

TUESDAY'S CHILDREN
FINANCIAL STATEMENTS
AND AUDITOR'S REPORT
DECEMBER 31, 2017

TUESDAY'S CHILDREN

TABLE OF CONTENTS

Independent Auditor's Report

Exhibit

A - Statement of Financial Position

B - Statement of Activities

C - Statement of Functional Expenses

D - Statement of Cash Flows

Notes to Financial Statements

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, 2017, 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, 2017, 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.

Report on Summarized Comparative Information

We have previously audited the December 31, 2016 financial statements of Tuesday's Children and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Loeb & Troper LLP

October 2, 2018

TUESDAY'S CHILDREN

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(With Summarized Financial Information
for the Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 614,883	\$ 670,517
Prepaid expenses and other assets	144,000	79,110
Fixed assets - net (Note 3)	<u>27,779</u>	<u>31,035</u>
Total assets	<u>\$ 786,662</u>	<u>\$ 780,662</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 188,742	\$ 105,097
Deferred revenue	<u>18,400</u>	<u>3,350</u>
Total liabilities	<u>207,142</u>	<u>108,447</u>
Net assets (Exhibit B)		
Unrestricted	449,463	595,215
Temporarily restricted (Note 6)	<u>130,057</u>	<u>77,000</u>
Total net assets	<u>579,520</u>	<u>672,215</u>
Total liabilities and net assets	<u>\$ 786,662</u>	<u>\$ 780,662</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

TUESDAY'S CHILDREN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017
(With Summarized Financial Information
for the Year Ended December 31, 2016)

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
Revenues and other support				
Government grants	\$ 10,903		\$ 10,903	\$ 187,500
Contributions and grants	860,512	\$ 200,000	1,060,512	1,209,504
Special events	782,621		782,621	876,663
Less direct cost of special events	(315,625)		(315,625)	(302,121)
In-kind contributions (Note 4)	157,825		157,825	141,898
Non-cash contributions - net (Note 2)	132,907		132,907	
Program fees	80,613		80,613	79,880
Interest	280		280	126
Other income	14		14	811
Net assets release from restriction (Note 6)	146,943	(146,943)		
Total revenues and other support	1,856,993	53,057	1,910,050	2,194,261
Expenses (Exhibit C)				
Program services				
Military Initiative	187,795		187,795	
Adult and family programs	433,366		433,366	367,864
Project Common Bond/International	433,512		433,512	356,162
Community service	147,504		147,504	142,452
Skills development	201,167		201,167	101,315
Youth support and guidance	198,190		198,190	80,253
Health and wellness				369,106
Resiliency Center of Newtown (RCN)				85,514
Total program services	1,601,534		1,601,534	1,502,666
Supporting services				
Management and general	236,253		236,253	149,152
Fundraising	164,958		164,958	226,124
Total supporting services	401,211		401,211	375,276
Total expenses	2,002,745		2,002,745	1,877,942
Change in net assets before spin-off of the Resiliency Center of Newtown	(145,752)	53,057	(92,695)	316,319
Spin-off of the Resiliency Center of Newtown (Note 1)				(69,105)
Change in net assets (Exhibit D)	(145,752)	53,057	(92,695)	247,214
Net assets - beginning of year	595,215	77,000	672,215	425,001
Net assets - end of year (Exhibit A)	\$ 449,463	\$ 130,057	\$ 579,520	\$ 672,215

See independent auditor's report.

The accompanying notes are an integral part of these statements.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017
(With Summarized Financial Information
for the Year Ended December 31, 2016)

