THE LARK THEATRE COMPANY, INC.
D/B/A LARK PLAY DEVELOPMENT CENTER

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

JUNE 30, 2017 AND 2016

WITH INDEPENDENT AUDITOR'S REPORT

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AUDIT TAX ADVISORY

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Lark Theatre Company, Inc.
d/b/a Lark Play Development Center

We have audited the accompanying financial statements of The Lark Theatre Company, Inc. (a not-for-profit corporation) (the "Organization"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lark Theatre Company, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

September 27, 2017

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The Lark Theatre Company, Inc. d/b/a Lark Development Center
Statements of Financial Position
June 30, 2017 and 2016

	2017				2016			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Assets								
Current Assets								
Cash and cash equivalents	$ 118,305	$ 306,074	$ 298,519	$ 722,898	$ 18,131	$ 357,348	$ 257,714	$ 633,193
Accounts receivable	3,045	-	-	3,045	10,111	-	-	10,111
Unconditional promises to give	81,150	370,250	3,000	454,400	131,214	259,711	43,805	434,730
Prepaid expenses	26,857	-	-	26,857	30,526	-	-	30,526
Total Current Assets	229,357	676,324	301,519	1,207,200	189,982	617,059	301,519	1,108,560
Unconditional promises to give	-	119,724	-	119,724	-	297,609	-	297,609
Property and equipment, at cost, net of accumulated depreciation	644,864	-	-	644,864	866,756	-	-	866,756
Security deposits	62,936	-	-	62,936	62,936	-	-	62,936
Total Assets	$ 937,157	$ 796,048	$ 301,519	$ 2,034,724	$ 1,119,674	$ 914,668	$ 301,519	$ 2,335,861
Liabilities and Net Assets								
Liabilities								
Current Liabilities								
Accounts payable and accrued expenses	$ 52,511	$ -	$ -	$ 52,511	$ 110,886	$ -	$ -	$ 110,886
Deferred income	3,293	-	-	3,293	-	-	-	-
Deferred rent	19,589	-	-	19,589	12,351	-	-	12,351
Total Current Liabilities	75,393	-	-	75,393	123,237	-	-	123,237
Deferred rent	158,677	-	-	158,677	178,266	-	-	178,266
Total Liabilities	234,070	-	-	234,070	301,503	-	-	301,503
Commitments and contingencies								
Net Assets								
Unrestricted								
Property and equipment	644,864	-	-	644,864	866,756	-	-	866,756
Undesignated (accumulated deficit)	58,223	-	-	58,223	(48,585)	-	-	(48,585)
Total Unrestricted Net Assets	703,087	-	-	703,087	818,171	-	-	818,171
Temporarily restricted	-	796,048	-	796,048	-	914,668	-	914,668
Permanently restricted	-	-	301,519	301,519	-	-	301,519	301,519
Total Net Assets	703,087	796,048	301,519	1,800,654	818,171	914,668	301,519	2,034,358
Total Liabilities and Net Assets	$ 937,157	$ 796,048	$ 301,519	$ 2,034,724	$ 1,119,674	$ 914,668	$ 301,519	$ 2,335,861

The Lark Theatre Company, Inc. d/b/a Lark Development Center
Statements of Activities
For the Years Ended June 30, 2017 and 2016

