MISSION STATEMENT
The mission of the Discovery Orchestra is to teach the listening skills that help people emotionally connect to classical music. We achieve this through intimate gatherings, live performances and media programs.

STRATEGIC PLAN—PRIORITIES
When TDO formulated its latest strategic plan in 2007, we understood the need for clearly stated priorities that would be embraced by our entire community of trustees, staff, musicians, audience members, collaborators, contributors and other friends. We pursued a series of individual interviews, retreats and dialogues as a means of establishing a shared vision for The Discovery Orchestra’s future. Five strategic priorities evolved from these discussions:

• Increase Understanding and Appreciation of Orchestral and Chamber Music Masterworks
• Build The Discovery Orchestra Brand
• Capture and Deliver Musical Discovery through Audio and Video Means
• Take Advantage of Collaborative Opportunities
• Ensure Financial and Organizational Stability

Look for us on

Design services provided by Palmer Uhl Design • Photos courtesy of Deborah Weisman and Daniel Hedden
Executive Director’s Message

What did The Discovery Orchestra “discover” during fiscal year 2009–2010? Well, we discovered that we could turn a dream into reality in a very challenging world. You’ve probably heard a lot about our Discover Beethoven’s 5th television show over the past year. In fact, this project was the driving force behind our season. And rightfully so. This program will reach millions of households in the coming years and potentially affect thousands upon thousands of lives—numbers that our 24 seasons of live performances don’t come close to!

On the other hand, we did struggle financially during FY2010. You will see this reflected in our audited financial statements included with this report. I would like to point out that these financial struggles were not caused by our decision to move forward with the Discover Beethoven’s 5th videotaping. In fact, this project helped us garner contributions. The challenges came about due to across the board reductions from all contributed income sources for general operating expenses. Please see the “Financial Reporting” section of this report for more details about the audited statements.

Since our 2010 fiscal year ended, we are moving in some exciting directions. Don’t worry, we are not abandoning live performances! Simply put, we are looking to capture the majority of our live programs on video and disseminate them on numerous platforms—from large-scale television broadcasts to short YouTube “Discovery” videos to live streams of listening classes. And we are utilizing George’s contagious personality as a brand for TDO and music listening to help “broadcast” our mission to more and more people.

I seem to be getting a bit ahead of myself here. I need to express my deep gratitude to all who contributed to our 2009–2010 achievements and put their faith in our educational music mission: program attendees, Annual Fund Drive donors, Discover Beethoven’s 5th and other program sponsors, the New Jersey State Council on the Arts, foundations, corporations and other stakeholders. I would also like to share how wonderful it is to have such an active and engaged Board of Trustees leading TDO. Our Board of Advisors continue to be terrific ambassadors for us as well as sharing valuable advice. And last, but certainly not least, the TDO staff. I cannot imagine a more dedicated, skilled and enjoyable group of people to call my co-workers and friends.

I hope you find this FY10 Annual Report informative and interesting. I welcome any questions or comments and look forward to seeing you soon at an upcoming Discovery Orchestra program!

Virginia Johnston
Executive Director

President’s Message

As I sit down to write this message, holiday preparations are well underway. As always, there is much to do and much for which to be thankful—a good deal of which has to do with the accomplishments of The Discovery Orchestra. Thanks to the hard work of our devoted staff, our talented musicians and our re-invigorated Board, I think we can all agree that this past year was truly inspirational.

To be sure, all of this was accomplished in one of the most difficult fund-raising and operating climates to have faced arts and educational programs in recent memory. In response to this we presented a slightly modified schedule in order to preserve the style and scope of our offerings as well as to safeguard the successful completion of our second television taping—Discover Beethoven’s 5th.

