ANNUAL REPORT

Fiscal Year 2011
July 1, 2010–June 30, 2011

The Discovery Orchestra
George Marriner Maull, Artistic Director

50 Mt. Bethel Road • PO Box 4064 • Warren, NJ 07059 • 908-226-7300
www.DiscoveryOrchestra.org • info@DiscoveryOrchestra.org
SEASON HIGHLIGHTS

• The acoustically magnificent Concert Hall at Drew University became TDO’s new “home venue” where we presented Discover Quintessential Mozart and Discover the Waltz.

• We debuted our widely popular Discovery Chats on our YouTube channel. Produced in partnership with Midnight Media, Inc., these chats were viewed over 6,500 times during fiscal year 2011.

• Discover Holiday Song & Spirit made its festive inaugural appearance as one of our four In-Home events, enveloping our season in warmth and goodwill.

• Our latest television show, Discover Beethoven’s 5th, premiered on March 2 and reached over 60 million US and Canadian households as of June 30, 2011. The show received three prestigious 2011 Telly Awards—Cultural Programming, Educational Programming and a People’s Telly.

• Our annual Gala was held for the first time in Mead Hall, the stunning Greek-revival mansion on the Drew University campus. We honored two of our longtime patrons and supporters with the 2011 Discovery Awards—Mary Horn and William K. Hengen, Jr.

MISSION

The Discovery Orchestra teaches the listening skills that help people emotionally connect to classical music. We achieve this through intimate gatherings, live performances and media programs.

VISION

The Discovery Orchestra (TDO) is the only educational organization in America dedicated exclusively to teaching audiences how to listen to classical music. TDO transforms the listening experience for millions of people—from students and curious classical novices to experienced concert-goers and professional educators—with its acclaimed “Discovery” focus and format. Television, DVDs, social media via the Internet and other new media are supported by live programs—many of which are recorded—presented in concert halls, private homes, schools and community centers. Teacher guides and other aids make programs such as YouTube-based Discovery Chats a convenient and distinctive resource for educators to use in classrooms and in special programs.

TDO, under Founder and Artistic Director George Marriner Maull—often compared to Leonard Bernstein for his passion and audience appeal—is leading an international movement to inspire and ignite a resurgence of interest in classical music. Maestro Maull’s innovative and tested music-listening methodology makes TDO’s programs widely accessible and affordable. Fellowship and internship programs, guest artist appearances and diverse presentations promote informed listening and ensure TDO’s enduring reach and influence. Regardless of age, geographic location, education or economic status, participants say the TDO experience has transformed their listening and enhanced their lives.

Staff specialists and volunteers in new media, public relations, and outreach to educators, seek creative approaches through technology to connect TDO to the public and establish professional partnerships in defined and measurable ways. TDO’s trustees have committed themselves and will reach out to enlist and engage philanthropists and other leaders in the funding and national development of this vision.

Look for us on

[Facebook, YouTube, Twitter]

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

Sometimes the use of an acronym is the best way to make a point. Take the word “spots” for example. It might refer to radio advertisements or stains on a shirt or even a breakout of chicken pox. But the following use of the acronym, SPOTS, has an entirely differently meaning: Strategic Plan on the Shelf.

Well, I’m happy to inform you that The Discovery Orchestra’s recently-completed strategic plan is not on a shelf collecting dust (or sitting in a long-forgotten folder on my computer). From October 2010 through June 2011, the TDO family dedicated significant amounts of time, energy, and especially ideas to our most recent strategic planning process. The process was very capably facilitated by Partnership in Philanthropy consultant Bill Horn, and over 30 TDO stakeholders (trustees, staff, Advisory Board members, funders, audience members and other professionals) participated.

A danger of strategic planning and the resulting plans is that they are too over-reaching, not realistic in terms of financial and human resources, and the time it takes to create the plan takes time away from the programs that help the organization realize its mission. TDO’s plan certainly is ambitious and requires more resources than in recent years, but it is based on overriding priorities that directly support our mission of “teaching the listening skills that help people emotionally connect to classical music.”

Our new vision states that we will be a recognized leader in the field of music listener education. We will increase our use of current technology to reach a broader audience while still producing impactful live programs. Here are some of the specific initiatives of the plan over the next three seasons. In FY12: produce our third television/DVD program; and unveil a more impactful website, logo and communications plan. In FY13: distribute our third television/DVD program; begin a local pilot program partnering with music educators utilizing TDO videos in their classrooms; and engage our first intern to study the Discovery methodology with Maestro Maull. And in FY14: produce our next recorded program for national distribution; and investigate the development of a TDO phone/computer App.

