

Prime Stage
Financial Statements
For the Years Ended June 30, 2024 and 2023



Prime Stage
Table of Contents
For the Years Ended June 30, 2024 and 2023

	PAGE
Independent Accountant’s Compilation Report.....	1
<i><u>FINANCIAL STATEMENTS - MODIFIED CASH BASIS:</u></i>	
Statements of Assets, Liabilities & Net Assets	2
Statements of Revenues, Expenses & Other Changes in Net Assets.....	2
Statements of Functional Expenses.....	3-4
Notes to the Financial Statements	5-6



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, 2024 and 2023, 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.

As discussed in Note 9, certain conditions indicate that the Organization may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Organization be unable to continue as a going concern.

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 14, 2025

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

As of June 30,

	2024	2023
ASSETS		
Current Assets		
Cash	\$ -	\$ 7,405
Total Current Assets	-	7,405
TOTAL ASSETS	\$ -	\$ 7,405
LIABILITIES		
Current Liabilities		
Cash Overdrafts	3,671	-
Total Current Liabilities	\$ 3,671	\$ -
Net Assets		
Without Donor Restrictions	[3,671]	7,405
Total Net Assets	[3,671]	7,405
TOTAL LIABILITIES AND NET ASSETS	\$ -	\$ 7,405

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

For the years ended June 30,

	2024	2023
Changes in Net Assets:		
Revenues:		
Program Earned Income	\$ 59,743	\$ 86,726
Corporate Contributions	8,500	8,500
Donations	41,134	91,699
Foundations	148,200	138,500
Fundraising	7,470	7,138
Government Grants	35,956	37,000
Total Revenues	301,003	369,563
Expenses:		
Fundraising	12,642	4,085
Management & General	25,912	32,447
Program Expenses	273,525	321,853
Total Expenses	312,079	358,385
Increase [Decrease] in Net Assets	[11,076]	11,178
Net Assets at Beginning of Year	7,405	[3,773]
Net Assets at End of Year	\$ [3,671]	\$ 7,405

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, 2024

	Program Services	Management & General	Fundraising	Total
Advertising	\$ -	\$ 200	\$ -	\$ 200
Bank Charges	-	874	-	874
Board & Staff Training	-	269	-	269
Education Box Office Manager	5,800	-	-	5,800
Education Consultant	1,000	-	-	1,000
Education Director	16,403	-	-	16,403
Education Programs	6,586	-	-	6,586
Fight Director	600	-	-	600
Finance Director	300	-	-	300
Fundraising	-	-	8,042	8,042
Fundraising Events	-	-	4,600	4,600
General Manager	6,200	-	-	6,200
Insurance	-	7,663	-	7,663
Marketing	11,964	-	-	11,964
Office Expenses	-	4,720	-	4,720
Payroll Fees & Payroll Taxes	-	4,999	-	4,999
Production	36,642	-	-	36,642
Production Manager	12,000	-	-	12,000
Production Staff	93,302	-	-	93,302
Professional Fees	-	514	-	514
Registration Fees & Dues	-	288	-	288
Rehearsal Studio	12,100	-	-	12,100
Studio Manager	1,800	-	-	1,800
Taxes & Fees	-	1,242	-	1,242
Theatre Rent	68,828	-	-	68,828
Utilities	-	5,143	-	5,143
Total	\$ 273,525	\$ 25,912	\$ 12,642	\$ 312,079

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, 2023

	Program Services	Management & General	Fundraising	Total
Advertising	\$ -	\$ 2,500	\$ -	\$ 2,500
Bank Charges	-	568	-	568
Board & Staff Training	-	5	-	5
Education Box Office Manager	800	-	-	800
Education Director	20,500	-	-	20,500
Education Programs	33,575	-	-	33,575
Fight Director	1,375	-	-	1,375
Finance Director	6,000	-	-	6,000
Fundraising	-	-	4,085	4,085
Insurance	-	6,988	-	6,988
Managing Director	26,000	-	-	26,000
Marketing	7,652	-	-	7,652
Office Expenses	-	3,722	-	3,722
Payroll Fees & Payroll Taxes	-	5,945	-	5,945
Production	29,884	-	-	29,884
Production Manager	9,900	-	-	9,900
Production Staff	106,940	-	-	106,940
Professional Fees	-	6,750	-	6,750
Registration Fees	-	396	-	396
Rehearsal Rent	10,025	-	-	10,025
Studio Manager	600	-	-	600
Theatre Rent	68,602	-	-	68,602
Utilities	-	5,573	-	5,573
Total	\$ 321,853	\$ 32,447	\$ 4,085	\$ 358,385

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, 2024 and 2023

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, 2024 and 2023.

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 2020, 2021, 2022 and 2023 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 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 – 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.

Prime Stage
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 6 - Leases:

Theater Rent
 Prime Stage rents theater space from the New Hazlett Theater for its performances and events under a license agreement. The annual rent is based on the number of performances. For the year ending June 30, 2024, there were five events with total Theater rent expenses of \$68,828 and covered the time periods of:

- Event I: 10/30/23 to 11/12/23
- Event II: 1/15/24 to 1/28/24
- Event III: 1/29/2024
- Event IV: 2/26/24 to 3/10/24
- Event V: 4/29/24 to 5/12/24

On July 12, 2024, Prime Stage signed a license agreement for its performances and events for the year ending June 30, 2025. The agreement covers five events with total rent expenses of \$78,400 and covers the time periods of October 28, 2024, to May 11, 2025.

Rehearsal Studio 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 is from August 2014 through July 2018 and is automatically renewable for a one-year term. Management intends to renew this lease. Total rehearsal studio rent was \$12,100 for the year ending June 30, 2024 and \$10,025 for the year ending June 30, 2023.

Following is a schedule of future minimum lease payments required under the above operating leases as of June 30, 2024:

<u>Year Ending</u>	<u>Amount</u>
2025	<u>\$90,400</u>
Total	<u>\$90,400</u>

Note 7 - Subsequent Events:

Management has considered subsequent events through the date of the report, and no events have occurred subsequent to the statement of assets, liabilities, and net assets and through the date of this report that require adjustment to or disclosure in these financial statements.

Note 8 - Commitments & Contingencies:

The Organization has no commitments or contingencies as of the date of the financial statements.

Note 9 – Commitments & Contingencies:

Going Concern:

As shown in the accompanying financial statements, the Organization incurred a net loss of \$11,076 during the year ended June 30, 2024, and as of that date, the Organization’s current liabilities exceed its current assets by \$3,671. Those factors, create a substantial doubt about the Organization’s ability to continue as a going concern for the year following the date the financial statements are available to be issued. Management of the Organization has evaluated the finances and implemented changes to the 2025/2026 season. The intended goal is to obtain a surplus for the year and the future by reducing the budget with reduced productions, staffing, and rental costs, while increasing revenue with additional education programs, programing, and fundraising events. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.