

2013

# ART THERAPY OUTREACH CENTER CORPORATION

## Financial Statements

December 31, 2013 and 2012

Anthony M. Buzzeo, CPA PLLC  
Certified Public Accountants



ART THERAPY OUTREACH CENTER CORPORATION

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ANTHONY M. BUZZEO  
CPA • PLLC

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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, 2013 and 2012 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  
March 10, 2014

**ART THERAPY OUTREACH CENTER CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2013 and 2012

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	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Current assets:		
Cash, operating account	\$ 83,627	\$ 121,993
Cash, savings	1,001	1,001
Contributions and grants receivable	41,210	10,806
Prepaid insurance	<u>725</u>	<u>692</u>
Total assets	\$ <u>126,563</u>	\$ <u>134,492</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ <u>9,110</u>	\$ <u>18,573</u>
<b>NET ASSETS</b>		
Unrestricted	112,453	105,919
Temporarily restricted (Note 5)	<u>5,000</u>	<u>10,000</u>
Total net assets	<u>117,453</u>	<u>115,919</u>
Total liabilities and net assets	\$ <u>126,563</u>	\$ <u>134,492</u>

See Notes to Financial Statements

**ART THERAPY OUTREACH CENTER CORPORATION**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
For the Years Ended December 31, 2013 and 2012

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	<u>2013</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>2012</u>
<b>Revenues:</b>				
Contributions and grants	\$ 173,000	\$ 5,000	\$ 178,000	\$ 142,000
Donations from individuals	58,119	-	58,119	43,651
Special events income	40,832	-	40,832	25,424
In-kind contributions	10,440	-	10,440	14,970
Contributions - office space (Note 4)	<u>25,500</u>	<u>-</u>	<u>25,500</u>	<u>25,500</u>
 Total support and revenue	 <u>307,891</u>	 <u>5,000</u>	 <u>312,891</u>	 <u>251,545</u>
 <b>Expenses:</b>				
Program services	223,976	-	223,976	170,675
Support services	24,163	-	24,163	22,550
Fundraising	<u>63,218</u>	<u>-</u>	<u>63,218</u>	<u>54,442</u>
 Total expenses	 <u>311,357</u>	 <u>-</u>	 <u>311,357</u>	 <u>247,667</u>
 <b>Change in net assets</b>	 <b>(3,466)</b>	 <b>5,000</b>	 <b>1,534</b>	 <b>3,878</b>
 Net assets, beginning of year	 <u>115,919</u>	 <u>-</u>	 <u>115,919</u>	 <u>112,041</u>
 Net assets, end of year	 <u>\$ 112,453</u>	 <u>\$ 5,000</u>	 <u>\$ 117,453</u>	 <u>\$ 115,919</u>

See Notes to Financial Statements

**ART THERAPY OUTREACH CENTER CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Years Ended December 31, 2013 and 2012**

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>2013</u> <u>Total Expenses</u>	<u>2012</u> <u>Total Expenses</u>
Salaries	\$ 21,350	\$ 12,200	\$ 27,450	\$ 61,000	\$ 60,044
Payroll taxes	2,562	1,464	3,294	7,320	7,109
Employee benefits	3,843	2,196	4,941	10,980	10,591
Professional fees	139,163	-	-	139,163	82,763
Program development	1,199	-	-	1,199	3,475
Program supplies	20,936	-	-	20,936	12,118
Printing & copying	-	421	69	490	2,020
Insurance - D & O, liability	1,489	1,489	-	2,978	1,622
Accounting fees	-	2,805	-	2,805	2,500
Website	879	55	165	1,099	2,240
Public relations and marketing	2,837	189	756	3,782	5,231
Fundraising fees	-	-	2,528	2,528	2,519
Special event expense	2,500	-	20,585	23,085	25,809
Rent and other occupancy (Note 4)	20,400	2,550	2,550	25,500	25,500
Office supplies	635	159	265	1,059	1,628
Travel	6,142	-	-	6,142	1,288
Meetings	-	546	-	546	492
Postage, shipping	41	37	262	340	454
Dues and subscriptions	-	-	354	354	195
Bank service charges and payroll processing fees	-	51	-	51	-
Advertising	-	-	-	-	70
Total expenses	<u>\$ 223,976</u>	<u>\$ 24,163</u>	<u>\$ 63,218</u>	<u>\$ 311,357</u>	<u>\$ 247,667</u>

ART THERAPY OUTREACH CENTER CORPORATION

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b><u>Cash Flows From Operating Activities</u></b>		
Change in net assets	\$ 1,534	\$ 3,878
Adjustments to reconcile change in net assets to net cash provide (used) by operating activities:		
(Increase) decrease in assets:		
Prepaid insurance	(33)	743
Contributions receivable	(30,404)	(10,001)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(9,463)</u>	<u>8,423</u>
<b><u>Cash (used for) provided by operating activities</u></b>	<u>(38,366)</u>	<u>3,043</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(38,366)	3,043
Cash and cash equivalents, beginning of year	<u>122,994</u>	<u>119,951</u>
Cash and cash equivalents, end of year	<u>\$ 84,627</u>	<u>\$ 122,994</u>

**Supplemental Disclosure**

Cash paid for:

Filing fees	\$ 60	\$ -
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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, working in partnership with other nonprofit organizations serving marginalized populations.

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, and 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, 2013, a total of \$5,000 in grants were temporarily restricted, all of which will become unrestricted during the current fiscal year. The amount temporarily restricted as of December 31, 2012, became available during 2013.