

Prime Stage
Financial Statements
For the Years Ended June 30, 2021 and 2020



**Prime Stage
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For the Years Ended June 30, 2021 and 2020

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**To the Board of Directors of
Prime Stage**
Harmony, PA

Management is responsible for the accompanying financial statements of Prime Stage (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—modified cash basis as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and other changes in net assets—modified cash basis and statements of functional expenses for the years then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Pittsburgh, PA
May 2, 2022

**Prime Stage
Statements of Assets, Liabilities
& Net Assets
Modified Cash Basis**

As of June 30,

	2021	2020
ASSETS		
Current Assets		
Cash	\$ 48,475	\$ 30,435
Total Current Assets	48,475	30,435
TOTAL ASSETS	\$ 48,475	\$ 30,435
Net Assets		
Without Donor Restrictions	48,475	30,435
TOTAL LIABILITIES AND NET ASSETS	\$ 48,475	\$ 30,435

**Prime Stage
Statements of Revenues, Expenses & Other
Changes in Net Assets
Modified Cash Basis**

For the years ended June 30,

	2021	2020
Changes in Net Assets:		
Revenues:		
Earned Income	\$ 29,395	\$ 54,296
Corporate Contributions	4,000	9,485
Donations	12,138	78,075
Foundations	123,500	93,770
Government Grants	72,050	42,987
Total Revenues	241,083	278,613
Expenses:		
Fundraising	1,560	110
Management & General	28,467	38,136
Program Expenses	193,016	182,836
Total Expenses	223,043	221,082
Increase [Decrease] in Net Assets	18,040	57,531
Net Assets at Beginning of Year	30,435	[27,096]
Net Assets at End of Year	\$ 48,475	30,435

See Independent Accountant's Compilation Report
The Accompanying Notes are an Integral Part of these Financial Statements

Prime Stage
Statement of Functional Expenses
Modified Cash Basis

As of June 30, 2021

	Program Services	Management & General	Fundraising	Total
Bank Charges	-	86	-	86
Board Training	-	66	-	66
Development Director	14,040	-	1,560	15,600
Education Box Office Manager	4,800	-	-	4,800
Education Director	21,550	-	-	21,550
Education Programs	5,380	-	-	5,380
Finance Director	6,400	-	-	6,400
Insurance	-	7,236	-	7,236
Managing Director	10,000	-	-	10,000
Marketing	6,227	-	-	6,227
Office Expenses	-	2,833	-	2,833
Operations Director	16,500	-	-	16,500
Payroll Fees & Payroll Taxes	-	5,744	-	5,744
PR/Accessibility Director	4,335	-	-	4,335
Production	39,379	-	-	39,379
Production Manager	6,200	-	-	6,200
Production Staff	30,280	-	-	30,280
Professional Fees	-	6,494	-	6,494
Registration Fees	-	898	-	898
Rehearsal Studio	12,625	-	-	12,625
Social Media Director	4,800	-	-	4,800
Theatre Rent	10,500	-	-	10,500
Utilities	-	5,110	-	5,110
Total	\$ 193,016	\$ 28,467	\$ 1,560	\$ 223,043

See Independent Accountant's Compilation Report
The Accompanying Notes are an Integral Part of these Financial Statements

Prime Stage
Statement of Functional Expenses
Modified Cash Basis

As of June 30, 2020

	Program Services	Management & General	Fundraising	Total
Accessibility Coordinator	\$ 1,665	\$ -	\$ -	\$ 1,665
Advertising	-	410	-	410
Assistant Operations Director	12,000	-	-	12,000
Bank Charges	-	2,735	-	2,735
Development Director	13,555	-	-	13,555
Education Box Office Manager	4,800	-	-	4,800
Education Director	20,000	-	-	20,000
Education Programs	3,522	-	-	3,522
Fundraising	-	-	110	110
Insurance	-	6,179	-	6,179
Marketing	9,809	-	-	9,809
Office Expenses	-	8,711	-	8,711
Payroll Fees & Payroll Taxes	-	5,921	-	5,921
Production	21,052	-	-	21,052
Production Manager	5,100	-	-	5,100
Production Staff	45,742	-	-	45,742
Professional Fees	-	9,374	-	9,374
Publications Director	6,900	-	-	6,900
Registration Fees	-	399	-	399
Rehearsal Rent	12,000	-	-	12,000
Social Media Director	3,600	-	-	3,600
Teaching Artist	600	-	-	600
Theatre Rent	22,491	-	-	22,491
Utilities	-	4,407	-	4,407
Total	\$ 182,836	\$ 38,136	\$ 110	\$ 221,082

