	258	13,041	554	16,567	861	1,093	1,954	18,521
Information technology	11,667	3,769	9,314	3,756	28,506	3,219	2,765	5,984	34,490
Advertising	120	-	-	-	120	-	1,866	1,866	1,986
Telephone and internet	8,491	2,388	8,058	3,754	22,691	3,207	2,264	5,471	28,162
Postage	866	176	588	205	1,835	272	2,533	2,805	4,640
Printing and publications	13,072	9,274	22,099	3	44,448	28	7,271	7,299	51,747
Fundraising events	-	-	-	-	-	-	59,609	59,609	59,609
Bank charges	1,689	488	2,209	825	5,211	699	5,357	6,056	11,267
Depreciation	1,407	414	1,708	662	4,191	920	453	1,373	5,564
Miscellaneous expenses	624	168	3,098	385	4,275	3,353	2,438	5,791	10,066
Total Expenses	<u>\$723,383</u>	<u>\$ 323,533</u>	<u>\$1,558,117</u>	<u>\$ 359,670</u>	<u>\$2,964,703</u>	<u>\$ 477,045</u>	<u>\$ 301,332</u>	<u>\$778,377</u>	<u>\$3,743,080</u>

See notes to financial statements.

T.A.G. TREATMENT ACTION GROUP, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			Total Expenses
	HIV Program	Hepatitis C Virus Program	TB Program	U.S. and Global Health Policy	Total	Management and General	Fundraising	Total	
Salaries	\$369,604	\$ 149,488	\$ 470,976	\$ 218,943	\$1,209,011	\$ 267,657	\$ 134,303	\$401,960	\$1,610,971
Payroll taxes and employee benefits	131,297	61,879	139,975	81,865	415,016	67,136	42,990	110,126	525,142
Consultants	96,762	102,835	215,923	62,694	478,214	26,342	7,341	33,683	511,897
Grants	10,000	38,800	228,569	-	277,369	-	-	-	277,369
Conferences and meetings	21,071	15,569	31,704	900	69,244	-	-	-	69,244
Travel	42,324	21,587	103,658	2,473	170,042	3,140	10,959	14,099	184,141
Dues and subscriptions	19,622	1,560	1,677	20,255	43,114	466	99	565	43,679
Occupancy	38,164	18,792	41,358	25,032	123,346	23,509	12,770	36,279	159,625
Insurance	6,477	3,190	7,020	4,249	20,936	3,990	2,168	6,158	27,094
Office expenses	5,923	1,325	12,442	1,021	20,711	245	1,605	1,850	22,561
Information technology	10,231	5,358	6,979	4,722	27,290	2,778	2,251	5,029	32,319
Advertising	2,298	187	1,979	924	5,388	1,317	1,041	2,358	7,746
Telephone and internet	8,553	3,077	8,030	5,657	25,317	1,853	2,264	4,117	29,434
Postage	483	708	459	409	2,059	137	2,879	3,016	5,075
Printing and publications	13,328	6,300	23,902	289	43,819	53	5,970	6,023	49,842
Fundraising events	-	-	-	-	-	-	100,796	100,796	100,796
Bank charges	1,653	756	2,151	1,150	5,710	655	5,991	6,646	12,356
Bad debt expense	-	-	-	-	-	18,000	-	18,000	18,000
Depreciation	1,044	514	1,130	685	3,373	643	349	992	4,365
Miscellaneous expenses	5,351	1,302	6,217	4,161	17,031	3,062	2,324	5,386	22,417
Total Expenses	<u>\$784,185</u>	<u>\$ 433,227</u>	<u>\$1,304,149</u>	<u>\$ 435,429</u>	<u>\$2,956,990</u>	<u>\$ 420,983</u>	<u>\$ 336,100</u>	<u>\$757,083</u>	<u>\$3,714,073</u>

See notes to financial statements.