	Program Services							Supporting Services		Direct Cost of Special Events	Cost of Sales	Total	
	Military Initiative	Adult and Family Programs	Project Common Bond/ International	Community Service	Skills Development	Youth Support and Guidance	Total	Management and General	Fundraising			2017	2016
Salaries	\$ 88,148	\$ 243,058	\$ 139,799	\$ 72,356	\$ 89,382	\$ 116,110	\$ 748,853	\$ 35,580	\$ 98,268		\$ 882,701	\$ 732,158	
Payroll taxes and employee benefits	9,452	24,503	16,773	7,042	10,153	10,852	78,775	3,913	15,057		97,745	85,619	
Contracted services	53,519	50,191	65,684	21,602	13,107	42,260	246,363	358		\$ 915,666	1,162,387	289,104	
Marketing and advertising	810	2,221	2,324	928	1,402	607	8,292	12,640	3,491		24,423	14,018	
Professional fees	6,298	14,169	14,170	4,198	8,921	5,162	52,918	42,630	3,200	46,532	145,280	85,158	
Technology	3,484	8,281	7,839	2,323	5,535	2,732	30,194	8,855	8,312		47,361	38,065	
Meeting/event expense - venue	15	17,741	54,239	3,054	20,718	11	95,778			\$ 315,625	411,403	374,762	
Occupancy expenses	9,176	20,647	20,782	6,117	13,000	6,882	76,604	23,148	13,122		112,874	104,433	
Equipment purchase, rental, maintenance	989	2,226	2,226	659	1,402	742	8,244	1,014	784		10,042	8,417	
Design, typography and printing	441	627	836	1,119	1,926	112	5,061	10,232	4,436		19,729	27,201	
Telecommunications	1,275	2,869	2,868	850	1,806	956	10,624	3,140	1,813		15,577	18,118	
Postage and delivery	128	1,183	63	119	572	59	2,124	2,971	6,472		11,567	14,393	
Travel	8,548	28,600	90,084	14,187	25,616	698	167,733	6,680	712		175,125	86,626	
Insurance	1,876	4,220	4,221	1,251	2,658	1,407	15,633	2,399	1,600		19,632	23,953	
Office, program and other	3,244	11,583	9,278	11,110	4,382	9,307	48,904	53,282	5,537	203,401	311,124	238,764	
Staff development	342	847	769	556	516	256	3,286	1,966	2,145		7,397	4,589	
Charges, fees, licenses	50	400	1,557	33	71	37	2,148	20,165	9		22,322	31,205	
Depreciation								7,280			7,280	3,480	
Total expenses	187,795	433,366	433,512	147,504	201,167	198,190	1,601,534	236,253	164,958	315,625	1,165,599	3,483,969	2,180,063
Less expenses deducted directly from revenues on the statement of activities													
Direct cost of special events										(315,625)	(1,165,599)	(1,481,224)	(302,121)
Total expenses reported by function on the statement of activities (Exhibit B)	\$ 187,795	\$ 433,366	\$ 433,512	\$ 147,504	\$ 201,167	\$ 198,190	\$ 1,601,534	\$ 236,253	\$ 164,958	\$ -	\$ -	\$ 2,002,745	\$ 1,877,942

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, 2017

Cash flows from operating activities	
Change in net assets (Exhibit B)	\$ (92,695)
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation	7,280
Increase in assets	
Prepaid expenses and other assets	(64,890)
Increase in liabilities	
Accounts payable	83,645
Deferred revenue	<u>15,050</u>
Net cash used by operating activities	(51,610)
Cash flows from investing activities	
Purchase of fixed assets	<u>(4,024)</u>
Net change in cash	(55,634)
Cash - beginning of year	<u>670,517</u>
Cash - end of year	<u><u>\$ 614,883</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

TUESDAY'S CHILDREN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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:

Military Initiative

The Military Initiative is an ambitious five year plan, 2019-2023, to provide long-term healing and support for surviving family members whose loved ones have made the ultimate sacrifice for our country. Employing our long-term healing model, the Initiative starts by engaging family with our family programming followed by our portfolio of programs including Creative Insight, Heart to Heart, Youth Mentoring, and Career Resources Center.

Adult and Family Programs

- Family engagement events enhance resilience by building relationships and community among 9/11 families, first responder families and Military Families of the Fallen; create positive new traditions and introduce Tuesday's Children's programming. By creating a space for individuals to come together, such as sporting events and fishing trips, we can establish a strong bond and build a level of trust with families in a safe and comfortable context. Tuesday's Children gains the acceptance of families and their participants in much needed services and programs.
- Heart to Heart is a three day program that brings together military widows and widows from 9/11 to grow, heal and make lifelong friendships. The program is an opportunity to address many of the issues widows face on the path to long term healing such as child care, dating and family dynamics. Tuesday's Children creates an environment in which women are set on the path to healing through facilitated conversations and activities.

TUESDAY'S CHILDREN**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 1 - NATURE OF ENTITY (continued)****Adult and Family Programs (continued)**

- 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.

