

Tuesday's Children

Financial Statements

Year Ended December 31, 2011

Tuesday's Children

Financial Statements

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Tuesday's Children

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Independent Auditors' Report

Board of Directors
Tuesday's Children
Manhasset, New York

We have audited the accompanying statement of financial position of Tuesday's Children (the "Organization") as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. Information for the year ended December 31, 2010 is presented for comparative purposes only and was extracted from the financial statements of Tuesday's Children for that year, on which we expressed an unqualified opinion dated August 31, 2011.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuesday's Children at December 31, 2011, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP

September 28, 2012

Tuesday's Children
Statement of Financial Position
(with comparative totals for 2010)

<i>December 31,</i>	2011	2010
Assets		
Cash and cash equivalents	\$788,053	\$124,805
Accounts receivable (Note 3)	63,051	280,600
Prepaid expenses and other assets	14,932	33,192
Property, equipment and leasehold improvements, net (Note 4)	12,944	21,186
	\$878,980	\$459,783
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$101,792	\$185,056
Commitments (Note 7)		
Net Assets:		
Unrestricted	717,377	19,727
Temporarily restricted (Note 5)	59,811	255,000
Total Net Assets	777,188	274,727
	\$878,980	\$459,783

See accompanying notes to financial statements.

Tuesday's Children
Statement of Activities
(with comparative totals for 2010)

Year ended December 31,

	Unrestricted	Temporarily Restricted	2011	2010
Support and Revenue:				
Special events revenue	\$ 813,266	\$ -	\$ 813,266	\$ 525,176
Less: Direct costs	(352,298)	-	(352,298)	(179,703)
Net Revenues From Special Events				
	460,968	-	460,968	345,473
Contributions and grants	1,814,120	-	1,814,120	926,184
In-kind contributions	269,021	-	269,021	115,880
Other revenues	101,268	-	101,268	83,337
Net assets released from restriction	195,189	(195,189)	-	-
Total Support and Revenue	2,840,566	(195,189)	2,645,377	1,470,874
Expenses:				
Program services	1,590,086	-	1,590,086	926,111
Management and general	231,556	-	231,556	138,260
Fundraising	321,274	-	321,274	140,327
Total Expenses	2,142,916	-	2,142,916	1,204,698
Change in Net Assets	697,650	(195,189)	502,461	266,176
Net Assets, Beginning of Year	19,727	255,000	274,727	8,551
Net Assets, End of Year	\$ 717,377	\$ 59,811	\$ 777,188	\$ 274,727

See accompanying notes to financial statements.

Tuesday's Children
Statement of Functional Expenses
(with comparative totals for 2010)

Year ended December 31, 2011

	Program Services					Total Program Services	Supporting Services		Total Supporting Services	Total	
	Life Management	First Responders Alliance	Project Common Bond	Family Events	Mentoring		Management and General	Fundraising		2011	2010
Salaries and Related Expenses:											
Salaries	\$100,754	\$244,004	\$ 73,149	\$ 6,264	\$47,248	\$ 471,419	\$ 55,438	\$ 86,005	\$141,443	\$ 612,862	\$ 414,449
Payroll taxes and fringe benefits	9,124	28,838	20,776	601	8,445	67,784	6,959	8,575	15,534	83,318	59,936
Total Salaries and Related Expenses	109,878	272,842	93,925	6,865	55,693	539,203	62,397	94,580	156,977	696,180	474,385
Other Expenses:											
Contracted services	19,000	185,065	84,597	6,360	-	295,022	26,980	39,710	66,690	361,712	283,636
Marketing and advertising	-	10,385	-	-	-	10,385	34,472	-	34,472	44,857	1,525
Professional fees	4,164	25,038	3,162	692	3,043	36,099	27,821	52,974	80,795	116,894	29,000
Computer consultants	2,423	5,992	1,658	308	1,596	11,977	3,850	2,523	6,373	18,350	14,958
Conferences, meetings and events	9,243	69,526	-	17,394	1,366	97,529	4,129	4,418	8,547	106,076	48,138
Occupancy	2,670	27,665	5,729	157	1,014	37,235	6,119	7,456	13,575	50,810	37,341
Equipment rental	535	1,791	464	63	351	3,204	446	642	1,088	4,292	5,886
Printing	3,829	17,724	6,945	5,494	591	34,583	24,051	58,679	82,730	117,313	45,642
Telecommunications	1,338	3,193	1,387	143	1,198	7,259	1,138	1,367	2,505	9,764	10,469
Postage and shipping	608	6,772	426	2,626	177	10,609	2,924	16,762	19,686	30,295	16,655
Travel	22,268	8,048	52,535	7,173	2,705	92,729	2,683	3,704	6,387	99,116	144,769
Insurance	2,658	6,835	2,046	297	1,643	13,479	3,483	4,013	7,496	20,975	19,884
Office and other	85,165	53,303	66,399	166,808	20,132	391,807	12,024	32,938	44,962	436,769	53,691
Staff development	-	360	-	-	129	489	60	96	156	645	333
Charges, fees and licenses	-	-	74	-	-	74	17,818	-	17,818	17,892	11,218
Total Expenses Before Depreciation and Amortization	263,779	694,539	319,347	214,380	89,638	1,581,683	230,395	319,862	550,257	2,131,940	1,197,530
Depreciation and Amortization	2,477	2,333	1,603	366	1,624	8,403	1,161	1,412	2,573	10,976	7,168
Total Expenses	\$266,256	\$696,872	\$320,950	\$214,746	\$91,262	\$1,590,086	\$231,556	\$321,274	\$552,830	\$2,142,916	\$1,204,698

