

**ART THERAPY OUTREACH CENTER CORPORATION**

**FINANCIAL STATEMENTS**

December 31, 2012 and 2011

ART THERAPY OUTREACH CENTER CORPORATION

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## INDEPENDENT AUDITOR'S LETTER

The Board of Directors of the  
ART THERAPY OUTREACH CENTER CORPORATION

I have audited the accompanying statement of financial position of the ART THERAPY OUTREACH CENTER CORPORATION as of December 31, 2012 and 2011 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of ART THERAPY OUTREACH CENTER CORPORATION's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ART THERAPY OUTREACH CENTER CORPORATION and the changes in net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Anthony M. Buzzeo CPA PLLC*

Anthony M. Buzzeo, CPA PLLC

New York, New York  
February 11, 2013

**ART THERAPY OUTREACH CENTER CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2012 and 2011

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<b>ASSETS</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Current assets:		
Cash, operating account	\$ 121,993	\$ 118,758
Cash, savings	1,001	1,000
Contributions and grants receivable	10,806	805
Prepaid insurance	692	1,435
Total assets	134,492	121,998
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	18,573	9,956
<b>NET ASSETS</b>		
Unrestricted	105,919	112,041
Temporarily restricted (Note 5)	10,000	-
Total Liabilities and Net Assets	\$ 134,492	\$ 121,998

See Notes to Financial Statements

**ART THERAPY OUTREACH CENTER CORPORATION**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
For the Years Ended December 31, 2012 and 2011

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	<u>2012</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>2011</u>
<b>Revenues:</b>				
Contributions and grants	\$ 132,000	\$ 10,000	\$ 142,000	\$ 163,941
Donations from individuals	43,651		43,651	21,540
Special events income	25,424		25,424	-
In-kind contributions	14,970		14,970	-
Contributions - office space (Note 4)	<u>25,500</u>		<u>25,500</u>	<u>4,250</u>
 Total support and revenue	 <u>241,545</u>	 <u>10,000</u>	 <u>251,545</u>	 <u>189,731</u>
 <b>Expenses:</b>				
Program services	170,675	-	170,675	52,084
Support services	22,550	-	22,550	28,246
Fundraising	<u>54,442</u>	<u>-</u>	<u>54,442</u>	<u>6,970</u>
 Total expenses	 <u>247,667</u>	 <u>-</u>	 <u>247,667</u>	 <u>87,300</u>
 <b>Change in net assets</b>	 (6,122)	 10,000	 3,878	 102,431
 Net assets, beginning of year	 <u>112,041</u>	 <u>-</u>	 <u>112,041</u>	 <u>9,610</u>
 Net assets, end of year	 <u>\$ 105,919</u>	 <u>\$ 10,000</u>	 <u>\$ 115,919</u>	 <u>\$ 112,041</u>

See Notes to Financial Statements

**ART THERAPY OUTREACH CENTER CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Years Ended December 31, 2012 and 2011

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>Total Expenses</u>	
				<u>2012</u>	<u>2011</u>
Salaries	\$ 36,026	\$ 9,007	\$ 15,011	\$ 60,044	\$ 19,334
Payroll taxes	4,265	1,066	1,777	7,109	2,334
Employee benefits - health insurance	6,355	1,589	2,648	10,591	3,465
Professional fees	82,763	-	-	82,763	31,800
Program development	3,475	-	-	3,475	2,125
Program supplies	12,118	-	-	12,118	7,688
Printing & copying	-	1,737	283	2,020	1,297
Insurance - other than health	811	811	-	1,622	2,436
Accounting fees	-	2,500	-	2,500	2,500
Website development	1,792	112	336	2,240	3,300
Public relations and marketing	3,923	262	1,046	5,231	4,500
Fundraising fees	-	-	2,519	2,519	-
Special event expense	-	-	25,809	25,809	-
Rent and other occupancy (Note 4)	16,830	4,335	4,335	25,500	4,250
Office supplies and expense	1,028	520	80	1,628	372
Travel	1,234	-	54	1,288	982
Meetings	-	492	-	492	274
Postage, shipping, delivery	54	50	350	454	102
Dues and subscriptions	-	-	195	195	195
Bank service charges and payroll processing fees	-	-	-	-	286
Advertising	-	70	-	70	60
Total expenses	<u>\$ 170,675</u>	<u>\$ 22,550</u>	<u>\$ 54,442</u>	<u>\$ 247,667</u>	<u>\$ 87,300</u>

ART THERAPY OUTREACH CENTER CORPORATION

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2012 and 2011

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	<u>2012</u>	<u>2011</u>
<b><u>Cash Flows From Operating Activities</u></b>		
Change in net assets	\$ 3,877	\$ 102,431
Adjustments to reconcile change in net assets to net cash provide (used) by operating activities:		
(Increase) decrease in assets:		
Prepaid insurance	743	(1,435)
Contributions receivable	(10,001)	(805)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	8,423	9,956
<b><u>Cash provided by operating activities</u></b>	<u>3,041</u>	<u>110,147</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	3,041	110,147
Cash and cash equivalents, beginning of year	<u>119,757</u>	<u>9,610</u>
Cash and cash equivalents, end of year	<u>\$ 122,798</u>	<u>\$ 119,757</u>

**Supplemental Disclosure**

Cash paid for:

Filing fees	\$ -	\$ -
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See Notes to Financial Statements

**ART THERAPY OUTREACH CENTER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. Nature of Activities**

The Art Therapy Outreach Center (ATOC) is a nonprofit 501c(3) organization dedicated to providing free art therapy services to underserved populations in the New York City area who have experienced some form of trauma, including war veterans, at-risk youth, and victims of domestic violence or sexual abuse. Our mission is to utilize the visual arts to provide a therapeutic experience for participants that will enhance their physical, mental and emotional well-being.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation** - The accompanying financial statements have been prepared on the accrual basis of accounting following the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No.117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Cash Equivalents** - the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Donated Assets** - Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair market value at the date of donation.

**Furniture and Equipment** - Furniture and equipment are recorded at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is provided for using the straight-line method over the assets estimated useful lives.

**Grants and contributions** - Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on existence and/or nature of any donor restrictions.

**Income Tax Status** - The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization was originally a private foundation which now has public charity status. The Organization qualifies for the charitable deduction under Section 170(b)(1)(A).



**ART THERAPY OUTREACH CENTER CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

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**3. Description of Program Services**

ATOC's vision is to be the leading provider of free art therapy services to underserved populations in the New York City area and, in time, to expand programs to include other non-verbal, expressive therapy services (e.g. photography, dance, drama, music), as driven by the needs of clients.

Ultimately, ATOC's aim is to help our clients see themselves as survivors of trauma rather than victims, and build the confidence necessary to re-engage in their communities and move on with their lives.

Art therapy continues to gain recognition as an effective way of using the power of the creative process to help individuals and groups explore personal challenges, manage stress, process trauma, and increase personal expression, self-awareness and coping skills.

**4. Office space**

The School of Visual Arts (SVA) located at 136 West 21<sup>st</sup> Street, New York, New York, donates furnished office space, art studio space, computers, telephone and internet services. The fair market value of the office space is \$2,125 per month, and is recorded as rent and other occupancy expense on the statement of functional expenses. The agreement between SVA and ATOC began November 1, 2011 and is established annually.

**5. Restrictions on Net Assets**

Temporarily restricted net assets represent grants pertaining to future periods.

As of December 31, 2012, a total of \$10,000 in grants were temporarily restricted, all of which will become unrestricted during the current fiscal year.