

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2011 calendar year, or tax year beginning 07/01, 2011, and ending 06/30, 2012

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE HARLEM CHILDREN'S ZONE Doing Business As			D Employer identification number 23-7112974	
	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite	E Telephone number (212) 360-3255	
	City or town, state or country, and ZIP + 4 NEW YORK, NY 10035			G Gross receipts \$ 153,957,625.	
	F Name and address of principal officer: GEOFFREY CANADA 35 EAST 125TH STREET NEW YORK, NY 10035			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527					
J Website: ▶ WWW.HCZ.ORG					
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶					
				L Year of formation: 1970	
				M State of legal domicile: NY	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: HARLEM CHILDREN'S ZONE, INC. IS A PIONEERING, NON-PROFIT COMMUNITY-BASED ORGANIZATION THAT WORKS TO ENHANCE THE QUALITY OF LIFE FOR CHILDREN AND FAMILIES IN NYC'S MOST DEVASTATED NEIGHBORHOODS.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	16.	
	4	15.	
	5	3,494.	
	6	0	
	7a	0	
	7b	0	
	Revenue	8	16.
		9	15.
10		3,494.	
11		0	
12		0	
13		0	
14		0	
15		0	
16a		0	
16b		0	
Expenses	17	0	
	18	0	
	19	0	
	20	0	
	21	0	
	22	0	
	23	0	
	24	0	
	25	0	
	26	0	
Net Assets or Fund Balances	27	0	
	28	0	
	29	0	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	▶ Signature of officer	Date			
	▶ Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ GRANT THORNTON LLP			EIN ▶ 36-6055558	P00741490
	Firm's address ▶ 666 THIRD AVENUE NEW YORK, NY 10017-4057			Phone no. ▶ 212-599-0100	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III X

1 Briefly describe the organization's mission:

ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 65,001,852. including grants of \$ 4,008,311.) (Revenue \$ 0)

ATTACHMENT 2

4b (Code:) (Expenses \$ 9,526,713. including grants of \$ 813,369.) (Revenue \$ 0)

HCZ'S TWO PIONEERING AND AWARD-WINNING BEACON COMMUNITY CENTERS TURN PUBLIC SCHOOL BUILDINGS INTO COMMUNITY CENTERS FOR CHILDREN AND ADULTS DURING EVENING, WEEKEND AND SUMMER HOURS. FOR STUDENTS, THESE CENTERS PROVIDE CRITICAL ACADEMIC ASSISTANCE AS WELL AS A SAFE, ENRICHING PLACE TO SPEND THEIR OUT-OF-SCHOOL HOURS. THE CENTERS PROVIDE TUTORING, TEST PREPARATION, ARTS AND SPORTS PROGRAMS. FOR ADULTS, THE CENTERS OFFER GED CLASSES AS WELL AS RECREATIONAL AND SPORTS PROGRAMS. OVERALL, THE CENTERS ARE A SORELY NEEDED RESOURCE IN NEIGHBORHOODS THAT ARE BEREFT OF PLACES FOR CHILDREN AND ADULTS TO GATHER, HAVE FUN, LEARN NEW SKILLS AND IMPROVE THEIR FITNESS.

4c (Code:) (Expenses \$ 5,241,733. including grants of \$ 53,356.) (Revenue \$ 0)

ATTACHMENT 3

4d Other program services (Describe in Schedule O.) ATTACHMENT 4
(Expenses \$ 1,901,895. including grants of \$ 6,422.) (Revenue \$ 0)

4e Total program service expenses 81,672,193.

Part IV Checklist of Required Schedules

Table with 3 columns: Question number, Yes, No. Rows 1-20b detailing various organizational requirements and their completion status.

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	X	
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>	X	
35 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI. [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (16), 1b (15), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed NY,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: TRACEY COSTELLO 35 EAST 125TH STREET NEW YORK, NY 10035 212-360-3255

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) GEOFFREY CANADA PRESIDENT/CEO	40.00	X	X				305,175.	0	31,280.	
(2) STANLEY F. DRUCKENMILLER CHAIRMAN	1.00	X	X				0	0	0	
(3) MITCH KURZ TREASURER	1.00	X	X				0	0	0	
(4) MATTHEW C. BLANK SECRETARY	1.00	X	X				0	0	0	
(5) WALLIS ANENBERG BOARD MEMBER	1.00	X					0	0	0	
(6) GARY COHN BOARD MEMBER	1.00	X					0	0	0	
(7) ZOE CRUZ BOARD MEMBER	1.00	X					0	0	0	
(8) JOSEPH DIMENNA BOARD MEMBER	1.00	X					0	0	0	
(9) MARK KINGDON BOARD MEMBER	1.00	X					0	0	0	
(10) KENNETH G. LANGONE BOARD MEMBER	1.00	X					0	0	0	
(11) SUE LEHMANN BOARD MEMBER	1.00	X					0	0	0	
(12) LAURA SAMBERG BOARD MEMBER	1.00	X					0	0	0	
(13) STEPHEN SQUERI BOARD MEMBER	1.00	X					0	0	0	
(14) CAROLINE TURNER BOARD MEMBER	1.00	X					0	0	0	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) RICHARD WITTEN BOARD MEMBER	1.00	X					0	0	0	
(16) BRIAN HIGGINS BOARD MEMBER	1.00	X					0	0	0	
(17) MINDY MILLER VP OF DEVELOPMENT	40.00			X			276,980.	0	105,373.	
(18) GEORGE KHALDUN CAO	40.00			X			258,417.	0	91,948.	
(19) ANNE WILLIAMS-ISOM COO	40.00			X			208,635.	0	76,671.	
(20) TRACEY COSTELLO CFO	40.00			X			234,440.	0	64,625.	
(21) JIM MCGIBBON (FROM 01/2012) EXEC. VICE PRESIDENT - FINANCE	40.00			X			0	0	0	
(22) BETINA JEAN LOUIS DIRECTOR OF EVALUATION	40.00					X	185,012.	0	46,480.	
(23) KATHERINE SHOEMAKER POLICY DIRECTOR	40.00					X	149,773.	0	59,697.	
(24) CONRAD PINNOCK HR DIRECTOR	40.00					X	162,817.	0	60,052.	
(25) GERALD LEWIS PROGRAM DIRECTOR	40.00					X	149,807.	0	38,844.	
1b Sub-total							305,175.	0	31,280.	
c Total from continuation sheets to Part VII, Section A							1,810,312.	0	614,371.	
d Total (add lines 1b and 1c)							2,115,487.	0	645,651.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶** 28

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 5		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶** 7