See Independent Accountant's Compilation Report
The Accompanying Notes are an Integral Part of these Financial Statements

Prime Stage
Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

The following notes and accompanying financial statements are the responsibility of the Management of Prime Stage.

Note 1 – Organization and Nature of Activities:

The Organization was formed in 1996 under the Corporation Not-for-Profit Code of the Commonwealth of Pennsylvania as an educational organization to entertain, educate and enrich families, students and educators through the discovery of theater and literature. The Organization produces adaptations of literature and plays that explore the lives of young people and adults. The Organization also provides training and mentoring programs to address literacy and provide leadership opportunities for adolescents.

Prime Stage is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Note 2 – Significant Accounting Policies:

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis, the only asset recognized is cash and certain liabilities are recognized. The cash basis differs from accounting principles generally accepted in the United States of America in that:

1. The Organization recognizes certain **revenues** and related assets when received rather than when earned.
2. Certain **expenses** are recorded when paid rather than when the expense is incurred.
3. The Organization has not recognized accounts receivable or accounts payable and their related effects on earnings in the accompanying financial statements.
4. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Significant Accounting Policies [continued]:

Net Assets

Prime Stage reports its activities according to two classes of net assets: without donor restrictions and with donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same reporting period are considered without donor restrictions.

There were no net assets with donor restrictions for the years ended June 30, 2021 and 2020.

Advertising

The Organization uses advertising to promote its programs. These costs are expensed when paid.

Examination by Taxing Authorities

The tax returns of Prime Stage for 2017, 2018, 2019 and 2020 could be subject to examination by the IRS, generally for up to three years from the date the return was filed or the date the return was due, if later. As of the date of this report, there are no pending or actual examinations by the IRS.

Note 3 – Revenue Recognition:

Revenue from the sale of tickets for productions is recognized when the cash for the ticket sales is received.

Donations, foundation support and government grants are recognized when the payments are received from the individuals and organizations.

Program and project revenues are recorded when payments are received.

Note 4 – Income Taxes:

Under the Internal Revenue Code Section 501(c)(3), the Organization is exempt from income tax liability. Therefore, no provision or liability for federal income taxes has been included in these financial statements

Note 5 – Paycheck Protection Program Loans:

The Organization received two loans under the Paycheck Protection Program established by the Coronavirus Aid, Relief and Economic Security [CARES] Act. The loans were each \$27,800 and were received during the years ending June 30, 2021 and 2020. The loans were fully forgiven and have been recognized as grants revenue for June 30, 2021 and 2020.

Prime Stage

Notes to Financial Statements

For the Years Ended June 30, 2021 and 2020

Note 6 - Subsequent Events:

The COVID-19 pandemic which began in March of 2020, still continues as of the date of this report. Management is carefully monitoring the situation during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Note 7 - Leases:

Rehearsal Rent

Prime Stage rents warehouse space for rehearsals, training and business activities from Technique by Toni, LLC under a multi-year lease. Lease payments are made in monthly installments of \$1,000. The current lease agreement was from August 2014 through July 2018 and automatically renews for one-year terms. Rent expense for June 30, 2021 was \$12,000.

Following is a schedule of future minimum lease payments required under the above operating lease as of June 30, 2021:

<u>Year Ending</u>	<u>Amount</u>
<u>2022</u>	<u>12,000</u>
Total	<u>\$ 12,000</u>

Note 8 - Concentrations of Risk:

Prime Stage operates in the Pittsburgh, PA area; therefore, economic and demographic influences on this area impact the activities of the Organization.