Ansonia Music Outreach

Financial Statements & Review Report
For the year ended December 31, 2014

JV CPA John Vazzana CPA PLLC

Ansonia Music Outreach

Financial Statements
For the Year Ended December 31, 2014

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
The Ansonia Music Outreach Organization, Inc.

We have reviewed the accompanying statement of financial position of The Ansonia Music Outreach Organization, Inc. (the "Organization") (a nonprofit organization) as of December 31, 2014, and the related statements of activities, cash flows and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

John Vazzana

John Vazzana CPA PLLC

01/19/2015

The Ansonia Music Outreach Organization, Inc.
Statement of Financial Position
December 31, 2014

ASSETS

Cash and cash equivalents	$	58,215
Grants receivable		6,160
Accounts receivable		5,503
Property and equipment (net)		8,829
Total assets	$	78,707

LIABILITIES & NET ASSETS

Liabilities		
Accrued expenses and accounts payable	$	25,071
Total liabilities		25,071
Net assets		
Unrestricted		8,531
Temporarily restricted		45,105
Permanently restricted		-
Total net assets		53,636
Total liabilities and net assets	$	78,707

The accompanying independent accountant's report
and notes to financial statements are an integral part of this statement.

The Ansonia Music Outreach Organization, Inc.
Statement of Activities
For the year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
General contributions	$ 122,674	$ 38,945	$ -	$ 161,619
Inkind contributions	10,593	-	-	10,593
Government grants	19,770	6,160	-	25,930
Program service revenue	4,870	-	-	4,870
Total revenues and other support	157,907	45,105	-	203,012
Net assets released from restrictions				
Satisfaction of time and purpose restrictions	32,027	(32,027)	-	-
Total revenues, other support and net assets released from restrictions	189,934	13,078	-	203,012
Expenses:				
Program services	176,206	-	-	176,206
Management and general	18,571	-	-	18,571
Fundraising	7,286	-	-	7,286
Total expenses	202,063	-	-	202,063
Changes in net assets	(12,129)	13,078	-	949
Net assets at beginning of year	20,660	32,027	-	52,687
Net assets at end of year	$ 8,531	$ 45,105	$ -	$ 53,636

The Ansonia Music Outreach Organization, Inc.
Statement of Cash Flows
For the year ended December 31, 2014

CASH FLOW FROM OPERATING ACTIVITIES:	
Changes in Net Assets	$ 949
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:	
Depreciation	7,572
Changes in operating assets and liabilities	
Decrease/(increase) in:	
Grants receivable	2,865
Accounts receivable	(1,375)
(Decrease)/increase in:	
Accrued expenses	22,170
Net cash provided by/(used in) operating activities	32,181
CASH FLOW FROM INVESTING ACTIVITIES:	
None	-
Net cash provided by/(used in) investing activities	-
CASH FLOW FROM FINANCING ACTIVITIES:	
None	-
Net cash provided by/(used in) financing activities	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,181
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	26,034
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 58,215
SUPPLEMENTAL CASH FLOWS INFORMATION:	
Interest paid	$ 1,769

The accompanying independent accountant's report
and notes to financial statements are an integral part of this statement.

The Ansonia Music Outreach Organization, Inc.
Statement of Functional Expenses
For the year ended December 31, 2014

	Program Services	Management and General	Fundraising	Total
Compensation and benefits	$ 132,269	$ -	$ -	$ 132,269
Professional fees	-	1,550	-	1,550
Service fees	11,568	986	1,722	14,276
Promotional expenses	3,600	-	-	3,600
Office expenses	-	-	2,823	2,823
Occupancy	11,718	5,348	-	17,066
Travel	2,818	-	-	2,818
Interest	-	1,769	-	1,769
Depreciation	1,255	6,317	-	7,572
Insurance	2,993	-	-	2,993
Music and scores	915	-	-	915
Telephone and internet	2,770	-	1,300	4,070
Postage and shipping	207	-	1,441	1,648
Utilities	2,012	1,654	-	3,666
Equipment rental	1,702	-	-	1,702
Software and computer supplies	2,379	-	-	2,379
Bank service charges	-	947	-	947
Total	$ 176,206	$ 18,571	$ 7,286	$ 202,063

The accompanying independent accountant's report
and notes to financial statements are an integral part of this statement.

