

2015

ART THERAPY OUTREACH CENTER CORPORATION

Financial Statements

December 31, 2015 and 2014

Anthony M. Buzzeo, CPA PLLC
Certified Public Accountant



ART THERAPY OUTREACH CENTER CORPORATION

December 31, 2015 and 2014

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ANTHONY M. BUZZEO
CPA • PLLC

INDEPENDENT AUDITOR'S REPORT

Board of Directors
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, 2015 and 2014, 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, 2015 and 2014, 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
January 27, 2016

ART THERAPY OUTREACH CENTER CORPORATION

STATEMENT OF FINANCIAL POSITION

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets:		
Cash, operating account	\$ 96,608	\$ 107,796
Cash, savings	1,002	1,002
Cash, PayPal, petty	4,764	1,369
Contributions and grants receivable	12,850	-
Prepaid insurance	-	213
	<hr/>	<hr/>
Total assets	\$ <u>115,224</u>	\$ <u>110,380</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ <u>3,171</u>	\$ <u>4,960</u>
Total liabilities	3,171	4,960
NET ASSETS		
Unrestricted	85,053	105,420
Temporarily restricted (Note 4)	27,000	-
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Total net assets	<u>112,053</u>	<u>105,420</u>
Total liabilities and net assets	\$ <u>115,224</u>	\$ <u>110,380</u>

See Notes to Financial Statements

ART THERAPY OUTREACH CENTER CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS
For the Years Ended December 31, 2015 and 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Revenues:				
Contributions and grants	\$ 187,000	\$ 23,000	\$ 210,000	\$ 173,500
Donations from individuals	74,679	-	74,679	75,593
Special events income (Note 5)	92,012	4,000	96,012	70,134
In-kind contributions (Note 6)	92,795	-	92,795	42,232
Contributions - office space (Note 7)	<u>25,500</u>	<u>-</u>	<u>25,500</u>	<u>27,030</u>
 Total revenue	 471,986	 27,000	 498,986	 388,489
Expenses:				
Program services	334,336	-	334,336	300,328
Support services	26,631	-	26,631	29,636
Fundraising	<u>131,386</u>	<u>-</u>	<u>131,386</u>	<u>70,977</u>
 Total expenses	 <u>492,353</u>	 <u>-</u>	 <u>492,353</u>	 <u>400,941</u>
 Change in net assets	 (20,367)	 27,000	 6,633	 (12,452)
 Net assets, beginning of year	 <u>105,420</u>	 <u>-</u>	 <u>105,420</u>	 <u>117,872</u>
 Net assets, end of year	 <u>\$ 85,053</u>	 <u>\$ 27,000</u>	 <u>\$ 112,053</u>	 <u>\$ 105,420</u>

See Notes to Financial Statements

ART THERAPY OUTREACH CENTER CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2015 and 2014

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>2015 Total</u>	<u>2014 Total</u>
Staff Salaries (incl:benefits, taxes)	\$ 101,905	\$ 16,380	\$ 56,420	\$ 174,705	\$ 108,483
Professional fees	176,347	-	-	176,347	161,661
Program - supplies	14,642	-	-	14,642	19,474
Program - travel, other	13,454	-	-	13,454	10,003
Printing, copying	-	2,076	338	2,414	1,118
Insurance - D & O, liability	1,419	1,419	-	2,839	2,987
Accounting fees	-	2,932	-	2,932	2,806
Website	2,033	127	381	2,542	1,265
Public relations and marketing	3,151	210	840	4,202	1,882
Consultation - branding	-	-	-	-	15,000
Fundraising fees	-	-	7,279	7,279	5,607
Special event expense	-	-	62,707	62,707	40,075
Rent and other occupancy (Note 7)	20,400	2,550	2,550	25,500	27,030
Office supplies	708	163	218	1,090	1,644
Professional - development	215	-	-	215	582
Meetings	-	628	-	628	255
Postage, shipping	60	55	383	498	637
Dues and subscriptions	-	-	270	270	270
Bank service charges and payroll processing fees	-	90	-	90	83
Advertising	-	-	-	-	80
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Total expenses	\$ <u>334,336</u>	\$ <u>26,631</u>	\$ <u>131,386</u>	\$ <u>492,353</u>	\$ <u>400,941</u>

See Notes to Financial Statements

ART THERAPY OUTREACH CENTER CORPORATION

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 6,633	\$ (12,452)
Adjustments to reconcile change in net assets to net cash provide (used) by operating activities:		
(Increase) decrease in assets:		
Prepaid insurance	213	512
Contributions receivable	(12,850)	40,500
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(1,789)</u>	<u>(4,150)</u>
<u>Net Cash Provided (Used) By Operating Activities</u>	<u>(7,793)</u>	<u>24,410</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(7,793)	24,410
Cash and cash equivalents, beginning of year	<u>110,167</u>	<u>85,757</u>
Cash and cash equivalents, end of year	<u>\$ 102,374</u>	<u>\$ 110,167</u>

Supplemental Disclosure

Cash paid for:

Filing fees	\$ 270	\$ 270
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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 are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

As of December 31, 2015, a total of \$27,000 in grants were temporarily restricted, all of which will become unrestricted in 2016. 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 2015 and 2014, the special event provided \$96,512 and \$70,134, 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 2015 and 2014, \$92,795 and \$42,232 of in-kind contributions were received, respectively.

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 \$2,125 per month, for 2015 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 another floor was donated with a fair market value of \$128 per month. The total rent with the additional space was \$27,030 for 2014. The additional space was not available during 2015.

8. Subsequent Events

The Organization has evaluated subsequent events through the date of this report, January 27, 2016, which is also the date which the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.