

I. SCHOOL INFORMATION AND COVER PAGE

Created Monday, July 21, 2014

Updated Thursday, July 31, 2014

Page 1

1. SCHOOL NAME

(Select School name from dropdown menu; BEDS # appears first)

310500860989 DEMOCRACY PREP HARLEM CS

2. CHARTER AUTHORIZER

NYCDOE-Authorized Charter School

3. DISTRICT / CSD OF LOCATION

NYC CSD 5

4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
207 W 133rd St New York, NY 10030	212-281-1248	212-283-4202	info@democracyprep.org

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

Contact Name	Benjamin Feit
Title	Chief of Staff
Emergency Phone Number (###-###-####)	

5. SCHOOL WEB ADDRESS (URL)

www.democracyprep.org

6. DATE OF INITIAL CHARTER

2010-02-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

2010-08-01 00:00:00

8. TOTAL NUMBER OF STUDENTS ENROLLED IN 2013-14 (as reported on BEDS Day)

(as reported on BEDS Day)

9. GRADES SERVED IN SCHOOL YEAR 2013-14

Check all that apply

• K

• 6

• 7

• 8

• 9

10. DOES THE SCHOOL CONTRACT WITH A CHARTER OR EDUCATIONAL MANAGEMENT ORGANIZATION?

Yes/No	Name of CMO/EMO
Yes	Democracy Prep Public Schools

10a. Please provide the name and contact information for each of the following individuals who are management level personnel associated with the CMO.

	Name	Work Phone	Alternate Phone	Email Address	Contact this individual also in emergencies
CEO (e.g., network superintendent)	Katie Duffy	[REDACTED]		[REDACTED]	No
CFO (e.g., network CFO)	Howard Schnidman	[REDACTED]		[REDACTED]g	No
Compliance Contact	Carlos Mojica	[REDACTED]		[REDACTED]	No
Complaint Contact	Ben Feit	[REDACTED]		[REDACTED]	Yes

11. FACILITIES

Will the School maintain or operate multiple sites?

Yes, 3 sites

12. SCHOOL SITES

Please list the sites where the school will operate in 2014-15.

	Physical Address	Phone Number	District/C SD	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	207 West 133rd Street New York, NY 10030	212-281-1248	CSD 5	6-8	Yes	Rent/Lease
Site 2	2005 Madison Avenue New York, NY 10035	212-348-3794	CSD 5	K-1	No	DOE space
Site 3	212 West 120 Street New York, NY 10027	212-932-7791	CSD 3	9-10	No	DOE space

12a. Please provide the contact information for Site 1 (same as the primary site).

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Anwar Abdul-Rahman	[REDACTED]		[REDACTED]
Operational Leader	Kamil Klimowicz	[REDACTED]		[REDACTED]
Compliance Contact	Carlos Mojica	[REDACTED]		[REDACTED]
Complaint Contact	Benjamin Feit	[REDACTED]		[REDACTED]

12b. Please provide the contact information for Site 2.

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Theresa Walsh	[REDACTED]		[REDACTED]
Operational Leader	Stephanie Pepen	[REDACTED]		[REDACTED]
Compliance Contact	Carlos Mojica	[REDACTED]		[REDACTED]
Complaint Contact	Benjamin Feit	[REDACTED]		[REDACTED]

12c. Please provide the contact information for Site 3.

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Steve Popper	[REDACTED]		[REDACTED]
Operational Leader	Joseph Calise	[REDACTED]		[REDACTED]
Compliance Contact	Carlos Mojica	[REDACTED]		[REDACTED]
Complaint Contact	Benjamin Feit	[REDACTED]		[REDACTED]

13. Are the School sites co-located?

13a. Please list the terms of your current co-location.

	Date School will leave current co-location	Is school working with NYCDOE to expand into current space?	If so, list year expansion will occur.	Is school working with NYCDOE to move to separate space?	If so, list the proposed space and year planned for move	School at Full Capacity at Site
Site 1 (primary site)	N/A (Private Space)					
Site 2	N/A					No
Site 3	N/A					No

14. Were there any revisions to the school's charter during the 2013-2014 school year? (Please include both those that required authorizer approval and those that did not require authorizer approval).