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
26) MARTIN LIPP COMMUNICATION DIRECTOR	40.00					X		184,431.	0	70,681.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **28**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	5,255,006.				
	d Related organizations	1d					
	e Government grants (contributions) . .	1e	9,189,345.				
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	117,498,962.				
	g Noncash contributions included in lines 1a-1f: \$		7,729,056.				
	h Total. Add lines 1a-1f			131,943,313.			
	Program Service Revenue	Business Code					
2a _____							
b _____							
c _____							
d _____							
e _____							
f All other program service revenue							
g Total. Add lines 2a-2f				0			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			52,748.			52,748.
	4 Income from investment of tax-exempt bond proceeds . . .			0			
	5 Royalties			0			
		(i) Real	(ii) Personal				
	6a Gross rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)			0			
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory			21,157,973.			
	b Less: cost or other basis and sales expenses			12,515,428.			
	c Gain or (loss)			8,642,545.			
	d Net gain or (loss)			8,642,545.			8,642,545.
	8a Gross income from fundraising events (not including \$ 5,255,006. of contributions reported on line 1c). See Part IV, line 18	a		131,018.			
	b Less: direct expenses	b		270,363.			
	c Net income or (loss) from fundraising events			-139,345.			-139,345.
	9a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
c Net income or (loss) from gaming activities			0				
10a Gross sales of inventory, less returns and allowances	a						
b Less: cost of goods sold	b						
c Net income or (loss) from sales of inventory			0				
Miscellaneous Revenue			Business Code				
11a RECOVERY OF PRIOR-YEAR INVESTMENT WRITED OFF		900099		672,573.			672,573.
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d				672,573.			
12 Total revenue. See instructions				141,171,834.			9,228,521.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	4,881,458.	4,881,458.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	1,447,702.	1,377,103.	43,084.	27,515.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	49,985,640.	47,603,114.	1,453,964.	928,562.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	826,993.	668,714.	129,668.	28,611.
9 Other employee benefits	7,045,908.	6,704,620.	222,838.	118,450.
10 Payroll taxes	5,440,487.	5,210,611.	159,478.	70,398.
11 Fees for services (non-employees):				
a Management	0			
b Legal	34,599.		34,599.	
c Accounting	374,642.		374,642.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other	2,929,393.	1,707,339.	1,209,628.	12,426.
12 Advertising and promotion	0			
13 Office expenses	630,899.	552,102.	75,570.	3,227.
14 Information technology	345,527.	132,779.	197,363.	15,385.
15 Royalties	0			
16 Occupancy	5,570,559.	4,464,214.	1,106,345.	
17 Travel	1,252,695.	1,171,506.	45,370.	35,819.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	1,520,322.	1,322,680.	167,236.	30,406.
23 Insurance	233,038.	202,743.	25,634.	4,661.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>FOOD</u>	2,546,759.	2,511,603.	34,925.	231.
b <u>EQUIPMENT RENTAL & MAINT.</u>	826,914.	626,650.	197,945.	2,319.
c <u>ADMISSIONS</u>	569,801.	567,210.	2,591.	
d <u>EDUCATION SUPPLIES</u>	565,078.	539,722.	24,195.	1,161.
e All other expenses	2,293,247.	1,428,025.	791,910.	73,312.
25 Total functional expenses. Add lines 1 through 24e	89,321,661.	81,672,193.	6,296,985.	1,352,483.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	2,002,953.	1	18,196,786.
	2 Savings and temporary cash investments	16,895,379.	2	4,341,346.
	3 Pledges and grants receivable, net	131,478,625.	3	135,848,008.
	4 Accounts receivable, net	5,196.	4	14,710,698.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	744,056.	9	1,069,411.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 119,942,657.		
	b Less: accumulated depreciation	10b 11,984,337.	59,631,822.	10c 107,958,320.
	11 Investments - publicly traded securities	0	11	0
	12 Investments - other securities. See Part IV, line 11	149,987,927.	12	172,894,542.
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	521,363.	15	582,624.
16 Total assets. Add lines 1 through 15 (must equal line 34)	361,267,321.	16	455,601,735.	
Liabilities	17 Accounts payable and accrued expenses	7,713,128.	17	8,563,125.
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	25,760,854.	21	66,528,562.
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	11,039,325.	25	11,905,861.
	26 Total liabilities. Add lines 17 through 25	44,513,307.	26	86,997,548.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	195,047,860.	27	230,147,233.
	28 Temporarily restricted net assets	121,706,154.	28	136,835,792.
	29 Permanently restricted net assets	0	29	1,621,162.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	316,754,014.	33	368,604,187.	
34 Total liabilities and net assets/fund balances	361,267,321.	34	455,601,735.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	141,171,834.
2	Total expenses (must equal Part IX, column (A), line 25)	2	89,321,661.
3	Revenue less expenses. Subtract line 2 from line 1	3	51,850,173.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	316,754,014.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	368,604,187.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	X	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)

- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.

- a Type I b Type II c Type III - Functionally integrated d Type III - Other

e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2011

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total; 5 The portion of total contributions by each person; 6 Public support.

Section B. Total Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support; 12 Gross receipts from related activities; 13 First five years.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2011 (68.71%); 15 Public support percentage from 2010 Schedule A, Part II, line 14 (68.96%); 16a 33 1/3% support test - 2011 (checked); 16b 33 1/3% support test - 2010; 17a 10%-facts-and-circumstances test - 2011; 17b 10%-facts-and-circumstances test - 2010; 18 Private foundation.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.
 If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b 33 1/3% support tests - 2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2007	2008	2009	2010	2011	TOTAL
MISCELLANEOUS INCOME	150,280.	135,553.	205,453.	107,377.	672,573.	1,271,236.
SPECIAL EVENTS INCOME			162,120.	144,695.	125,000.	431,815.
TOTALS	<u>150,280.</u>	<u>135,553.</u>	<u>367,573.</u>	<u>252,072.</u>	<u>797,573.</u>	<u>1,703,051.</u>

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

2011

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) () (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** \$5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- -----	\$ 12,500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	----- ----- -----	\$ 14,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	----- ----- -----	\$ 10,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	----- ----- -----	\$ 15,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	----- ----- -----	\$ 5,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	----- ----- -----	\$ 17,900,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	----- ----- -----	\$ 10,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	----- ----- -----	\$ 6,800,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
8	85.247 ACRES OF VACANT LAND	\$ 6,800,000.	

Name of organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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Part III **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry.
 For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ _____
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Name of the organization

THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two Yes/No questions regarding donor advisement.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 3 columns: Line number, Description, Held at the End of the Tax Year. Includes rows for purpose(s) of conservation easements, total number of easements, total acreage, and various monitoring and reporting questions.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 3 columns: Line number, Description, Amount. Includes rows for reporting on collections of art, historical treasures, and other similar assets.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2011

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	140,613,742.	131,922,081.	124,566,150.	101,517,597.	
b Contributions	15,828,299.	1,805,293.	11,471,516.	19,310,236.	
c Net investment earnings, gains, and losses	8,560,198.	6,886,368.	87,669.	7,254,672.	
d Grants or scholarships					
e Other expenditures for facilities and programs			4,203,254.	3,516,355.	
f Administrative expenses					
g End of year balance	165,002,239.	140,613,742.	131,922,081.	124,566,150.	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ 99.0175 %
- b Permanent endowment ▶ .9825 %
- c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		55,738,594.	7,278,949.	48,459,645.
c Leasehold improvements		7,881,557.	1,576,669.	6,304,888.
d Equipment		3,457,547.	3,128,719.	328,795.
e Other		52,864,992.		52,864,992.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				107,958,320.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) LIMITED PARTNERSHIP INV.	172,894,542.	FMV
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	172,894,542.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEFERRED COMPENSATION PAYABLE	5,158,617.
(3) DUE TO RELATED PARTY	6,747,244.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	11,905,861.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	141,171,834.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	89,321,661.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	51,850,173.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	51,850,173.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	142,559,666.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	1,387,832.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	1,387,832.
3	Subtract line 2e from line 1	3	141,171,834.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	141,171,834.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	90,709,493.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	1,387,832.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	1,387,832.
3	Subtract line 2e from line 1	3	89,321,661.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	89,321,661.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIV Supplemental Information (continued)

SCHEDULE D, PART V

THE HARLEM CHILDREN'S ZONE'S ENDOWMENT IS INTENDED TO SUPPORT THE ORGANIZATION'S SOCIAL, CULTURAL AND EDUCATIONAL PROGRAMS (AS DESCRIBED IN PART III OF THE FORM 990) AND TO FUND EXECUTIVE PROFIT-SHARING PLANS. HCZ HAS ADOPTED INVESTMENT AND SPENDING POLICIES FOR ENDOWMENT ASSETS THAT ATTEMPT TO PROVIDE A PREDICTABLE STREAM OF FUNDING WHILE SEEKING TO MAINTAIN THE PURCHASING POWER OF THE ENDOWMENT ASSETS.

