

**TUESDAY'S CHILDREN**

***FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT***

**DECEMBER 31, 2020**

# TUESDAY'S CHILDREN

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## INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of  
Tuesday's Children

We have audited the accompanying financial statements of Tuesday's Children (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, expenses by function and natural classification, 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 of 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, 2020, 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.

*Skody Scot & Company, CPAs, P.C.*

New York, NY  
May 3, 2021

**TUESDAY'S CHILDREN  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

**ASSETS**

Cash	\$ 813,899
Accounts receivable	39,680
Grants and contributions receivable	58,886
Prepaid expenses	64,501
Property and equipment, net	5,992
Security deposits	8,913
	<hr/>
Total assets	\$ 991,871
	<hr/> <hr/>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable and accrued expenses	\$ 33,708
Total liabilities	<hr/> 33,708
	<hr/>
Commitments and contingencies (see notes)	
Net Assets:	
Without donor restrictions	606,078
With donor restrictions	352,085
	<hr/>
Total net assets	958,163
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Total liabilities and net assets	\$ 991,871
	<hr/> <hr/>

**See accompanying notes to the financial statements.**

**TUESDAY'S CHILDREN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues:			
Contributions	\$ 828,854	\$ 352,085	\$ 1,180,939
Government grants	187,162	-	187,162
Program service revenue	791	-	791
Special events:			
Event revenue	650,097	-	650,097
Less: direct benefits	(158,729)	-	(158,729)
Net special event income	<u>491,368</u>	<u>-</u>	<u>491,368</u>
Interest income	225	-	225
Net assets released from restriction:			
Satisfaction of purpose restrictions	100,000	(100,000)	-
Expiration of time restrictions	200,000	(200,000)	-
Total support and revenues	<u>1,808,400</u>	<u>52,085</u>	<u>1,860,485</u>
Expenses:			
Program services:			
Project Common Bond	288,273	-	288,273
Skills development	157,226	-	157,226
Mentoring	204,735	-	204,735
Military initiative	225,420	-	225,420
Adult & family	322,783	-	322,783
Community service	126,632	-	126,632
Health & wellness	148,423	-	148,423
	<u>1,473,492</u>	<u>-</u>	<u>1,473,492</u>
Supporting services:			
Management and general	176,403	-	176,403
Fundraising	296,947	-	296,947
Total expenses	<u>1,946,842</u>	<u>-</u>	<u>1,946,842</u>
Increase/(Decrease) in net assets	(138,442)	52,085	(86,357)
Net assets, beginning of year	<u>744,520</u>	<u>300,000</u>	<u>1,044,520</u>
Net assets, end of year	<u>\$ 606,078</u>	<u>\$ 352,085</u>	<u>\$ 958,163</u>

**See accompanying notes to the financial statements.**

**TUESDAY'S CHILDREN**  
**STATEMENT OF EXPENSES BY FUNCTION AND NATURAL CLASSIFICATION**  
**YEAR ENDED DECEMBER 31, 2020**

