

**John Lee Kapner**  
**90 LaSalle Street 9E**  
**New York, NY 10027-4721**  
**212 666-4999**  
**[jlkapner@brainlink.com](mailto:jlkapner@brainlink.com)**

January 11, 2012

The Board of Directors  
Ansonia Music Outreach Organization, Inc.  
330 Wadsworth Avenue, 2G  
New York, NY 10040

Mssrs and Mdmes:

I have reviewed the accompanying balance sheets of Ansonia Music Outreach Organization, Inc. as at December 31, 2011 and the related statements of operations as a whole and with respect to both donated funds and general income for the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants ("AICPA"). All information included in these financial statements is the representation of the management of Ansonia Music Outreach Organization, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

A review of comparable Balance Sheets and Statements of Operations for the twelve months ending December 31, 2010 is included herein where appropriate for comparison. Based on my review, I am not aware of any material modifications that should be made to the accompanying Financial Statements for them to be in conformity with generally accepted accounting principles.



John Lee Kapner

**ANSONIA MUSIC OUTREACH ORGANIZATION, INC.**

Balance Sheet

Year Ending December 31, 2011

Beginning of Year

End of Year

<u>Assets</u>		
Cash—non-interest-bearing	47,355	80,465
Accounts Receivable	22,142	1,815
Prepaid Expenses	2,520	
Equipment		6,124
<b>Total Assets:</b>	<b>72,017</b>	<b>88,404</b>

<u>Liabilities</u>		
Accounts payable and accrued expenses	14,603	22,779
<b>Total Liabilities:</b>	<b>14,603</b>	<b>22,779</b>

<u>Net Assets or Fund Balances</u>		
Unrestricted	23,720	15,500
Temporarily Restricted	33,694	50,125
Permanently Restricted	0	0
<b>Total net assets or fund balances:</b>	<b>57,414</b>	<b>65,625</b>
<b>Total liabilities and net assets/fund balances:</b>	<b>72,017</b>	<b>88,404</b>

**ANSONIA MUSIC OUTREACH ORGANIZATION, INC.**

**Statement of Activities**

**January 1 - December 31, 2011**

<b><u>REVENUE</u></b>					
Contributions, gifts, and grants					
	Foundation	<b>180,511</b>			
	Corporate	<b>5,750</b>			
	Government	<b>10,965</b>			
Earned		<b>1,590</b>			
	Total Revenue	<b>198,816</b>			
<b><u>EXPENSES</u></b>					
		<b>Total</b>	<b>Program Services</b>	<b>Management/General</b>	<b>Fundraising</b>
Compensation of Off, Dir. and key employees		66,315	66,315		
Other salaries and wages		58,620	58,620		
Pension plan contributions		2,250	2,250		
Payroll Taxes		10,394	10,394		
Professional Fundraising Fees		0			
Accounting Fees		1,613		1,613	
Service Fees		4,098	1,706	905	1,487
Office Expenses		3,073			3,073
Music and Scores		1,286	1,286		
Information Technology		1,515	975		540
Telephone		1,898	1,088		810
Postage and Shipping		950			950
Occupancy		14,715	9,369	5,346	
Utilities		3,340	2,079	1,261	
Interest		905		905	
Travel		4,592	4,592		
Promotional		1,542	1,542		
Insurance		6,505	6,505		
Software and Equipment		8,564	8,564		
State Reporting Fees		645			645
Bank Charges		365		365	
	<b>Total Functional Expenses:</b>	<b>193,185</b>	<b>175,285</b>	<b>10,395</b>	<b>7,505</b>

<b>ANSONIA MUSIC OUTREACH ORGANIZATION, INC.</b>	
<b><u>Statement of Cash Flows</u></b>	
<b>for the Calendar Year ended December 31, 2011</b>	
	<b>2011</b>
<b>Cash Flows from Operating Activities</b>	
Net Income (Loss)	5,631
(Increase) Decrease in Assets:	
Receivables	20,327
Prepaid Expenses	(2,520)
Increase (Decrease) in Liabilities:	
Accounts Payable	8,176
<b>Total Adjustments</b>	<b>25,983</b>
<b>Cash Provided by Operating Activities</b>	<b>31,614</b>
<b>Cash Flows from Investing Activities</b>	
Additions to Equipment	6,124
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(6,124)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>33,110</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>47,355</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>80,465</b>