See accompanying notes to financial statements.

Tuesday's Children
Statement of Cash Flows
(with comparative totals for 2010)

<i>Year ended December 31,</i>	2011	2010
Cash Flows From Operating Activities:		
Change in net assets	\$502,461	\$ 266,176
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,976	7,168
(Increase) decrease in:		
Contributions receivable	217,549	(250,359)
Prepaid expenses and other assets	18,260	(15,239)
Increase (decrease) in:		
Accounts payable and accrued expenses	(83,264)	101,539
Deferred revenue	-	(2,090)
Net Cash Provided By Operating Activities	665,982	107,195
Cash Flows From Investing Activities:		
Purchase of fixed assets	(2,734)	(20,440)
Net Increase in Cash and Cash Equivalents	663,248	86,755
Cash and Cash Equivalents, Beginning of Year	124,805	38,050
Cash and Cash Equivalents, End of Year	\$788,053	\$124,805

See accompanying notes to financial statements.

Tuesday's Children

Notes to Financial Statements

1. Organization and Nature of Activities

Tuesday's Children (the "Organization") is a not-for-profit corporation exempt from income taxes under Internal Revenue Code Section 501 (c)(3) and similar provisions at the state and local level. The Organization's main sources of income are from contributions by individuals, corporations and foundations. The Organization has made a long-term commitment to every family who lost a parent on 9/11, providing a wide range of programming including mentoring and advocacy, education and career guidance, and next-step and creative life management skills.

The Organization's programs are created by the families for the families, with one simple goal - to develop the resources necessary to ensure that their families find their positives and reach their full potential.

The Organization's main programs are described below:

- Family Engagement events enhance resilience by building relationships and community among 9/11 families, create positive new traditions and introduce Tuesday's Children's programming. By establishing a strong bond and building a level of trust with families in a safe and comfortable context, the Organization gains the acceptance of families and their participation in much needed services and programs.
- The Organization's nationally recognized Mentoring program encourages and supports mutually beneficial, long-standing relationships between carefully selected and screened adult role models and children ages 6 to 18. Research shows that children who are mentored are less likely to participate in risky behaviors and have higher levels of self esteem, self worth and self efficacy. The Organization's Mentoring program has enabled participating children to grow emotionally and socially, as well as build their resilience and coping skills.
- Adult Programs address the very important developmental needs of children who have been impacted by a traumatic loss, throughout their lifetime. Starting with age appropriate interactive enrichment and engagement activities for the youngest children, the Organization implements programs that enhance life skills and social connections. Interactive workshops and seminars address leadership development, college preparation, and career guidance. The Organization's highly successful annual Take Our Children to Work Day program has involved almost 1,000 children and teens who experience the career of their dreams.
- Through the Helping Heals initiative, the Organization has implemented international, national and local community service programs for teens and adults. The Organization knows that by giving back to the community, individuals take a significant step toward increasing self-esteem and resiliency. For those impacted by 9/11, this program improves emotional well-being, creates a greater sense of purpose in life and improves life satisfaction. Opportunities to work in impoverished communities in Costa Rica or disaster ravaged areas such as New Orleans and Biloxi are life changing for the Organization's families and for those they help.

