



IRA L. SCHALL, CPA
DAVID C. ASHENFARB, CPA

WHARTON BUSINESS SCHOOL CLUB OF NEW YORK, INC.

Audited Financial Statements

June 30, 2008



IRA L. SCHALL, CPA
DAVID C. ASHENFARB, CPA

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Wharton Business School Club of New York, Inc.

We have audited the accompanying statement of financial position of Wharton Business School Club of New York, Inc. ("the Organization") as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2007 financial statements and, in our report dated May 9, 2008 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 Wharton Business School Club of New York, Inc. as of June 30, 2008, and the change 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.

A handwritten signature in cursive script that reads 'Schall & Ashenfarb'.

Schall & Ashenfarb
Certified Public Accountants, LLC

January 29, 2009

WHARTON BUSINESS SCHOOL CLUB OF NEW YORK, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2008
(With comparative totals for June 30, 2007)

	<u>6/30/08</u>	<u>6/30/07</u>
Assets		
Cash and cash equivalents (Note 2e)	\$421,334	\$231,918
Prepaid special event expenses	48,289	27,625
Accounts receivable	<u>21,942</u>	<u>0</u>
Total assets	<u><u>\$491,565</u></u>	<u><u>\$259,543</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$20,004	\$0
Deferred membership dues (Note 2f)	<u>38,986</u>	<u>41,194</u>
Total liabilities	<u><u>58,990</u></u>	<u><u>41,194</u></u>
Net assets: (Note 2b)		
Unrestricted	389,575	214,349
Temporarily restricted (Note 3)	<u>43,000</u>	<u>4,000</u>
Total net assets	<u><u>432,575</u></u>	<u><u>218,349</u></u>
Total liabilities and net assets	<u><u>\$491,565</u></u>	<u><u>\$259,543</u></u>

*The attached notes and auditors' report
are an integral part of these financial statements.*

WHARTON BUSINESS SCHOOL CLUB OF NEW YORK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008
(With comparative totals for the year ended June 30, 2007)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 6/30/08</u>	<u>Total 6/30/07</u>
Public support and revenue:				
Program and lecture income	\$31,970		\$31,970	33,840
Membership income	75,059		75,059	71,385
Contributions	5,000		5,000	900
Benefit income (net of direct benefit to donors of \$129,423) (Note 4)	297,277	\$43,000	340,277	249,654
Interest income	5,878		5,878	68
Net assets released from restrictions	4,000	(4,000)	0	0
	<u>419,184</u>	<u>39,000</u>	<u>458,184</u>	<u>355,847</u>
Total public support and revenue				
Expenses:				
Program services	139,448		139,448	105,602
Supporting services:				
Management and general	18,626		18,626	18,356
Fundraising	0		0	7,178
Fundraising - annual dinner event	85,884		85,884	72,293
Total supporting services	<u>104,510</u>	<u>0</u>	<u>104,510</u>	<u>97,827</u>
Total expenses	<u>243,958</u>	<u>0</u>	<u>243,958</u>	<u>203,429</u>
Change in net assets	175,226	39,000	214,226	152,418
Net assets - beginning of year	<u>214,349</u>	<u>4,000</u>	<u>218,349</u>	<u>65,931</u>
Net assets - end of year	<u><u>\$389,575</u></u>	<u><u>\$43,000</u></u>	<u><u>\$432,575</u></u>	<u><u>\$218,349</u></u>

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WHARTON BUSINESS SCHOOL CLUB OF NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008
(With comparative totals for the year ended June 30, 2007)

	Program Services	Supporting Services			Total Expenses 6/30/08	Total Expenses 6/30/07
		Management and General	Fundraising - Annual Dinner Event	Total		
Accounting		\$4,585		\$4,585	\$4,585	\$4,660
Credit card processing charges	\$5,401	244	\$5,624	5,868	11,269	9,120
Consulting	27,935	5,985	5,985	11,970	39,905	44,450
Salaries and related costs	10,529	1,928	398	2,326	12,855	0
Program and lecture expense	10,630			0	10,630	14,938
Liability insurance		3,586		3,586	3,586	3,586
Office, postage and printing	4,400	717	550	1,267	5,667	6,103
Telephone	420	52	53	105	525	891
Website and newsletter	80,133	1,529		1,529	81,662	47,388
Annual dinner event - other direct expenses			73,274	73,274	73,274	72,293
Total	<u>\$139,448</u>	<u>\$18,626</u>	<u>\$85,884</u>	<u>\$104,510</u>	<u>\$243,958</u>	<u>\$203,429</u>

