

TUESDAY'S CHILDREN
FINANCIAL STATEMENTS
AND AUDITOR'S REPORT
DECEMBER 31, 2015

TUESDAY'S CHILDREN

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Independent Auditor's Report

Board of Directors Tuesday's Children

We have audited the accompanying financial statements of Tuesday's Children, which comprise the statement of financial position as of December 31, 2015, 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 entity'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 entity'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, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in February 2016 the Resiliency Center of Newtown was successfully spun out as a separate 501(c)(3) organization and will no longer be a program under the umbrella of Tuesday's Children. Our opinion is not modified with respect to this matter.

Loeb & Troper LLP

August 5, 2016

TUESDAY'S CHILDREN
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

Cash	\$ 370,015
Government grants receivable - due within one year	89,942
Prepaid expenses and other assets	34,650
Fixed assets - net (Note 3)	<u>11,667</u>
Total assets	<u><u>\$ 506,274</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 79,173
Deferred revenue	<u>2,100</u>
Total liabilities	81,273
Net assets (Exhibit B)	
Unrestricted	<u>425,001</u>
Total liabilities and net assets	<u><u>\$ 506,274</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

EXHIBIT B

TUESDAY'S CHILDREN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

Revenues and other support	
Government grants	\$ 605,230
Contributions and grants	988,259
Special events	634,814
Less direct cost of special events	(243,440)
In-kind contributions (Note 4)	380,627
Program fees	48,967
Interest	201
Other income	8,434
	<hr/>
Total revenues and other support	2,423,092
	<hr/>
Expenses (Exhibit C)	
Program services	
Resiliency Center of Newtown (RCN)	628,005
Health and wellness	388,741
Project Common Bond/International	333,853
Adult and family programs	234,858
Career guidance	102,662
Community service	62,496
Youth support and guidance	50,625
	<hr/>
Total program services	1,801,240
	<hr/>
Supporting services	
Management and general	134,110
Fundraising	329,199
	<hr/>
Total supporting services	463,309
	<hr/>
Total expenses	2,264,549
	<hr/>
Change in unrestricted net assets (Exhibit D)	158,543
Net assets - beginning of year	266,458
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Net assets - end of year (Exhibit A)	\$ 425,001
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See independent auditor's report.

The accompanying notes are an integral part of these statements.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

	Program Services							Supporting Services		Direct Cost of Special Events	Total	
	RCN	Health and Wellness	Project Common Bond/ International	Adult and Family Programs	Career Guidance	Community Service	Youth Support and Guidance	Total	Management and General			Fundraising
Salaries	\$ 289,718	\$ 117,393	\$ 101,272	\$ 88,614	\$ 52,082	\$ 25,281	\$ 26,117	\$ 700,477	\$ 70,206	\$ 137,867	\$ 908,550	
Payroll taxes and employee benefits	32,897	13,330	11,499	10,062	5,914	2,871	2,966	79,539	7,970	15,654	103,163	
Contracted services	178,704	39,353	53,797	1,792	7,084	192	4,555	285,477	2,639	7,844	295,960	
Marketing and advertising	1,926	139,962	2,947	3,480	745	1,361	847	151,268	5,881	7,238	164,387	
Professional fees	30,099	11,579	2,272	1,239	316	10,079	360	55,944	19,613	10,842	86,399	
Technology	3,327	7,507	4,817	6,529	1,667	1,689	1,895	27,431	3,745	4,657	35,833	
Meeting/event expense - venue	4,327	3,750	61,111	68,749	10,718	1,000	399	150,054		204	\$ 243,440	
Occupancy expenses	48,519	19,884	13,756	18,645	4,759	4,824	5,411	115,798	10,692	13,299	139,789	
Equipment purchase, rental, maintenance	669	1,582	2,000	1,483	379	384	430	6,927	850	1,058	8,835	
Design, typography and printing	898	7,627	1,247	1,776	1,190	356	395	13,489	760	4,809	19,058	
Telecommunications	2,887	3,164	2,199	2,877	734	744	835	13,440	1,643	2,052	17,135	
Postage and delivery	927	4,757	804	7,386	846	584	261	15,565	366	4,766	20,697	
Travel	10,881	2,145	56,050	7,896	1,360	805	2,669	81,806	515	1,990	84,311	
Insurance	1,743	5,316	3,677	4,984	1,272	1,290	1,447	19,729	2,858	3,555	26,142	
Office, program and other	17,519	3,897	14,005	7,647	13,194	10,735	1,663	68,660	4,113	88,774	161,547	
Staff development	1,458	1,311	70	630	129	24	55	3,677	501	68	4,246	
Charges, fees, licenses	1,420	5,920	2,148	822	210	213	248	10,981	1,616	24,346	36,943	
Depreciation	86	264	182	247	63	64	72	978	142	176	1,296	
Total expenses	628,005	388,741	333,853	234,858	102,662	62,496	50,625	1,801,240	134,110	329,199	243,440	2,507,989
Less expenses deducted directly from revenues on the statement of activities												
Direct cost of special events											(243,440)	(243,440)
Total expenses reported by function on the statement of activities (Exhibit B)	\$ 628,005	\$ 388,741	\$ 333,853	\$ 234,858	\$ 102,662	\$ 62,496	\$ 50,625	\$ 1,801,240	\$ 134,110	\$ 329,199	\$ -	\$ 2,264,549

See independent auditor's report.

