

FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE  
TOGETHER WITH REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS

ICAHN CHARTER SCHOOL 1

June 30, 2009 and 2008

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Audit • Tax • Advisory

Grant Thornton LLP  
666 Third Avenue, 13th Floor  
New York, NY 10017-4011

T 212.599.0100  
F 212.370.4520  
www.GrantThornton.com

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of the  
Icahn Charter School 1:

We have audited the accompanying statements of financial position of the Icahn Charter School 1 (the “Charter School”) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Charter School’s management. 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 as established by the American Institute of Certified Public Accountants 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 misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter School’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 the Icahn Charter School 1 as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years 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 29, 2009, on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Charter School taken as a whole. The supplementary information included on pages 15 and 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*GRANT THORNTON LLP*

New York, New York  
October 29, 2009

Icahn Charter School 1  
STATEMENTS OF FINANCIAL POSITION

As of June 30, 2009 and 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 1,465,101	\$ 1,406,074
Grants and contributions receivable	153,136	191,466
Prepaid expenses	48,205	31,118
Capital assets, net (Note C)	<u>14,370,286</u>	<u>191,115</u>
Total assets	<u>\$16,036,728</u>	<u>\$ 1,819,773</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 695,964	\$ 758,710
Deferred revenue	150,385	141,944
Obligation under capital leases (Note G)	<u>35,275</u>	<u>-</u>
Total liabilities	<u>881,624</u>	<u>900,654</u>
Commitments (Note D)		
Net assets:		
Unrestricted	959,142	916,066
Temporarily restricted (Note E)	<u>14,195,962</u>	<u>3,053</u>
Total net assets	<u>15,155,104</u>	<u>919,119</u>
Total liabilities and net assets	<u>\$16,036,728</u>	<u>\$ 1,819,773</u>

The accompanying notes are an integral part of these statements.

Icahn Charter School 1

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:						
State and local capitation (Note F)	\$ 3,898,598	\$ -	\$ 3,898,598	\$ 3,818,703	\$ -	\$ 3,818,703
Grants and contributions	342,865	14,685,478	15,028,343	466,974	-	466,974
Special education	29,916	-	29,916	16,770	-	16,770
Interest income	19,054	-	19,054	64,552	-	64,552
Other	1,989	-	1,989	1,931	-	1,931
Net assets released from restrictions	<u>492,569</u>	<u>(492,569)</u>	<u>-</u>	<u>9,250</u>	<u>(9,250)</u>	<u>-</u>
Total revenues, gains and other support	<u>4,784,991</u>	<u>14,192,909</u>	<u>18,977,900</u>	<u>4,378,180</u>	<u>(9,250)</u>	<u>4,368,930</u>
Expenses:						
Program services:						
Regular education	4,022,102	-	4,022,102	3,427,317	-	3,427,317
Special education	<u>24,628</u>	<u>-</u>	<u>24,628</u>	<u>4,407</u>	<u>-</u>	<u>4,407</u>
Total program services	4,046,730	-	4,046,730	3,431,724	-	3,431,724
Supporting services:						
Management and general	<u>695,185</u>	<u>-</u>	<u>695,185</u>	<u>453,316</u>	<u>-</u>	<u>453,316</u>
Total expenses	<u>4,741,915</u>	<u>-</u>	<u>4,741,915</u>	<u>3,885,040</u>	<u>-</u>	<u>3,885,040</u>
Increase (decrease) in net assets	43,076	14,192,909	14,235,985	493,140	(9,250)	483,890
Net assets, beginning of year	<u>916,066</u>	<u>3,053</u>	<u>919,119</u>	<u>422,926</u>	<u>12,303</u>	<u>435,229</u>
Net assets, end of year	<u>\$ 959,142</u>	<u>\$ 14,195,962</u>	<u>\$ 15,155,104</u>	<u>\$ 916,066</u>	<u>\$ 3,053</u>	<u>\$ 919,119</u>

The accompanying notes are an integral part of these statements.