*The attached notes and auditors' report
are an integral part of these financial statements.*

WHARTON BUSINESS SCHOOL CLUB OF NEW YORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
(With comparative totals for the year ended June 30, 2007)

	<u>6/30/08</u>	<u>6/30/07</u>
Cash flows from operating activities:		
Change in net assets	\$214,226	\$152,418
(Increase)/decrease in assets:		
Miscellaneous receivable	0	2,109
Prepaid special event expenses	(20,664)	8,588
Accounts receivable	(21,942)	0
Increase/(decrease) in liabilities:		
Accounts payable	20,004	(3,962)
Deferred membership dues	(2,208)	535
Total adjustments	<u>(24,810)</u>	<u>7,270</u>
Net cash provided by operating activities/net increase in cash and cash equivalents	189,416	159,688
Cash and cash equivalents - beginning	<u>231,918</u>	<u>72,230</u>
Cash and cash equivalents - ending	<u><u>\$421,334</u></u>	<u><u>\$231,918</u></u>

Supplemental Information:
Interest and taxes paid - \$0

*The attached notes and auditors' report
are an integral part of these financial statements.*

WHARTON BUSINESS SCHOOL CLUB OF NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Organization

Wharton Business School Club of New York, Inc. ("the Organization"), located in New York City, is operated as a not-for-profit entity and is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization has not been designated as a private foundation.

The Organization's mission is to provide excellent business, career, academic, and social opportunities and services to all members of the Wharton School in the NY metropolitan area; to promote the Wharton School throughout the NY metropolitan area; to encourage and support the Wharton School; to nurture the relationship between NY metropolitan area alumni and the Wharton School; and to set the standard by which other Wharton Clubs shall be judged.

Note 2 - Significant Accounting Policies

a. 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.

b. Basis of Presentation

The Organization follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, organizations are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

- *Unrestricted net assets* – represents all activity without donor imposed restrictions as well as activity with donor imposed restrictions that expire within the same period.
- *Temporarily restricted net assets* – accounts for activity based on specific donor restrictions that are expected to be satisfied by passage of time or performance of activities.
- *Permanently restricted net assets* – represents donor restricted contributions, which must remain intact permanently according to that donor's specific request. The Organization did not have any permanently restricted contributions or net assets during the year ended June 30, 2008.

c. Contributions

The Organization follows SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. A contribution is defined as an unconditional transfer of assets or a

settlement of liabilities in a voluntary, nonreciprocal transfer. Contributions received with restrictions that expire in the same period are reported as unrestricted. All other donor-restricted support is reported as an increase in temporarily restricted net assets. When a 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 restriction.

d. Contributions Receivable

In accordance with SFAS No. 116, the Organization records unconditional promises to give as revenue in the period received at the present value of the expected cash inflow. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization establishes a reserve for bad debts based on historical experience. Pledges are written-off against the reserve at the point in time where management deems that all reasonable collection efforts have been exhausted.

e. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of twelve months or less to be cash and cash equivalents.

f. Deferred Membership Dues

Membership dues collected that relate to future periods is deferred and recognized as income in the period earned.

g. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with financial institutions that have \$100,000 limits of insurance from the FDIC. Subsequent to the date of the financial statements, the FDIC limits of insurance have temporarily been raised to \$250,000 per depositor until December 31, 2009. As of June 30, 2008, the Organization had uninsured balances of \$99,647 in excess of these limits.

h. Expense Allocation/Management Estimates

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

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

i. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles

generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

Note 3 - Temporarily Restricted Net Assets

As of June 30, 2008, temporarily restricted net assets of \$43,000 consist of contributions received for the next fiscal year's annual dinner event.

As mentioned in Note 2b, contributions received with donor restrictions are recorded as temporarily restricted until the restrictions are satisfied.

The following schedule summarized this activity:

	<u>Balance 6/30/07</u>	<u>Contributions</u>	<u>Released from Restrictions</u>	<u>Balance 6/30/08</u>
Annual dinner event support	<u>\$4,000</u>	<u>\$43,000</u>	<u>(\$4,000)</u>	<u>\$43,000</u>

Note 4 - Benefit Income

During the fiscal year ended June 30, 2008, the organization held a fundraising event. In accordance with SFAS No. 117, direct expenses of the event that benefited donors have been netted with benefit income in the public support section, and other direct costs have been shown as annual dinner event expenses. The financial summary of the event is as follows:

Income	\$426,700
Less: costs of direct benefits to donors	<u>(129,423)</u>
	297,277
Less: other costs	<u>(85,884)</u>
Net benefit income	<u>\$211,393</u>