No

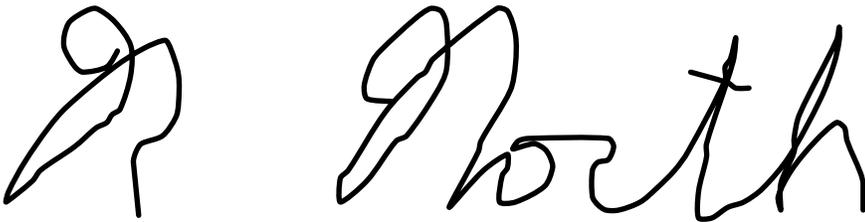
16. Our signatures below attest that all of the information contained herein is truthful and accurate and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in any part of this report is found to have been deliberately misrepresented, that will constitute grounds for the revocation of our charter. Check YES if you agree and use the mouse on your PC or the stylus on your mobile device to sign your name).

• Yes

Signature, Head of Charter School

A large, stylized handwritten signature in black ink, consisting of several sweeping, connected strokes.

Signature, President of the Board of Trustees

A handwritten signature in black ink, appearing to read 'North' with a stylized initial on the left.

Thank you.

Appendix A: Progress Toward Goals

Created Tuesday, July 22, 2014

Updated Friday, October 31, 2014

Page 1

Charter School Name: 310500860989 DEMOCRACY PREP HARLEM CS

1. NEW YORK STATE REPORT CARD

Provide a direct URL or web link to the most recent New York State School Report Card for the charter school (See <https://reportcards.nysed.gov/>).

(Charter schools completing year one will not yet have a School Report Card or link to one. Please type "URL is not available" in the space provided).

<http://data.nysed.gov/profile.php?instid=800000067495>

2. APPENDIX A: PROGRESS TOWARD CHARTER GOALS

2a. ACADEMIC STUDENT PERFORMANCE GOALS

If the results are not available by August 1st, please list the goals and explain this in the "progress toward goal attainment" column. This task will reopen for the school to update and finalize by the November 1, 2014 due date.

2013-14 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2013-2014 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 1	Each year, 75% of 6th-8th graders who have been at the School on BEDS day for a least two consecutive years will perform at or above level 3 on the New York State English Language Arts Exam.	New York State English Language Arts Exam	Goal not met. DPH made considerable progress toward closing the proficiency gap in 2013-2014, the second year of New York State's shift to Common Core Standards.	DPH continues to refine its curriculum to align with Common Core State Standards (CCSS), with a focus on student growth throughout the school year. DPPS has given provided each of the schools with lesson plans created by experienced master teachers under the supervision of DPPS curriculum specialists.
Academic Goal 2	Each year, 75% of 6th -8th graders who have been at the School on BEDS day for at least two consecutive years will perform at or above level 3 on the New York State Math Exam.	New York State Math Exam	Goal not met. DPH made considerable progress toward closing the proficiency gap in 2013-2014, the second year of New York State's shift to Common Core Standards.	DPH continues to refine its curriculum to align with Common Core State Standards (CCSS), with a focus on student growth throughout the school year. DPPS has given provided each of the schools with lesson plans created by experienced master teachers under the supervision of

				DPPS curriculum specialists. Democracy Prep has also taken the step of incorporating EngageNY's math modules in its elementary school curriculum moving forward, investing in CCSS in its earlier grades.
Academic Goal 3	Each year, 75% of 8th graders who have been at the School on BEDS day for at least two consecutive years will perform at or above level 3 on the New York State Science Exam.	New York State Science Exam	Goal met.	
Academic Goal 4	Each year, 75% of 8th graders who have been at the School on BEDS day for at least two consecutive years will perform at or above level 3 on the New York State Social Studies Exam.	Exam no longer offered.	N/A	
Academic Goal 5	For years 2 through 5 of Democracy Prep Harlem, grade-level cohorts of the same students (i.e. students who are in the school for two years in a row) will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State ELA exam and 75 percent at or above Level 3 on the current year's State ELA exam.	New York State English Language Arts exam.	Goal not met.	DPH continues to refine its curriculum to align with Common Core State Standards (CCSS), with a focus on student growth throughout the school year. DPPS has given provided each of the schools with lesson plans created by experienced master teachers under the supervision of DPPS curriculum specialists.
Academic Goal 6	Each year, the percent of students performing at or above level 3 on the New York State ELA Exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of Community School District 5.	Measured by an analysis of performance of CSD 5 conducted by the Department of Education.	Goal met.	
Academic Goal 7	Each year, the percent of students performing at or above level 3 on the New York State Math Exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of Community School District 5.	Measured by an analysis of performance of CSD 5 conducted by the Department of Education.	Goal met.	

