

**STAGESOURCE, INC.**

**FINANCIAL STATEMENTS**

**Years Ended September 30, 2013 & 2012**

with

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

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## INDEPENDENT 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, 2013 and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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 and 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.



February 21, 2014

StageSource, Inc.  
Statement of Financial Position  
September 30, 2013 and 2012

|                                     | <u>2013</u> | <u>2012</u> |
|-------------------------------------|-------------|-------------|
| <b>ASSETS</b>                       |             |             |
| Current Assets:                     |             |             |
| Cash                                | \$ 63,700   | \$100,600   |
| Prepaid expenses                    | 1,800       | 2,500       |
| Total Current Assets                | 65,500      | 103,100     |
| Deposits                            | 1,400       |             |
| Total Assets                        | \$ 66,900   | \$103,100   |
| <b>LIABILITIES AND NET ASSETS</b>   |             |             |
| Current Liabilities:                |             |             |
| Accounts payable                    | \$ 1,400    | \$ 3,800    |
| Accrued expenses                    | 3,000       | 3,000       |
| Total Current Liabilities           | 4,400       | 6,800       |
| Net Assets:                         |             |             |
| Unrestricted                        | 58,100      | 91,900      |
| Temporarily restricted              | 4,400       | 4,400       |
| Permanently restricted              | - 0 -       | - 0 -       |
| Total Net Assets                    | 62,500      | 96,300      |
| Total Liabilities and<br>Net Assets | \$ 66,900   | \$103,100   |

See accompanying notes and independent accountant's review report

StageSource, Inc.  
Statement of Activities  
Year Ended September 30, 2013  
(with Comparative Totals for 2012)

|                                      | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total 2013</u> | <u>Total 2012</u> |
|--------------------------------------|---------------------|-------------------------------|-------------------------------|-------------------|-------------------|
| <b>Support &amp; Revenue:</b>        |                     |                               |                               |                   |                   |
| Member dues                          | \$166,900           |                               |                               | \$166,900         | \$166,200         |
| Contributions                        | 27,500              |                               |                               | 27,500            | 67,400            |
| Program fees                         | 42,500              |                               |                               | 42,500            | 19,000            |
| Other                                | 3,400               |                               |                               | 3,400             | 400               |
| Net assets released from restriction | - 0 -               | \$ - 0 -                      |                               | - 0 -             | - 0 -             |
| <b>Total Support &amp; Revenue</b>   | <u>240,300</u>      | <u>- 0 -</u>                  | <u>\$ - 0 -</u>               | <u>240,300</u>    | <u>253,000</u>    |
| <b>Expenses:</b>                     |                     |                               |                               |                   |                   |
| Program services                     | 157,800             |                               |                               | 157,800           | 159,600           |
| General and administrative           | 54,100              |                               |                               | 54,100            | 51,800            |
| Fundraising:                         | 62,200              |                               |                               | 62,200            | 43,800            |
| <b>Total Expenses</b>                | <u>274,100</u>      | <u>- 0 -</u>                  | <u>- 0 -</u>                  | <u>274,100</u>    | <u>255,200</u>    |
| <b>Change in Net Assets</b>          | <u>( 33,800)</u>    | <u>- 0 -</u>                  | <u>- 0 -</u>                  | <u>( 33,800)</u>  | <u>( 2,200)</u>   |
| <b>Beginning Net Assets</b>          | 91,900              | 4,400                         | - 0 -                         | 96,300            | 98,500            |
| <b>Ending Net Assets</b>             | <u>\$ 58,100</u>    | <u>\$ 4,400</u>               | <u>\$ - 0 -</u>               | <u>\$ 62,500</u>  | <u>\$ 96,300</u>  |