Icahn Charter School 1

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash receipts from:		
State and local capitation	\$ 3,907,039	\$ 3,486,481
Grants and contributions	411,111	425,135
Interest	19,054	64,552
Other	1,989	1,931
Cash payments to/for:		
Employee salaries and benefits	(3,492,154)	(2,866,775)
Vendors	<u>(722,492)</u>	<u>(664,450)</u>
Net cash provided by operating activities	<u>124,547</u>	<u>446,874</u>
Cash flows from investing activities:		
Purchase of furniture, fixtures and equipment	<u>(52,521)</u>	<u>(159,779)</u>
Cash flows from financing activities:		
Payments under capital leases	<u>(12,999)</u>	<u>-</u>
Net increase in cash and cash equivalents	59,027	287,095
Cash and cash equivalents, beginning of year	<u>1,406,074</u>	<u>1,118,979</u>
Cash and cash equivalents, end of year	<u>\$ 1,465,101</u>	<u>\$ 1,406,074</u>
Reconciliation of increase in net assets to net cash provided by operating activities:		
Increase in net assets	\$ 14,235,985	\$ 483,890
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	607,102	95,107
Non-cash contribution – Middle School	(14,685,478)	-
Changes in assets and liabilities:		
Decrease (increase) in grants and contributions receivable	38,330	(58,609)
Increase in prepaid expenses	(17,087)	(8,195)
(Decrease) increase in accounts payable and accrued expenses	(62,746)	266,902
Increase (decrease) in deferred revenue	<u>8,441</u>	<u>(332,221)</u>
Net cash provided by operating activities	<u>\$ 124,547</u>	<u>\$ 446,874</u>
Supplemental disclosure of cash flow information:		
Equipment acquired under capital leases	<u>\$ 43,032</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

Icahn Charter School 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE A - NATURE OF OPERATIONS

The Icahn Charter School 1 (the "Charter School") is an educational corporation formed to operate a charter school located in the City of New York, County of the Bronx. On March 20, 2001, the Board of Regents of the University of the State of New York, for and on behalf of the State Education Department, granted a provisional charter valid for a term of five years, incorporating the Charter School. The Charter was renewed in 2005 for another five years, ending on July 31, 2011.

The central mission of the Charter School, using the Core Knowledge curriculum developed by E.D. Hirsch, is to provide students with a rigorous academic program offered in an extended day/year setting. Students are expected to graduate armed with the skills and knowledge to participate successfully in the most rigorous academic environments and have a sense of personal and community responsibility. The Charter School is coeducational and nonsectarian and commenced instruction on September 4, 2001.

The Charter School is exempt from federal income tax under Section 501(a) of the Internal Revenue Code and is classified as an organization described in Section 501(c)(3).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The Charter School prepares its financial statements on the accrual basis of accounting in conformity with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") and standards established by the Financial Accounting Standards Board for external financial reporting by not-for-profit organizations. Those standards require the classification of activities and net assets based upon the existence or absence of donor-imposed restrictions, as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulation and, therefore, may be expended for any purpose in performing the primary objective of the Charter School.

Temporarily Restricted - Net assets subject to donor-imposed restrictions that will be satisfied either by actions of the Charter School or the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions stipulating that the corpus be maintained in perpetuity by the Charter School, but permit the Charter School to expend all or part of the income derived there from. At June 30, 2009 and 2008, the Charter School did not have any permanently restricted net assets.

Icahn Charter School 1

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2009 and 2008

NOTE B (continued)

2. Revenue

Revenue is recorded on the accrual basis of accounting. The Charter School derives its revenue primarily from state and local capitation based on student enrollment, contributions and grants.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by explicit donor-imposed restrictions or by law. Revenues (state and local capitation) received from the New York City Department of Education Office of Charter Schools are recognized over the period earned. Amounts received in advance are reported as deferred revenue.