Looking ahead we continue to be aware of the mercurial nature of the current economic environment—most importantly, government funding for the arts. We feel confident, however, that through our flexibility, several new and innovative partnerships and collaborations, as well as the continued support of our patrons and other funders, we will be able to move ahead with our plans for 2011. We continue to look for and to utilize new venues—and geographically diverse audiences—for our performances. Any of you who were present at the recent concert at Drew University will no doubt have thoroughly enjoyed that spectacular hall. Additionally, we have recently begun work on the design and implementation of a full scale media plan with the help of a new strategic partner. Presences on Twitter and a channel on YouTube are but two extant examples of this initiative which has already brought a host of local, as well as international, interest in TDO. Lastly, we have begun work on our second, full scale Strategic Plan as The Discovery Orchestra, with the help of a professional consultant. Having accomplished the vast majority of the goals we had set as we transitioned from our roots as the Philharmonic Orchestra of New Jersey to the new educational focus of The Discovery Orchestra, it is exciting to be able once again to both envision and to begin to map out our direction for the next decade.

In closing, I have saved both my heartfelt thanks and greatest praise for our friends, patrons, donors, foundations and corporate sponsors. Without you we would never have gotten to the brink of our 25th year and to the dawn of electronic distribution of which we could never have dreamed. All this, while still being able to drive down the road a bit and hear a world class string quartet or a jazz pianist in a private home with fewer people than are on line at the “will call” window!

Bennett Murtha
President, Board of Trustees
ARTISTIC DIRECTOR’S PERSPECTIVE

There is simply nothing more gratifying to all of us at The Discovery Orchestra than to know that what we are doing in our Discovery Concerts, Intimate Evenings & Afternoons, courses and lectures—is working! It is one thing to have a mission and vision on paper. It is quite another to have survey results and a continuous stream of individual testimonials confirming that we are inducing those “aha’s” and transmitting the listening skills that help people to emotionally connect with classical music.

Attracting individuals for whom the listening process is a new experience is extremely important, and our statistics indicate that 30% to 50% of our attendees are newcomers. What I personally find so exciting is the number of seasoned concertgoers, music school graduates and music teachers who tell us that our methods are increasing their listening pleasure as well!

So, as a non-profit educational organization, is it worth enduring the vagaries of the present time with all of its economic uncertainty? You’re darn right it is. For those of us for whom listening to classical music is one of the most emotionally satisfying experiences imaginable—the thought of helping some of the 75% of the population that simply doesn’t know how moved they can be by this music is a powerful and energizing motivator.

How amazing that—in these difficult times—we were able to produce Discover Beethoven’s 5th! At a recent Discover More session, an attendee who had been at NJPAC for the videotaping of the show had already received his advanced copy of the DVD the week before. He excitedly exclaimed to another patron who was purchasing a copy of the DVD: “Wait till you see this! I was there when it happened! I’ve already watched it—it’s great!”

It is truly gratifying that our patrons take such pride in “having been there when it happened”. Of course, none of what we do would be possible without our wonderful donors who so strongly believe in our mission. All of us at The Discovery Orchestra are most grateful to you who share our dream with us.

George Marriner Maull
Artistic Director

HISTORY OF THE DISCOVERY ORCHESTRA

The Discovery Orchestra began its life 24 years ago in Somerset County, New Jersey, as the Philharmonic Orchestra of New Jersey, a professional freelance orchestra founded to present classical orchestral concerts for the growing population in that region of the state. Recently our mission has evolved, culminating in a name change in July 2006. As The Discovery Orchestra, our goal is to combine performance with interactive instruction to help individuals develop music listening skills that will enable them to receive powerful, aesthetic experiences from music.

TDO believes that aspects of 21st century life are training people to primarily hear music as a background while multi-tasking. This phenomenon has ironically been made possible by a great boon to society - the mass distribution and availability of recorded music. In addition to depriving people of the life enhancing, incredibly moving experiences they can potentially have by bringing music to the foreground of their attention through listening, this trend also sadly contributes to the demise of audiences for live concerts by symphony orchestras and other classical and jazz ensembles.

A further irony is that the very electronic technology that created this environment in the first place may now be the most viable means to educate people to listen to music.