2a1. Do have more academic goals to add?

No

2a2. Do have more academic goals to add?

No

2b. ORGANIZATIONAL GOALS

2013-14 Progress Toward Attainment of Organizational Goals

	Organizational Goal	Measure Used to Evaluate Progress	2013-14 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Org Goal 1	Democracy Prep Harlem will prepare students for success in college and citizenship.	We will measure our progress based on academic metrics, earned visits to colleges, and a College Preparation Portfolio (CPP) required for promotion to the high school. The CPP2 includes a transcript, a complete college application with essays, interviews, extra-curricular activities, recommendations, and an academic honors thesis, demonstration of mastery in all areas of the Democracy Prep curriculum, required public service, advocacy efforts, summer internships, and other civic activities.	Goal met.	
Org Goal 2	Each year, Democracy Prep will maintain a waiting list of at least 40% of available seats.	Internal enrollment data.	Goal met.	
Org Goal 3	Each year, Democracy Prep will have a negative attrition rate of 10% or less.	Internal enrollment data.	Goal met.	

2b.1 Do you have more organizational goals to add?

No

2c. FINANCIAL GOALS

2013-14 Progress Toward Attainment of Financial Goals

	Financial Goals	Measure Used to Evaluate Progress	2013-2014 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Financial Goal 1	We will continue to operate with a surplus each year and maintain the highest standards of financial controls, management, and auditing.	External audit.	Goal met.	

Appendix J: Uncertified Teachers

Created Wednesday, July 30, 2014

Page 1

Charter School Name: 310500860989 DEMOCRACY PREP HARLEM CS

Note Definition of FTE:

Full-time equivalent employees equal the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. The number of full-time equivalent employees in each industry is the product of the total number of employees and the ratio of average weekly hours per employee for all employees to average weekly hours per employee on full-time schedules. An industry's full-time equivalent employment will be less than the number of its employees on full- and part-time schedules, unless it has no part-time employees (U.S. Commerce--Bureau of Economic Analysis at: http://www.bea.gov/faq/index.cfm?faq_id=368#sthash.8Rbj89kq.dpuf)

How many UNCERTIFIED Full-Time Equivalent Teachers were employed in the charter school as of last day of school in 2013-14?

For each applicable category (i-iv), input the relevant full time equivalent (FTE) count of teachers.

	FTE
(i) uncertified teachers with at least three years of elementary, middle or secondary classroom teaching experience	9
(ii) tenured or tenure track college faculty	0
(iii) individuals with two years satisfactory experience through Teach for America	7
(iv) individuals who possess exceptional business, professional, artistic, athletic, or military experience	0
Total FTE (Sum of all Uncertified Teaching Staff)	16

How many CERTIFIED Full-Time Equivalent Teachers were employed in the charter school as of the last day of school in 2013-14?