	2017				2016			
Public Support and Other Revenue	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Public Support								
Government	$ 97,900	$ 15,000	$ -	$ 112,900	$ 80,500	$ 74,650	$ -	$ 155,150
Individuals and family foundations	708,873	60,664	-	769,537	563,060	118,055	37,865	718,980
Foundations	444,712	183,518	-	628,230	333,790	386,934	36,346	757,070
Corporations	10,014	19,070	-	29,084	515	-	-	515
Donated services	35,188	-	-	35,188	37,880	-	-	37,880
Released From Restriction								
Government	74,650	(74,650)	-	-	15,000	(15,000)	-	-
Individuals and family foundations	101,861	(101,861)	-	-	121,375	(121,375)	-	-
Foundations	220,361	(220,361)	-	-	249,249	(249,249)	-	-
Total Public Support	1,693,559	(118,620)	-	1,574,939	1,401,369	194,015	74,211	1,669,595
Other Revenue								
Rental income	12,386	-	-	12,386	17,927	-	-	17,927
Program revenue and miscellaneous income	1,128	-	-	1,128	3,341	-	-	3,341
Contracted services	1,034	-	-	1,034	20,154	-	-	20,154
Investment income (loss)	(1,115)	-	-	(1,115)	1,575	-	-	1,575
Total Other Revenue	13,433	-	-	13,433	42,997	-	-	42,997
Total Public Support and Other Revenue	1,706,992	(118,620)	-	1,588,372	1,444,366	194,015	74,211	1,712,592
Expenses								
Program Services	1,461,056	-	-	1,461,056	1,208,587	-	-	1,208,587
Supporting Services								
Management and General	142,457	-	-	142,457	282,249	-	-	282,249
Fundraising	218,563	-	-	218,563	179,308	-	-	179,308
Total Supporting Services	361,020	-	-	361,020	461,557	-	-	461,557
Total Expenses	1,822,076	-	-	1,822,076	1,670,144	-	-	1,670,144
Increase (Decrease) in Net Assets	(115,084) *	(118,620)	-	(233,704)	(225,778) *	194,015	74,211	42,448
Net assets, beginning of year	818,171	914,668	301,519	2,034,358	1,043,949	720,653	227,308	1,991,910
Net Assets, End of Year	$ 703,087	$ 796,048	$ 301,519	$ 1,800,654	$ 818,171	$ 914,668	$ 301,519	$ 2,034,358

* Includes depreciation expense of $223,361 (2017) and $224,790 (2016)

	2017	2016
Increase (Decrease) in unrestricted net assets before depreciation expense	$ 108,277	$ (988)

The notes to financial statements are an integral part of these statements.

The Lark Theatre Company, Inc. d/b/a Lark Development Center
Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities		
Increase (Decrease) in net assets	$ (233,704)	$ 42,448
Adjustments to increase (decrease) in net assets to net cash used by operating activities:		
Depreciation	223,361	224,790
Donated stocks	(225,037)	(248,638)
Realized (gain) loss on sale of investments	1,403	(1,412)
Bad debt expense	26,500	-
Change in discount for present value of unconditional promises	23,115	5,779
(Increase) Decrease in:		
Accounts receivable	7,066	(4,703)
Unconditional promises to give	108,600	(248,257)
Prepaid expenses	3,669	(125)
Increase (Decrease) in:		
Accounts payable and accrued expenses	(58,375)	44,056
Deferred income	3,293	-
Deferred rent	(12,351)	(5,289)
Net Cash Used By Operating Activities	(132,460)	(191,351)
Cash Flows From Investing Activities		
Proceeds from sale of investments	223,634	272,353
Purchase of property and equipment	(1,469)	-
Net Cash Provided By Investing Activities	222,165	272,353
Net increase in cash and cash equivalents	89,705	82,002
Cash and cash equivalents, beginning of year	633,193	551,191
Cash and Cash Equivalents, End of Year	$ 722,898	$ 633,193
Supplemental Disclosure		
Non-cash information: bad debt expense	$ 26,500	$ -

The notes to financial statements are an integral part of these statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a - Organization

The Lark Theatre Company, Inc. d/b/a Lark Play Development Center (the "Organization") is a not-for-profit corporation located in New York, NY. A laboratory for new voices and new ideas, the Organization provides playwrights and their collaborators with resources to develop their work in a supportive yet rigorous environment and encouraging artists to define their own goals and creative processes in pursuit of a unique vision. The Organization embraces new and diverse perspectives in New York and in all corners of the world, supporting innovative strategies to help new work reach audiences through a network of evolving partnerships. The Organization strives to reinvigorate the theater's ancient and enduring role as a public forum for discussion, debate and community engagement, and to strengthen society's capacity to imagine its future through storytelling.

b - Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

c - Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

d - Fair Value Measurements

"Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. "Fair Value Measurements and Disclosures" defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price" in an orderly transaction between market participants).

In determining fair value, the Organization uses various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under "Fair Value Measurements and Disclosures" and the Organization's related types are described below.

