Tuesday’s Children

Financial Statements
Year Ended December 31, 2013

Tuesday's Children

Financial Statements
Year Ended December 31, 2013

Tuesday's Children

Contents

Tel: +212 885-8000
Fax: +212 697-1299
www.bdo.com

100 Park Avenue
New York, NY 10017

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, 2013, 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, 2013, 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 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

October 7, 2014

Tuesday's Children

Statement of Financial Position
(with comparative totals for 2012)

December 31,	**2013**	2012
Assets		
Cash and cash equivalents	**$399,699**	$554,942
Contributions receivable (Note 3)	**7,560**	33,530
Prepaid expenses and other assets	**30,226**	29,322
Property, equipment and leasehold improvements, net (Note 4)	**-**	4,776
	$437,485	$622,570
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$109,494**	$107,255
Commitments (Note 5)		
Net Assets (Note 2):		
Unrestricted	**327,991**	515,315
	$437,485	$622,570

See accompanying notes to financial statements.

Tuesday's Children

Statement of Activities
(with comparative totals for 2012)

Year ended December 31,	**2013**	2012
Support and Revenue:		
Special events revenue	**$ 601,472**	$ 625,271
Less: Direct costs	**(301,889)**	(365,002)
Net Revenues From Special Events	**299,583**	260,269
Contributions and grants	**940,962**	1,035,036
In-kind contributions	**240,109**	287,733
Other revenues	**37,375**	73,419
Total Support and Revenue	**1,518,029**	1,656,457
Expenses:		
Program services	**1,133,921**	1,450,730
Management and general	**255,444**	228,382
Fundraising	**315,988**	239,218
Total Expenses	**1,705,353**	1,918,330
Change in Net Assets	**(187,324)**	(261,873)
Net Assets, Beginning of Year	**515,315**	777,188
Net Assets, End of Year	**$ 327,991**	$ 515,315

See accompanying notes to financial statements.

Tuesday's Children

Statement of Functional Expenses
(with comparative totals for 2012)

Year ended December 31,

	Program Services						Supporting Services			Total	
	Life Management	NCR	Project Common Bond	Family Events	Mentoring	Total Program Services	Management and General	Fundraising	Total Supporting Services	**2013**	2012
Salaries and Related Expenses:											
Salaries	$105,011	$21,563	$ 128,803	$ 83,620	$ 67,060	$ 406,057	$ 82,624	$ 76,737	$159,361	**$ 565,418**	$ 690,249
Payroll taxes and fringe benefits	17,843	2,057	19,439	14,339	12,186	65,864	15,649	12,108	27,757	**93,621**	95,562
Total Salaries and Related Expenses	122,854	23,620	148,242	97,959	79,246	471,921	98,273	88,845	187,118	**659,039**	785,811
Other Expenses:											
Contracted services	25,876	1,871	47,883	6,469	587	82,686	63,182	142,270	205,452	**288,138**	217,610
Marketing & advertising	4,517	4,536	1,132	3,423	1,506	15,114	10,452	1,566	12,018	**27,132**	15,571
Professional fees	12,270	310	9,155	8,765	8,375	38,875	9,304	2,772	12,076	**50,951**	79,390
Computer consultants	5,286	2,848	4,781	4,178	1,899	18,992	2,053	3,637	5,690	**24,682**	24,341
Meeting/event expense - venue	15,423	495	25,012	2,120	70	43,120	887	11,830	12,717	**55,837**	85,545
Occupancy expenses	12,484	12,614	12,109	10,810	7,470	55,487	8,144	7,719	15,863	**71,350**	46,127
Equip purchase, rental, maintenance	920	-	1,141	749	635	3,445	5,598	747	6,345	**9,790**	8,393
Design, typography and printing	2,004	10	1,600	318	1,031	4,963	12,128	22,512	34,640	**39,603**	62,823
Telecommunications	2,930	866	1,421	2,839	1,691	9,747	4,498	749	5,247	**14,994**	11,675
Postage & delivery	3,893	13	682	1,035	928	6,551	1,464	12,487	13,951	**20,502**	34,107
Travel	6,032	157	90,747	687	1,021	98,644	3,681	5,527	9,208	**107,852**	146,559
Insurance	5,956	604	4,849	3,630	3,011	18,050	4,094	2,279	6,373	**24,423**	20,217
Office, program and other	55,092	9,364	47,003	102,413	48,914	262,786	8,790	9,360	18,150	**280,936**	353,515
Charges, fees and licenses	-	12	-	-	-	12	21,936	3,400	25,336	**25,348**	17,542
Total Expenses Before Depreciation and Amortization	275,537	57,320	395,757	245,395	156,384	1,130,393	254,484	315,700	570,184	**1,700,577**	1,910,162
Depreciation and Amortization	1,098	-	1,116	738	576	3,528	960	288	1,248	**4,776**	8,168
Total Expenses	**$276,635**	**$57,320**	**$396,873**	**$246,133**	**$156,960**	**$1,133,921**	**$255,444**	**$315,988**	**$571,432**	**$1,705,353**	$1,918,330