See accompanying notes and independent accountant's review report

StageSource, Inc.  
Statement of Cash Flows  
Years Ended September 30, 2013 and 2012

|   | <u>2013</u>      | <u>2012</u>      |
|---|------------------|------------------|
| <b>Cash used by operations:</b>   |                  |                  |
| Change in net assets  | (\$ 33,800)      | (\$ 2,200)       |
| Adjustments to reconcile change<br>in net assets to net cash used<br>in operating activities: |                  |                  |
| Decrease/(Increase) in<br>prepaid expenses  | 700              | ( 1,500)         |
| (Decrease)/Increase in<br>Increase in deposits  | ( 1,400)         |                  |
| accounts payable  | ( 2,400)         | 2,600            |
| <b>Net cash used in operations</b>  | <u>( 36,900)</u> | <u>( 1,100)</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>( 36,900)</u> | <u>( 1,100)</u>  |
| <b>Cash, beginning of year</b>  | 100,600          | 101,700          |
| <b>Cash, end of year</b>  | <u>\$ 63,700</u> | <u>\$100,600</u> |
| <br>  |                  |                  |
| Interest paid   | <u>\$ - 0 -</u>  | <u>\$ - 0 -</u>  |
| Income taxes paid   | <u>\$ - 0 -</u>  | <u>\$ - 0 -</u>  |

See accompanying notes and independent accountant's review 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 among 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, contributions and fees for services provided.

**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.

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, 2013 or 2012.

Basis of Presentation

These financial statements 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: (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

StageSource, Inc.  
Notes to Financial Statements

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

Presentation of Net Assets by Class (continued)

board-designated or appropriated amounts, if any, are legally unrestricted, and are reported as part of the unrestricted class.

Cash and Equivalents

StageSource considers all cash deposits including CD's with an original maturity of less than three months to be cash and equivalents and for the purposes of preparing the Statement of Cash Flows.

Receivables

Accounts receivable are recorded for payments due for services provided. Reserves for uncollectible accounts are established for accounts that become delinquent. Management expects that all accounts receivable recorded at year-end will be collected. Accordingly, there is no provision for uncollectible accounts.

During the years ended September 30, 2013 and 2012 all receivables previously recorded were collected.

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. As of September 30, 2013 and 2012 there were no fixed assets that exceeded capitalization limits.

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

StageSource, Inc.  
Notes to Financial Statements

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

Revenue (continued)

as net assets released from restrictions.

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 period in which the contribution was received are reported as unrestricted revenue. Revenues for services are recorded at the time that related services are delivered.

Fees for services are recorded at the time that the 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.

In-Kind Support

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 years ended September 30, 2013 and 2012 there was no in-kind support or expenses recorded.

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.



StageSource, Inc.  
Notes to Financial Statements

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

Fair Value

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

Concentrations of Credit Risk

StageSource's significant concentration of credit risk consists principally of cash. StageSource maintains its cash deposits with a local bank

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 the date of the independent accountant's review report that accompany these financial statements which is the date the financial statements were available to be issued.

StageSource, Inc.  
Notes to Financial Statements

**NOTE 3 -- Net Assets:**

Unrestricted Net Assets

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

Temporarily Restricted Net Assets

At of September 30, 2013 and 2012 temporarily restricted net assets consisted of funds collected for the Boston Comedy Hall-of-Fame.

Permanently Restricted Net Assets

As of September 30, 2013 and 2012 there were no permanently restricted net assets.

**NOTE 4 -- Commitments:**

StageSource rents its office space under a five-year non-cancelable lease beginning in November 2013. The terms of the lease call for monthly payments of \$1,400 for the first two years increasing by approximately 3% per year thereafter.

Minimum annual payments under the lease are as follows:

| <u>Year</u> | <u>Amount</u>   |
|-------------|-----------------|
| 2014        | \$16,500        |
| 2015        | 16,500          |
| 2016        | 17,000          |
| 2017        | 17,600          |
| 2018        | 16,600          |
| 2019        | 1,500           |
| Total       | <u>\$85,700</u> |

Rent expense for the years ended September 30, 2013 and 2012 was \$14,300 and \$12,900, respectively.

**NOTE 5 -- Retirement Plan:**

StageSource maintains 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.

No matching contributions were made in 2013 or 2012.