The Charter School records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair market value of the assets received and are classified as either unrestricted, temporarily restricted or permanently restricted, depending on whether the donor has imposed a restriction on the use of such assets. All contributions receivable are expected to be collected within one year.

The Charter School reports gifts of cash or other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as unrestricted revenues.

Receivables outstanding longer than the payment terms are considered past due. The carrying value of the related receivables is reduced by an appropriate allowance for uncollectible accounts. The Charter School determines its allowance by considering a number of factors, including the length of time receivables are past due, the Charter School's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole.

The Charter School writes off receivables when they are deemed to be uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

3. Cash and Cash Equivalents

Cash and cash equivalents are recorded at fair value, and are comprised of highly liquid financial instruments with original maturities of three months or less at the time of purchase.

Icahn Charter School 1

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2009 and 2008

NOTE B (continued)

4. Concentration of Credit Risk

Certain financial instruments potentially subject the Charter School to concentration of credit risk. These financial instruments consist primarily of cash and cash equivalents. The Charter School maintains its cash in various bank accounts, which may exceed federally insured limits at times. The Charter School has not experienced, nor does it anticipate, any losses with respect to these bank accounts.

5. Furniture, Fixtures, Equipment, Library and Textbooks

Furniture, fixtures, equipment, library and textbooks are stated at cost net of depreciation, or fair value at date of contribution, if donated. Depreciation of furniture, fixtures, equipment, library, software and textbooks is computed in the month in which the assets are acquired, utilizing the straight-line basis, over their estimated useful lives, as follows:

	<u>Useful lives</u>
Furniture and fixtures	3 years
Building	30 years
Equipment	3 - 5 years
Library, software and textbooks	3 years

6. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Icahn Charter School 1

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2009 and 2008

NOTE C - FURNITURE, FIXTURES AND EQUIPMENT, NET

At June 30, 2009 and 2008, furniture, fixtures and equipment consisted of the following:

	<u>2009</u>	<u>2008</u>
Library, software and textbooks	\$ 284,404	\$ 237,334
Building	14,685,478	-
Equipment	354,301	249,390
Furniture and fixtures	<u>61,512</u>	<u>146,200</u>
	15,385,695	632,924
Less: Accumulated depreciation	<u>(1,015,409)</u>	<u>(441,809)</u>
	<u>\$14,370,286</u>	<u>\$ 191,115</u>

Included in equipment as of June 30, 2009 are assets acquired under capital leases at a cost of \$43,032, with accumulated depreciation of \$8,606. Remaining obligations due under such leases are included in obligations under capital leases in the accompanying fiscal year 2009 statement of financial position.

Depreciation expense totaled \$607,102 and \$95,107 for the years ended June 30, 2009 and 2008, respectively.

NOTE D - RELATED PARTY TRANSACTIONS

Certain payroll and legal services are provided by the Icahn Associates Corp. (the "Company"), a company affiliated with Icahn, at no cost to the Charter School. These amounts have not been reflected as in-kind contributions in the accompanying financial statements, as neither the Charter School nor the Company has a readily measurable or objective basis for determining such amounts.

During 2001, the Foundation for a Greater Opportunity (the "Foundation") (an Icahn related entity) entered into a ground lease for land located at 1525 Brook Avenue, Bronx, NY with the Children's Rescue Fund (the "Fund") (an Icahn related entity). The lease has a 99-year term and the Foundation is obligated to pay rent of \$1 per year. Subsequent to entering into the ground lease, the Foundation constructed a building on this land which is being used by the Charter School and has an operating lease with the Charter School for its use which commenced in September 2001. The lease provides for rental payments of \$50,000 for each year of occupancy and expires on September 1, 2011. Total rent expense for the years ended June 30, 2009 and 2008 was \$66,482 and \$55,451, respectively.