FIN 48

THE ORGANIZATION FOLLOWS GUIDANCE THAT CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN, INCLUDING ISSUES RELATING TO FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT. THIS GUIDANCE PROVIDES THAT THE TAX EFFECTS FROM AN UNCERTAIN TAX POSITION CAN BE RECOGNIZED IN THE FINANCIAL STATEMENTS ONLY IF THE POSITION IS "MORE-LIKELY-THAN-NOT" TO BE SUSTAINED IF THE POSITION WERE TO BE CHALLENGED BY A TAXING AUTHORITY. THE ASSESSMENT OF THE TAX POSITION IS BASED SOLELY ON THE TECHNICAL MERITS OF THE POSITION, WITHOUT REGARD TO THE LIKELIHOOD THAT THE TAX POSITION MAY BE CHALLENGED. MANAGEMENT DETERMINED THAT THERE ARE NO UNCERTAIN TAX POSITIONS WITHIN ITS FINANCIAL STATEMENTS.

THE ORGANIZATION IS EXEMPT FROM FEDERAL INCOME TAXATION BY VIRTUE OF BEING AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. NEVERTHELESS, THE ORGANIZATION MAY BE SUBJECT TO TAX ON INCOME UNRELATED TO ITS EXEMPT PURPOSE, UNLESS THAT INCOME IS OTHERWISE EXCLUDED BY THE CODE. THE TAX YEARS ENDING JUNE 30, 2010, 2011 AND 2012

Part XIV Supplemental Information (continued)

ARE STILL OPEN TO AUDIT FOR BOTH FEDERAL AND STATE PURPOSES.

FORM 990, SCHEDULE D, PART IV

DURING THE YEAR ENDED JUNE 30, 2011, THE HARLEM CHILDREN'S ZONE ENTERED INTO AGREEMENTS FOR THE CONSTRUCTION OF A NEW CHARTER SCHOOL (THE SCHOOL PROJECT). THE AGREEMENTS PROVIDED THAT THE NEW YORK SCHOOL CONSTRUCTION AUTHORITY CONTRIBUTE UP TO \$60,000,000 TOWARDS THE SCHOOL PROJECT, WITH THE ESTIMATED BALANCE OF APPROXIMATELY \$40,000,000 TO BE CONTRIBUTED BY THE ORGANIZATION OR OTHER DONORS.

UPON COMPLETION OF CONSTRUCTION AND ISSUANCE OF THE CERTIFICATE OF OCCUPANCY, TITLE TO THE SCHOOL PROJECT WILL BE TRANSFERRED TO THE NEW YORK CITY DEPARTMENT OF EDUCATION AND LEASED BACK TO THE HARLEM CHILDREN'S ZONE.

HARLEM CHILDREN'S ZONE IS ACCOUNTING FOR THIS ARRANGEMENT AS AN AGENCY TRANSACTION ON BEHALF OF THE SCHOOL AS THE SCHOOL WILL BE THE ULTIMATE BENEFICIARY OF THE SCHOOL PROJECT.

**SCHEDULE F
(Form 990)**

Statement of Activities Outside the United States

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.**
▶ **Attach to Form 990. ▶ See separate instructions.**

Name of the organization

Employer identification number

THE HARLEM CHILDREN'S ZONE

23-7112974

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN			INVESTMENTS		172,894,542.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total					172,894,542.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					172,894,542.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2011

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000 Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶ _____

3 Enter total number of other organizations or entities ▶ _____

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926).* Yes No

- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A).* Yes No

- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471).* Yes No

- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* Yes No

- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865).* Yes No

- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* Yes No

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

FORM 990, SCHEDULE F

THE HARLEM CHILDREN'S ZONE INVESTS IN FOREIGN INVESTMENTS THAT MAY OWN AN INTEREST IN A FOREIGN CORPORATION, PASSIVE FOREIGN INVESTMENT COMPANY, OR FOREIGN PARTNERSHIP. NEVERTHELESS, THE HARLEM CHILDREN'S ZONE'S INVESTMENT IN THESE PARTNERSHIPS MAY NOT REACH THE THRESHOLDS REQUIRED FOR FILING THE FORMS 926, 5471, 8621 OR 8865.

**SCHEDULE G
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

**Supplemental Information Regarding
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Name of the organization

THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1 EVENT ASSOCIATES, INC.	FUNDRAISING GALA	X		5,386,024.	65,000.	5,321,024.
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total				5,386,024.	65,000.	5,321,024.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

NY,

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total events
		AWARD DINNER (event type)	(event type)	(total number)	(add col. (a) through col. (c))
Revenue	1 Gross receipts	5,386,024.			5,386,024.
	2 Less: Charitable contributions	5,255,006.			5,255,006.
	3 Gross income (line 1 minus line 2)	131,018.			131,018.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	140,857.			140,857.
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	129,506.			129,506.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				(270,363.)
	11 Net income summary. Combine line 3, column (d), and line 10				-139,345.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				()
	8 Net gaming income summary. Combine line 1, column d, and line 7				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? Yes No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If "Yes," explain: _____

- 11 Does the organization operate gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.
- c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer Employee Independent contractor

- 17 Mandatory distributions:
 - a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
 - b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE I
(Form 990)**

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

Name of the organization

THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
- 3 Enter total number of other organizations listed in the line 1 table

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2011)

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 EDUCATIONAL STIPENDS	38,400.	3,418,260.			
2 HCZ INCENTIVE PROGRAM	400.	1,463,198.			
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART III

THE NEED IN CENTRAL HARLEM: THE ODDS ARE STACKED AGAINST OUR CHILDREN AND FAMILIES. CHILDREN IN POVERTY DO NOT HAVE THE OPPORTUNITY TO DEVELOP TO THEIR FULL POTENTIAL. INEQUALITY DISADVANTAGES THEM IN EVERY ASPECT OF THEIR LIVES: THEY ARE LESS HEALTHY, LESS EDUCATED, AND MORE LIKELY TO ENTER INTO PRISON THAN MORE AFFLUENT CHILDREN. THE CUMULATIVE IMPACT OF A COMMUNITY IN CRISIS CAN HAVE RESOUNDING AFFECTS ON A CHILD, PUTTING THEM AT A SEVERE DISADVANTAGE ON THEIR PATHWAYS TO PRODUCTIVE ADULT LIVES. POOR CHILDREN, PARTICULARLY THOSE OF COLOR, DO SIGNIFICANTLY WORSE ACADEMICALLY THAN THEIR MIDDLE CLASS COUNTERPARTS.

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

THE ECONOMIC POLICY INSTITUTE REPORTED A SUBSTANTIAL DIFFERENCE BY RACE AND ETHNICITY IN CHILDREN'S ACADEMIC TEST SCORES, WITH THE DISPARITY ALREADY SHOWING UP IN KINDERGARTEN. STUDENTS WHO DO POORLY IN SCHOOL OFTEN END UP DRIFTING INTO ANTI-SOCIAL BEHAVIOR. A BLACK BOY BORN IN 2001 HAS A 1 IN 3 CHANCE OF GOING TO PRISON IN HIS LIFETIME, AND A LATINO BOY HAS A 1 IN 6 CHANCE.