The Ansonia Music Outreach Organization Inc.
Notes to Financial Statements
December 31, 2014

Note 1 - Description of Organization

The Ansonia Music Outreach Organization, Inc. (the "Organization") was incorporated June 18th, 1992 as a not-for-profit corporation in the state of New York. The Organization is dedicated to help establish the musical arts as a more essential and valuable experience in the lives of the general public. The Organization's programs are supported primarily by foundation, government, and corporate contributions. The Organization is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Organization within Internal Revenue Code requirements. The Organization's programs for the year ended December 31, 2014 were as follows:

> Access to Music - Offers arts events such as free live concerts, music appreciation classes, open rehearsals, and interactive workshops to underserved communities and audiences.
>
> Music for the Young - Presents innovative concerts and events to young people designed to inspire interest in classical music and the arts, encourage creativity, and help make the arts an integral part of the school curriculum.
>
> 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 music style or message of new works can be communicated to a general audience, particularly young audience.
>
> Phoenix Ensemble - Presents events designed to inspire a new and diverse audience for classical music.

Note 2 - Significant Accounting Policies

The organization prepares its financial statements on the accrual basis in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations. The significant accounting and reporting policies used by the organization are described below.

Net Assets. The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

> *Unrestricted Net Assets:* Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Organization.

Temporarily Restricted Net Assets: Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently Restricted Net Assets: Net assets that are subject to donor-imposed stipulations that neither expire by passage of time, nor can be fulfilled or removed by actions of the Organization.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. The organization currently has no endowments.

Cash Equivalents: Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

Accounts Receivable: Program service revenue earned but not yet received that are expected to be collected within one year are recorded as accounts receivable at net realizable value. If amounts become uncollectible, they will be charged to operations when that determination is made.

Contributions (Grants) Receivable: Unconditional promises to give that are expected to be collected within one year are recorded as grants receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment. Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Equipment is capitalized if it has a cost of $1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Music equipment	5 Years
Software	3 Years

Accounting for Contributions: Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Gifts-in-Kind (Non-Cash Contributions): The organization periodically receives contributions in a form other than cash or investments. If the organization receives a non-cash contribution, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Expense Recognition and Allocation: The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities.

Tax Status: The organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the

IRC). The Organization's tax returns are generally subject to examination by taxing authorities for a period of three years from the date of filing. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation. The organization recognizes the tax effects from an uncertain tax position in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. Management has determined that the Organization has no uncertain tax positions that would require financial statement recognition or disclosure.

Note 3 - Grants Receivable

At December 31, 2014, all grants receivable are expected to be collected during the next year. Management has determined that the grants receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary.

The details of grants receivable are as follows:

NYC Department of Cultural Affairs	$ 1,160
Manhattan Borough President	5,000
Total grants receivable	$ 6,160

Note 4 - Property and Equipment

The details of property and equipment are as follows:

Rehearsal piano	$ 6,124
Software	18,951
Total at cost	25,075
Accumulated depreciation	16,246
Net property and equipment	$ 8,829

Note 5 - Line of Credit

At December 31, 2014, the Organization had two unused lines of credits with both of its financial institutions. The lines of credit provide $15,000 and $10,000, respectively, in financing available to be drawn upon as needed at a rate of 9.25% and 5.00% per annum, respectively. During the year, the Organization was advanced a total $24,000 and repaid the same amount. Interest expense on the lines of credit for the year totaled $1,483.

Note 6 - Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Note 7 - Concentrations of Risk

The Organization maintains its cash deposits with quality financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to limits set by law. As of December 31, 2014 there were no uninsured balances.

Note 8 - Contingencies

The Organization is contingently liable in connection with claims arising in the normal course of its activities. In addition, the Organization receives funds from state and local government funded programs, which are subject to audit by those agencies. Management believes these matters will not have a significant effect on the organization's financial position.

Note 9 - Restricted Net Assets

The Organization had no permanently restricted net assets at December 31, 2014. At December 31, 2014 temporarily restricted net assets consisted of purpose restricted net assets of $45,105. The details for temporarily restricted net assets for the year ending December 31, 2014 are:

Balance 12/31/2013	$ 32,027
Temporarily restricted contributions	45,105
Net assets released from restrictions	(32,027)
Balance 12/31/2014	$ 45,105

Note 10 - Related Party and Expense Sharing Agreement

The Organization had an expense sharing agreement with the Organization's Artistic Director in which the Artistic Director provides rehearsal and office space to the Organization. The organization's share of the expenses under this agreement was $23,198 for the year ending December 31, 2014.

Note 11 - Pension plan

The Organization maintains a Savings Incentive Match Plan for Employees Individual Retirement Account, whereby the employees may elect to contribute a portion of their gross wages upon meeting length of service requirements. The Organization makes a matching contribution of up to 3% of employee gross wages. For the year ended December 31, 2014, the Organization made matching contributions of $1,960.

Note 12 - Volunteer Services

The volunteer services the Organization receives are essential to helping the Organization fulfill its mission. Although substantial, these services do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America.

Note 13 - Subsequent Events

Subsequent events have been evaluated through January 19, 2015, which is the date the financial statements were available to be issued.