Well, we don’t want to get too far ahead of ourselves, so let me simply thank all of you who keep The Discovery Orchestra going—our core partners and patrons as well as our new supporters, all of whom are enthusiastically invested in sharing the joy of classical music with others. And let me end with a more apt acronym—SPIA (okay, it sounds like a lovely health resort…)—Strategic Plan In Action!

Virginia Johnston  
*Executive Director*

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**President’s Message**

With Thanksgiving but a seemingly distant memory and the holiday whirlwind in full force, I sit down to write this message. Already well into our 25th year, The Discovery Orchestra is continuing to fulfill its mission to teach the listening skills that help people emotionally connect to classical music as never before. Thanks to the hard work of our devoted staff, our talented musicians and our committed Board, I am proud of our accomplishments of the past year and look forward to the future of the Orchestra.

To be sure, our accomplishments continue to be challenged by what is still one of the more difficult operating environments to face both the arts and the educational communities. With that in mind, the Orchestra has worked to present a full and balanced program, retaining our roots as a performing orchestra, while we continue to pursue our mission to educate.

The past year was a busy and rewarding one for The Discovery Orchestra. We completed and adopted a new strategic plan which reaffirms our commitment to keeping the “discovery” in our musical offerings and envisions new means of bringing them to larger audiences. Our second award-winning program, Discover Beethoven’s 5th, debuted on American Public Television and has reached over 60 million households. Additionally, our electronic offerings expanded to include our own YouTube channel which carries concert clips and Discovery Chats, as well as George’s Blog and comments on Twitter. Viewership and response to all these has been great and growing. Our in-home events continued to attract overflow audiences and receive enthusiastic reviews and support. As we look ahead, we look forward to the upcoming presentation and taping of our Discover Vivaldi’s Four Seasons concert in May of 2012. In all, fiscal year 2011 was an exciting one for the Orchestra and one which, I hope, presages many more to come.

One bit of sad news I wish to share is that long-time trustee and friend Bill Hengen died unexpectedly in May 2011. We greatly miss his insights and passion for what we are doing.

In closing, I have saved both my heartfelt thanks and greatest praise for our friends, patrons, donors, foundations, as well as our corporate and government sponsors. Without you we could not have gotten to our 25th anniversary year and well into the dawn of an age of electronic distribution of which we could never have dreamed two and a half decades ago. All this, while still being able to drive down the road a bit and hear a world class string quartet or jazz ensemble in the intimacy of a private home with fewer people than are on line at the will call window.

Bennett Murtha  
*President, Board of Trustees*
ARTISTIC DIRECTOR’S REPORT

Author Don Miguel Ruiz wrote: “Attention is the ability we have to discriminate and focus only on that which we want to perceive. We can perceive millions of things simultaneously, but using our attention, we can hold whatever we want to perceive in the foreground of our minds.”

The Discovery Orchestra advocates holding the content of classical music compositions “in the foreground of our minds” so that we might notice and be moved by the details of the music. We do this out of the core conviction that to do so will be immensely personally rewarding—a “peak experience” as the late author and psychologist Abraham Maslow described it.

How did we do this past season? The following excerpts are just two of the many comments we have received concerning the more than 300 broadcasts nationwide of our television show Discover Beethoven’s 5th and our weekly Discovery Chats on YouTube:

“Just dropping a line to mention how much we enjoy TDO’s visual Internet comments regarding classical music. Besides being informative, they are delightfully entertaining. We also hope more of the younger generation are attuned to your instructive presentations…Simply put, keep it up!”

Chet and Joanne, New Jersey

“I turned on the TV to our local PBS station out of Dayton, Ohio, started watching Discover Beethoven’s 5th, and was thrilled by what I saw and heard. This program answers exactly what my needs are. I’m a retired English teacher and know the importance of paying attention to detail…What is being taught resonates perfectly and is relevant, core and central. There are others who do something similar, and although I enjoy them, their teaching is way over my head, and too sophisticated. This really talks to me.”

Shelley, Ohio

And these individuals are really talking to us! Chet, Joanne, Shelley and others like them are telling us that The Discovery Orchestra is succeeding in our mission to help make classical music listening not only relevant but a life-enhancing experience. We can only do this with all of you at our side!