IN CENTRAL HARLEM, OUR YOUTH MUST OVERCOME SIGNIFICANT BARRIERS ALONG THEIR PATHWAY TO ADULTHOOD. AT THE HARLEM CHILDREN'S ZONE, WE HAVE SET

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

UP A SEAMLESS SYSTEM OF SUPPORT FROM THE TIME A CHILD IS BORN TO THE TIME THAT CHILD FINISHES COLLEGE, IMPLEMENTING BEST PRACTICES AT EVERY STAGE. THIS SEAMLESS SYSTEM OF SUPPORT INCLUDES A PIPELINE OF PROGRAM SERVICES PROVIDING ACADEMIC TUTORING, HEALTH AND NUTRITION LESSONS, FITNESS PROGRAMS, SUCH AS KARATE AND DANCE, AND MEDIA AND TECHNOLOGY PROGRAMS TO HELP STUDENTS INCREASE THEIR KNOWLEDGE AND COMPUTER PROFICIENCY TO PERFORM WELL IN SCHOOL.

TO ENSURE CONSISTENT PARTICIPATION, WE OFFER MODEST EDUCATIONAL STIPENDS TO ENCOURAGE REGULAR AND CONSISTENT ATTENDANCE TO ENSURE STUDENTS, AGES

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

10 TO 18, RECEIVE THE MAXIMUM IMPACT OF OUR PROGRAMS.

HCZ ACKNOWLEDGES THAT OUR STUDENTS MUST GIVE UP PART-TIME JOBS TO PARTICIPATE IN OUR PROGRAMS. THE STIPENDS HELP TO OFF-SET SOME OF THE FINANCIAL LOSS OUR STUDENTS MIGHT EXPERIENCE BY FOREGOING PART-TIME JOBS AND PREVENT THEM FROM HAVING TO MAKE A CHOICE BETWEEN WORK AND SUPPLEMENTAL ACADEMIC ACTIVITIES. EDUCATIONAL STIPENDS ARE DETERMINED BASED ON PROGRAM ATTENDANCE AND PUNCTUALITY, STUDENT GRADES, AND STUDENT CONDUCT. EDUCATION STIPENDS ARE DISTRIBUTED TWICE MONTHLY BY THE FISCAL OFFICE. THE AVERAGE STIPENDS ARE \$25 TO \$175.

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

THE SECOND PROGRAM DISCLOSED ON SCHEDULE I IS A PROGRAM TO REWARD THE ORGANIZATION'S GRADUATING HIGH SCHOOL SENIORS. HARLEM CHILDREN'S ZONE OFFERS A \$1,000 INCENTIVE SCHOLARSHIP. THESE SENIORS HAVE ACTIVELY PARTICIPATED IN HCZ COLLEGE PREP PROGRAMS AND ARE CURRENTLY ENROLLED IN A COLLEGE. THE INCENTIVES PAYMENTS ARE ONLY MADE IN THE FORM OF A LAPTOP OR A DIRECT SCHOLARSHIP PAYMENT MADE DIRECTLY TO THEIR COLLEGE ON THEIR BEHALF.

AS NOTED, SOME OF THE GIFTS ARE NON-CASH PAYMENTS (IN THE FORM OF

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

LAPTOPS); HOWEVER, FOR SCHEDULE I PURPOSES, BIFURCATING CASH VS. NON-CASH PAYMENTS IS ADMINISTRATIVELY DIFFICULT.

HCZ PROVIDES STIPENDS TO MIDDLE AND HIGH-SCHOOL STUDENTS WHO EARN THEM. THE STIPEND SYSTEM IS A PRE-EMPLOYMENT MODEL, INTRODUCING STUDENTS TO THE TYPICAL WORKPLACE SYSTEM WHERE EMPLOYEES RECEIVE A FINANCIAL REWARD FOR CONSISTENT, HARD WORK. THERE ARE CERTAIN REQUIREMENTS THAT STUDENTS NEED TO SATISFY TO EARN A STIPEND.

THE SMALL STIPEND IS ALSO AN INCENTIVE FOR THE CHILDREN TO STAY ENROLLED

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

IN THE PROGRAM EVEN IF THEY ARE BEING TEMPTED BY LESS-RIGOROUS OR RISKY ALTERNATIVES FOR THEIR OUT-OF-SCHOOL TIME. WE STRONGLY FEEL THAT THE STIPENDS ARE A VALUABLE INVESTMENT TO KEEP CHILDREN IN THE SAFE, ENRICHING ENVIRONMENT WE HAVE CREATED, WHERE THEY CAN GET ACADEMIC ASSISTANCE AND LEARN VALUABLE LIFE SKILLS.

HCZ ALSO GIVES INCOMING COLLEGE FRESHMEN THE CHOICE OF A LAPTOP COMPUTER OR A \$1,000 SCHOLARSHIP TO ENSURE THAT STUDENTS START COLLEGE IN A STRONG POSITION FOR SUCCESS. IN TODAY'S COLLEGIATE ENVIRONMENT, ACCESS TO A LAPTOP IS AS IMPORTANT AS HAVING A PEN OR PENCIL ONCE WAS, SO WE WANT TO

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

ENSURE EACH OF OUR STUDENTS HAS ONE FOR WRITING AND RESEARCH. IF THEY ALREADY HAVE A LAPTOP COMPUTER, THE \$1,000 SCHOLARSHIP IS ALSO A HUGE HELP FOR STUDENTS WHO WILL STRUGGLE TO MAKE ENDS MEET WHILE THEY ARE WORKING TOWARD THEIR DEGREE.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a** Yes No
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** Yes No
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** Yes No
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a** Yes No
- b** Any related organization? **5b** Yes No
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a** Yes No
- b** Any related organization? **6b** Yes No
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7** Yes No

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III **8** Yes No

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9** Yes No

	Yes	No
1a		
1b		
2		
3		
4a		<input checked="" type="checkbox"/>
4b	<input checked="" type="checkbox"/>	
4c		<input checked="" type="checkbox"/>
5a		<input checked="" type="checkbox"/>
5b		<input checked="" type="checkbox"/>
6a		<input checked="" type="checkbox"/>
6b		<input checked="" type="checkbox"/>
7	<input checked="" type="checkbox"/>	
8		<input checked="" type="checkbox"/>
9		<input checked="" type="checkbox"/>