**ANSONIA MUSIC OUTREACH ORGANIZATION, INC.**

Supplementary Information

Program Service Expenses

2011

**Expenses**

	<b>Total</b>	<b>Access to Music</b>	<b>Music for the Young</b>	<b>Composer Workshop</b>
Administrative Staff	<b>66,315</b>	55,041	3,316	7,958
Musician Fees	<b>58,620</b>	49,620		9,000
Payroll Taxes	<b>10,394</b>	8,627	520	1,247
Pension plan contributions	<b>2,250</b>	1,912	68	270
Travel	<b>4,592</b>	4,097		495
Music and Scores	<b>1,286</b>	1,286		
Service Fees	<b>1,706</b>			1,706
Occupancy	<b>9,369</b>	7,777	468	1,124
Utilities	<b>2,079</b>	1,726	104	249
Information Technology	<b>975</b>	809	49	117
Promotional	<b>1,542</b>	1,542		
Telephone	<b>1,088</b>	903	54	131
Insurance	<b>6,505</b>	5,399	325	781
Software & Equipment	<b>8,564</b>	8,423		141
<b>Total:</b>	<b>175,285</b>	<b>147,162</b>	<b>4,904</b>	<b>23,219</b>



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January 19, 2011

The Board of Directors  
Ansonia Music Outreach Organization, Inc.  
330 Wadsworth Avenue, 2G  
New York NY 10040-4137

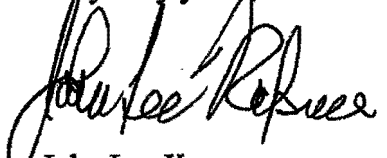
Mssrs and Mdmes:

I have reviewed the accompanying balance sheets of Ansonia Music Outreach Organization, Inc. as at December 31, 2010 and the related statements of operations as a whole and with respect to both donated funds and general income for the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Ansonia Music Outreach Organization, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

A review of comparable Balance Sheets and Statements of Operations for the twelve months ending December 31, 2009 is included herein where appropriate for comparison. Based on my review, I am not aware of any material modifications that should be made to the accompanying Financial Statements for them to be in conformity with generally accepted accounting principles.

Very truly yours,



John Lee Kapner

**ANSONIA MUSIC OUTREACH ORGANIZATION**

Balance Sheet

Year Ending December 31, 2010

Beginning of Year

End of Year

<u>Assets</u>		
Cash—non-interest-bearing	26,292	47,355
Accounts Receivable		22,142
Prepaid Expenses		2,520
<b>Total Assets:</b>	<b>26,292</b>	<b>72,017</b>

<u>Liabilities</u>		
Accounts payable and accrued expenses	3,149	14,603
<b>Total Liabilities:</b>	<b>3,149</b>	<b>14,603</b>

<u>Net Assets or Fund Balances</u>		
Unrestricted	1,633	23,720
Temporarily Restricted	21,618	33,694
Permanently Restricted	0	0
<b>Total net assets or fund balances:</b>	<b>23,143</b>	<b>57,414</b>
<b>Total liabilities and net assets/fund balances:</b>	<b>26,292</b>	<b>72,017</b>



**ANSONIA MUSIC OUTREACH ORGANIZATION, INC.**

**Statement of Activities**

**January 1 - December 31, 2010**

<b><u>REVENUE</u></b>					
Contributions, gifts, and grants					
	Foundation	<b>185,657</b>			
	Corporate	<b>10,575</b>			
	Government	<b>11,151</b>			
Earned		<b>2,615</b>			
	Total Revenue	<b>209,998</b>			
<b><u>EXPENSES</u></b>					
		<b>Total</b>	<b>Program Services</b>	<b>Management/General</b>	<b>Fundraising</b>
Compensation of Off, Dir. and key employees		50,925	50,925		
Other salaries and wages		58,711	58,711		
Pension plan contributions		2,250	2,250		
Payroll Taxes		10,291	10,291		
Professional Fundraising Fees		0			
Accounting Fees		1,636		1,636	
Service Fees		6,561	4,640	434	1,487
Office Expenses		2,583			2,583
Music and Scores		1,532	1,532		
Information Technology		1,041	561		480
Telephone		1,716	936		780
Postage and Shipping		896	100		796
Occupancy		13,530	8,702	4,828	
Utilities		2,806	1,922	884	
Interest		2,253		2,253	
Travel		2,782	2,782		
Promotional		2,753	2,753		
Insurance		5,167	5,167		
Software and Equipment		7,539	7,539		
State Reporting Fees		650			650
Bank Charges		110		110	
	<b>Total Functional Expenses:</b>	<b>175,732</b>	<b>158,811</b>	<b>10,145</b>	<b>6,776</b>

