Tuesday’s Children

Financial Statements
Year Ended December 31, 2012
## Tuesday’s Children

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Independent Auditor’s Report

Board of Directors
Tuesday’s Children
Manhasset, New York

We have audited the accompanying financial statements of Tuesday’s Children (the “Organization”), which comprise the statement of financial position as of December 31, 2012, 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.

Auditor’s 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 auditor’s 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 Organization’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 Organization’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.
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuesday’s Children as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Tuesday’s Children’s 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

October 31, 2013
Tuesday’s Children

Statement of Financial Position
(with comparative totals for 2011)

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$554,942</td>
<td>$788,053</td>
</tr>
<tr>
<td>Accounts receivable (Note 3)</td>
<td>33,530</td>
<td>63,051</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>29,322</td>
<td>14,932</td>
</tr>
<tr>
<td>Property, equipment and leasehold improvements, net (Note 4)</td>
<td>4,776</td>
<td>12,944</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$622,570</td>
<td>$878,980</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets |          |          |
| Liabilities:               |          |          |
| Accounts payable and accrued expenses | $107,255 | $101,792 |
| Commitments (Note 7)       |          |          |
| Net Assets:                 |          |          |
| Unrestricted                | 515,315  | 717,377  |
| Temporarily restricted (Note 5) | -       | 59,811   |
| Total Net Assets            | 515,315  | 777,188  |

|             | 2012     | 2011     |
|             | $622,570 | $878,980 |

See accompanying notes to financial statements.
Tuesday’s Children

Statement of Activities
(with comparative totals for 2011)

Year ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special events revenue</td>
<td>$570,823</td>
<td>$ -</td>
<td>$570,823</td>
<td>$813,266</td>
</tr>
<tr>
<td>Less: Direct costs</td>
<td>(365,002)</td>
<td>-</td>
<td>(365,002)</td>
<td>(352,298)</td>
</tr>
<tr>
<td><strong>Net Revenues From Special Events</strong></td>
<td>205,821</td>
<td>-</td>
<td>205,821</td>
<td>460,968</td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>1,035,036</td>
<td>-</td>
<td>1,035,036</td>
<td>1,814,120</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>342,181</td>
<td>-</td>
<td>342,181</td>
<td>269,021</td>
</tr>
<tr>
<td>Other revenues</td>
<td>73,419</td>
<td>-</td>
<td>73,419</td>
<td>101,268</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>59,811</td>
<td>(59,811)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td>1,716,268</td>
<td>(59,811)</td>
<td>1,656,457</td>
<td>2,645,377</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>1,450,730</td>
<td>-</td>
<td>1,450,730</td>
<td>1,590,086</td>
</tr>
<tr>
<td>Management and general</td>
<td>228,382</td>
<td>-</td>
<td>228,382</td>
<td>231,556</td>
</tr>
<tr>
<td>Fundraising</td>
<td>239,218</td>
<td>-</td>
<td>239,218</td>
<td>321,274</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,918,330</td>
<td>-</td>
<td>1,918,330</td>
<td>2,142,916</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>(202,062)</td>
<td>(59,811)</td>
<td>(261,873)</td>
<td>502,461</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td>717,377</td>
<td>59,811</td>
<td>777,188</td>
<td>274,727</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td>$515,315</td>
<td>$ -</td>
<td>$515,315</td>
<td>$777,188</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## Tuesday’s Children