The accompanying notes are an integral part of these statements.

TUESDAY'S CHILDREN
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities	
Change in net assets (Exhibit B)	\$ 158,543
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,296
Decrease (increase) in assets	
Contributions receivable	26,592
Government grants receivable	(28,971)
Prepaid expenses and other assets	(14,373)
Increase (decrease) in liabilities	
Accounts payable	(13,464)
Deferred revenue	1,492
	<hr/>
Net cash provided by operating activities	131,115
Cash flows from investing activities	
Purchase of fixed assets	<hr/> (12,963)
Net change in cash	118,152
Cash - beginning of year	<hr/> 251,863
Cash - end of year	<hr/> <hr/> \$ 370,015

See independent auditor's report.

The accompanying notes are an integral part of these statements.

TUESDAY'S CHILDREN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 1 - NATURE OF ENTITY

Tuesday's Children was founded to promote long-term healing in all those directly impacted by the events of Tuesday, September 11, 2001. Our mission today is to keep the promise to those children and families while serving and supporting communities affected by tragedies worldwide. Our work includes providing trauma and grief support, youth mentoring, mental health services, skills-building workshops, career resources, parenting advisement, youth leadership development, community and family engagement events, and volunteerism opportunities. Tuesday's Children has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been held to be a publicly supported organization, and not a private foundation under Section 509(a).

Tuesday's Children is supported primarily by grants, contributions and special event revenues.

The main programs and services of Tuesday's Children consist of the following:

The Resiliency Center of Newtown (RCN)

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. Its 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.

In February 2016 the Resiliency Center of Newtown was successfully spun out as a separate 501(c)(3) organization, and will no longer be a program under the umbrella of Tuesday's Children.

Health and Wellness

- 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.

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TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - NATURE OF ENTITY (continued)

Health and Wellness (continued)

- 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.

Project Common Bond/International

- 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.

Adult and Family Programs

- 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, Tuesday’s Children gains the acceptance of families and their participation in much needed services and programs.
- Adult and Family 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, Tuesday’s Children implements programs that enhance life skills and social connections. Interactive workshops and seminars address leadership development, college preparation, and career guidance. The 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.

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TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - NATURE OF ENTITY (continued)

Career Guidance

- 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. Tuesday's Children'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.

Community Service

- Through the Helping Heals initiative, Tuesday's Children has implemented international, national and local community service programs for teens and adults. 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 Tuesday's Children's families and for those they help.

Youth Support and Guidance

- Tuesday's Children'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 mentoring program has enabled participating children to grow emotionally and socially, as well as build their resilience and coping skills.

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TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Government grants receivable and allowance for doubtful accounts - Tuesday's Children records receivables on expense based government grants when allowable expenses are incurred. Bad debt expense is charged if the receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. Management has determined that an allowance is not necessary for the year ended December 31, 2015. Interest is not charged on outstanding receivables.

Fixed assets - Fixed assets are stated at cost and depreciated or amortized on the straight-line method over their estimated useful lives. Amortization of leasehold improvements is computed using the straight-line method over the lesser of the term of the lease or the estimated useful life of the improvement.

Unrestricted net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors.

Government grants - Revenue from government grants are recognized when earned. Expense based grants are recognized as allowable expenses are incurred.

Contributions and grants - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind contributions - In-kind contributions, including services and merchandise, are recorded at fair value at the date of donation. Donated services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation.

Program fees - Program fees are minimal fees charged for certain programs and are recognized when earned.

Advertising - Advertising costs are expensed as incurred.

Rent expense - Rent is expensed on the straight-line basis over the term of the lease. Deferred rent is recorded where there are material differences between the fixed payment and the rent expense.

Functional allocation of expenses - The costs of providing Tuesday's Children's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Uncertainty in income taxes - Tuesday's Children has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2012 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through August 5, 2016, which is the date the financial statements were available to be issued.

NOTE 3 - FIXED ASSETS

		<u>Estimated Useful Life</u>
Leasehold improvements	\$ 8,500	3 years
Computers	58,736	3-7 years
Furniture and equipment	<u>70,944</u>	3-5 years
	138,180	
Less accumulated depreciation and amortization	<u>(126,513)</u>	
	<u>\$ 11,667</u>	

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TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4 - IN-KIND CONTRIBUTIONS

Tuesday's Children received donated services consisting primarily of therapists, marketing, and legal fees. These donated services have been valued at the standard market rates that would have been incurred by Tuesday's Children had they not been donated and are reported as both revenue and expense in the accompanying financial statements because they meet the criteria as prescribed by accounting principles generally accepted in the United States of America. The value of the donated volunteer hours for the year ended December 31, 2015 amounted to \$211,866. In addition Tuesday's Children received donated items totaling \$150,761 and donated facilities totaling \$18,000.

NOTE 5 - COMMITMENTS

Tuesday's Children leases office and program space under various noncancelable leases expiring in 2016. As of the date of this report they have not been renewed. Rent expense for the year ended December 31, 2015 was \$138,290.

NOTE 6 - CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject Tuesday's Children to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.