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2011

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 GEOFFREY CANADA	(i)	168,750.	136,425.	0	10,125.	21,155.	336,455.	136,425.
	(ii)	0	0	0	0	0	0	0
2 MINDY MILLER	(i)	226,980.	50,000.	0	88,619.	16,754.	382,353.	0
	(ii)	0	0	0	0	0	0	0
3 GEORGE KHALDUN	(i)	152,879.	105,538.	0	70,793.	21,155.	350,365.	60,538.
	(ii)	0	0	0	0	0	0	0
4 ANNE WILLIAMS-ISOM	(i)	183,635.	25,000.	0	70,118.	6,553.	285,306.	0
	(ii)	0	0	0	0	0	0	0
5 TRACEY COSTELLO	(i)	133,786.	100,654.	0	45,827.	18,798.	299,065.	65,654.
	(ii)	0	0	0	0	0	0	0
6 BETINA JEAN LOUIS	(i)	115,263.	69,749.	0	40,012.	6,468.	231,492.	47,749.
	(ii)	0	0	0	0	0	0	0
7 KATHERINE SHOEMAKER	(i)	79,466.	70,307.	0	39,860.	19,837.	209,470.	50,307.
	(ii)	0	0	0	0	0	0	0
8 CONRAD PINNOCK	(i)	132,817.	30,000.	0	53,044.	7,008.	222,869.	0
	(ii)	0	0	0	0	0	0	0
9 GERALD LEWIS	(i)	97,406.	52,401.	0	38,844.	0	188,651.	32,401.
	(ii)	0	0	0	0	0	0	0
10 MARTIN LIPP	(i)	111,798.	72,633.	0	50,844.	19,837.	255,112.	42,633.
	(ii)	0	0	0	0	0	0	0
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, LINE 4(B)

HARLEM CHILDREN'S ZONE HAS A SECTION 457(F) PLAN THAT ALL MEMBERS OF SENIOR MANAGEMENT PARTICIPATE IN. THIS GROWTH FUND PLAN IS A TAX-DEFERRED EMPLOYEE SAVINGS PLAN FOR DIRECTORS, PRINCIPALS AND SENIOR STAFF. HARLEM CHILDREN'S ZONE MAKES AN ANNUAL DEPOSIT INTO THE PLAN THAT IS VALUED AT 150% OF THE INDIVIDUAL EMPLOYEE'S BONUS FOR THE CURRENT YEAR. THE EMPLOYEE ACCUMULATES INCOME ON THE INVESTMENTS IN THE NO MARGIN SENIOR GROWTH FUND (WHICH IS MANAGED BY DUQUESNE MANAGEMENT); AFTER FIVE YEARS, THE EMPLOYEE STARTS TO RECEIVE PAYOUTS.

FOR CALENDAR YEAR 2011, EMPLOYEES RECEIVED A PAYOUT FROM THE GROWTH FUND AND THOSE AMOUNTS HAVE BEEN RECORDED IN SCHEDULE J, COLUMN (B)(II) AND IN COLUMN (F).

SCHEDULE J, LINE 7

HARLEM CHILDREN'S ZONE PROVIDES ANNUAL PERFORMANCE BONUSES TO ITS EMPLOYEES. THE BONUSES ARE DETERMINED AND APPROVED BY THE PRESIDENT AND CEO, GEOFFREY CANADA. BONUSES ARE APPROVED IN JUNE AND PAID OUT IN JULY (WHICH IS THE FOLLOWING FISCAL YEAR); HOWEVER, FOR 990 REPORTING

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PURPOSES, THE BONUS IS BOTH APPROVED AND PAID IN THE SAME CALENDAR YEAR
(BUT DIFFERENT FISCAL YEARS); ACCORDINGLY, THE BONUSES ARE REPORTED AS
CURRENT COMPENSATION IN COLUMN (B)(II).

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization

THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

- 2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										

Total ▶ \$ _____

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2011

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) STANLEY DRUCKENMILLER	CHAIRMAN OF THE BOARD	1,387,832.	SEE SCHEDULE O		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCHEDULE L, PART IV

STANLEY DRUCKENMILLER, CHAIRMAN OF THE BOARD, RUNS A HEDGE FUND, THE NO-MARGIN FUND, IN WHICH THE HARLEM CHILDREN ZONE INVESTS. NEITHER MR. DRUCKENMILLER NOR THE FUND CHARGE THE HARLEM CHILDREN'S ZONE ANY MANAGEMENT, ADVISORY OR SUPERVISORY FEES FOR MANAGING THE ORGANIZATION'S PORTFOLIO. NEVERTHELESS, THE VALUE OF THESE CONTRIBUTED SERVICES IS APPROXIMATELY \$1,387,382.

ADDITIONALLY, IN THE INTERESTS OF FULL DISCLOSURE, THE HARLEM CHILDREN'S ZONE IS DISCLOSING THAT SEVERAL BOARD MEMBERS MANAGE OR RUN PRIVATE FOUNDATIONS THAT DO MAKE GRANTS TO THE HARLEM CHILDREN'S ZONE.

FOR THE YEAR ENDING JUNE 30, 2012, THE ORGANIZATION RECEIVED THE FOLLOWING GRANTS:

\$500,000 - FROM THE ANNENBERG FOUNDATION (BOARD MEMBER - WALLIS ANNENBERG).

\$1,165,000 - FROM SAMBERG FOUNDATION (BOARD MEMBER - LAURA SAMBERG)

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

\$14,000,000 - FROM THE OAK FOUNDATION (BOARD MEMBER - CAROLINE TURNER)

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization
THE HARLEM CHILDREN'S ZONE

Employer identification number
23-7112974

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests	X	1.	929,056.	FAIR MARKET VALUE
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other	X	1.	6,800,000.	APPRAISED VALUE
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30 a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) (2011)

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

SCHEDULE M, LINE 32A

TO THE EXTENT THAT THE HARLEM CHILDREN'S ZONE RECEIVES NON-CASH
CONTRIBUTIONS OF SECURITIES, IT USES ITS INVESTMENT BROKER TO CONVERT
THOSE SECURITIES INTO CASH.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.**

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Name of the organization

THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

FORM 990, PART III, LINE 4D

OTHER PROGRAM SERVICE ACCOMPLISHMENTS

HEAD START PROGRAM - AN EARLY CHILDHOOD EDUCATION PROGRAM THAT SERVES 57
THREE-TO-FIVE-YEAR-OLD CHILDREN, AND PREPARES THEM TO ENTER KINDERGARTEN
READY TO LEARN.

FINALLY, INCLUDED WITHIN THE PROGRAM SERVICE EXPENDITURES REPORTED IN
PART III, LINES 4A THROUGH 4D ARE AMOUNTS PAID OUT AS STIPENDS/GRANTS.
HCZ PROVIDES STIPENDS TO MIDDLE AND HIGH-SCHOOL STUDENTS. THE STIPEND
SYSTEM IS A PRE-EMPLOYMENT MODEL, INTRODUCING STUDENTS TO THE TYPICAL
WORKPLACE SYSTEM WHERE EMPLOYEES RECEIVE A FINANCIAL REWARD FOR
CONSISTENT, HARD WORK. THERE ARE CERTAIN REQUIREMENTS THAT STUDENTS NEED
TO SATISFY TO EARN A STIPEND.

THE SMALL STIPEND IS ALSO AN INCENTIVE FOR THE CHILDREN TO STAY ENROLLED
IN THE PROGRAM EVEN IF THEY ARE BEING TEMPTED BY LESS-RIGOROUS OR RISKY
ALTERNATIVES FOR THEIR OUT-OF-SCHOOL TIME. WE STRONGLY FEEL THAT THE
STIPENDS ARE A VALUABLE INVESTMENT TO KEEP CHILDREN IN THE SAFE,
ENRICHING ENVIRONMENT WE HAVE CREATED, WHERE THEY CAN GET ACADEMIC
ASSISTANCE AND LEARN VALUABLE LIFE SKILLS.