George Marriner Maull
Artistic Director

HISTORY OF THE DISCOVERY ORCHESTRA

The Discovery Orchestra began its life 25 years ago as the Philharmonic Orchestra of New Jersey, a professional symphony orchestra founded to present classical concerts for the growing population in Somerset County. Over time, the orchestra’s mission evolved, which culminated in a name change in 2006.

TDO believes that certain aspects of 21st century life are actually training people to merely hear music as a background while multi-tasking—almost ignoring music, as it were. This phenomenon has ironically been made possible by one of the great boons to society—the mass distribution and availability of recorded music. In addition to depriving people of the incredibly moving encounters they can potentially have through active listening, this trend may also sadly contribute to the demise of audiences for live concerts by symphony orchestras and other classical and jazz ensembles. Paradoxically, the very electronic technology that created this environment in the first place may be the most viable tool to teach people to listen to music.

The good news is that research by prominent scientists such as Dr. Oliver Sacks, chronicled in the PBS television special The Music Instinct: Science & Song, demonstrates that giving one’s undivided attention to music positively affects one’s mental and physical well being. This is achieved not just from listening to classical music but to all the music one encounters via active listening. To encourage this new way of listening, The Discovery Orchestra offers: Discovery Concerts® and Discover More sessions for adults and teens; Intimate Evenings & Afternoons: in-home chamber music recitals which include Discovery Insights; Fall in Love with Music listening courses; weekly Discovery Chats on YouTube; 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 is again the distributor for TDO’s second television program, the Telly Award-winning Discover Beethoven’s 5th®. Both programs have reached millions of US & Canadian households to date.

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.
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Fiscal Year 2010–2011

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Virginia Johnston
Executive Director

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Ebenezer Gavieres
Social Media Intern
How did The Discovery Orchestra do during the 2010-2011 season?
We survived yet another challenging economic year. Several figures in the financial statements (following) are worth pointing out. Our Total Net Assets improved into positive territory from ($12,060) at FYE10 (fiscal year end) to $38,584 at FYE11. Also, available cash improved from $8,047 at FYE10 to $25,106 at FYE11. During the season, we were able to pay back our line of credit in full. These improvements were a result of the implementation of the TDO Board of Trustees’ FY11 Deficit Reduction Plan which had the following goals: increase assets, reduce current liabilities and have an operating surplus at FYE.

What does the financial landscape of The Discovery Orchestra look like now?
Cash flow still remains tight, but we are utilizing ways of lifting the burden on our small staff so we still may achieve the ambitious vision we have embraced. Several specialized consultants in the areas of social media, marketing & public relations and fundraising have been engaged, and other media production professionals are providing critical advice and services.

On the following pages are the audited Statements of Financial Position, Activities, and Cash Flows of The Discovery Orchestra as of June 30, 2011 and 2010. A complete copy of the Fiscal Year 2011 Audited Financial Statements prepared by Nisivoccia, LLP is available from TDO upon request.

Judith Musicant
Treasurer

Viewer Feedback

Thanks so much for the work you’re doing. I’ve tried my whole life to describe the need to learn these musical relationships that you’ve thoroughly and systematically presented in a manner that’s both engaging and entertaining. If I hadn’t by chance caught the Beethoven’s 5th video on May 23rd on NJN, I’d still be fruitlessly searching for it. Keep up the wonderful work!
—New Jersey Viewer

I have been greatly impressed with your excellent and valuable work. My family and I found you through a public television broadcast of your Beethoven 5th analysis, and deeply enjoyed and appreciated your insights. I wanted to thank you on behalf of my whole family. As a composer and arranger, I wish there were more people doing the work you are doing. I look forward to seeing more.
—Utah Viewer

Very smart concept and I couldn’t agree more—the details and nuances that a musically inclined person notice makes music a whole different thing. It goes from relaxing background music to something of marvelous power, meaning and beauty. Very glad to have found your channel!
—Discovery Chat Viewer

Just wanted to tell you that I watched the first TDO chat on YouTube and thought it was really excellent! I got 15 ornaments (I think I lost count somewhere!) I think the video is really perfect. It’s just the right length. I like that it focuses on learning only one thing and of course, George, your demeanor is so captivating! I could tell you were excited to teach this and I also enjoyed watching you play. Congratulations! This is very exciting!
—Discovery Chat Viewer