See accompanying notes to financial statements.

Tuesday's Children

Statement of Cash Flows
(with comparative totals for 2012)

Year ended December 31,	**2013**	2012
Cash Flows From Operating Activities:		
Change in net assets	**$(187,323)**	$(261,873)
Adjustments to reconcile change in net assets to net		
cash used in operating activities:	**-**	
Depreciation and amortization	**4,776**	8,168
(Increase) decrease in:		
Contributions receivable	**25,970**	29,521
Prepaid expenses and other assets	**(903)**	(14,390)
Increase in:		
Accounts payable and accrued expenses	**2,237**	5,463
Net Cash Used In Operating Activities	**(155,243)**	(233,111)
Net Decrease in Cash and Cash Equivalents	**(155,243)**	(233,111)
Cash and Cash Equivalents, Beginning of Year	**554,942**	788,053
Cash and Cash Equivalents, End of Year	**$ 399,699**	$ 554,942

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.

The Resiliency Center of Newtown

The Resiliency Center of Newtown is a program of Tuesday's Children, formed in the aftermath of the December 14, 2012 tragedy at Sandy Hook Elementary in Newtown, CT. It's mission is to provide long-term support and healing assistance to those impacted on that day and forever after. One of the lessons learned from other tragedies (e.g., 9/11, Oklahoma City, etc.) is that it is critical to provide effective long-term services to communities impacted by traumatic events.

Implementing Tuesday's Children's long-term healing model, the Resiliency Center of Newtown offers a variety of programs, services and events designed to help those suffering from trauma to recover and move forward with their lives in a positive way. The Resiliency Center of Newtown will empower the residents of Newtown and surrounding areas to help one another restore a sense of emotional well-being in themselves and their community

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.

The Organization received donated services, supplies and equipment from various individuals. Donated services and materials have been recognized as revenue and expenses in the statement of activities. As displayed in the statement of functional expenses, the related expenses have been allocated in accordance with the function benefited. Fair market values were determined by management based on the estimated cost to the Organization had they purchased the above donated items.

(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.

(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 2013.

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, 2013, 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, 2013, 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 2010.

(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, 2012, from which the summarized information was derived.

(k) Reclassifications

Certain reclassifications have been made to the 2012 financial statements in order to conform to the 2013 presentation.

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:

December 31,	**2013**	2012
Furniture and fixtures	**$ 70,944**	$ 70,944
Computers, equipment and software	**45,773**	53,942
Leasehold improvements	**8,500**	8,500
	125,217	133,386
Less: Accumulated depreciation and amortization	**(125,217)**	(128,610)
Property, equipment and leasehold improvements, net	**$ -**	$ 4,776

5. Commitments

The Organization leases office space for program and administrative use. Rental expense under the lease amounted to $69,732 for both years ended December 31, 2013 and 2012.

Future minimum annual lease payments due on December 31, 2014 and 2015 amount to $130,503 and $83,755, respectively.

6. In-Kind Contributions

During the years ended December 31, 2013 and 2012, the Organization recorded in-kind contributions of $239,646 and $342,181, respectively, comprised primarily of professional fees, donated rental costs for events held and donated tickets to sporting events.

7. Subsequent Events

Management has evaluated subsequent events through October 7, 2014, 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.