Level 1: Quoted prices of identical instruments in active markets.

Level 2: Quoted prices of similar instruments in active markets; quoted prices of identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Significant inputs to the valuation model are unobservable.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

e - Investments

Investments in marketable securities are reported at market value in the accompanying statements of financial position. All investments are stated at their fair value. Unrealized gains and losses are included in change in net assets in the accompanying statements of activities. Investments received by gift are initially recorded at fair value at the date of receipt. Fair values for stocks, bonds and U.S. government securities are based on quoted market prices. Alternative investments are stated at fair value in the financial statements at the net asset value based on estimates provided by the management of the funds. The alternative investments are nonmarketable and the funds' management values the assets based upon the net asset value multiplied by the number of shares held.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e - Investments (continued)

The fair values assigned to these assets do not necessarily represent amounts that might be realized upon their ultimate disposition. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements. Gains and losses on sales of investments are determined using the average cost method.

f - Contributions and Promises to Give

Contributions are recognized when received or when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

g - Property and Equipment

Property and equipment acquired are recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of $1,000. Lesser amounts are expensed. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment, furniture, and website are being depreciated over the useful life of the related asset using the straight-line method, with a half of a year's depreciation recognized in the years of acquisition and disposal. Leasehold improvements are being amortized over the shorter of the lease term or useful life.

h - Revenue Recognition

Rental income, program revenue and miscellaneous income, and contracted services are recognized in the period to which the fees relate.

i - Financial Statement Presentation

The Organization presents its financial statements according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Temporarily restricted net assets are subject to donor-imposed stipulations that will be met by actions of the Organization or by the passage of time. Unrestricted net assets are not subject to donor-imposed stipulations.

j - Advertising Costs

Advertising costs are charged to operations at the time the advertising occurs. Advertising expense for the years ended June 30, 2017 and 2016 was $8,922 and $8,573, respectively.

k - Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I - Tax Status and Uncertain Tax Positions

The Organization is a not-for-profit corporation, exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, and Section 402 of the Not-for-Profit Corporation Law in New York State, and has been designated as an organization, which is not a private foundation. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ended June 30, 2016, 2015 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization did not recognize any tax related interest and/or penalties in the accompanying financial statements, but would record any such interest and/or penalties as a component of other expense.

2. RESTRICTIONS ON NET ASSETS

a) Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following purposes as of June 30:

	2017	2016
Fellowships	$ 232,949	$ 132,560
Restricted for use in future periods	222,770	385,920
Play development	207,938	219,700
BareBones Production	100,000	100,000
International programs	32,391	76,488
	$ 796,048	$ 914,668

During the year ended June 30, 2016, the Organization signed an agreement with FJC, a Foundation of Philanthropic Funds, to establish a restricted Earmarked Fund Account (the "Account") with a deposit of $100,000 plus any additional funds raised for the Organization's BareBones Production program (the "Program") as a match, if applicable. The funds will be handled by FJC for investment purposes for a fee of 15 basis points annually, based on the average daily value of the assets held in the Account. The funds may be comingled with other investment assets of FJC and managed in accordance with FJC's investment policies. The Organization may withdraw the funds from the Account as necessary to fund the Program and must furnish a report to FJC on how the distributions from the Account are used. As of June 30, 2017 and 2016, $100,000 was received from one foundation and is reflected as cash and cash equivalents within temporarily restricted net assets. In fiscal year 2017, the $100,000 was received from the foundation and was invested into the Account.

b) Permanently Restricted Net Assets

In 2015, the Organization received a grant from The Andrew Mellon Foundation (the "Foundation") for the establishment of a cash reserve fund in the amount of $150,000, to be matched one-to-one. The Foundation agreed to make payments in the amount of $50,000 or more upon receiving evidence of gifts received in the form of cash or securities that are restricted towards the cash reserve. As of June 30, 2016, the match was met. Permanently restricted net assets consists of the Foundation's grant of $150,000 plus matching funds. The Organization may draw upon the cash reserve fund, provided that within 24 months from the date of withdrawal; the amount withdrawn will be restored. In extreme circumstances, the Organization may elect to extend this period. Any income earned on these funds is unrestricted.