HCZ ALSO GIVES INCOMING COLLEGE FRESHMEN THE CHOICE OF A LAPTOP COMPUTER
OR A \$1,000 SCHOLARSHIP TO ENSURE THAT STUDENTS START COLLEGE IN A STRONG
POSITION FOR SUCCESS. IN TODAY'S COLLEGIATE ENVIRONMENT, ACCESS TO A

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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LAPTOP IS AS IMPORTANT AS HAVING A PEN OR PENCIL ONCE WAS, SO WE WANT TO ENSURE EACH OF OUR STUDENTS HAS ONE FOR WRITING AND RESEARCH. IF THEY ALREADY HAVE A LAPTOP COMPUTER, THE \$1,000 SCHOLARSHIP IS ALSO A HUGE HELP FOR STUDENTS WHO WILL STRUGGLE TO MAKE ENDS MEET WHILE THEY ARE WORKING TOWARD THEIR DEGREE.

PLEASE SEE SCHEDULE I FOR MORE INFORMATION.

POLICIES

FORM 990, PART VI, QUESTION 11

LINE 11 - PROCESS USED TO REVIEW FORM 990:

THE FORM 990 WAS PREPARED BY A NATIONALLY RENOWNED ACCOUNTING FIRM IN CONJUNCTION WITH THE ORGANIZATION'S FINANCIAL DEPARTMENT. A COPY OF THE DRAFT FORM 990 WAS CIRCULATED TO THE AUDIT COMMITTEE FOR DISCUSSION AND COMMENT. EACH AUDIT COMMITTEE MEMBER WAS PROVIDED AMPLE OPPORTUNITY TO COMMENT ON THE INFORMATION CONTAINED IN THE 990 PRIOR TO ITS FILING WITH THE INTERNAL REVENUE SERVICE. THE AUDIT COMMITTEE WILL SUMMARIZE ITS FINDING ON THE FORM 990 TO THE FULL BOARD OF DIRECTORS.

LINE 12 - ENFORCEMENT AND MONITORING OF CONFLICT OF INTEREST POLICY:

ALL EMPLOYEES ARE EXPECTED TO USE HONESTY, GOOD JUDGEMENT AND HIGH ETHICAL STANDARDS IN ALL PROFESSIONAL DEALINGS. ALL EMPLOYEES MUST AVOID ANY ACTIONS THAT COULD CREATE A CONFLICT OF INTEREST OR THE APPEARANCE OF SUCH A CONFLICT OR REFLECT UNFAVORABLY ON THEM OR ON HARLEM CHILDREN'S ZONE. AN EMPLOYEE MUST DISCLOSE IF SHE/HE OR AN IMMEDIATE FAMILY MEMBER HAS ANY POTENTIAL CONFLICT OF INTEREST SUCH AS A RELATIONSHIP TO A THIRD

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
--	--

PARTY VENDOR WHO SEEKS OR HAS A BUSINESS RELATIONSHIP TO HARLEM CHILDREN'S ZONE. AN EMPLOYEE'S VIOLATION OF THIS POLICY, ESPECIALLY A FAILURE TO REPRESENT ACCURATELY HIS OR HER CONNECTION OR ACTION ON BEHALF OF HARLEM CHILDREN'S ZONE AND A THIRD PARTY WILL CONSTITUTE GROUNDS FOR DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

LINE 15 - PROCESS FOR DETERMINING COMPENSATION:

THE ORGANIZATION UNDERTAKES A THOROUGH PROCESS TO ENSURE THAT THE EXECUTIVE COMPENSATION IT PAYS TO ITS TOP MANAGEMENT OFFICIAL AND ALL OF ITS OFFICERS AND KEY EMPLOYEES OF ORGANIZATION IS REASONABLE GIVEN THE MARKET IN WHICH THE ORGANIZATION OPERATES. IN RELEVANT PART, THE BOARD OF DIRECTORS HAS ESTABLISHED A COMPENSATION COMMITTEE OF INDEPENDENT PERSONS THAT HAVE NO PERSONAL INTEREST IN THE PROPOSED COMPENSATION AGREEMENT. THE COMPENSATION COMMITTEE CONTRACTS WITH A COMPENSATION CONSULTANT TO COMPLETE A MARKET ASSESSMENT AND COMPETITIVE POSITION ANALYSIS FOR THE COLLEGE'S TOP EXECUTIVES. THE COMPENSATION CONSULTANT UTILIZES COMPARABILITY AND BENCHMARKING SURVEYS TO ENSURE THAT THE COLLEGE COMPENSATES ITS EXECUTIVES COMMENSURATE WITH THE MARKET. THE COMPENSATION COMMITTEE WILL THEN SET THE COMPENSATION FOR THE RELEVANT EXECUTIVE AND DOCUMENT THE DECISION IN BOARD MINUTES.

FORM 990, PART VI, LINE 19

AVAILABILITY OF DOCUMENTS TO THE PUBLIC
THE TAXPAYER MAKES ITS FORM 990 AVAILABLE TO THE PUBLIC BY RETAINING A COPY AT ITS PLACE OF BUSINESS. THE FORM 990 IS LIKEWISE PUBLISHED ON THE INTERNET AT WWW.GUIDESTAR.ORG. THE ORGANIZATION'S FINANCIAL STATEMENTS,

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
--	--

GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT ORDINARILY MADE AVAILABLE TO THE PUBLIC, BUT, IF REQUESTED, WILL BE PROVIDED AT MANAGEMENT'S DISCRETION.

FORM 990, PART IV, LINE 4

LOBBYING DISCLOSURE

THE HARLEM CHILDREN'S ZONE DOES NOT UNDERTAKE ANY LOBBYING ACTIVITIES. PRESIDENT AND CEO, GEOFFREY CANADA IS A VERY PROMINENT INDIVIDUAL IN THE COMMUNITY AND HE MAY UNDERTAKE ADVOCACY EFFORTS THAT HAVE ANCILLARY BENEFITS TO THE HARLEM CHILDREN'S ZONE. MR. CANADA'S ADVOCACY EFFORTS, TO THE EXTENT THERE ARE ANY, ARE UNDERTAKEN AT HIS OWN BEHEST AND ARE FUNDED FROM HIS OWN PERSONAL FINANCES; THE HARLEM CHILDREN'S ZONE DOES NOT SUBSIDIZE THOSE EFFORTS.

FORM 990, PART VIII, LINE 7A

REALIZED GAINS ON INVESTMENTS

THE INVESTMENT INCOME REPORTED ON FORM 990, PART VIII, LINE 7(D) REPRESENTS BOTH REALIZED AND UNREALIZED GAINS ON INVESTMENTS. BECAUSE THE ORGANIZATION'S INVESTMENT PORTFOLIO IS COMPRISED ENTIRELY OF ALTERNATIVE INVESTMENTS, A DEFINITIVE BREAKOUT BETWEEN REALIZED AND UNREALIZED GAINS WAS UNAVAILABLE.

FORM 990, PART IX, LINE 11(E)

PROFESSIONAL FUNDRAISING FEES

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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THE HARLEM CHILDREN'S ZONE PAID ONE PROFESSIONAL FUNDRAISER IN THE YEAR ENDING JUNE 30, 2012. THIS FUNDRAISER, EVENT ASSOCIATES, WAS PAID \$65,000 (AND IS DISCLOSED ON SCHEDULE G). THE FUNDRAISING FEES PAID ARE REPORTED IN PART VIII, STATEMENT OF REVENUE, LINE 11(B) AS AN OFFSET TO SPECIAL EVENT REVENUE, RATHER THAN ON LINE 11(E).

