

**HARLEM LINK CHARTER SCHOOL**

**FINANCIAL STATEMENTS**

**June 30, 2009**

Stamm & Bader, CPA  
225 West 34th Street  
New York, New York 10122  
Tel: (212) 239-2098  
Fax: (212) 594-0228  
E-Mail: StammBader@aol.com

STAMM & BADER  
CERTIFIED PUBLIC ACCOUNTANTS

DENNIS H. STAMM, C.P.A.  
ARTHUR H. BADER, C.P.A.

14 Penn Plaza  
225 West 34th Street  
New York , New York  
Tel: (212) 239-2098  
Fax (212) 594-0228  
E-Mail: StammBader@aol.com

October 28, 2009

To the Board of Trustees of  
Harlem Link Charter School  
20 West 112th Street  
New York, New York 10026

We have audited the accompanying statement of financial position of Harlem Link Charter School as of June 30, 2009 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Harlem Link Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Harlem Link Charter School as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2009 on our consideration of Harlem Link Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Very truly yours,

*Stamm & Bader*

Stamm & Bader, CPA

**HARLEM LINK CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED JUNE 30, 2009**

**ASSETS**

Cash & Cash Equivalents (Note 3)	\$ 925,216
Accounts Receivable ( Note 2)	201,806
Transit Cheks	7,016
Uniforms	<u>39,851</u>

<b>Total Current Assets</b>	1,173,889
-----------------------------	-----------

Equipment, Furniture & Fixtures -	
Net of Accumulated Depreciation of \$ 103,157 (Note 2)	76,482
Prepaid Expenses	<u>47,002</u>

<b>TOTAL ASSETS</b>	<u><b>\$ 1,297,373</b></u>
---------------------	----------------------------

**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts Payable	\$ 49,033	
Accrued Expenses	<u>338,634</u>	
		387,667

**Net Assets**

Unrestricted Year End 6-30-08	1,123,784	
Prior Period Adjustment (Note 4)	(271,487)	
Increase/(Decrease) in Net Assets 6-30-09	<u>57,409</u>	
		<u>909,706</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 1,297,373</b></u>
---	----------------------------

**HARLEM LINK CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009**

**CHANGES IN UNRESTRICTED NET ASSETS**

**Revenue**

General Operating Programs -Per Pupil Aid	\$ 3,273,797
Special Education Services	236,238
Title I A & D Income	139,738
Title II A	15,593
Individuals w/Disabilities Education Act (IDEA)	23,243
US Dept. of Agriculture	5,000
Dept of Youth & Community Dev. Grant	21,114
Corporation Grants	12,870
Foundation Grants	28,722
Grants - Individual	35,769
Miscellaneous	78

<b>Total Revenues &amp; Other Support</b>	<b>3,792,162</b>
---	------------------

**Expenses**

Program Services - Unrestricted	2,878,709
Special Education	274,919
Management & Administrative - Unrestricted	601,021

Total Unrestricted Expenses	3,754,649
-----------------------------	-----------

Increase in Unrestricted Net Assets	37,513
-------------------------------------	--------

Dividend Income	11,756
-----------------	--------

Interest Income	8,140
-----------------	-------

**19,896**

<b>Increase in Net Assets</b>	<b>57,409</b>
-------------------------------	---------------

<b>Net Assets before Prior Period Adjustments - 6-30-08</b>	<b>1,123,784</b>
---	------------------

<b>Prior Period Adjustments (Note 4)</b>	<b>(271,487)</b>
--	------------------

<b>Net Assets, End of Year 6-30-09</b>	<b>\$ 909,706</b>
--	-------------------

See notes to financial statements

**HARLEM LINK CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2009**

**Cash Flows from Operating Activities**

Increase/(Decrease) in Net Assets	\$ 57,409
Adjustments to Reconcile Increase in Total Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	36,085
(Increase)/Decrease in Accounts Receivable	(16,740)
(Increase)/Decrease in Transit Cheks	(7,016)
(Increase)/Decrease Uniforms	(39,851)
(Increase)/Decrease in Prepaid Expenses	(40,739)
Increase/Decrease) in Accounts Payable	(26,921)
Increase/(Decrease) in Due to Office of School Food	(1,565)
Increase/(Decrease) in Accrued Expenses	338,634
Prior Period Adjustment (Note 4)	(271,487)
	<u>(29,600)</u>
Net Cash Used by Operating Activities	27,809

**Investing Activities**

Purchase of Equipment & Fixed Assets	<u>(17,338)</u>
--------------------------------------	-----------------

**Net Increase/(Decrease) in Cash** **10,471**

**Cash, Beginning of Year** 914,745

**Cash, End of Year 6-30-09** \$ 925,216

**HARLEM LINK CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2009**

**Note 1: Nature of Activities**

In June of 2004, the State University of New York approved the application for the Harlem Link Charter School, and in September of 2004, the New York State Board of Regents incorporated the School by also approving the Charter. The School accepted children beginning in September 2005.

