

**STAGESOURCE, INC.**

**FINANCIAL STATEMENTS**

**Years Ended September 30, 2010 & 2009**

with

**ACCOUNTANT'S REVIEW REPORT**

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**ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
StageSource, Inc.  
Boston, Massachusetts:

We have reviewed the accompanying statement of financial position of StageSource, Inc. (StageSource) (a nonprofit organization) for the year ended September 30, 2010 and the related statements of activities and cash flows for the year 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 statements is the representation of the management of StageSource.

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

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.



December 21, 2010

StageSource, Inc.  
Statement of Financial Position  
September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$203,200	\$190,100
Prepaid expenses	1,400	2,000
Total Current Assets	<u>204,600</u>	<u>192,100</u>
Total Assets	<u>\$204,600</u>	<u>\$192,100</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 1,700	\$ 900
Accrued expenses	3,000	3,000
Total Current Liabilities	<u>4,700</u>	<u>3,900</u>
Net Assets:		
Unrestricted	177,100	182,000
Temporarily restricted	22,800	6,200
Permanently restricted	- 0 -	- 0 -
Total Net Assets	<u>199,900</u>	<u>188,200</u>
Total Liabilities and Net Assets	<u>\$204,600</u>	<u>\$192,100</u>

See accompanying notes and accountant's report

StageSource, Inc.  
Statement of Activities  
Year Ended September 30, 2010  
(with Comparative Totals for 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
<b>Support &amp; Revenue:</b>					
Member dues	\$160,700			\$160,700	\$173,600
Contributions	113,400	\$16,600		130,000	116,300
Program fees	32,000			32,000	38,000
Other	300			300	3,300
Interest	1,100			1,100	2,300
Net assets released from restriction				-	-
	<u>307,500</u>	<u>16,600</u>	<u>\$ - 0 -</u>	<u>324,100</u>	<u>333,500</u>
<b>Total Support &amp; Revenue</b>					
<b>Expenses:</b>					
Program services	225,300			225,300	243,200
General and administrative	57,600			57,600	101,500
Fundraising:	29,500			29,500	34,700
	<u>312,400</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>312,400</u>	<u>379,400</u>
<b>Total Expenses</b>					
<b>Change in Net Assets</b>	<u>( 4,900)</u>	<u>16,600</u>	<u>- 0 -</u>	<u>11,700</u>	<u>( 45,900)</u>
<b>Beginning Net Assets</b>	182,000	6,200	-	188,200	234,100
<b>Ending Net Assets</b>	<u>\$177,100</u>	<u>\$22,800</u>	<u>\$ - 0 -</u>	<u>\$199,900</u>	<u>\$188,200</u>

See accompanying notes and accountant's report

StageSource, Inc.  
Statement of Cash Flows  
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>Cash used by operations:</b>		
Change in net assets	\$ 11,700	(\$ 45,900)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Decrease in prepaid expenses	600	8,100
Increase in accounts payable	800	900
Increase in accrued expenses		3,000
<b>Net cash used in operations</b>	<u>13,100</u>	<u>( 33,900)</u>
<b>Cash flows from investing activities:</b>		
Net cash from investing activities	<u>- 0 -</u>	<u>- 0 -</u>
<b>Cash flows from financing activities:</b>		
Net cash from financing activities	<u>- 0 -</u>	<u>- 0 -</u>
<b>Net change in cash</b>	<u>13,100</u>	<u>( 33,900)</u>
<b>Cash, beginning of year</b>	190,100	224,000
<b>Cash, end of year</b>	<u>\$203,200</u>	<u>\$190,100</u>
Interest paid	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
Income taxes paid	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

See accompanying notes and accountant's report

StageSource, Inc.  
Notes to Financial Statements

**NOTE 1 -- Organization and Purpose:**

StageSource, Inc. (StageSource) was incorporated as a not-for-profit corporation in 1985 under the laws of the Commonwealth of Massachusetts.

StageSource links theatre artists with job opportunities, upcoming productions, training, and developments affecting the industry and the art of theater. StageSource initiates collaboration amount theaters and with other arts organizations to increase the visibility and vitality of New England theaters.

StageSource's primary sources of funds are comprised of membership dues and contributions as well as fee for service revenue.

**NOTE 2 -- Summary of Significant Accounting Policies:**

Income Tax Exemption

StageSource is exempt from Federal and State income taxes under the provisions of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3). Therefore, no provision for income taxes has been made.

StageSource has been determined to be other than a private foundation by the Internal Revenue Service.

In 2009 StageSource adopted the recognition requirements for uncertain tax positions. StageSource believes that all income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would be material. Accordingly there is no provision for related reserves as of September 30, 2010 or 2009.

Basis of Presentation

The financial statements of StageSource have been prepared on the accrual basis of accounting.

Comparative Totals

Prior year information is presented in summary form for comparative purposes only and is not a complete presentation in conformity with accounting principles generally accepted in the United States.

