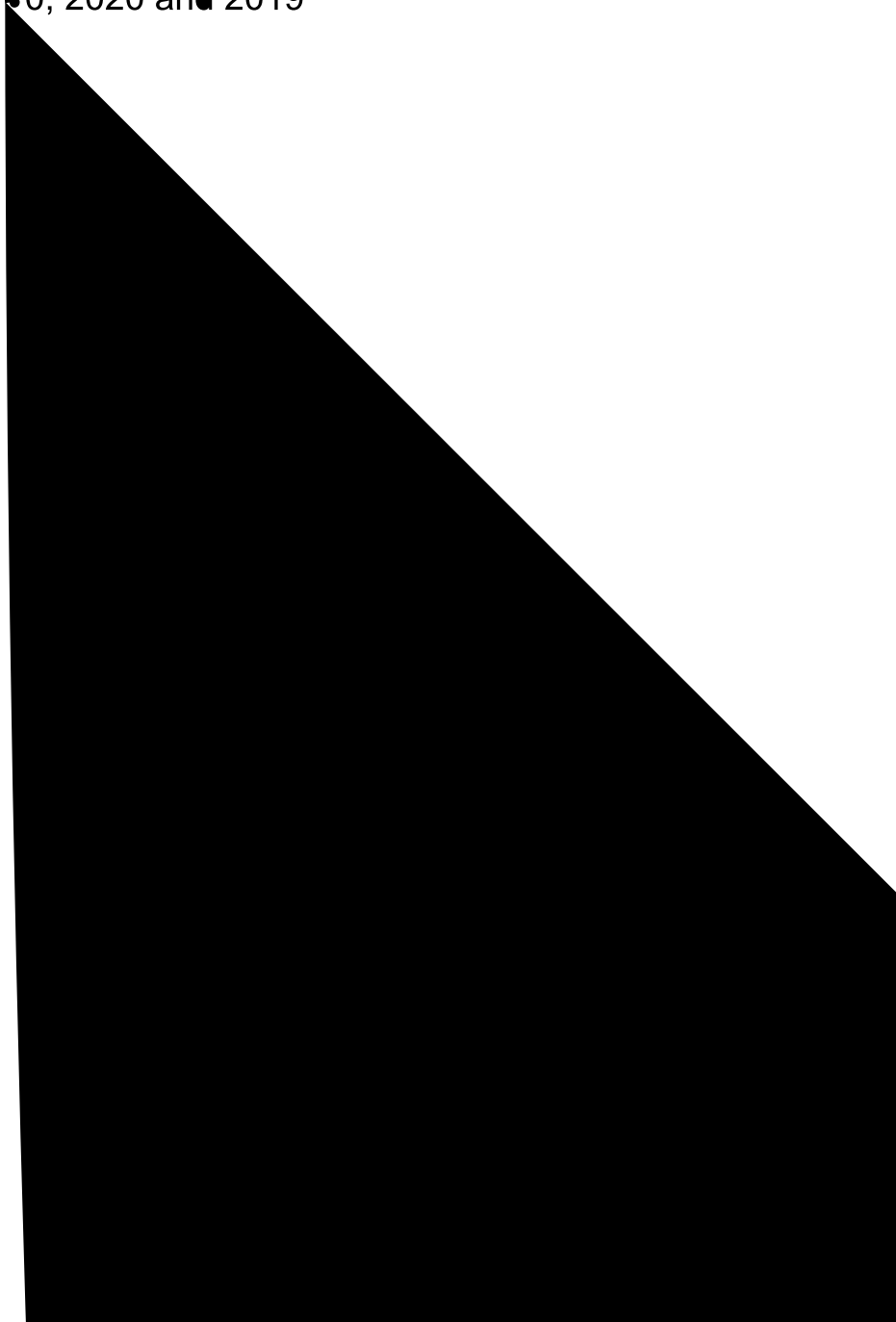




**Harlem Day Charter School**

Financial Statements

June 30, 2020 and 2019



**Independent Auditors' Report**

**Board of Trustees  
Harlem Lin Charter School**

***Report on the Fin***

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	2020	2019
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 2,639,916	\$ 2,133,262
Accounts receivable and contracts receivable	307,991	1,434
Prepaid expenses and other current assets	<u>14,438</u>	<u>22,460</u>
Total Current Assets	2,976,34	2,330,076
Property and equipment, net	303,340	319,921
Restricted cash	<u>7,290</u>	<u>7,267</u>
	<u>\$ 3,497</u>	<u>\$ 2,77,264</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts payable and accrued expenses  
 Accrued payroll and payroll taxes