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Notes to Financial Statements

- Innovative and transformative Adult Programs address the mental health and life issues faced by families dealing with a traumatic loss. These include health and wellness programs, life management skills such as financial planning, career counseling and job search guidance. The Organization's renowned Creative Insight program develops personal and interpersonal skills for challenging life situations, encourages creative problem solving and enhances communication skills. Parenting programs, developed in collaboration with nationally recognized leaders, address the parent-child relationship, as well as the unique needs of a single parent caring for young children and adolescents.
- Project Common Bond brings together young adults from around the world who have experienced a personal traumatic loss due to violence related to terrorism. These young people gather for an eight-day healing and peace-building symposium where they engage in dialogue and community building activities which acknowledge and respect their differences while promoting friendship and understanding. This is the only international program of its kind which unites children directly impacted by a terrorist incident.
- The Organization provides confidential mental health and Counseling Services to all 9/11 families and first responders, including their spouses and children. The Organization's services for children, adolescents and adults include psychological assessment, individual, family and couples counseling, support groups and referrals to community resources.
- The First Responder Alliance ("FRA") provides specialized programming and services to support 9/11 responders and their families. In partnership with health systems and universities in the tri-state area, FRA addresses urgent and ongoing needs by providing group, individual and family counseling and psycho-educational programs, family engagement activities, life management skills such as financial planning, career services and parenting programs.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis. In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

(b) Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

- (i) Permanently Restricted* - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

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Notes to Financial Statements

(ii) **Temporarily Restricted** - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

(iii) **Unrestricted** - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(c) ***Cash and Cash Equivalents***

The Organization considers all highly liquid debt instruments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents are recorded at cost which approximates fair value.

(d) ***Contributions***

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Temporarily restricted contributions are classified as unrestricted on the statement of activities if the restrictions are met within the fiscal year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(e) ***Revenue Recognition***

Government grant revenues are recognized as earned when grant expenses are incurred to the maximum amount allowed for each grant award. Program income is recognized when earned.

(f) ***Property, Equipment and Leasehold Improvements***

Property, equipment and leasehold improvements are stated at cost. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Leasehold improvements are amortized on the straight-line basis over the shorter of the term of the related lease or the estimated useful life of the assets. Depreciation and amortization are reported for financial statement purposes as follows:

Leasehold improvements	Lease term
Furniture and fixtures	3-5 years
Computers and equipment	3-7 years

(g) ***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Tuesday's Children

Notes to Financial Statements

(h) Use of Estimates

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

(i) Income Taxes

The Organization was incorporated in the District of Columbia and is a charitable organization that is exempt from Federal, state and local income taxes under the Code, and therefore has made no provision for income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service ("IRS") not to be a "private foundation" within the meaning of Section 509(a) of the Code. There was no unrelated business income for 2010.

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, "Income Taxes", an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended December 31, 2011, there was no interest or penalties recorded or included in the statements of activities.

(j) Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

3. Accounts Receivable

Accounts receivable consist of pledge and contract receivables. All balances are due within one year. No provision for doubtful accounts has been made, as management believes all balances are fully collectible.

Tuesday's Children
Notes to Financial Statements

4. Property, Equipment and Leasehold Improvements, Net

Property, equipment and leasehold improvements, net consist of the following:

<i>December 31,</i>	2011	2010
Furniture and fixtures	\$ 70,944	\$ 70,944
Computers, equipment and software	53,942	51,208
Leasehold improvements	8,500	8,500
	133,386	130,652
Less: Accumulated depreciation and amortization	(120,442)	(109,466)
Property, equipment and leasehold improvements, net	\$ 12,944	\$ 21,186

Depreciation and amortization expense was \$10,975 and \$7,168 for the years ended December 31, 2011 and 2010, respectively.

5. Temporarily Restricted Net Assets

At December 31, 2011 and 2010, temporarily restricted net assets are available for the following purposes:

<i>December 31,</i>	2011	2010
Helping Heals and Parenting Program	\$ -	\$ 80,000
Mental Health and Wellness	59,811	175,000
	\$59,811	\$255,000

6. Net Assets Released from Restrictions

Temporarily restricted net assets that were released from restrictions by incurring expenses satisfying the restricted purpose are as follows:

<i>December 31,</i>	2011	2010
Helping Heals and Parenting Program	\$ 80,000	\$ -
Mental Health and Wellness	115,189	-
Operational support	-	10,000
	\$195,189	\$10,000

7. Commitments

The Organization leases office space for program and administrative use. Rental expense under the lease amounted to \$44,875 and \$36,736 for the years ended December 31, 2011 and 2010, respectively.

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Notes to Financial Statements

Future minimum annual lease payments are as follows:

<i>Year ending December 31,</i>	
2012	\$44,875
2013	22,507
Thereafter	-
Total	\$67,382

8. In-Kind Contributions

During the year ended December 31, 2011, the Organization recorded in-kind contributions of \$269,021 comprised primarily of professional fees, donated rental costs for events held and donated tickets to sporting events.

9. Subsequent Events

Management has evaluated subsequent events through September 28, 2012, which is the date these financial statements were available to be issued. No events arose during that period which required accrual or disclosure in these financial statements.