Icahn Charter School 1

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2009 and 2008

NOTE D (continued)

During 2006, the Foundation entered into a ground lease for land located at 1520 Brook Avenue, Bronx, NY with the Fund. The lease has a 99-year term and the Foundation is obligated to pay rent of \$1 per year. Subsequent to entering into the ground lease, the Foundation subleased the land to the New York City School Construction Authority ("SCA") in connection with the construction of a charter public middle school.

On October 24, 2006, the Foundation entered into an agreement with the SCA to construct a charter public middle school in the Bronx, NY. Upon completion of construction and issuance of the certificate of occupancy, title to the middle school building was transferred to the New York City Department of Education and leased back to the Foundation. Although the lease is between the Foundation and the SCA, the lease agreement designates the Charter School as the initial user of the premises. The lease will have a 30-year term and the Foundation is obligated to pay rent of \$1 per year. In accordance with the lease agreement, the Foundation concurrently entered into a use agreement with the Charter School for the use of the leased land and building for a corresponding 30-year term.

The Foundation accounted for this arrangement as an agency transaction on behalf of the Charter School as the Charter School is the ultimate beneficiary of the imputed fair value of the 30 year lease agreement. During the year ended June 30, 2009, upon receiving the building to use, the Charter School has recorded the imputed fair value of the building of approximately \$14,700,000, within capital assets and recognized temporarily restricted contributions revenue which will be amortized over the 30-year term and released from the restrictions accordingly.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2009 and 2008, temporarily restricted net assets consisted of the following:

	<u>2009</u>	<u>2008</u>
Restricted as to purpose:		
Middle School	\$14,195,962	\$ -
Regular education	-	3,053
	<u>\$14,195,962</u>	<u>\$ 3,053</u>

Icahn Charter School 1

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2009 and 2008

NOTE E (continued)

During the years ended June 30, 2009 and 2008, net assets were released from donor restrictions by incurring expenses satisfying purpose or time restrictions as follows:

	<u>2009</u>	<u>2008</u>
Middle School	\$ 489,516	\$ 9,250
Regular education	<u>3,053</u>	<u>-</u>
Net assets released from restrictions	<u>\$ 492,569</u>	<u>\$ 9,250</u>

NOTE F - CONCENTRATION OF REVENUES

The Charter School receives a majority of its revenues from the New York State Education Department through the New York City Department of Education Office of Charter Schools. The New York City Department of Education provides general operating support to the Charter School based upon the location and the number of students enrolled. Operating support provided to the Charter School by the New York City Department of Education totaled \$3,898,598 and \$3,818,703 for the years ended June 30, 2009 and 2008, respectively. The Charter School is dependent upon this level of funding in order to continue its operations.

NOTE G - OBLIGATION UNDER CAPITAL LEASES

Certain long-term leases covering equipment are classified as capital leases. Accordingly, equipment is capitalized as leased property and amortized on a straight-line basis over the term of the lease. The corresponding obligation under the capital leases represents the present value of the rental payments discounted by interest rates implicit in the lease agreements. Annual payments subsequent to June 30, 2009 follow:

<u>Year Ending June 30,</u>	
2010	\$ 10,128
2011	10,128
2012	10,128
2013	<u>9,284</u>
	39,668
Less: interest	<u>(4,393)</u>
	<u>\$ 35,275</u>

Icahn Charter School 1

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2009 and 2008

NOTE H - PENSION PLAN

The Charter School has a defined contribution plan (the "Plan"), administered by Prudential, for all full-time personnel. Contributions by The Charter School to the Plan totaled \$104,173 and \$99,484 for the years ended June 30, 2009 and 2008, respectively.



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666 Third Avenue, 13th Floor  
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the  
Icahn Charter School 1:

We have audited the financial statements of the Icahn Charter School 1 (the “Charter School”) as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated October 29, 2009. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Charter School’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charter School’s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees to prevent or detect misstatements on a timely basis in the normal course of performing their assigned functions. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Charter School’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Charter School’s financial statements that is more than inconsequential will not be prevented or detected by the Charter School’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Charter School’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Charter School's Board of Directors and management, and the State of New York awarding agencies providing funding to the Charter School. It is not intended for, and should not be used by anyone other than these specified parties.