T.A.G. TREATMENT ACTION GROUP, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 993,096	\$ (802,118)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Amortization of right-of-use asset	121,785	119,657
Depreciation	5,564	4,365
Bad debt expense	-	18,000
Loss on disposal of equipment	-	190
Loan forgiveness - Paycheck Protection Program	-	(301,325)
(Increase) decrease in:		
Contributions receivable	(1,240,505)	772,924
Prepaid expenses and other current assets	8,803	(17,564)
Donated artwork	(35,300)	(25,900)
Increase (decrease) in:		
Accounts payable and accrued expenses	35,284	(4,288)
Refundable advance	134,874	-
Operating lease liability	(88,500)	(83,744)
Net Cash Used By Operating Activities	<u>(64,899)</u>	<u>(319,803)</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(3,198)	(10,009)
Decrease in cash and cash equivalents	(68,097)	(329,812)
Cash and cash equivalents, beginning of year	<u>1,510,735</u>	<u>1,840,547</u>
Cash and Cash Equivalents, End of Year	<u>\$1,442,638</u>	<u>\$1,510,735</u>
Supplemental disclosure of non-cash investing activities		
Operating lease right-of-use asset obtained in exchange for lease liability	<u>\$ -</u>	<u>\$ 964,571</u>

See notes to financial statements.

T.A.G. TREATMENT ACTION GROUP, INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

T.A.G. Treatment Action Group, Inc. ("TAG") is a not-for-profit organization incorporated under the laws of the state of New York. Founded in January 1992, TAG is an independent, activist, and community-based research and policy think tank committed to racial, gender, and LGBTQ+ equity; social justice; and liberation, fighting to end HIV, tuberculosis (TB), and hepatitis C virus (HCV). TAG catalyzes open collective action by affected communities, scientists, and policymakers to ensure that all people living with or impacted by HIV, TB, or HCV - especially communities of color and other marginalized communities experiencing inequities - receive life-saving prevention, diagnosis, treatment, care, and information. We are science-based activists working to expand and accelerate vital research and effective community engagement with research and policy institutions for an end to the HIV, TB, and HCV pandemics. The primary sources of revenue to TAG are contributions and grants.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, TAG considers all highly liquid debt instruments, with an initial maturity of three months or less, to be cash equivalents.

c - Contributions and Contributions Receivable

TAG recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. TAG records fundraising benefit revenue equal to the fair value of the direct benefit to donors, and contribution income for the excess received when the event takes place.

Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When the restriction expires that is, when stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

TAG uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

T.A.G. TREATMENT ACTION GROUP, INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****c - Contributions and Contributions Receivable (continued)**

A portion of TAG's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when TAG has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. TAG received cost-reimbursable grants of \$364,941 and \$525,718 that have not been recognized at December 31, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred. \$134,874 has been received in advance and is accordingly recorded as a refundable advance at December 31, 2023.

d - Donated Artwork

Artwork inventory consists of limited-edition art prints donated by highly regarded visual artists. Inventory is recorded and carried at fair value based upon the date which the donation was received. Donated art prints used in events are direct benefits to donors. The art prints are assessed each year for impairment.

e - Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets. Items with a cost in excess of \$1,000 with estimated useful lives of more than one year are capitalized.

f - Operating Lease Right-of-Use Asset and Operating Lease Liability

For leases with an initial term greater than twelve months, TAG's operating lease liability is initially recorded at the present value of the unpaid lease payments as of January 1, 2022. TAG's operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, prepayments and lease incentives, if any. Lease cost is recognized on a straight-line basis over the lease term.

g - Financial Statement Presentation

The financial statements of TAG have been prepared in accordance with accounting principles generally accepted in the United States, which require TAG to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of TAG. These net assets may be used at the discretion of TAG's management and Board of Directors.

T.A.G. TREATMENT ACTION GROUP, INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****g - Financial Statement Presentation (continued)****Net Assets With Donor Restrictions**

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of TAG or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

h - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The estimates of time and effort is used to allocate salaries, payroll taxes and benefits, insurance and occupancy.

i - Grants

Grants are accrued at the time they are approved and awarded by TAG.

j - Use of 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.

k - Tax Status

TAG is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

l - Subsequent Events

TAG has evaluated subsequent events through April 18, 2024, the date that the financial statements are considered available to be issued.

m - Prior Year Information

For comparability, certain 2022 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2023.

Note 2 - Information Regarding Liquidity and Availability

TAG operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year. TAG considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

T.A.G. TREATMENT ACTION GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2 - Information Regarding Liquidity and Availability (continued)

TAG regularly monitors liquidity to meet its operating needs and other commitments and obligations and reassesses budget assumptions during a mid-year course correction. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover 180 days of general expenditures.

