

ART THERAPY OUTREACH CENTER CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

ART THERAPY OUTREACH CENTER CORPORATION

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
Statement of Financial Position.....	2
Statement of Activities and Net Assets.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6-7



ANTHONY M. BUZZEO
CPA • PLLC

INDEPENDENT AUDITOR'S REPORT

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, 2011 and 2010 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

New York, New York
February 15, 2012

ART THERAPY OUTREACH CENTER CORPORATION
STATEMENT OF FINANCIAL POSITION
December 31, 2011 and 2010

ASSETS	<u>2011</u>	<u>2010</u>
Current assets:		
Cash, operating account	\$ 118,758	\$ 8,610
Cash, savings	1,000	1,000
Contributions receivable	805	-
Prepaid insurance	1,435	-
Total assets	121,998	9,610
LIABILITIES		
Accounts payable and accrued expenses	9,956	-
NET ASSETS		
Unrestricted	112,042	9,610
Total Liabilities and Net Assets	\$ 121,998	\$ 9,610

See Notes to Financial Statements

ART THERAPY OUTREACH CENTER CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Contributions and grants	\$ 163,941	\$ 10,000
Donations from individuals	21,540	-
Contributions - office space (Note 4)	<u>4,250</u>	<u>-</u>
 Total support and revenue	 <u>189,731</u>	 <u>10,000</u>
 Expenses:		
Program services	52,084	-
Support services	28,246	390
Fundraising	<u>6,970</u>	<u>-</u>
 Total expenses	 <u>87,299</u>	 <u>390</u>
 Increase in net assets	 102,432	 9,610
 Net assets, beginning of year	 <u>9,610</u>	 <u>-</u>
 Net assets, end of year	 <u>\$ 112,042</u>	 <u>\$ 9,610</u>

See Notes to Financial Statements

ART THERAPY OUTREACH CENTER CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>2011 Total Expenses</u>	<u>2010</u>
Salaries	\$ 4,833	\$ 9,666	\$ 4,833	\$ 19,332	\$ -
Payroll taxes	583	1,168	583	2,334	-
Employee benefits - health insurance	866	1,734	866	3,466	-
Professional fees	31,800	-	-	31,800	-
Program development	2,125	-	-	2,125	-
Program supplies	7,688	-	-	7,688	-
Printing & copying	-	865	432	1,297	-
Insurance - other than health	1,001	1,435	-	2,436	-
Accounting fees	-	2,500	-	2,500	-
Website development	-	3,300	-	3,300	251
Public relations and marketing	-	4,500	-	4,500	-
Rent and other occupancy (Note 4)	3,188	1,063	-	4,250	-
Office supplies and expense	-	372	-	372	-
Travel	-	982	-	982	45
Meetings	-	274	-	274	-
Postage, shipping, delivery	-	41	61	102	-
Dues and subscriptions	-	-	195	195	-
Bank service charges and payroll processing fees	-	286	-	286	94
Advertising	-	60	-	60	-
Total expenses	<u>\$ 52,084</u>	<u>\$ 28,246</u>	<u>\$ 6,970</u>	<u>\$ 87,299</u>	<u>\$ 390</u>

ART THERAPY OUTREACH CENTER CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 102,432	\$ 9,610
Adjustments to reconcile change in net assets to net cash provide (used) by operating activities:		
(Increase) decrease in assets:		
Prepaid insurance	(1,435)	-
Contributions receivable	(805)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	9,956	-
	110,148	9,610
<u>Net Cash Provided (Used) By Operating Activities</u>	<u>110,148</u>	<u>9,610</u>
Net increase (decrease) in cash and cash equivalents	110,148	9,610
Cash and cash equivalents, beginning of year	9,610	-
	119,758	9,610
Cash and cash equivalents, end of year	\$ 119,758	\$ 9,610

Supplemental Disclosure

Cash paid for:

Income taxes (filing fees)	\$ -	\$ -
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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 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

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 21st 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.