*GRANT THORNTON LLP*

New York, New York  
October 29, 2009

SUPPLEMENTARY INFORMATION

Icahn Charter School 1

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2009

	Regular Education	Special Education	Management and General	Total
Salaries	\$ 2,387,970	\$ 18,028	\$ 427,696	\$ 2,833,694
Employee benefits and payroll taxes	420,937	1,493	121,290	543,720
Bank/payroll service charge	4,105	-	1,221	5,326
Consultants - education	10,300	-	-	10,300
Contracted services - other	20,322	-	5,080	25,402
Custodial Supplies	7,754	-	1,938	9,692
Dues and subscriptions	1,827	60	4,749	6,636
Equipment rental/lease	4,829	254	1,270	6,353
Extracurricular	51,181	-	-	51,181
Insurance	49,695	-	12,424	62,119
Internet and community connectivity	9,221	485	2,426	12,132
Legal	-	-	346	346
Maintenance and repairs	14,763	-	3,691	18,454
Occupancy	48,000	2,000	-	50,000
Office supplies	23,928	-	5,982	29,910
Printing	12,088	636	3,181	15,905
Instructional supplies	112,293	-	-	112,293
Postage and delivery	2,923	154	769	3,846
Staff development	100,778	-	-	100,778
Student testing	8,745	-	-	8,745
Telephone	11,264	593	2,964	14,821
Transportation (student)	20,556	-	-	20,556
Travel	25,609	-	7,887	33,496
Utilities	93,790	-	23,447	117,237
Other	39,500	-	-	39,500
Interest	1,802	95	474	2,371
Depreciation (Note C)	<u>537,922</u>	<u>830</u>	<u>68,350</u>	<u>607,102</u>
Total expenses	<u>\$ 4,022,102</u>	<u>\$ 24,628</u>	<u>\$ 695,185</u>	<u>\$ 4,741,915</u>

This schedule should be read in conjunction with the report of independent certified public accountants.

Icahn Charter School 1

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2008

	Regular Education	Special Education	Management and General	Total
Salaries	\$ 2,320,524	\$ 2,840	\$ 325,065	\$ 2,648,429
Employee benefits and payroll taxes	437,371	217	69,471	507,059
Accounting/auditing fees	14,184	-	2,503	16,687
Bank/payroll service charge	3,339	-	609	3,948
Consultants - education	19,300	-	2,000	21,300
Contracted services - other	26,044	-	2,894	28,938
Custodial Supplies	8,486	-	943	9,429
Dues and subscriptions	169	-	2,293	2,462
Equipment rental/lease	4,634	55	763	5,452
Extracurricular	28,460	-	-	28,460
Insurance	43,893	-	4,877	48,770
Internet and community connectivity	6,537	73	734	7,344
Legal	-	-	1,679	1,679
Maintenance and repairs	30,188	-	9,412	39,600
Occupancy	47,500	-	2,500	50,000
Office supplies	9,407	-	17,511	26,918
Printing	12,466	140	1,401	14,007
Instructional supplies	131,890	-	-	131,890
Postage and delivery	2,967	33	333	3,333
Software and license support	-	-	619	619
Staff development	112,825	-	-	112,825
Student testing	5,354	-	-	5,354
Telephone	9,532	98	97	9,727
Transportation (student)	19,655	-	-	19,655
Travel	6,321	-	473	6,794
Utilities	33,755	-	3,751	37,506
Other	598	-	1,151	1,749
Depreciation (Note C)	<u>91,918</u>	<u>951</u>	<u>2,237</u>	<u>95,106</u>
Total expenses	<u>\$ 3,427,317</u>	<u>\$ 4,407</u>	<u>\$ 453,316</u>	<u>\$ 3,885,040</u>

This schedule should be read in conjunction with the report of independent certified public accountants.