And the additional good news is that studies by prominent scientists such as Dr. Oliver Sachs, whose research was recently chronicled in a PBS television special, demonstrate that giving one’s undivided attention to music positively affects one’s mental and physical well being—and not just from classical music but from all the music one encounters via active listening. To encourage and nurture active listening, The Discovery Orchestra offers: Discovery Concerts™ and Discover More sessions for adults and teens; Intimate Evenings and Intimate Afternoons in-home chamber music recitals, which include Discovery segments; Fall in Love with Music listening courses; and outreach programs for underserved youth.

While TDO’s live presentations primarily serve New Jersey residents, the orchestra has reached national and international audiences through broadcasts of its Emmy-nominated television show, Bach to the Future®, distributed by American Public Television (APT). APT estimated the program reached 40 million U.S. homes during its initial three-year run. Building on this success, TDO eagerly anticipates the television distribution by APT of Discover Beethoven’s 5th with broadcasts beginning in March 2011.

The Discovery Orchestra receives underwriting from corporations, foundations, individuals, and the New Jersey State Council on the Arts. It is a priority to provide free and/or discount tickets to underserved constituencies for most TDO programs. More information can be found at www.DiscoveryOrchestra.org or by calling 908-226-7300.
Fiscal Year 2010 Contributors

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Fiscal Year 2009–2010 Discovery Concerts™ and Discover More Music were sponsored by:


Fiscal year 2009–2010 In-Home Recitals were sponsored by Wabba Travel, Mr. & Mrs. Sterling L. Pierson and Gail Whiting ASID, Design Consultants.

This program is made possible in part by funds from the New Jersey State Council on the Arts/Department of State, a partner agency of the National Endowment for the Arts.
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Events Director

Diane Lester
Administrative Director
What programs did The Discovery Orchestra offer during the 2009–10 season?
TDO featured two interactive Discovery Concerts: Discover Amadeus and Discover Beethoven’s 5th (videotaped for television), along with new follow-up programs: Discover More Mozart and Discover More Beethoven. These Discover More sessions probed more deeply into the composers featured at the Discovery Concerts. We also presented three in-home chamber music recitals, two Fall in Love with Music listening courses, and educational outreach programs for students at the Newark Boys Chorus School.

How did The Discovery Orchestra do during the 2009–2010 season?
We survived another challenging economic year. Several figures in the financial statements (following) are worth pointing out. We ended the fiscal year with a negative total net asset figure of ($12,060). Also, available cash at year end was down to $8,047. However, there are a couple of “positives.” TDO’s “liquid” available unrestricted net assets improved from ($36,603) at FYE09 to ($24,200) at FYE10, and there was only $6,166 in temporarily restricted funds at FYE10 compared with $47,015 at FYE09. TDO expects these negative figures to turn positive during FY11, as we project to pay back the $22,000 Line of Credit liability in December 2010 and realize some savings through expense reductions. These actions are part of the TDO Board of Trustees’ FY11 Deficit Reduction Plan that is aimed at increasing assets, reducing current liabilities and having an operating surplus at FYE that will help rebuild TDO’s cash reserve.

What does the financial landscape of The Discovery Orchestra look like now?
Cash flow is still very tight, but we are starting to use new ways of operation as dictated by this new economic landscape to increase our impact without necessarily creating more expenses. With a strategic planning process in place for FY11, the entire way TDO does business is up for discussion—staff profile, venues, use of social media, fundraising, etc. We will also explore what new revenue streams can emerge from the Discover Beethoven’s 5th show and the distribution of other media programs using the internet.

On the following pages are the audited Statements of Financial Position, Activities and Cash Flows of The Discovery Orchestra as of June 30, 2010 and 2009. A complete copy of the Fiscal Year 2010 Audit Report prepared by Maddaloni, Nydick & Keenan, P.C. is available from TDO upon request.