ANSONIA MUSIC OUTREACH ORGANIZATION, INC.	
<u>Statement of Cash Flows</u>	
for the Calendar Year ended December 31, 2010	
	2010
<b>Cash Flows from Operating Activities</b>	
Net Income (Loss)	34,266
(Increase) Decrease in Assets:	
Receivables	22,142
Prepaid Expenses	2,520
Increase (Decrease) in Liabilities:	
Accounts Payable	(11,573)
<b>Total Adjustments</b>	<b>13,089</b>
<b>Cash Provided by Operating Activities</b>	<b>47,355</b>
<b>Cash Flows from Investing Activities</b>	
Additions to Equipment	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>23,672</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>23,683</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>47,355</b>

**ANSONIA MUSIC OUTREACH ORGANIZATION, INC.**

Supplementary Information

Program Service Expenses

2010

**Expenses**

	<b>Total</b>	<b>Access to Music</b>	<b>Music for the Young</b>	<b>Composer Workshop</b>
Administrative Staff	<b>61,296</b>	50,660	3,280	7,356
Musician Fees	<b>48,340</b>	45,740		2,600
Payroll Taxes	<b>10,291</b>	8,845	251	1,195
Pension plan contributions	<b>2,250</b>	1,912	68	270
Travel	<b>2,782</b>	2,249		533
Music and Scores	<b>1,532</b>	1,282		250
Service Fees	<b>4,640</b>	2,342		2,298
Office Expenses	<b>0</b>			
Occupancy	<b>8,702</b>	7,397	261	1,044
Utilities	<b>1,922</b>	1,633	58	231
Information Technology	<b>561</b>	477	17	67
Promotional	<b>2,753</b>	2,753		
Postage and Shipping	<b>100</b>	75		25
Telephone	<b>936</b>	796	28	112
Insurance	<b>5,167</b>	4,392	155	620
Software & Equipment	<b>7,539</b>	5,654		1,885
<b>Total:</b>	<b>158,811</b>	<b>136,207</b>	<b>4,118</b>	<b>18,486</b>



# **Ansonia Music Outreach Organization, Inc.**

## **Notes to Financial Statements**

### **1. Organization**

Ansonia Music Outreach (“AMO”) was incorporated by the New York State Secretary of State as a not-for-profit organization on June 18, 1992. AMO is dedicated to bringing the gift of music to a broad audience, through our work with young people at public and private schools, our efforts to bring the musical arts to low-income and underserved communities, and our concerts and events for the elderly, the ill, and the physically disadvantaged. We have served New York City for over 20 years, providing quality cultural experiences to our target audiences, making the arts more accessible to all people. Our mission is to help establish the musical arts as a more essential and valuable experience in the lives of the general public.

Our *Access to Music* program offers arts events such as free live concerts, music appreciation classes, open rehearsals, and interactive workshops to underserved communities and audiences who because of illness, age, lack of exposure, or economic means, are not capable of attending, or choose not to attend such events in traditional settings.

Our *Music for the Young* program presents innovative projects to young people that inspire interest in classical music and the arts, encourages creativity, and helps make the arts an integral part of the school curriculum.

Our *Composer Workshop* gives composers of merit the opportunity to create new works, makes accessible important music of our time, and works on ways in which the particular musical style or message of new works can be communicated to a general audience, particularly young audiences.

### **2. Summary of Significant Accounting Policies**

#### **Net Asset Classifications**

AMO has reflected amounts related to its financial position and activities in three classes of assets – unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets represent funds which are fully available, at the discretion of management and the Board of Directors, for AMO to utilize in any of its program or supporting services.

Temporarily restricted net assets are comprised of funds which are restricted by donors for specific purposes or time periods.

Permanently restricted net assets include contributions which donors have specified must be maintained in perpetuity. The related income may be expended for such purposes as specified by the donor or, if none, then for any purpose of AMO.

## **Contributions**

AMO reports contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to AMO that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets.

## **Measure of Operations**

AMO includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including all contributions except for those that are restricted for capital expenditures or have been permanently restricted by donors. Contributions for capital expenditures and contributions to permanently restricted net assets are recognized as nonoperating activities.

## **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## **Tax Status**

AMO is a not-for-profit organization as defined under Section 501(c)(3) of the Internal Revenue Code, and is, therefore, exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. Accordingly, no provision for income taxes is required.