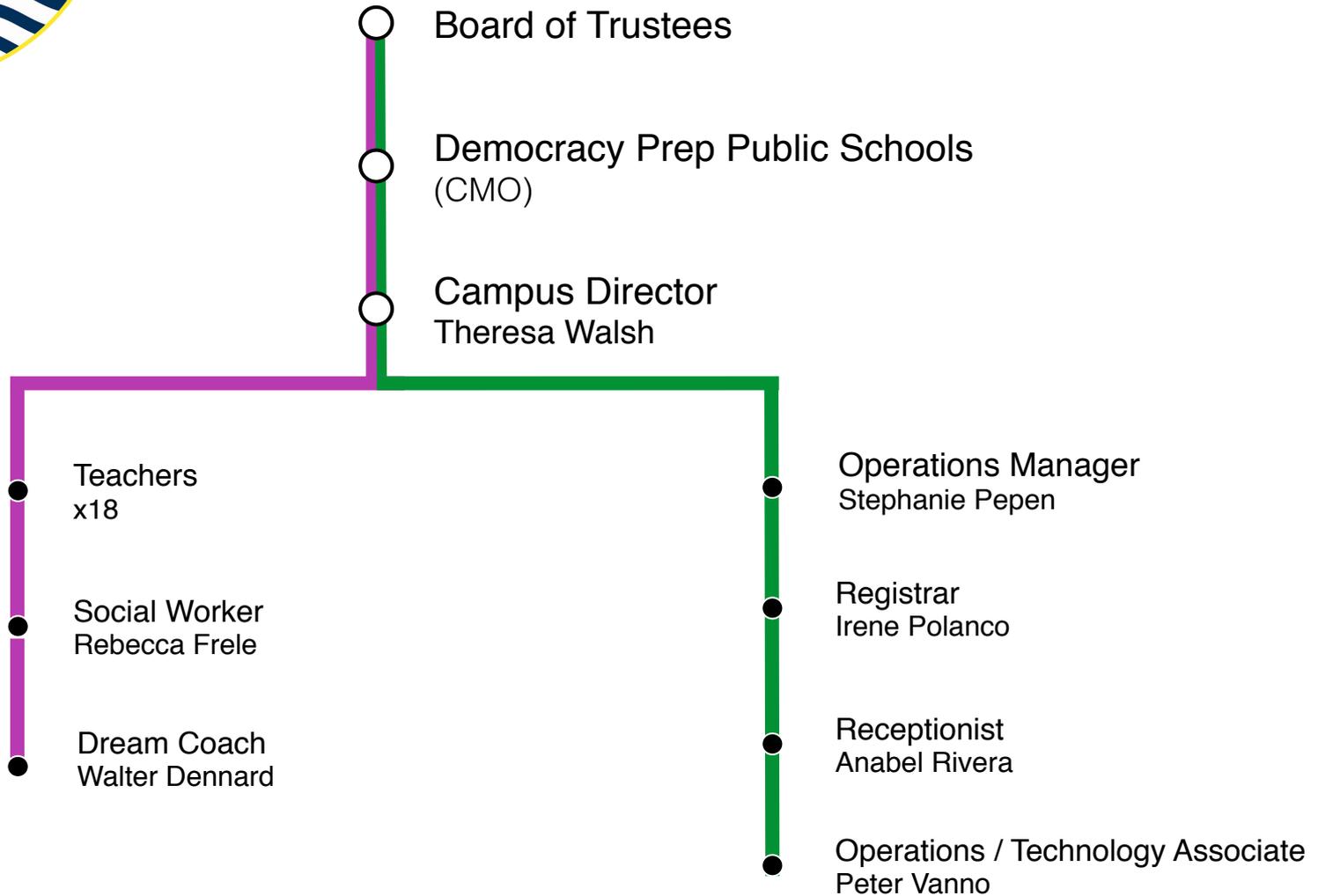
27

Thank you.



DEMOCRACY PREP HARLEM CHARTER ELEMENTARY SCHOOL

2014-15 ORGANIZATION CHART





DEMOCRACY PREP HARLEM CHARTER MIDDLE SCHOOL

2014-15 ORGANIZATION CHART

○ Board of Trustees

○ Democracy Prep Public Schools
(CMO)