Judith Musicant
Treasurer
### The Discovery Orchestra, Inc.
#### Statements of Financial Position

**ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>For the Years Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 8,047</td>
</tr>
<tr>
<td>Investments</td>
<td>75</td>
</tr>
<tr>
<td>Grant Receivable</td>
<td>2,970</td>
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<tr>
<td>Other Receivables</td>
<td>5,000</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>16,092</td>
</tr>
<tr>
<td><strong>CAPITAL ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>63,443</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(57,469)</td>
</tr>
<tr>
<td><strong>Net Capital Assets</strong></td>
<td>5,974</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$22,066</td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Line of Credit</td>
<td>$22,000</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>11,359</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>767</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>34,126</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td></td>
</tr>
<tr>
<td>Net Capital Assets</td>
<td>5,974</td>
</tr>
<tr>
<td>Operating</td>
<td>(24,200)</td>
</tr>
<tr>
<td><strong>Total Unrestricted Net Assets</strong></td>
<td>(18,226)</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>6,166</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>(12,060)</td>
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<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$22,066</td>
</tr>
</tbody>
</table>
### The Discovery Orchestra, Inc.
#### Statement of Activities

For Years Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Grants</td>
<td>$19,800</td>
<td>$26,400</td>
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<tr>
<td>Donations</td>
<td>481,464</td>
<td>323,158</td>
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<tr>
<td>Program Admissions</td>
<td>23,727</td>
<td>27,051</td>
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<tr>
<td>Gala Tickets</td>
<td>30,400</td>
<td>69,460</td>
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<tr>
<td>Raffle Revenue</td>
<td>0</td>
<td>3,375</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,806</td>
<td>1,782</td>
</tr>
<tr>
<td>Interest Income</td>
<td>309</td>
<td>276</td>
</tr>
<tr>
<td>Unrealized Gain/Loss on Investment</td>
<td>16</td>
<td>(276)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>557,522</td>
<td>451,226</td>
</tr>
</tbody>
</table>

| **EXPENSES**        |            |            |
| Salaries and Related Expenses | 260,447 | 245,252 |
| Operating Expenses   | 325,521    | 203,529    |
| Depreciation Expense | 4,045      | 3,045      |
| **Total Expenses**   | 590,013    | 451,826    |

| **INCREASE/(DECREASE) IN NET ASSETS FOR THE YEAR** |            |
| (32,491)                                              | (600)      |

| **NET ASSETS—BEGINNING OF YEAR**                     |            |
| 20,431                                               | 21,031     |

| **NET ASSETS—END OF YEAR**                           |            |
| ($12,060)                                            | $20,431    |
The Discovery Orchestra, Inc.
Statements of Cash Flows

For the Years Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Decrease) in Net Assets for the Year</td>
<td>$(32,491)</td>
<td>$ (600)</td>
</tr>
<tr>
<td>Adjustments to Reconcile (Decrease) in Net Assets for the Year to Net Cash Flows from Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>4,045</td>
<td>3,045</td>
</tr>
<tr>
<td>Unrealized (Gains)/Losses on Investments</td>
<td>(16)</td>
<td>276</td>
</tr>
<tr>
<td>(Increase)/(Decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Receivable</td>
<td>3,630</td>
<td>900</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>(4,445)</td>
<td>(555)</td>
</tr>
<tr>
<td>Increase/(Decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>(700)</td>
<td>4,742</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>767</td>
<td>0</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td>(29,210)</td>
<td>7,808</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Equipment</td>
<td>0</td>
<td>(10,000)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in Line of Credit</td>
<td>5,000</td>
<td>17,000</td>
</tr>
<tr>
<td><strong>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR</strong></td>
<td>(24,210)</td>
<td>14,808</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</strong></td>
<td>32,257</td>
<td>17,449</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS – END OF YEAR</strong></td>
<td>$ 8,047</td>
<td>$ 32,257</td>
</tr>
</tbody>
</table>
Highlights
from Fiscal Year 2010

Discover Beethoven’s 5th concert taping at NJPAC
Rebekah Johnson, Discover More Beethoven performer

Discovery Award Honorees Linda and John Quinn with George and Marcia Maull

Equal Voices, Intimate Evening recitalists

Patrons enjoy Discover Amadeus

Discover Beethoven’s 5th Gala Co-Chairs Clelia Biamonti and Adam Psichos with Maestro Maull

Ted Rosenthal, Intimate Evening recitalist