For enrollment purposes, the School has a full time equivalent total of 267 children attending grades kindergarten through 4rd grade in the fiscal year ending June 30, 2009. The School expanded to 5th grade in September 2009. The purpose of the School is to graduate articulate scholars and active citizens.

**Note 2: Summary of Accounting Policies**

a) The financial statements have been prepared on the accrual basis.

**b) Accounts Receivable**

The accounts receivable of June 30 consists of the following:

DYCD	\$ 19,862
NYC Center for Charter School Excellence	\$ 6,000
Interactive Therapy Group	\$ 1,361
Title I	\$ 108,842
Title II	\$ 12,475
Title IID	\$ 1,135
NYC Department of Education	\$ 49,630
Receivables- Miscellaneous	<u>\$ 2,501</u>
Total	<u><u>\$ 201,806</u></u>

**c) Computer & Computer Equipment**

Computer & computer equipment is stated at cost at date of acquisition.

**d) Depreciation**

Depreciation on the computer and computer equipment, owned by the School, have been compiled using the straight-line method. The estimated useful lives of the assets are five to ten years.

**e) Income Tax**

The Charter School is tax-exempt under section 501 (C) (3) of the Internal Revenue Code as a School, and as such, is deemed to be a public charity, rather than a public foundation.

**Note 3: Cash & Cash Equivalents**

Bank Funds - Bank of America - Money Market	\$ 15,173
Bank of America - Operating Account	\$ (43,915)
Bank of America - CD	\$ 449,914
Chase - Saving Account	\$ 914
Chase - Money Market CD	\$ 500,000
Chase - High Yield Savings	\$ 343
Petty Cash	<u>\$ 2,787</u>
	<u><u>\$ 925,216</u></u>

**Note 4: Prior Period Adjustment**

A prior period adjustment has been made in the amount of 271,487 which represents actual payroll paid in July/August 08 which represents that payroll attributable to the period ending June 30, 2008.

**Note 5: Other**

Harlem Link Charter School, as a New York City Public School, received benefits for its students from the City of New York including: Food Services, Custodial Services, Pupil Transportation, Committee of Special Education Evaluations and Services, School Safety, and a Department of Health Nurse.



**HARLEM LINK CHARTER SCHOOL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2009**

	<b>Program Services</b>	<b>Special Education</b>	<b>Management and Administration</b>	<b>Total Expenses</b>
<b>Unrestricted Expenses:</b>				
Salaries	\$ 2,064,415	\$ 203,001	\$ 241,411	\$ 2,508,827
Payroll Taxes and Employee Benefits	386,263	36,967	43,962	467,192
<b>Total Salaries and Related Costs</b>	<b>2,450,678</b>	<b>239,968</b>	<b>285,373</b>	<b>2,976,019</b>
				-
Accounting & Legal			27,062	27,062
Payroll Services	-		8,345	8,345
Financial Management Service			66,966	66,966
Contract Services	183,533	17,337		200,870
Depreciation (Note 2)			36,085	36,085
Dues & Subscriptions			4,428	4,428
Food Hospitality Services	20,099	1,358		21,457
Technology Service			24,112	24,112
Instructional Materials	65,225	1,650		66,875
Insurance			53,803	53,803
Marketing & Staff Recruiting			25,343	25,343
Miscellaneous	400		188	588
Office Supplies			35,416	35,416
Postage & Delivery			4,792	4,792
Professional Development	137,885	10,075		147,960
Rent & Relocation			12,414	12,414
Supplies	20,889	4,531		25,420
Equipment Leasing			16,694	16,694
<b>Total Expenses - Unrestricted</b>	<b>428,031</b>	<b>34,951</b>	<b>315,648</b>	<b>778,630</b>
<b>Total Expenses</b>	<b>\$ 2,878,709</b>	<b>\$ 274,919</b>	<b>\$ 601,021</b>	<b>\$ 3,754,649</b>

See notes to financial statements