PART XI, LINE 5

RECONCILIATION OF NET ASSETS

UNREALIZED GAIN ON INVESTMENTS \$8,642,545

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

HCZ'S MISSION IS TO BREAK THE CYCLE OF GENERATIONAL POVERTY THROUGH EDUCATION FOR THE CHILDREN AND FAMILIES IN HARLEM. WE WORK WITH CHILDREN FROM BIRTH THROUGH COLLEGE, USING AN INTERLOCKING NETWORK OF PROGRAMS, SO THAT THE STUDENTS CAN SUCCESSFULLY GRADUATE FROM COLLEGE, ENTER THE HIGH-SKILLS JOB MARKET AND BECOME PRODUCTIVE, TAX-PAYING MEMBERS OF SOCIETY. OUR GOAL IS TO ENSURE THAT OUR KIDS GROW UP TO BECOME WELL-ROUNDED, SUCCESSFUL, HEALTHY, CIVIC-MINDED CITIZENS.

HCZ'S UNIQUE APPROACH IS TO PROVIDE SUPPORTS THROUGHOUT A CHILD'S DEVELOPMENT AND MITIGATE ANY BARRIER TO HIS OR HER ACADEMIC SUCCESS. OUR EARLY-CHILDHOOD PROGRAMS HELP BUILD A STRONG FOUNDATION FOR LATER

Name of the organization

THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

ATTACHMENT 1 (CONT'D)FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

LEARNING. OUR ELEMENTARY-SCHOOL PROGRAMS SUPPORT STUDENTS IN THE LOCAL TRADITIONAL PUBLIC SCHOOLS BY ADDING ASSISTANT TEACHERS DURING THE DAY AND OFFERING EXTENSIVE AFTER-SCHOOL PROGRAMS FOR THEM. IN ADDITION OUR TWO K-12 CHARTER SCHOOLS ARE STAFFED WITH QUALITY TEACHERS AND SPECIALISTS TO ENSURE OUR STUDENTS NEVER FALL BEHIND. WE OFFER AFTERSCHOOL SUPPORT FOR MIDDLE-SCHOOL AND HIGH-SCHOOL STUDENTS - WORKING CLOSELY WITH THEM, THEIR TEACHERS AND PARENTS TO MAKE SURE THEY GRADUATE ON-TIME AND ARE READY FOR COLLEGE. WHETHER STUDENTS ATTEND LOCAL COLLEGES OR ARE OUT-OF-TOWN, OUR COLLEGE SUCCESS OFFICE HELPS THEM WITH EVERYTHING FROM TIME MANAGEMENT TO TUTORING TO GETTING PAID INTERNSHIPS.

WE HAVE THE SAME EXPECTATIONS OF SUCCESS FOR THE CHILDREN WE SERVE FROM TRADITIONAL PUBLIC SCHOOLS AS WE DO FROM OUR CHARTER SCHOOLS. THOUGH OUR PROGRAMS WORK WITH THOUSANDS OF CHILDREN, WE MAKE SURE EACH CHILD GETS HIS OR HER SPECIFIC NEEDS MET AND IS SINGULARLY FOCUSED ON ATTENDING AND GRADUATING COLLEGE. EVERY CHILD FROM FIFTH GRADE AND UP IS ASSIGNED A TEAM THAT CREATES AN ONGOING ASSESSMENT OF WHAT SERVICES ARE NECESSARY AND MAKES SURE THE STUDENT GETS THEM, WHETHER IT IS RELATED TO HEALTH CARE, A CHAOTIC HOME LIFE OR AN EMOTIONAL PROBLEM.

IMPORTANTLY, IN ADDITION TO OUR FOCUS ON HELPING CHILDREN IN SCHOOLS AND IN AFTER-SCHOOL PROGRAMS, WE WORK TO STRENGTHEN FAMILIES AND IMPROVE THE VERY FABRIC OF THE COMMUNITY IN WHICH OUR STUDENTS LIVE - TRANSFORMING THE NEIGHBORHOOD FROM ONE Mired IN GENERATIONAL POVERTY TO ONE OF ECONOMIC STABILITY AND A THRIVING, POSITIVE CULTURE.

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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ATTACHMENT 1 (CONT'D)

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

SINCE WE ARE CONCERNED ABOUT THE ENTIRE CHILD, WE ALSO HAVE DEVELOPED PROGRAMS TO IMPROVE THE HEALTH OF OUR CHILDREN. THROUGH A PARTNERSHIP WITH CHILDREN'S HEALTH FUND, NEW YORK PRESBYTERIAN HOSPITAL AND THE COLUMBIA UNIVERSITY MAILMAN SCHOOL OF PUBLIC HEALTH, WE OFFER FREE MEDICAL, DENTAL AND MENTAL-HEALTH SERVICES TO THE STUDENTS IN OUR PROMISE ACADEMY CHARTER SCHOOLS.

BECAUSE OBESITY THREATENS THE HEALTH OF SO MANY OF OUR CHILDREN AND ADULTS, WE CREATED AN AGENCY-WIDE PROGRAM CALLED HEALTHY HARLEM. WE CREATED A DATABASE OF THE HEIGHT, WEIGHT AND BODY MASS INDEX OF ALL PARTICIPANTS TO TRACK THEIR PROGRESS. THE PROGRAM OFFERS ONE HOUR A DAY OF EXERCISE EACH DAY AND ONE HOUR OF NUTRITION EDUCATION EACH WEEK TO THOUSANDS OF OUR STUDENTS. CHILDREN WITH THE MOST-SEVERE OBESITY PROBLEMS WILL RECEIVE MORE INDIVIDUALIZED ATTENTION. HEALTHY HARLEM ALSO WORKS WITH PARENTS, OFFERING EVENING AND WEEKEND EXERCISE CLASSES AND COOKING CLASSES.

AS A RESULT OF THE UNPRECEDENTED SUCCESS OF OUR EFFORTS, WE HAVE BECOME A NATIONAL ANTI-POVERTY MODEL. DOZENS OF DELEGATIONS FROM ACROSS THE COUNTRY HAVE VISITED OR TAKEN WORKSHOPS TO LEARN ABOUT WHAT WE DO, AND PRESIDENT OBAMA CREATED THE PROMISE NEIGHBORHOODS PROGRAM TO USE FEDERAL MATCHING GRANTS TO REPLICATE OUR COMPREHENSIVE MODEL IN OTHER POOR COMMUNITIES.

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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ATTACHMENT 2FORM 990, PART III - PROGRAM SERVICE, LINE 4A

THE HARLEM CHILDREN'S ZONE PROJECT OFFERS A COMPREHENSIVE NETWORK OF EDUCATION, SOCIAL-SERVICE AND COMMUNITY-BUILDING PROGRAMS ACROSS A 97-BLOCK AREA OF CENTRAL HARLEM. THE CHILDREN'S ZONE PROJECT SUPPORTS CHILDREN FROM BIRTH THROUGH COLLEGE AS WELL AS WORKING WITH THE ADULTS AROUND THEM.

THE ORGANIZATION HAS BEEN SUCCESSFUL IN TEACHING NEW PARENTS HOW TO ENGAGE WITH THEIR YOUNG CHILDREN TO OPTIMIZE BRAIN DEVELOPMENT. THE BABY COLLEGE PARENTING WORKSHOPS HAVE GRADUATED MORE THAN 4,000 PARENTS AND CAREGIVERS SINCE ITS INCEPTION A DOZEN YEARS AGO. IN THE HARLEM GEMS PRE-KINDERGARTEN PROGRAMS, THREE- AND FOUR-YEAR-OLDS ATTEND AN ALL-DAY, YEAR-ROUND PROGRAM THAT TEACHES IN ENGLISH, SPANISH AND FRENCH. MORE THAN 99% OF THE CHILDREN HAVE COMPLETED THE HARLEM GEMS PROGRAM "SCHOOL READY" FOR KINDERGARTEN, AS DETERMINED BY THE NATIONALLY RECOGNIZED BRACKEN SCALE ASSESSMENT - A REMARKABLE ACCOMPLISHMENT SINCE 40 PERCENT OR MORE START THE SCHOOL YEAR DELAYED OR VERY DELAYED.