Financial Reporting—Fiscal Year 2011

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

For the Years Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
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<tr>
<td><strong>ASSETS</strong></td>
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<td>Cash and Cash Equivalents</td>
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<td>Grant Receivable</td>
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<td>Other Receivables</td>
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<td>Prepaid Expenses</td>
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<td>Investments, at Fair Value</td>
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<td>Inventory</td>
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<td>Property and Equipment, Net</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$53,938</td>
<td>$22,066</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET ASSETS** |           |           |
| Liabilities:                |           |           |
| Accounts Payable and Accrued Expenses | $15,354   | $11,359   |
| Deferred Revenue            | 767       |           |
| Line of Credit              | 22,000    |           |
| **Total Liabilities**       | 15,354    | 34,126    |

| Net Assets:                 |           |           |
| Unrestricted Net Assets     |           |           |
| Operating                  | 4,084     | (24,200)  |
| Net Capital Assets         | 5,000     | 5,974     |
| **Total Unrestricted Net Assets** | 9,084     | (18,226)  |
| Temporarily Restricted Net Assets | 29,500    | 6,166     |
| **Total Net Assets**        | 38,584    | (12,060)  |

| **TOTAL LIABILITIES AND NET ASSETS** |           |           |
| ****                                 | $53,938   | $22,066   |
### The Discovery Orchestra, Inc.
#### Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>For Years Ended June 30,</th>
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<tbody>
<tr>
<td></td>
<td>2011</td>
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<tr>
<td><strong>REVENUE AND SUPPORT</strong></td>
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<td>Government Grants</td>
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<td>Donations</td>
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<td>Program Admissions</td>
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<td>Special Events</td>
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<td><strong>Total Revenue and Support</strong></td>
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<td><strong>Other Revenue and Gains:</strong></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>47</td>
</tr>
<tr>
<td>Unrealized Gain</td>
<td>8</td>
</tr>
<tr>
<td>Miscellaneous Other Income</td>
<td>8,293</td>
</tr>
<tr>
<td><strong>Total Other Revenue and Gains</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,348</td>
</tr>
<tr>
<td><strong>Total Revenue, Gains and Support</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>367,686</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Program Services: Music Education</td>
<td>134,338</td>
</tr>
<tr>
<td>Supporting Services</td>
<td></td>
</tr>
<tr>
<td>General and Administrative</td>
<td>125,434</td>
</tr>
<tr>
<td>Fundraising</td>
<td>57,270</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>317,042</td>
</tr>
<tr>
<td><strong>Increase/(Decrease) in Net Assets</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50,644</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td>(12,060)</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td>$38,584</td>
</tr>
</tbody>
</table>
### The Discovery Orchestra, Inc.
#### Statement of Cash Flows

For the Years Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (Decrease) in Net Assets for the Year</td>
<td>$50,644</td>
<td>($32,491)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used In) Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>974</td>
<td>4,045</td>
</tr>
<tr>
<td>Unrealized Gain on Investments</td>
<td>(8)</td>
<td>(16)</td>
</tr>
<tr>
<td>Changes in Operating Assets and Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Receivable</td>
<td>(1,050)</td>
<td>3,630</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>5,000</td>
<td>(4,445)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>(15,861)</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>(3,868)</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>3,995</td>
<td>(700)</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>(767)</td>
<td>767</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</strong></td>
<td>$39,059</td>
<td>(29,210)</td>
</tr>
</tbody>
</table>

|                     |         |         |
| **CASH FLOWS FROM FINANCING ACTIVITIES** |         |         |
| Repayments of Line of Credit | (22,000) |         |
| Advances from Line of Credit |         | 5,000   |
| **NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES** | (22,000) | 5,000   |

|                     |         |         |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | $17,059 | (24,210) |

|                     |         |         |
| **CASH AND CASH EQUIVALENTS—BEGINNING OF YEAR** | 8,047   | 32,257  |

|                     |         |         |
| **CASH AND CASH EQUIVALENTS—END OF YEAR** | $25,106 | $ 8,047 |

Supplemental Disclosure of Cash Flow Information:

- Cash Paid During the Year for Interest: $554 $ 714

Supplemental Disclosure of Noncash Activity: Unrealized Gain on Investments: $ (8) $ (16)
Highlights
from Fiscal Year 2011

Discover the Waltz
“surprise”

George Marriner Maull with Discover the Waltz honoree Mary Horn and her husband Fred

An Intimate Evening Discovery Insight

Discovery Chat filming

Discover the Waltz

Discover Quintessential Mozart