TAG's financial assets as of December 31, 2023 and 2022 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$1,442,638	\$1,510,735
Contributions receivable	<u>1,796,031</u>	<u>555,526</u>
Total Financial Assets	3,238,669	2,066,261
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes	(1,836,044)	(652,343)
Plus: Net assets with donor restrictions expected to be met in less than one year	<u>948,801</u>	<u>652,343</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$2,351,426</u>	<u>\$2,066,261</u>

Note 3 - Restrictions on Net Assets

Net assets with donor restrictions as of December 31, 2023 and 2022 are subject to expenditure for specified purposes as follows:

	<u>2023</u>	<u>2022</u>
HIV Program	\$ 140,000	\$312,365
TB Program	<u>1,696,044</u>	<u>339,978</u>
Total Net Assets With Donor Restrictions	<u>\$1,836,044</u>	<u>\$652,343</u>

T.A.G. TREATMENT ACTION GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 4 - Contributions Receivable

Contributions receivable are due as follows:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$1,278,022	\$555,526
Due in one to five years	<u>550,000</u>	<u>-</u>
	1,828,022	555,526
Less: Discount to present value	<u>(31,991)</u>	<u>-</u>
	<u>\$1,796,031</u>	<u>\$555,526</u>

Contributions receivable due after one year are reflected at present value of estimated cash flows using a discount rate of 3%. Uncollectible contributions are expected to be insignificant, and management has determined that no allowance is necessary at December 31, 2023 and 2022.

At December 31, 2023, two donors comprised approximately 83% of total contributions receivable. At December 31, 2022, three donors comprised approximately 74% of total contributions receivable.

Note 5 - Gifts-in-Kind

TAG received the following gifts-in-kind during the years ended December 31:

	<u>2023</u>	<u>2022</u>
Artwork	\$52,500	\$28,700
Communication consulting	5,500	-
Art show consulting	<u>8,554</u>	<u>-</u>
	<u>\$66,554</u>	<u>\$28,700</u>

Artwork is valued by a third-party insurance company when the works are donated to TAG. The artwork is held by TAG for sale in the future.

Consulting services are valued by the service provider based on rates charged for similar services. TAG used the services for its own program and supporting activities.

T.A.G. TREATMENT ACTION GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 6 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2023</u>	<u>2022</u>
Computers and equipment	5 years	\$78,628	\$75,430
Furniture and fixtures	5 years	<u>19,898</u>	<u>19,898</u>
		98,526	95,328
Less: Accumulated depreciation		<u>(84,961)</u>	<u>(79,397)</u>
		<u>\$13,565</u>	<u>\$15,931</u>

Note 7 - Operating Lease Liability

TAG occupies office space under a lease agreement expiring June 30, 2029.

Operating lease cost for the years ended December 31, 2023 and 2022 was \$141,062. There were no variable lease costs incurred. As of December 31, 2023, the remaining term of TAG's operating lease is sixty-six months, and the discount rate is 2.25%.

Maturities of TAG's lease liability as of December 31, 2023 are as follows:

<u>Year Ending December 31</u>	
2024	\$147,194
2025	150,874
2026	154,646
2027	158,511
2028	162,474
Thereafter, through June 30, 2029	<u>83,095</u>
	856,794
Less: Amount attributable to interest	<u>(52,726)</u>
	<u>\$804,068</u>

Note 8 - Contingency

Government supported projects are subject to audit by the granting agency.

T.A.G. TREATMENT ACTION GROUP, INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022****Note 9 - Concentration of Credit Risk**

TAG maintains its cash and cash equivalents balances in multiple financial institutions. The balances, at times, may exceed federally insured limits.

Note 10 - Loan Forgiveness - Paycheck Protection Program

On February 5, 2021, TAG received a second Paycheck Protection Program loan totaling \$301,325. The full amount of the loan was forgiven in January 2022 and, accordingly, recognized as loan forgiveness revenue for the year ended December 31, 2022.

Note 11 - Employee Retention Tax Credits

The Coronavirus Aid Relief and Economic Security ("CARES") enacted in 2020 allowed eligible employers to claim employee retention tax credits for qualified wages paid after March 12, 2020 through the first three quarters of 2021. TAG qualified for the credit based on a significant decrease in gross receipts when compared to the same calendar quarter in 2019.