	Program Expenses							Supporting Services			Total Expenses
	Project Common Bond	Skills Development	Mentoring	Military Initiative	Adult & Family	Community Service	Health & Wellness	Total Program	Management and General	Fundraising	
<b>Personnel costs:</b>											
Salaries	\$ 116,378	\$ 93,440	\$ 126,958	\$ 137,538	\$ 201,016	\$ 84,031	\$ 95,218	\$ 854,579	\$ 74,149	\$ 126,958	\$ 1,055,686
Payroll taxes & employee benefits	10,600	9,864	10,917	12,687	17,525	7,796	8,151	77,540	10,709	10,279	98,528
Total personnel costs	<u>126,978</u>	<u>103,304</u>	<u>137,875</u>	<u>150,225</u>	<u>218,541</u>	<u>91,827</u>	<u>103,369</u>	<u>932,119</u>	<u>84,858</u>	<u>137,237</u>	<u>1,154,214</u>
<b>Direct expenses:</b>											
Consultants and outside contractors	88,670	24,619	30,412	26,307	47,908	13,122	19,471	250,509	8,493	9,530	268,532
Depreciation	-	-	-	-	-	-	-	-	8,589	-	8,589
Direct mailing costs	8,339	8,339	8,339	8,339	8,340	8,340	8,340	58,376	-	87,564	145,940
Equipment purchase and rentals	2,276	1,043	1,233	1,327	2,086	664	853	9,482	2,723	558	12,763
Insurance	4,416	2,024	2,392	2,576	4,048	1,288	1,656	18,400	2,165	1,082	21,647
Loss on asset disposal	-	-	-	-	-	-	-	-	3,492	-	3,492
Marketing and promotion	10,248	4,357	5,599	6,097	8,712	2,772	3,563	41,348	12,488	1,813	55,649
Occupancy expenses	20,817	9,541	11,276	12,143	19,082	6,072	7,806	86,737	5,730	4,024	96,491
Office supplies and expenses	77	23	434	177	47	15	19	792	21,977	49,831	72,600
Printing and design	4,709	2,158	2,800	4,374	4,317	1,374	1,766	21,498	243	4,139	25,880
Professional fees	23	10	12	13	21	7	9	95	20,184	-	20,279
Program supplies and expenses	2,452	933	1,738	12,728	1,866	594	855	21,166	-	-	21,166
Telephone and communications	1,909	875	1,034	1,114	1,750	557	716	7,955	4,297	553	12,805
Travel, hotel and meetings	17,359	-	1,591	-	6,065	-	-	25,015	1,164	616	26,795
Total direct expenses	<u>161,295</u>	<u>53,922</u>	<u>66,860</u>	<u>75,195</u>	<u>104,242</u>	<u>34,805</u>	<u>45,054</u>	<u>541,373</u>	<u>91,545</u>	<u>159,710</u>	<u>792,628</u>
Total expenses	<u>\$ 288,273</u>	<u>\$ 157,226</u>	<u>\$ 204,735</u>	<u>\$ 225,420</u>	<u>\$ 322,783</u>	<u>\$ 126,632</u>	<u>\$ 148,423</u>	<u>\$ 1,473,492</u>	<u>\$ 176,403</u>	<u>\$ 296,947</u>	<u>\$ 1,946,842</u>

See accompanying notes to financial statements.

**TUESDAY'S CHILDREN  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2020**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ (86,357)
Adjustments for non-cash items included in operating activities:	
Depreciation	8,589
Loss on asset disposal	3,492
Changes in assets and liabilities:	
Accounts receivable	(39,680)
Grants and contributions receivable	142,106
Prepaid expenses	(132)
Accounts payable & accrued expenses	(124,920)
Total adjustments	<u>(10,545)</u>
Net cash provided/(used) by operating activities	<u>(96,902)</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase/(decrease) in cash	(96,902)
Cash at beginning of year	<u>910,801</u>
Cash at end of year	<u><u>\$ 813,899</u></u>
Supplemental information:	
Asset disposal	\$ 20,950

**See accompanying notes to the financial statements.**

## TUESDAY'S CHILDREN NOTES TO FINANCIAL STATEMENTS

### 1. **Nature of Activities and Summary of Significant Accounting Policies**

**Organization:** Tuesday's Children (hereafter referred to as the Organization) is a not-for-profit corporation, incorporated in the District of Columbia on October 15, 2001. The primary purpose of the Organization is to relieve the distress of, and promote and encourage the mentoring and support of children who lost parents in the World Trade Center attack of September 11, 2001.

**Tax exempt status:** The Organization was granted tax-exempt status by the Internal Revenue Service under Internal Revenue Code Section 501(c)(3) in December, 2001. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements include any uncertain tax positions.

**Programs and services provided:** Tuesday's Children programs include trauma and grief support, youth mentoring, mental health services, skills-building workshops, career resources, parenting advisement, youth leadership development, community--based family engagement events and volunteerism opportunities. These programs strengthen resilience, foster post-traumatic growth and build common bonds.

While continuing to be a steadfast support for families impacted by Tuesday September 11<sup>th</sup> and the ripple effects of that tragedy, Tuesday's Children's rapidly expanding nationwide Military Initiative for Families of the Fallen fills the gap in long-term healing programs available for America's Gold Star families, who have made the ultimate sacrifice. Tuesday's Children continues to broaden its impact by sharing its proven Long-Term Healing Model and lessons learned with other domestic and international communities, service providers, governmental agencies and family support networks, particularly in response to the devastating military losses in the post-9/11 era, as well as the growing number of mass shootings in the U.S., terrorist attacks at home and abroad, and now the ongoing pandemic. Through its international initiative, Project COMMON BOND, Tuesday's Children has united teenagers and young adults from nearly 40 countries to transform their experience of losing a loved one due to terrorism, violent extremism or war into global peacebuilding efforts and friendships that transcend borders.

**Major source of income:** The Organization derives most of its income from grants and contributions from foundations, corporations and individuals and special events.

**Basis of accounting:** The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.



**TUESDAY'S CHILDREN  
NOTES TO FINANCIAL STATEMENTS**

**1. Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Estimates and assumptions:** Management uses estimates and assumptions in preparing these financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Investments:** The policy of the Organization is to sell donated investments soon after receipt and consider them cash donations valued at the sale price.