WE PROVIDE SUPPORTS FOR STUDENTS IN ALL THE TRADITIONAL PUBLIC ELEMENTARY SCHOOLS WITHIN THE CHILDREN'S ZONE BOTH DURING THE SCHOOL DAY AND AFTER SCHOOL. WE WORK WITH MIDDLE-SCHOOL AND HIGH-SCHOOL STUDENTS THROUGH SEVERAL AFTER-SCHOOL PROGRAMS, MAKING SURE THEY ARE READY FOR COLLEGE, OFFERING TUTORING, WRITING WORKSHOPS, SAT PREP AND TOURS OF COLLEGE CAMPUSES, IN ADDITION TO PROVIDING ACCESS TO OTHER FUN, ENRICHING DISCIPLINES.

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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ATTACHMENT 2 (CONT'D)

IN 2012, MORE THAN 95 PERCENT OF OUR HIGH-SCHOOL SENIORS WERE ACCEPTED TO COLLEGE, GARNERING MORE THAN \$20 MILLION IN SCHOLARSHIPS.

TO MAKE SURE OUR STUDENTS ARE SUCCESSFUL IN COLLEGE, WE OFFER A VARIETY OF SUPPORTS: TUTORING, SCHOLARSHIPS, FINANCIAL AID COUNSELING, TIME MANAGEMENT CLASSES AND HELP WITH GETTING WORKPLACE EXPERIENCES THROUGH PAID INTERNSHIPS IN COMPANIES, HEALTH-CARE INSTITUTIONS, GOVERNMENT AGENCIES AND NON-PROFITS THROUGHOUT THE CITY AS WELL AS EMPLOYING THEM TO HELP WITH PROGRAMS AT HCZ.

ATTACHMENT 3FORM 990, PART III - PROGRAM SERVICE, LINE 4C

HCZ'S FOSTER-CARE PREVENTIVE PROGRAMS WORK TO STRENGTHEN FAMILIES IN CRISIS SO THAT THE FAMILIES CAN STAY WHOLE AND NOT HAVE CHILDREN PLACED INTO FOSTER CARE. THERE ARE FIVE PREVENTIVE PROGRAMS, WHICH SERVE MORE THAN 600 FAMILIES THAT HAVE BEEN REFERRED TO US BY THE CITY, AS WELL AS WORKING WITH FAMILIES THAT WALK IN TO OUR STOREFRONT OFFICES OR WHO HAVE CHILDREN IN OUR OTHER PROGRAMS.

FOR MORE INFORMATION ABOUT THE VARIOUS PREVENTIVE PROGRAMS RUN BY THE HARLEM CHILDREN'S ZONE, PLEASE REFER TO THE ORGANIZATION'S

Name of the organization THE HARLEM CHILDREN'S ZONE	Employer identification number 23-7112974
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ATTACHMENT 3 (CONT'D)

WEBSITE AT:

HTTP://WWW.HCZ.ORG/INDEX.PHP/FAMILY-COMMUNITY-AND-HEALTH/HCZ-FOSTER
-CARE-PREVENTION

ATTACHMENT 4FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

<u>DESCRIPTION</u>	<u>GRANTS</u>	<u>EXPENSES</u>	<u>REVENUE</u>
HEAD START PROGRAM	6,422.	1,901,895.	0
TOTALS	<u>6,422.</u>	<u>1,901,895.</u>	<u>0</u>

ATTACHMENT 5990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
MATHEMATICA POLICY RESEARCH, INC. P.O. BOX 2393 PRINCETON, NJ 08543	EVALUATIONS	608,608.
FORCES OF NATURE 230 MALCOLM X BLVD NEW YORK, NY 10027	DANCE INSTRUCTION	332,181.
THE BRIDGESPAN GROUP 535 BOYLSTON STREET, 10TH FLOOR BOSTON, MA 02116	CONSULTING	276,708.
HARLEM JUNIOR TENNIS AND EDUCATION 40 WEST 143RD STREET NEW YORK, NY 10032	TENNIS INSTRUCTION	214,003.
GRANT THORNTON, LLP 33570 TREASURY CENTER CHICAGO, IL 60694	ACCOUNTING SERVICES	420,662.
TOTAL COMPENSATION		<u>1,852,162.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Name of the organization

THE HARLEM CHILDREN'S ZONE

Employer identification number

23-7112974

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) RHEEDLEN 125TH STREET, LLC 35 EAST 125TH STREET NEW YORK, NY 10035	HOLD PROPERTY	NY	0	0	HARLEM CHILD
(2) HCZ PROMISE LLC 27-2392634 35 EAST 125TH STREET NEW YORK, NY 10035	HOLD PROPERTY	NY	0	0	HARLEM CHILD
(3) -----					
(4) -----					
(5) -----					
(6) -----					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) HCZ PROMISE ACADEMY CHARTER SCHOOL 76-0756768 35 EAST 125TH STREET NEW YORK, NY 10035	EDUCATION	NY	501(C)(3)	2	N/A		X
(2) HCZ PROMISE ACADEMY CHARTER SCHOOL II 34-2049530 35 EAST 125TH STREET NEW YORK, NY 10035	EDUCATION	NY	501(C)(3)	2	N/A		X
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2011

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) -----							
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)	X	
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Sale of assets to related organization(s)		X
g Purchase of assets from related organization(s)		X
h Exchange of assets with related organization(s)		X
i Lease of facilities, equipment, or other assets to related organization(s)		X
j Lease of facilities, equipment, or other assets from related organization(s)		X
k Performance of services or membership or fundraising solicitations for related organization(s)	X	
l Performance of services or membership or fundraising solicitations by related organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
n Sharing of paid employees with related organization(s)	X	
o Reimbursement paid to related organization(s) for expenses		X
p Reimbursement paid by related organization(s) for expenses		X
q Other transfer of cash or property to related organization(s)		X
r Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													
(9) -----													
(10) -----													
(11) -----													
(12) -----													
(13) -----													
(14) -----													
(15) -----													
(16) -----													

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

SCHEDULE R, RELATED PARTY TRANSACTIONS

PURSUANT TO THE TERMS OF A COMMITMENT LETTER BETWEEN HARLEM CHILDREN'S ZONE (HCZ) AND THE CHARTER SCHOOLS, HCZ COMMITTED TO PROVIDE THE SCHOOLS, DURING THE INITIAL FIVE YEAR TERM OF THEIR CHARTERS, CERTAIN SERVICES AT NO COSTS. THESE SERVICES INCLUDE FINANCIAL MANAGEMENT, SOCIAL, LIBRARY, TECHNOLOGY, FUNDRAISING, PUBLIC RELATIONS AND TEACHING ASSISTANCE SERVICES, IN ADDITION, HCZ IS COMMITTED TO PROVIDING THE SCHOOLS WITH THE USE OF SPACE AT ITS PREMISES LOCATED AT 35 EAST 125TH STREET, NEW YORK, NEW YORK.