### Statement of Functional Expenses
(with comparative totals for 2011)

**Year ended December 31, 2012**

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Bond</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Events</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mentoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td><strong>Supporting Services</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Salaries and Related Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$179,701</td>
<td>$140,712</td>
</tr>
<tr>
<td>Payroll taxes and fringe benefits</td>
<td>26,514</td>
<td>19,712</td>
</tr>
<tr>
<td><strong>Total Salaries and Related Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>196,215</td>
<td>160,424</td>
<td>129,211</td>
</tr>
<tr>
<td>Other Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracted services</td>
<td>40,284</td>
<td>67,987</td>
</tr>
<tr>
<td>Marketing and advertising</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional fees</td>
<td>7,632</td>
<td>3,151</td>
</tr>
<tr>
<td>Computer consultants</td>
<td>4,300</td>
<td>2,477</td>
</tr>
<tr>
<td>Conferences, meetings and events</td>
<td>13,664</td>
<td>9,563</td>
</tr>
<tr>
<td>Occupancy</td>
<td>2,227</td>
<td>2,237</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>6,275</td>
<td>8,639</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>2,169</td>
<td>1,645</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>4,959</td>
<td>3,282</td>
</tr>
<tr>
<td>Travel</td>
<td>2,155</td>
<td>103,988</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,750</td>
<td>3,083</td>
</tr>
<tr>
<td>Office and other</td>
<td>144,958</td>
<td>36,072</td>
</tr>
<tr>
<td>Staff development</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charges, fees and licenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Before Depreciation and Amortization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>470,588</td>
<td>445,065</td>
<td>358,760</td>
</tr>
<tr>
<td><strong>Depreciation and Amortization</strong></td>
<td>2,076</td>
<td>1,997</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$472,664</strong></td>
<td><strong>$447,062</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Tuesday’s Children

Statement of Cash Flows
(with comparative totals for 2011)

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(261,873)</td>
<td>$502,461</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>8,168</td>
<td>10,976</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>29,521</td>
<td>217,549</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(14,390)</td>
<td>18,260</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>5,463</td>
<td>(83,264)</td>
</tr>
<tr>
<td><strong>Net Cash (Used In) Provided By Operating Activities</strong></td>
<td>(233,111)</td>
<td>665,982</td>
</tr>
<tr>
<td><strong>Cash Flows From Investing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>-</td>
<td>(2,734)</td>
</tr>
<tr>
<td><strong>Net (Decrease) Increase in Cash and Cash Equivalents</strong></td>
<td>(233,111)</td>
<td>663,248</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, Beginning of Year</strong></td>
<td>788,053</td>
<td>124,805</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, End of Year</strong></td>
<td>$ 554,942</td>
<td>$788,053</td>
</tr>
</tbody>
</table>

See accompanying 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.
• 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.
(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:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Lease Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td></td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>3-5 years</td>
</tr>
<tr>
<td>Computers and equipment</td>
<td>3-7 years</td>
</tr>
</tbody>
</table>

(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.
(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 2012.

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, "Income Taxes", an organization must recognize the tax liability 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, 2012, there was no interest or penalties recorded or included in the statements of activities. The Organization is subject to routine audits by a taxing authority. As of December 31, 2012, the Organization was not subject to any examination by a taxing authority. Management believes it is no longer subject to income tax examination for the years prior to 2009.

(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, 2011, 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.
4. Property, Equipment and Leasehold Improvements, Net

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>$70,944</td>
<td>$70,944</td>
</tr>
<tr>
<td>Computers, equipment and software</td>
<td>53,942</td>
<td>53,942</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>8,500</td>
<td>8,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>133,386</td>
<td>133,386</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td>(128,610)</td>
<td>(120,442)</td>
</tr>
<tr>
<td><strong>Property, equipment and leasehold improvements, net</strong></td>
<td><strong>$4,776</strong></td>
<td><strong>$12,944</strong></td>
</tr>
</tbody>
</table>

5. Temporarily Restricted Net Assets

At December 31, 2011, temporarily restricted net assets were available for Mental Health and Wellness Programs in the amount of $59,811. There were no temporarily restricted net assets at December 31, 2012.

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:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helping Heals and Parenting Program</td>
<td>$-</td>
<td>$80,000</td>
</tr>
<tr>
<td>Mental Health and Wellness</td>
<td>59,811</td>
<td>115,189</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59,811</strong></td>
<td><strong>195,189</strong></td>
</tr>
</tbody>
</table>

7. Commitments

The Organization leases office space for program and administrative use. Rental expense under the lease amounted to $44,875 for both years ended December 31, 2012 and 2011.

Future minimum annual lease payments due on December 31, 2013 amount to $22,507.

8. In-Kind Contributions

During the years ended December 31, 2012 and 2011, the Organization recorded in-kind contributions of $342,181 and $269,021, respectively, 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 October 31, 2013, 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.