Presentation of Net Assets by Class

Net assets are classified in each of the following three classes:

StageSource, Inc.  
Notes to Financial Statements

**NOTE 2 -- Summary of Significant Accounting Policies (continued):**

Presentation of Net Assets by Class (continued)

(a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, if any, are legally unrestricted, and are reported as part of the unrestricted class.

Cash

During the year ended September 30, 2010 and 2009 StageSource deposited its excess available cash with a local bank.

Cash in excess of regular requirements is invested in short-term certificates of deposit.

Receivables

During the years ended September 30, 2010 and 2009 all accounts receivable previously recorded were collected.

Accordingly, no provision for uncollected accounts has been provided.

Furniture and Equipment

Furniture and equipment is recorded at cost or, if donated, at fair market value. Expenditures for equipment in excess of \$500 are capitalized. Lesser amounts are expensed. Depreciation on equipment is calculated on the straight-line basis over an estimated useful life of 5 years.

Expenditures for repairs and maintenance are charged to expense as incurred.

Revenue

Contributions with no donor-imposed restrictions are recorded as unrestricted public support. Contributions with donor-imposed restrictions are recorded as either temporarily restricted or permanently restricted resources based on the nature of the restriction.

Temporary restrictions arise from purpose-specific program restrictions and/or time restrictions. Upon the lapse of such restrictions, temporarily restricted support is reclassified to unrestricted support and reported in the statement of activities as net assets released from restrictions

StageSource, Inc.  
Notes to Financial Statements

**NOTE 2 -- Summary of Significant Accounting Policies (continued):**

Revenue (continued)

Contributions that are restricted in perpetuity by the donor are recorded as permanently restricted public support.

Unconditional promises to give are recorded as public support at their net realizable value. Conditional promises to give are not included as public support until such time as the conditions are substantially met.

Restricted contributions whose restrictions are met in the same year in which the contribution was received are reported as unrestricted revenue. Revenues for services are recorded at the time that related services are delivered.

Functional Allocation of Expenses

The costs of providing programs and the administration of StageSource have been summarized on a functional basis in the Statement of Activity. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services

A number of unpaid volunteers, including members of the Board of Directors and members of the community have made significant contributions of their time and services to StageSource. When the value of the time contributed is subject to objective measurement it is reflected in the financial statements as in-kind support and expense.

For the year ended September 30, 2010 in-kind contributions in the amount of \$22,300 were recorded. These contributions supported both programs and administration functions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value

During 2009 StageSource adopted the criteria for Fair Value Measurements. These criteria define fair value, establish a framework for measuring fair value and expand disclosures about



StageSource, Inc.  
Notes to Financial Statements

Fair Value (continued)

fair value measurements. These criteria establish a fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value. The three levels of StageSource value framework are as follows:

Level I: Inputs that reflect unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date.

Level II: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level III: Inputs that are unobservable. A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to StageSource value measurement.

StageSource's assets and liabilities have been historically valued at fair market values using Level I inputs. Accordingly, adopting this standard did not result in any change in the measurement of the carrying value of any of StageSource's assets or liabilities.

Concentrations

StageSource's significant concentration of credit risk consists principally of cash. StageSource maintains its cash deposits with a local bank. The deposits do not exceed FDIC insurance limits.

Subsequent Events

Subsequent events are transactions or events that occur after the statement of financial position date, but before the financial statements are issued or available to be issued. The accompanying financial statements include the evaluation of subsequent events that have occurred through December 21, which is the date the financial statements were available to be issued.

**NOTE 3 -- Furniture and Equipment:**

As of June 30, 2010 and 2009 there were no fixed assets that exceeded capitalization limits.

StageSource, Inc.  
Notes to Financial Statements

**NOTE 4 -- Net Assets:**

Unrestricted Net Assets

Unrestricted net assets are comprised of net assets without donor restrictions.

Temporarily Restricted Net Assets

At of September 30, 2010 and 2009 temporarily restricted net assets consisted of the following:

	2010	2009
Commonwealth of Mass. Adams Grant	\$ 700	\$1,000
Funds collected for		
Boston Comedy Hall-of-Fame	4,900	5,200
Funds collected for		
Black Theatre Collective	17,200	
Merger strategic planning		
Total Temporarily Restricted	<u>\$22,800</u>	<u>\$6,200</u>

Permanently Restricted Net Assets

As of September 30, 2010 and 2009 there were no permanently restricted net assets.

**NOTE 5 -- Commitments:**

StageSource rents its office space on a tenant at will basis. In the years ended September 30, 2010 and 2009 StageSource recorded rent expense of \$12,900 for both years.

**NOTE 6 -- Retirement Plan:**

Beginning in 2009 StageSource instituted a defined contribution, individual account, money purchase, retirement plan. This plan is available for the benefit of all full-time employees of StageSource.

Under the terms of the Plan, the employee makes voluntary contributions of their income to the plan. At the Board of Directors discretion StageSource may grant and annual matching contribution.

Total contributions charged to expense in the years ended September 2010 and 2009 was approximately \$- 0 - and \$10,400, respectively.