

2014

ART THERAPY OUTREACH CENTER CORPORATION

Financial Statements

December 31, 2014 and 2013

Anthony M. Buzzeo, CPA PLLC
Certified Public Accountant



ART THERAPY OUTREACH CENTER CORPORATION

December 31, 2014 and 2013

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ANTHONY M. BUZZEO
CPA • PLLC

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the ART THERAPY OUTREACH CENTER CORPORATION,

We have audited the accompanying financial statements of ART THERAPY OUTREACH CENTER CORPORATION which comprise the financial position as of December 31, 2014 and 2013, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statement.

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 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 ART THERAPY OUTREACH CENTER CORPORATION, as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Anthony M. Buzzeo CPA PLLC

Anthony Buzzeo, CPA

New York, New York
February 18, 2015

ART THERAPY OUTREACH CENTER CORPORATION
STATEMENT OF FINANCIAL POSITION
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets:		
Cash, operating account	\$ 107,796	\$ 83,627
Cash, savings	1,002	1,001
Cash, PayPal, petty	1,369	1,129
Contributions and grants receivable	-	40,500
Prepaid insurance	213	725
	<hr/>	<hr/>
Total assets	\$ <u>110,380</u>	\$ <u>126,982</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ <u>4,960</u>	\$ <u>9,110</u>
Total liabilities	4,960	9,110
NET ASSETS		
Unrestricted	105,420	112,872
Temporarily restricted (Note 4)	-	5,000
	<hr/>	<hr/>
Total net assets	<u>105,420</u>	<u>117,872</u>
Total liabilities and net assets	\$ <u>110,380</u>	\$ <u>126,982</u>

See Notes to Financial Statements

ART THERAPY OUTREACH CENTER CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>2013</u>
Revenues:				
Contributions and grants	\$ 173,500	\$ -	\$ 173,500	\$ 173,000
Donations from individuals	75,593	-	75,593	58,119
Special events income (Note 5)	70,134	-	70,134	40,832
In-kind contributions (Note 6)	42,232	-	42,232	10,440
Contributions - office space (Note 7)	<u>27,030</u>	<u>-</u>	<u>27,030</u>	<u>25,500</u>
 Total revenue	 388,489	 -	 388,489	 307,891
Net assets released from restrictions	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
 Total revenues and other support	 393,489	 (5,000)	 388,489	 312,891
 Expenses:				
Program services	300,328	-	300,328	223,976
Support services	29,636	-	29,636	24,163
Fundraising	<u>70,977</u>	<u>-</u>	<u>70,977</u>	<u>63,218</u>
 Total expenses	 <u>400,941</u>	 <u>-</u>	 <u>400,941</u>	 <u>311,357</u>
 Change in net assets	 (7,452)	 (5,000)	 (12,452)	 1,534
 Net assets, beginning of year	 <u>112,872</u>	 <u>5,000</u>	 <u>117,872</u>	 <u>116,338</u>
 Net assets, end of year	 <u>\$ 105,420</u>	 <u>\$ -</u>	 <u>\$ 105,420</u>	 <u>\$ 117,872</u>

See Notes to Financial Statements

ART THERAPY OUTREACH CENTER CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2014 and 2013

	<u>Program Services</u>			<u>Support Services</u>		<u>Fundraising</u>		<u>Total Expenses</u>		
								<u>2014</u>	<u>2013</u>	
Salaries - executive director (incl:benefits, taxes)	\$	51,090	\$	17,030	\$	17,030	\$	85,150	\$	79,300
Salaries - clinical (incl:benefits, taxes)		23,333		-		-		23,333		-
Professional fees		161,661		-		-		161,661		139,163
Program - supplies		19,474		-		-		19,474		20,936
Program - travel, other		10,003		-		-		10,003		6,142
Printing, copying		-		962		157		1,118		490
Insurance - D & O, liability		1,493		1,493		-		2,987		2,978
Accounting fees		-		2,806		-		2,806		2,805
Website		1,012		63		190		1,265		1,099
Public relations and marketing		1,411		94		376		1,882		3,782
Consultation - branding		7,500		3,750		3,750		15,000		-
Fundraising fees		-		-		5,607		5,607		2,528
Special event expense		-		-		40,075		40,075		23,085
Rent and other occupancy (Note 7)		21,624		2,703		2,703		27,030		25,500
Office supplies		1,068		247		329		1,644		1,059
Professional - development		582		-		-		582		1,199
Meetings		-		255		-		255		546
Postage, shipping		76		70		490		637		340
Dues and subscriptions		-		-		270		270		354
Bank service charges and payroll processing fees		-		83		-		83		51
Advertising		-		80		-		80		-
		<u> </u>		<u> </u>		<u> </u>		<u> </u>		<u> </u>
Total expenses	\$	<u>300,328</u>	\$	<u>29,636</u>	\$	<u>70,977</u>	\$	<u>400,941</u>	\$	<u>311,356</u>

ART THERAPY OUTREACH CENTER CORPORATION

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ (12,452)	\$ 1,534
Adjustments to reconcile change in net assets to net cash provide (used) by operating activities:		
(Increase) decrease in assets:		
Prepaid insurance	512	(33)
Contributions receivable	40,500	(30,404)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(4,150)</u>	<u>(9,463)</u>
<u>Net Cash Provided (Used) By Operating Activities</u>	<u>24,410</u>	<u>(38,366)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	24,410	(38,366)
Cash and cash equivalents, beginning of year	<u>85,757</u>	<u>124,123</u>
Cash and cash equivalents, end of year	<u>\$ 110,167</u>	<u>\$ 85,757</u>

Supplemental Disclosure

Cash paid for:

Filing fees	\$ 75	\$ 60
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See Notes to Financial Statements

ART THERAPY OUTREACH CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS

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 survivors 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. In addition, the Organization qualifies for the charitable deduction under Section 170(b) (1) (A) and has been classified as an Organization that is not a private foundation under Section 509(a) (2).

ART THERAPY OUTREACH CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS

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. 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 became unrestricted during the current fiscal year. There were no temporarily restricted net assets as of December 31, 2014.

5. Annual Special Event

ATOC holds an annual event where clients' artwork is exhibited. The money raised from the event as well as income from donations and sponsors, helps ATOC to continue its mission. During 2014 and 2013, the special event provided \$70,134 and \$40,832, respectively.

6. In-Kind Contributions

In-kind contributions consist of donations of time, expertise, supplies and additional resources provided by various individuals, companies and estates. During 2014 and 2013, \$42,232 and \$10,440 of in-kind contributions were received, respectively. During 2014, ATOC increased its staff with a full time clinical director to assist the organization as it grows. A portion of the salary and benefits for 2014, \$10,000, was covered by the School of Visual Arts and is treated as an in-kind contribution on the Statement of Activities and Net Assets.

ART THERAPY OUTREACH CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS

7. Office Space

The School of Visual Arts (SVA) located at 136 West 21st 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 \$2,225 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. During 2014, additional space on the floor above the current location was donated with a fair market value of \$123 per month.