

StageSource, Inc.

Financial Statements

Years Ended September 30, 2016 & 2015

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 financial statements of StageSource, Inc. (StageSource) (a nonprofit organization) which comprise the statement of financial position for the year ended September 30, 2016 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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's Responsibility for the Financial Statements

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

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.

The 2015 financial statements were reviewed by us and in our report dated January 8, 2016, we reported that we were not aware of any material modifications that should be made to them in order for them to be in conformity with accounting principles generally accepted in the United States of America

A handwritten signature in black ink, appearing to be "N. J. A.", written in a cursive style.

December 19, 2016

StageSource, Inc.
Statement of Financial Position
September 30, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|-------------------------------------|-------------|-------------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$ 78,100 | \$ 67,300 |
| Accounts receivable | 2,600 | - 0 - |
| Prepaid expenses | 600 | 2,000 |
| Total Current Assets | 81,300 | 69,300 |
| Deposits | 1,400 | 1,400 |
| Total Assets | \$ 82,700 | \$ 70,700 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | \$ 4,100 | \$ 7,800 |
| Accrued expenses | 3,500 | 3,300 |
| Total Current Liabilities | 7,600 | 11,100 |
| Net Assets: | | |
| Unrestricted | 75,100 | 59,600 |
| Temporarily restricted | - 0 - | - 0 - |
| Permanently restricted | - 0 - | - 0 - |
| Total Net Assets | 75,100 | 59,600 |
| Total Liabilities and Net Assets | \$ 82,700 | \$ 70,700 |

See accompanying notes and independent accountant's review report

StageSource, Inc.
Statement of Activities
Year Ended September 30, 2016
(with Comparative Totals for 2015)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total 2016</u> | <u>Total 2015</u> |
|--------------------------------------|---------------------|-----------------------------------|-----------------------------------|-----------------------|-----------------------|
| Support & Revenue: | | | | | |
| Member dues | \$158,800 | | | \$158,800 | \$162,300 |
| Contributions | 62,500 | | | 62,500 | 54,000 |
| Program fees | 38,800 | | | 38,800 | 30,400 |
| Net assets released from restriction | - 0 - | | | - 0 - | - 0 - |
| Total Support & Revenue | <u>260,100</u> | <u>\$ - 0 -</u> | <u>\$ - 0 -</u> | <u>260,100</u> | <u>246,700</u> |
| Expenses: | | | | | |
| Program services | 180,900 | | | 180,900 | 192,700 |
| General and administrative | 35,200 | | | 35,200 | 33,000 |
| Fundraising | 28,500 | | | 28,500 | 29,900 |
| Total Expenses | <u>244,600</u> | <u>- 0 -</u> | <u>- 0 -</u> | <u>244,600</u> | <u>255,600</u> |
| Change in Net Assets | <u>15,500</u> | <u>- 0 -</u> | <u>- 0 -</u> | <u>15,500</u> | <u>(8,900)</u> |
| Beginning Net Assets | 59,600 | - 0 - | - 0 - | 59,600 | 68,500 |
| Ending Net Assets | <u>\$ 75,100</u> | <u>\$ - 0 -</u> | <u>\$ - 0 -</u> | <u>\$ 75,100</u> | <u>\$ 59,600</u> |

See accompanying notes and independent accountant's review report

StageSource, Inc.
Statement of Cash Flows
Years Ended September 30, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|---|------------------|------------------|
| Cash used by operations: | | |
| Change in net assets | \$ 15,500 | (\$ 8,900) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| (Increase) in accounts receivable | (2,600) | |
| Decrease/(Increase) in contributions receivable | | 4,900 |
| (Increase)/Decrease in prepaid expenses | 1,400 | (1,500) |
| (Decrease)/Increase in accounts payable | (3,700) | 7,100 |
| Increase in accrued expenses | 200 | 300 |
| Net cash used in operations | <u>10,800</u> | <u>1,900</u> |
| Cash flows from investing activities: | | |
| Net cash from investing activities | <u>- 0 -</u> | <u>- 0 -</u> |
| Cash flows from financing activities: | | |
| Net cash from financing activities | <u>- 0 -</u> | <u>- 0 -</u> |
| Net change in cash | <u>10,800</u> | <u>1,900</u> |
| Cash, beginning of year | 67,300 | 65,400 |
| Cash, end of year | <u>\$ 78,100</u> | <u>\$ 67,300</u> |
| | | |
| 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, 2016 or 2015.

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

For purposes of the Statement of Cash Flows, StageSource considers all highly liquid investments purchased with an original maturity of three months or less to be cash and equivalents.

Accounts Receivable

Accounts receivable are recorded at gross amounts due. Uncollectable accounts are written-off using the direct write-off method. Management expects that all accounts receivable recorded at year-end will be collected. Accordingly, there is no provision for uncollectible accounts.

There were no accounts receivable written-off during the years ended September 30, 2016 and 2015.

Contributions Receivable

Accounts receivable are recorded for payments due for services provided. Reserves for uncollectible accounts are established for accounts that become delinquent. There were no contributions receivable recorded as of September 30, 2016 or 2015.

There were no contributions receivable written-off during the years ended September 30, 2016 and 2015.

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, 2016 and 2015 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

StageSource, Inc.
Notes to Financial Statements

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

Revenue (continued)

unrestricted public support. Contributions with donor-impose 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. Contributions that are restricted in perpetuity by the donor are recorded as permanently restricted public support.

Restricted contributions whose restrictions are met in the same reporting period in which the contribution was received are reported as unrestricted.

Unconditional promises to give are recorded as 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.

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.

In-kind contributions for the use of facilities in the amount of \$9,800 and \$15,800 was recorded for the years ended September 30, 2016 and 2015, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to

StageSource, Inc.
Notes to Financial Statements

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

Use of Estimates (continued)

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

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 have been evaluated through the date of the audit opinion, 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

As of September 30, 2016 and 2015 there were no temporarily restricted net assets.

Permanently Restricted Net Assets

As of September 30, 2016 and 2015 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 2016. 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> |
|-------------|-----------------|
| 2017 | 17,500 |
| 2018 | 18,100 |
| 2019 | 1,500 |
| Total | <u>\$37,100</u> |

Rent expense for the years ended September 30, 2016 and 2015 was \$17,100 and \$19,900, 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 an annual matching contribution.

No matching contributions were made in 2016 or 2015.