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. Included in this population are children of military families of the fallen, who attended both the summer and winter sessions and benefited from the engagement opportunities with other young adults in similar circumstances.

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 such as participating in the Veteran's Day Parade to thank our military service men and women and working 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.
- Tuesday's Children held a one-day conference to explore the lessons learned over the 15 years since the September 11th attacks, featuring keynote talks and panel discussions from leading experts in trauma, grief, bereavement, disaster response and recovery, community resilience, and assistance for responder and military populations. Tuesday's Children unveiled its Long-Term Healing Model, developed from evidence-based programmatic outcomes and historical anecdotes.

-continued-

TUESDAY'S CHILDREN**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 1 - NATURE OF ENTITY (continued)****Skills Development**

- Creative Insight is an eight week program consisting of a weekend intensive workshop and online training to inspire and empower participants to create a life they love. Online classes focus on utilizing the tools of creativity they learn about in the weekend workshop to apply them to personal life changes including Purpose and Vision, Time and Stress, Relationships and Balance. After the great success running this program for 9/11 widows, increased self-confidence and self-compassion, personal trust and decreased stress, Tuesday's Children redeveloped the program to fit the military widow population.
- Career Resource Center (CRC), which enhances life skills through leadership development, college preparation and career guidance for children of 9/11 victims, responders and military service veterans, including Gold Star children and military widows. We engage participants through informational seminars, one-on-one and group sessions, career and college guidance, resources and information.
- 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.

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.

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.

-continued-

TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.
- Tuesday’s Children’s Long-Term Healing Model is a compilation of our lessons learned focusing on community outreach and engagement, building and maintaining trust with service populations, creating a unique bridge to mental health services and supports, and directly involving families and other service populations in the development of programs that best meet their evolving and long-term needs. Replication and adaptation in other communities has the potential to transform and augment the delivery of humanitarian work, social services and long-term support in the wake of tragedies.

The Resiliency Center of Newtown (RCN)

- The Resiliency Center of Newtown was 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-off as a separate 501(c)(3) organization, and is no longer a program under the umbrella of Tuesday’s Children. Net assets in the amount of \$69,105 were transferred to RCN.*

-continued-

TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

Fixed assets - Items with a cost in excess of \$1,000 and an estimated useful life of greater than one year are capitalized. 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.

Temporarily restricted net assets - Temporarily restricted net assets are those whose use by Tuesday's Children has been limited to a specific time period or purpose.

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

Contributions and grants - Unconditional contributions and grants, 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.

In-kind contributions - In-kind contributions, including services, merchandise and facilities, 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.

-continued-

TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-cash contributions – Tuesday's Children receives non-cash contributions which are then sold. The amount shown is net of commissions, consultant fees and other costs associated with the sale as follows:

Gross proceeds	\$ 1,298,506
Less cost of sales	<u>1,165,599</u>
	<u>\$ 132,907</u>

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

Advertising - Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2017 was \$582.

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, 2014 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through October 2, 2018, which is the date the financial statements were available to be issued.

-continued-

TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 - FIXED ASSETS

		<u>Estimated Useful Life</u>
Leasehold improvements	\$ 8,500	3 years
Computers	63,899	3-7 years
Furniture and equipment	<u>92,653</u>	3-5 years
	165,052	
Less accumulated depreciation and amortization	<u>(137,273)</u>	
	<u>\$ 27,779</u>	

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, 2017 amounted to \$47,558. In addition, Tuesday's Children received donated items totaling \$98,017 and donated facilities totaling \$12,250.

NOTE 5 - COMMITMENTS

Tuesday's Children has several noncancelable lease agreements for rental of office space and equipment with varying lease terms expiring through April 2021. Rent and equipment expense in 2017 was \$104,291. The following are the minimum annual lease payments to be made:

2018	\$	106,422
2019		101,880
2020		7,170
2021		<u>1,793</u>
Total	\$	<u>217,265</u>

-continued-

TUESDAY'S CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose:

Military Initiative	\$ <u>130,057</u>
---------------------	-------------------

During the year ended June 30, 2017, net assets were released from donor restrictions for the following purpose:

Military Initiative	\$ 69,943
Future periods	<u>77,000</u>
Total net assets released	\$ <u>146,943</u>

NOTE 7 - 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.