3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in two financial institutions located in New York, NY. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2017, the Organization's uninsured cash balances were $187,995. The Organization maintains an investment account primarily to receive common stock as donations. The Organization's policy is to sell any donated stock immediately upon receipt from the donor. Balances within this account, if any, are insured by the Securities Investor Protection Corporation ("SIPC") up to $500,000 per customer. SIPC does not protect investors from market risks.

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

a) Fair Value of Financial Instruments
The fair value and carrying amount of the Organization's cash and short-term investments as of June 30, 2017 and 2016 was $727,898 and $633,193, respectively. Cash and short-term investments carrying amount approximates fair value because of the short maturities of those investments.

b) Fair Values Measured on Recurring Basis
Fair values of assets measured on a recurring basis consist of commons stocks and equities. Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

c) Investment Income (Loss)
Investment income (loss) consists of the following for the years ended June 30:

	2017	2016
Realized gain (loss) on sale of investments	$ (1,403)	$ 1,412
Interest and dividend income	288	163
Net investment income (loss)	$ (1,115)	$ 1,575

5. UNCONDITIONAL PROMISES TO GIVE

When estimating fair value of unconditional promises to give, the relationships with donor, the donor's past history of making timely payments, and the donor's overall creditworthiness are considered and incorporated into present value techniques. The interest element resulting from amortization of the discount for the time value of money, computed using the effective interest rate method, is reported as contribution revenue. Uncollectible promises are expected to be insignificant. Unconditional promises to give to be received after one year are discounted at a rate of 5%.

Unconditional promises to give consist of the following as of June 30, 2017:

	Less than One Year	Over One Year	Total
Unrestricted	$ 81,150	$ -	$ 81,150
Temporarily restricted	370,250	132,000	502,250
Permanently restricted	3,000	-	3,000
	454,400	132,000	586,400
Less: discount for present value	-	(12,276)	(12,276)
	$ 454,400	$ 119,724	$ 574,124

5. UNCONDITIONAL PROMISES TO GIVE (CONTINUED)

Unconditional promises to give consist of the following as of June 30, 2016:

	Less than One Year	One to Three Years	Total
Unrestricted	$ 131,214	$ -	$ 131,214
Temporarily restricted	259,711	333,000	592,711
Permanently restricted	43,805	-	43,805
	434,730	333,000	767,730
Less: discount for present value	-	(35,391)	(35,391)
	$ 434,730	$ 297,609	$ 732,339

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	Life/Years	2017	2016
Leasehold improvements	Life of lease	$ 1,122,948	$ 1,122,948
Furniture and equipment	5-7	260,234	258,765
Website	3	48,200	48,200
Artwork	n/a	15,000	15,000
		1,446,382	1,444,913
Less: accumulated depreciation		(801,518)	(578,157)
		$ 644,864	$ 866,756

Depreciation expense for the years ended June 30, 2017 and 2016 was $223,361 and $224,790, respectively.

7. COMMITMENTS AND CONTINGENCIES

a) Government supported programs are subject to audit by the granting agency.

b) The Organization signed a lease agreement for office and performance space. The Organization occupies the space under a non-cancelable operating lease that provides for approximate minimum annual rental payments as follows as of June 30, 2017:

For the year ending June 30, 2018	$ 296,751
" " " " June 30, 2019	304,170
" " " " June 30, 2020	311,774
" " " " June 30, 2021	319,569
" " " " June 30, 2022	327,558
Thereafter, through July 31, 2022	27,352
Total	$ 1,587,174

Rent expense for the years ended June 30, 2017 and 2016 was $356,083 and $347,372, respectively.

The Organization has reflected the variance between actual lease payments provided under the operating lease and the straight-line amortization of the lease for financial statement purposes. The balance of the cumulative variance or deferred rent for the years ended June 30, 2017 and 2016 was $178,266 and $190,617, respectively. The financial statements amortize any free rent period over the life of the lease.

