

# **Tuesday's Children**

Independent Auditor's Report and Financial Statements

December 31, 2019



# Tuesday's Children

December 31, 2019

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## Independent Auditor's Report

Board of Directors  
Tuesday's Children  
New York, New York

We have audited the accompanying financial statements of Tuesday's Children, which comprise the statement of financial position as of December 31, 2019, 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, 2019, and the changes in its net assets and its cash flows for the years 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 2019, Tuesday's Children adopted new accounting guidance regarding recognition of revenue with customers. Our opinion is not modified with respect to this matter.

*BKD, LLP*

New York, New York  
August 11, 2020

**Tuesday's Children**  
**Statement of Financial Position**  
**December 31, 2019**

**Assets**

Cash	\$ 910,801
Contributions and grants receivable	200,992
Prepaid expenses and other assets	73,282
Property and equipment, net	<u>18,073</u>
Total assets	<u><u>\$ 1,203,148</u></u>

**Liabilities and Net Assets**

**Liabilities**

Accounts payable	<u>\$ 158,628</u>
Total liabilities	<u>158,628</u>

**Net Assets**

Without donor restrictions	744,520
With donor restrictions	
Purpose restrictions	<u>300,000</u>
Total net assets	<u>1,044,520</u>
Total liabilities and net assets	<u><u>\$ 1,203,148</u></u>

**Tuesday's Children**  
**Statement of Activities**  
**Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and Other Support</b>			
Government grants	\$ 206,656	\$ -	\$ 206,656
Contributions and grants	852,679	480,000	1,332,679
Special events	1,028,425	-	1,028,425
Less direct cost of special events	(319,534)	-	(319,534)
In-kind contributions	63,576	-	63,576
Non-cash contributions and related sales - net	150,003	-	150,003
Program fees	13,294	-	13,294
Interest	204	-	204
Net assets released from restriction	313,333	(313,333)	-
	<u>2,308,636</u>	<u>166,667</u>	<u>2,475,303</u>
Total revenues and other support			
<b>Expenses</b>			
Program services			
Military Initiative	237,134	-	237,134
Adult and family programs	353,896	-	353,896
Project Common Bond/International	379,972	-	379,972
Community service	128,396	-	128,396
Skills development	178,802	-	178,802
Youth support and guidance	209,957	-	209,957
Health and wellness	173,409	-	173,409
	<u>1,661,566</u>	<u>-</u>	<u>1,661,566</u>
Total program services			
Supporting services			
Management and general	166,205	-	166,205
Fundraising	221,613	-	221,613
	<u>387,818</u>	<u>-</u>	<u>387,818</u>
Total supporting services			
Total expenses	<u>2,049,384</u>	<u>-</u>	<u>2,049,384</u>
<b>Change in Net Assets</b>	259,252	166,667	425,919
<b>Net Assets, Beginning of Year</b>	<u>485,268</u>	<u>133,333</u>	<u>618,601</u>
<b>Net Assets, End of Year</b>	<u>\$ 744,520</u>	<u>\$ 300,000</u>	<u>\$ 1,044,520</u>