**Receivables:** Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Receivables are written-off as bad debts in the year deemed uncollectible and are reported as such in the statements of expenses by function and natural classification. All receivables are expected to be collected within one year and therefore are recorded at their net realizable value.

**Property and equipment:** The Organization capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost or donated value, less accumulated depreciation. Depreciation is computed on the straight-line method over the respective assets' estimated useful lives of five to ten years. Leasehold improvements are depreciated by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. Expenditures for repairs and maintenance are expensed as incurred and major renewals and betterments are capitalized.

**Net Assets:** Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

**TUESDAY'S CHILDREN  
NOTES TO FINANCIAL STATEMENTS**

**1. Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Revenue recognition:** The Organization recognizes contributions when cash, noncash assets, or unconditional promises to give are received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. At December 31, 2020, the Organization did not have any conditional pledges that were not recognized.

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization receives special events revenue which contains both an exchange component and a conditional contribution component. Both components are recognized when the event takes place. Any event revenue received in advance of the event is recorded as deferred income.

Program service revenue relates to fees received in exchange for program services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred income.

During the year ended December 31, 2020, the Organization received \$187,162 of Paycheck Protection Program funds from the U.S. Small Business Administration. Management has determined that the correct model to follow is the grant model and that the purpose-related conditions imposed on the grant were met by year-end. Therefore, the full amount has been recognized as revenue. The amount is included with government grants in the statement of activities for the year ended December 31, 2020.

**Functional expense allocation:** The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of expenses by function and natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses and consultants and outside contractors based on estimated time and effort and all other expenses based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

**TUESDAY'S CHILDREN**  
**NOTES TO FINANCIAL STATEMENTS**

**2. Property and Equipment**

Property and equipment by major class consisted of the following at December 31, 2020:

Computer	\$ 73,709
Furniture and equipment	71,703
Leasehold improvements	8,500
Less: accumulated depreciation and amortization	<u>( 147,920)</u>
	<u>\$ 5,992</u>

**3. Net Assets With Donor Restrictions**

As of December 31, 2020, net assets with donor restrictions are available as follows:

Project Common Bond	\$ 50,000
Mentoring	52,085
2021 operations	<u>250,000</u>
	<u>\$ 352,085</u>

**4. Commitments and Contingencies**

The Organization leases office space under a non-cancelable operating lease. Total rent and related occupancy expenses charged to operations for the year ended December 31, 2020 was \$96,491. As of December 31, 2020, the minimum aggregate annual rentals are as follows:

Year ended December 31, 2021	\$ 28,884
2022	24,070

**5. Concentrations**

The Organization maintains its bank and investment accounts with financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. The Securities Investor Protection Corporation insures cash and securities, including money market funds, up to \$500,000 per financial institution. The balances may have exceeded the insured limit at times during the year ended December 31, 2020.

**6. Revenue from Contracts with Customers**

Detail of revenue from contracts with customers during the year ended December 31, 2020 is as follows:

Special event revenue - exchange component \$ 158,729

As of December 31, 2020, there was no deferred income relating to contracts with customers.

**TUESDAY'S CHILDREN  
NOTES TO FINANCIAL STATEMENTS**

**7. Liquidity and Availability of Financial Assets**

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2020, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

Financial assets:	
Cash	\$ 813,899
Receivables	<u>98,566</u>
Total financial assets	912.465
Less those unavailable for general expenditures within one year	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 912,465</u>

**8. COVID-19**

During the year ended December 31, 2020, the Organization was negatively affected by COVID-19. This was due to lockdowns and social distancing which prevented in-person programming. The effect was a drastic drop in program service revenue and special event revenue from prior year level. The Organization pivoted to virtual programs to help mitigate some of the loss of program service revenue and expects the downturn to be temporary.

**9. Joint Costs**

The Organization conducted activities that included direct solicitation for contributions from individuals, corporations and foundations. The costs of personnel and related costs associated with those solicitation activities included fundraising, and program expenses (collectively defined as joint costs). The total joint (allocated) costs for the year ended December 31, 2020 are as follows:

Program	\$ 58,376
Fundraising	<u>87,564</u>
	<u>\$ 145,940</u>

**TUESDAY'S CHILDREN**  
**NOTES TO FINANCIAL STATEMENTS**

**10 Subsequent Events**

Management has evaluated subsequent events through May 3, 2021, the date the financial statements were available to be issued, to evaluate whether any such events warrant adjustment to any reported amounts or inclusion of additional disclosures. No such adjustments or disclosures were judged to be necessary.