\$ 88,287      \$ 162,688  
 2,461

B N e N o D o a a r o D o F

	2020	2019
<b>OPERATING REVENUE</b>		
Public School District		
Regular student enrollment	\$ 6,890,937	\$ 6,176,198
Student		

	No. of Positions	Regular Education	Special Education	Total	Management and General	Fundraising	Total
<b>Personnel Services Costs</b>							
Administrative staff personnel	34	\$ 1,259,584	\$ 32,011	\$ 1,291,595	\$ 778,770	\$ 71,794	\$ 2,472,159
Instructional personnel	55	2,75,944	90,455	3,399	-	-	3,399
Non-Instructional personnel	2	20,84	,854	27,700	-	-	27,700
<b>Total Salaries and Staff</b>	<b>91</b>	<b>4,037,374</b>	<b>1,275,320</b>	<b>5,312,94</b>	<b>778,770</b>	<b>71,794</b>	<b>1,325,8</b>
<b>Fringe benefits and payroll taxes</b>							
Retirement		823,935	20,23	1,084,198	158,929	14,52	1,257,779
Legal services		57,771	18,249	7,020	11,143	1,027	88,190
Accounting/audit services		-	-	-	19,885	-	19,885
Other purchased/professional/consulting services		129,2	40,832	170,098	33,801	-	33,801
Insurance		40,335	12,741	53,07	24,934	2,299	197,331
Instructional materials		39,207	12,891	52,098	7,780	717	1,573
<b>Classroom</b>							
<b>Class</b>							
<b>Materials</b>							

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**Arlem Lin Charter School**

Notes to Financial Statements  
June 30, 2020 and 2019

**2. Summary of Significant Accounting Policies (*continued*)**

***Adoption of New Accounting Policies***

*Recognition of Contributions*

Effective July 1, 2019, the school adopted Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance provides a framework for evaluating whether contributions and grants should be accounted for as exchange transactions or as nonexchange transactions.

**Arlem Lin Charter School**

Notes to Financial Statements  
June 30, 2020 and 2019

**2. Summary of Significant Accounting Policies (continued)**

***Cash and Cash Equivalents***

Cash and cash equivalents include cash balances held in bank accounts and highly liquid financial instruments with maturities of three months or less at the time of purchase.

***Re***

**Arlem Lin Charter School**

Notes to Financial Statements  
June 30, 2020 and 2019

**2. Summary of Significant Accounting Policies (continued)**

***Revenue and Support***

Revenue from the state and local governments resulting from the school's charter status, and based on the number of



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**Arlem Lin Charter School**

Notes to Financial Statements  
June 30, 2020 and 2019

**12. Subsequent event**

On July 24, 2020, the school received a loan under the Paycheck Protection Program authorized by the Coronavirus Aid, Relief and Economic Security Act ("CARE Act") in the amount of \$1,132,000. In accordance with the requirements under the CARE Act, the loan may be forgiven based on the associated spending in accordance with regulations under the CARE Act. For amounts under the loan that are not forgiven, these amounts are due 2 years from the date of the loan and interest would accrue on the unforgiven loan balance at 1% per year. The debt forgiveness will be recognized at the time that the financial institution that issued the loan has reviewed and approved the





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**Arlem Lin Charter School**

Schedule of Findings and Responses  
Year Ended June 30, 2020

**Section I – Financial Statement Findings**

**2020-001- Credit Card Transactions**

***Criteria***

The fiscal policies and procedures manual (“FPP”) states that all credit card transactions should be supported by duly approved receipts or other supporting documentation.

***Condition***

A substantial portion of charges - - - 0 - g d g c ) L J 3 c L - s T 1 1 g d - s





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