## Tuesday's Children Statement of Functional Expenses Year Ended December 31, 2019

	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	Health and Wellness	Total	Management and General				Fundraising
Salaries	\$ 137,617	\$ 203,530	\$ 118,717	\$ 84,385	\$ 93,408	\$ 127,045	\$ 95,144	\$ 859,846	\$ 75,692	\$ 105,923	\$ -	\$ -	\$ 1,041,461
Payroll taxes and employee benefits	15,758	23,305	13,594	9,663	10,696	14,547	10,895	98,458	6,055	9,271	-	-	113,784
Contracted services	21,497	10,748	81,340	2,547	27,727	21,190	27,713	192,762	-	-	-	639,586	832,348
Marketing and advertising	9,143	13,522	7,887	5,606	6,206	8,440	6,321	57,125	5,177	24,673	-	-	86,975
Professional fees	-	-	-	-	-	170	-	170	19,038	3,170	-	-	22,378
Technology	7,658	12,033	13,127	3,829	6,017	7,111	4,923	54,698	6,735	6,268	-	-	67,701
Meeting/event expense - venue	-	7,140	40,383	6,278	4,285	-	-	58,086	-	130	319,534	-	377,750
Occupancy expenses	11,791	18,529	20,214	5,896	9,265	10,949	7,580	84,224	14,497	9,837	-	-	108,558
Equipment purchase, rental and maintenance	1,162	1,826	1,992	581	913	1,079	747	8,300	1,038	1,038	-	-	10,376
Design, typography and printing	2,653	3,923	2,288	1,627	1,799	2,449	1,834	16,573	837	12,906	-	-	30,316
Telecommunications	1,517	2,383	2,600	758	1,192	1,408	975	10,833	1,972	549	-	-	13,354
Postage and delivery	1,687	2,496	1,455	1,034	1,145	1,557	1,166	10,540	327	7,201	-	-	18,068
Travel	16,737	39,483	65,202	442	8,972	4,845	9,394	145,075	1,068	2,874	-	-	149,017
Insurance	2,318	3,642	3,973	1,159	1,821	2,152	1,490	16,555	797	-	-	-	17,352
Office, program and other	7,008	10,364	6,045	4,297	4,756	6,469	4,845	43,784	9,642	22,102	-	-	75,528
Staff development	-	-	-	-	-	-	-	-	389	-	-	-	389
Charges, fees and licenses	588	972	1,155	294	600	546	382	4,537	13,056	15,671	-	-	33,264
Costs of goods sold	-	-	-	-	-	-	-	-	-	-	-	789,589	789,589
Depreciation	-	-	-	-	-	-	-	-	9,885	-	-	-	9,885
<b>Total expenses</b>	<b>237,134</b>	<b>353,896</b>	<b>379,972</b>	<b>128,396</b>	<b>178,802</b>	<b>209,957</b>	<b>173,409</b>	<b>1,661,566</b>	<b>166,205</b>	<b>221,613</b>	<b>319,534</b>	<b>1,429,175</b>	<b>3,798,093</b>
Less expenses deducted directly from revenues on the statements of activities													
Direct cost of special events and cost of goods sold	-	-	-	-	-	-	-	-	-	-	(319,534)	(1,429,175)	(1,748,709)
<b>Total expenses reported by function on the statements of activities</b>	<b>\$ 237,134</b>	<b>\$ 353,896</b>	<b>\$ 379,972</b>	<b>\$ 128,396</b>	<b>\$ 178,802</b>	<b>\$ 209,957</b>	<b>\$ 173,409</b>	<b>\$ 1,661,566</b>	<b>\$ 166,205</b>	<b>\$ 221,613</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,049,384</b>

**Tuesday's Children**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

<b>Operating Activities</b>	
Change in net assets	\$ 425,919
Items not requiring operating cash flows	
Depreciation	9,885
Changes in	
Contributions and grants receivable	3,978
Prepaid expenses and other assets	16,407
Accounts payable	<u>(36,855)</u>
Net cash provided by (used in) operating activities	<u>419,334</u>
<b>Net Change in Cash</b>	419,334
<b>Cash, Beginning of Year</b>	<u>491,467</u>
<b>Cash, End of Year</b>	<u><u>\$ 910,801</u></u>



# **Tuesday's Children**

## **Notes to Financial Statements**

### **December 31, 2019**

#### **Note 1: Nature of Organization and Summary of Significant Accounting Policies**

Tuesday's Children provides a lifetime of healing for those whose lives have been forever changed by terrorism and traumatic loss. Through a time-tested, long-term approach, Tuesday's Children programming serves and supports our nation's Military Families of the Fallen; keeps the promise to support all those impacted by September 11, 2001; and builds resilience and common bonds in communities worldwide recovering from tragedies.

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 aka "Gold Star families" whose loved ones answered the call post 9/11. Employing our long-term healing model, the Military 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, trauma-informed retreat offered to Gold Star widows and Gold Star mothers. These intimate retreats have a 1:7 ratio of trauma-informed professional to bereaved family member. The program includes daily facilitated Dignity sessions focusing on navigating personal challenges, allowing individuals to speak about their experience and setting them on the path forward. At Heart to Heart, women learn how to find the resources and tools they need to move forward after loss and build lifelong friendships. 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, 2019**

Adult and Family Programs address the very important developmental needs of Gold Star children or siblings 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 Gold Star 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 17 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.

#### ***Skills Development***

Creative Insight is an eight-week program consisting of a weekend intensive workshop and online training to inspire and empower Gold Star family members 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 adult military Gold Star population.

# **Tuesday's Children**

## **Notes to Financial Statements**

### **December 31, 2019**

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 Gold Star 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 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.

#### ***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.

**Tuesday's Children**  
**Notes to Financial Statements**  
**December 31, 2019**

***Allowance for Doubtful Accounts***

Tuesday's Children has determined that no allowance for uncollectible accounts for contributions receivable is necessary as of December 31, 2019. Such estimate is based on management's assessments of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions, subsequent collections and historical information.

At December 31, 2019, all outstanding receivables are due within one year.

***Property and Equipment***

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

***Long-Lived Asset Impairment***

Tuesday's Children evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the year ended December 31, 2019.

***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions that will be met by the passage of time or other events specified by the donor.

