Harlem Link Charter School

Financial Statements

June 30, 2020 and 2019

Independent Auditors' Report

Board of Trustees
arlem Lin   Charter School

Report on the Fin

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	2020	2019
ASS TS		
Current Assets		
Cash and cash equivalents	$ 2,6 3,916	$ 2,1 3,262
rants and contracts receivable	307,991	1 4,3 4
Prepaid expenses and other current assets	14,438	22,460
Total Current Assets	2,976,34	2,330,076
Propert and equipment, net	03,340	3 1,921
Restricted cash	7 ,290	7 ,267
	$ 3, 4,97	$ 2,7 7,264
LIABILITI S AND N T ASS TS		
Current Liabilities		
Accounts pa able and accrued expenses	$ 88,287	$ 162,688
Accrued pa roll and pa roll taxes	2,46 [illegible]	[illegible]

	2020	2019
OP RATING R V NU		
Pu lic School District		
Regular student enroll ent	$ 6,890,937	$ 6,176,198
Stud		

	No. of Positions	Regular Education	Special Education	Total	Management and General	Fundraising	Total
Personnel Services Costs							
Administrative staff personnel	34	$ 1,259,584	$ 3 2,●11	$ 1, 21,595	$ 778,77●	$ 71,794	$ 2,472,159
Instructional personnel	55	2,75 ,944	9● ,455	3, 3,399	-	-	3, 3,399
Non-Instructional personnel	2	2●,84	,854	27,7●●	-	-	27,7●●
Total Salaries and Staff	91	4,●37,374	1,275,32●	5,312, 94	778,77●	71,794	,1 3,258
Fringe benefits and payroll taxes		823,935	2 ●,2 3	1,●84,198	158,929	14, 52	1,257,779
Retirement		57,771	18,249	7 ,●2●	11,143	1,●27	88,19●
Legal services		-	-	-	19,885	-	19,885
Accounting/audit services		-	-	-	33,8●1	-	33,8●1
Other purchased/professional/consulting services		129,2	4●,832	17●,●98	24,934	2,299	197,331
Insurance		4●,335	12,741	53,●7	7,78●	717	1,573
Instructional materials		39,2●7	12,891	52,●98	-	-	52,●98
ClassrooClasClas							

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	2020	2019
FLOWS FROM OP RATING ACTIVITI S		
e in net assets	$ 792,491	$ 42 , 26
ments to reconcile change in net assets		
t cash from operating activities		
reciation and amortization	144,239	11 ,320
nges in operating assets and liabilities		
rants and contracts receivable	(1 3,637)	3 3,247
repaid expenses and other current assets	8,022	22,817
ccounts pa able and accrued expenses	(74,401)	(34,8 4)
ccrued pa roll and pa roll taxes	79,621	22,024
Refundable advances	-	(4 ,804)
Net Cash from Operating Activities	796,33	8 8,276
S FLOWS FROM INV STING ACTIVITY		
rchases of propert and equipment	(29 ,6 8)	(292,498)
Net Change in Cash and Cash Equivalents	00,677	6 ,778
AS , CAS QUIVAL NTS AND R STRICT D CAS		
eginning of ear	2,228, 29	1,662,7 1
End of ear	$ 2,729,206	$ 2,228, 29

The following table provides a reconciliation of cash, cash equivalents and restricted cash within the statements of financial position:

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

Adoption o New Accounting Policies

Recognition of Contributions

Effective Jul   1, 2019, the School adopted Accounting Standards Update ("ASU") 2018-08, *Clarifying the cope 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 nonexchan   a o

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

Cash and Cash Equivalents

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

Restricted Cash

Under the provisions of its charter, the School established an escrow account to pa for legal and audit expenses that would be associated with a dissolution, should it occur.

Property and Equipment

The School follows the practice of capitalizing all expenditures for propert and equipment with costs in excess of $2, 00 and a useful life in excess of one ear. Leasehold improvements are amortized over the estimated useful life of the asset. Purchased propert and equipment are recorded at cost at the date of acquisition. Minor costs of maintenance and repairs are expensed as incurred d (o u s u P h n 2 o . P n A t n (c u s u P h n 2 f .

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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12. Subsequent vent

On Jul 24, 2020, the School received a loan under the Pa check Protection Program authorized b the Coronavirus Aid, Relief and Economic Securit Act ("CARES Act") in the amount of $1,132, 00. In accordance with the requirements under the CARES Act, the loan ma be forgiven based on the associated spending in accordance with regulations under the CARES Act. For amounts under the loan that are not forgiven, these amounts are due 2 ears from the date of the loan and interest would accrue on the unforgiven loan balance at 1% per ear. The debt forgiveness will be recognized at the time that the financial institution that issued the loan has reviewed and approved the4) 1n r4 sh O1 n us)u n 4u t) 1n r4 sv O1 vn hs ua n u) n 4 h

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arlem Lin   Charter School

Schedule of Findings and Responses
Year Ended June 30, 2020

<u>Section I – Financial Statement Findings</u>

2020-001- Credit Card Transactions

Criteria
The fiscal policies and procedures manual ("FPP") states that all credit card transactions should be supported b   dul   approved receipts or other supporting documentation.

Condition
A substantial portion of charge**L – - - 0 -** g **d** g ***c***) **L** J   3 ***c*** **L – s T 1 1** g **d –** s

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