7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

c) In May 2013, the Organization entered into a joint-venture agreement with TalentFont Holdings LLC ("TalentFont") to form Kanjy LLC ("Kanjy"), a unique partnership to develop and implement a theatre and screen-specific interactive social network among playwrights, screenwriters, actors, directors, producers, funders, agents and audiences, with a focus on providing a digital platform upon which new voices can be recognized, cultivated and advanced. The collaboration will combine skills, knowledge and experience of the Organization and the expertise in social media, software design, marketing and business management of TalentFont. The Organization is a member in Kanjy with a 9% profit share. The Organization is a member of both TalentFont and Talent Broker Technologies LLC and has a 1.5% profit share in each. There was activity during years ended June 30, 2017 and 2016.

d) The Organization has entered into an agreement with a professional employer organization (the "PEO") through the period ended December 31, 2016 with an automatic renewal each year. Under the terms of the agreement, the PEO is a co-employer of the Organization's employees and is obligated to maintain worker's compensation insurance coverage for all covered employees.

8. DONATED SERVICES

The Organization received donated professional services during the years ended June 30, 2017 and 2016 in support of its programs and operations. The fair market value has been recorded in the accompanying financial statements.

9. EMPLOYMENT BENEFIT PLAN

The Organization has a 401(k) salary deferral plan. Under the plan, the Organization may make a contribution to the employee plan on a discretionary basis. There was no matching contribution for the years ended June 30, 2017 and 2016.

10. FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and the supporting services has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

11. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 27, 2017, the date which the financial statements were available to be issued. Management has determined that there are no subsequent events that require disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

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AUDIT TAX ADVISORY

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Trustees of
The Lark Theatre Company, Inc.
d/b/a Lark Play Development Center

We have audited the financial statements of The Lark Theatre Company, Inc. as of and for the years ended June 30, 2017 and 2016, and have issued our report thereon dated September 27, 2017, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended June 30, 2017 with comparative totals for 2016 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

WithumSmith+Brown, PC

September 27, 2017

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The Lark Theatre Company, Inc. d/b/a Lark Development Center
Schedule of Functional Expenses
For the Year Ended June 30, 2017 with Comparative Totals for 2016

		Supporting Services			2017	2016
	Program Expense	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries	$ 479,580	$ 42,604	$ 82,279	$ 124,883	$ 604,463	$ 564,952
Employee benefits and payroll taxes	92,322	8,202	15,839	24,041	116,363	105,886
Artistic fees	210,135	-	-	-	210,135	143,168
Travel and housing	55,712	1,047	9,886	10,933	66,645	82,816
Office rent	85,708	17,205	17,566	34,771	120,479	116,532
Theatre rent	247,955	-	-	-	247,955	236,129
Deferred rent	(11,139)	(600)	(612)	(1,212)	(12,351)	(5,289)
Other theatre expenses	54,306	-	-	-	54,306	51,372
Equipment purchases	10,381	2,084	2,128	4,212	14,593	16,808
Office supplies	8,996	1,806	3,435	5,241	14,237	14,470
Printing and postage	1,650	331	1,269	1,600	3,250	5,691
Insurance	10,899	2,188	2,234	4,422	15,321	13,978
Bad debt expense	-	-	26,500	26,500	26,500	-
Utilities	7,363	1,478	1,509	2,987	10,350	10,783
Marketing	8,922	-	-	-	8,922	8,573
Equipment rental	2,253	452	462	914	3,167	3,155
Maintenance	3,604	723	739	1,462	5,066	2,114
Telephone	3,300	662	676	1,338	4,638	4,664
Event expenses	-	-	13,815	13,815	13,815	3,667
Professional fees	7,096	27,230	1,454	28,684	35,780	34,761
License, fees, dues and subscriptions	23,114	5,149	6,343	11,492	34,606	30,648
Miscellaneous	-	-	475	475	475	476
Total expenses before depreciation	1,302,157	110,561	185,997	296,558	1,598,715	1,445,354
Depreciation	158,899	31,896	32,566	64,462	223,361	224,790
Total Expenses, 2017	$ 1,461,056	$ 142,457	$ 218,563	$ 361,020	$ 1,822,076	
Total Expenses, 2016	$ 1,208,587	$ 282,249	$ 179,308	$ 461,557		$ 1,670,144

See independent auditor's report on supplemental information.