***Contributions and Grants***

Contributions are provided to Tuesday's Children either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restriction</i>	

**Tuesday's Children**  
**Notes to Financial Statements**  
**December 31, 2019**

Nature of the Gift	Value Recognized
Gifts that depend on a future and uncertain event	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed condition is substantially met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income and conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

**Special Events**

Tuesday's Children conducts special events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by the participants at the events. All proceeds received are recorded as special events revenues in the accompanying statement of activities.

**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.

**Tuesday's Children**  
**Notes to Financial Statements**  
**December 31, 2019**

***Non-Cash Contributions and Related Sales***

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	\$ 1,579,178
Less cost of sales and goods sold	<u>(1,429,175)</u>
	<u>\$ 150,003</u>

***Program Fees***

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

***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 supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on salaries and other methods.

***Change in Accounting Principle***

On January 1, 2019, Tuesday's Children adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), (ASU 2014-09) using a modified retrospective method of adoption to all contracts with customers at January 1, 2019.

The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which Tuesday's Children expects to be entitled in exchange for those goods or services.

The amount to which Tuesday's Children expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

The results of Accounting Standards Codification (ASC) 606 did not have a material impact on the financial position, changes in net assets, cash flows, business processes, or controls or Tuesday's Children, but it did result in related disclosures in the notes to the financial statements.

**Tuesday's Children**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 2: Property and Equipment**

	2019	Estimated Useful Life
Leasehold improvements	\$ 8,500	3 years
Furniture and equipment	92,653	3-5 years
Computers and peripherals	73,709	3-7 years
	174,862	
Less accumulated depreciation and amortization	(156,789)	
	\$ 18,073	

**Note 3: 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. Tuesday's Children received donated items totaling \$63,576 for the year ended December 31, 2019.

**Note 4: Commitments and Concentrations**

***Lease Commitment***

Tuesday's Children has several noncancelable lease agreements for rental of office space and equipment with varying lease terms expiring through October 2022. Rent and equipment expense for the year ended December 31, 2019 was \$104,224. The following are the minimum annual lease payments to be made:

2020	\$ 28,884
2021	28,884
2022	24,070
Total	\$ 81,838

***Cash***

At December 31, 2019, Tuesday's Children's cash accounts exceeded federally insured limits by approximately \$670,000.

**Tuesday's Children**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 5: Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purpose:

Subject to the passage of time	\$ 200,000
Subject to expenditure for specified purpose	
Military Initiative and Youth Program	50,000
Project Common Bond	<u>50,000</u>
	<u>\$ 300,000</u>

During the year ended December 31, 2019, net assets were released from donor restrictions for the following purposes:

Military Initiative and Youth Program	\$ 233,333
Career Resources and Mentoring for Bereaved Youth	<u>80,000</u>
Total net assets released	<u>\$ 313,333</u>

**Note 6: Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year-end	
Cash	\$ 910,801
Contributions and grants receivable	<u>200,992</u>
Total financial assets	<u>1,111,793</u>
Less amounts not available to be used within one year	
Restricted funds (purpose-restricted)	<u>(300,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 811,793</u>

Tuesday's Children manages its liquidity following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term expenditures and operating needs and maintaining sufficient liquidity to provide reasonable assurance that any long-term obligations will be discharged. Tuesday's Children monitors liquidity and cash flows on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current claim payment and expenditure needs.



# **Tuesday's Children**

## **Notes to Financial Statements**

### **December 31, 2019**

#### **Note 7: Revenue from Contracts with Customers**

Special event revenues are comprised of ticket component of Tuesday's Children's special event. Revenue is recognized over time, as each event takes place. All of the special event ticket purchases are disaggregated from contributions. The non-tax deductible portion of special event revenues is considered an exchange transaction. In 2019, exchange portion of all special event tickets associated with special event revenues was \$172,650. At December 31, 2019, there were no liabilities pertaining to special event revenues.

Revenue from the sale of non-cash contributions is generally recognized when goods are provided at a single point in time and Tuesday's Children does not believe it is required to provide additional goods or services related to that sale.

#### **Note 8: Subsequent Events**

Subsequent events have been evaluated through August 11, 2020, which is the date the financial statements were available to be issued.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of Tuesday's Children. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. On April 6, 2020, Tuesday's Children received a loan in the amount of \$187,162 pursuant to the Paycheck Protection Program. The loan is due two years from the date of the first disbursement under the loan and has a fixed interest rate of 1 percent per year. A portion of the loan may be forgiven; however, as of the date of this report any amount of forgiveness is unable to be determined.

**Tuesday's Children**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 9: Future Changes in Accounting Principles**

***Accounting for Leases***

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021, and any interim periods within annual reporting periods that begin after December 15, 2022. Tuesday's Children is evaluating the impact the standard will have on the financial statements; however, the standard is expected to have a material impact on the financial statements due to the recognition of additional assets and liabilities for operating leases.