○ Principal
Anwar Abdul-Rahman

● Teachers
x30

● Social Worker
Kesha Atterberry

● DREAM Coaches
Lamont DeBerry & Kawone Williams

○ Operations Manager
Kamil Klimowicz

● Registrar
Monica Britt

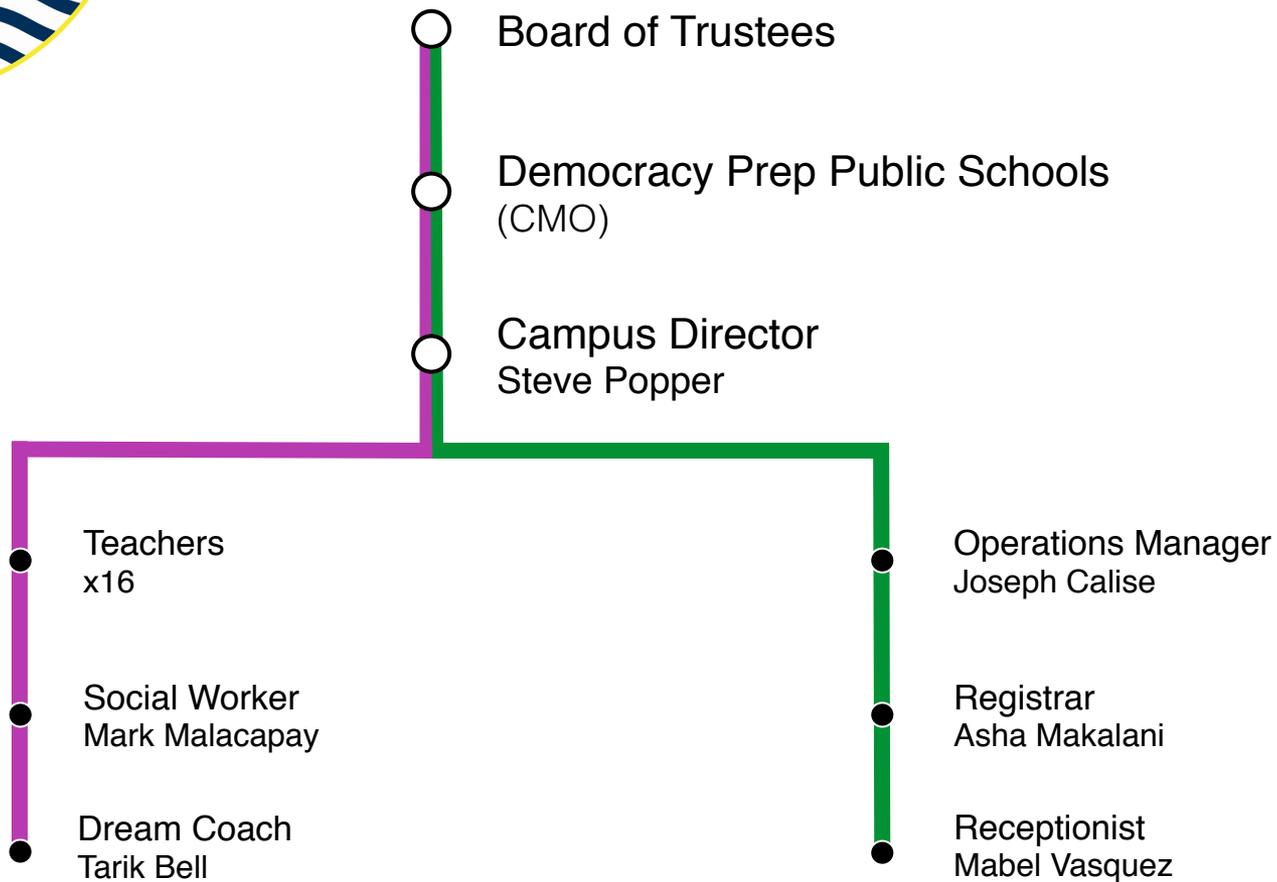
● Receptionist
Jennifer Castillio

● Operations / Technology
Associate
Matthew Bowman



DEMOCRACY PREP HARLEM CHARTER HIGH SCHOOL

2014-15 ORGANIZATION CHART



Audited Financial Statement Checklist

Created Friday, October 31, 2014

Page 1

Charter School Name:

1. Please check each item that is included in the 2013-14 Audited Financial Statement submitted for your charter school.

	Yes/No
Audited Financial Statements (including report on compliance and report on internal control over financial reporting)	Yes
Single Audit (if applicable)	Not Applicable
CSP Agreed Upon Procedures (if applicable)	Not Applicable
Management Letter	Yes
Report on Extracurricular Student Activity Accounts (if applicable)	Not Applicable
Corrective Action Plans for any Findings	Not Applicable

2. Please indicated if there is a finding(s) noted in any of the following sections of your charter school's 2013-14 Audited Financial Statement.

	Yes/No
Report on Compliance	No
Report on Internal Control over Financial Reporting	No
Single Audit	No
CSP Agreed Upon Procedures Report	No
Management Letter	Yes

Thank you.

DEMOCRACY PREPARATORY
HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

Report on the Financial Statements

We have audited the accompanying financial statements of Democracy Preparatory Harlem Charter School (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the School's 2013 financial statements, and our report dated October 22, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2014, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 30, 2014

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 1,410,109	\$ 1,747,905
Grants and contracts receivable	138,834	71,316
Prepaid expenses	459,548	8,173
Due from related parties	419,313	54,299
Total current assets	2,427,804	1,881,693
Property and equipment, net of accumulated depreciation and amortization of \$295,385 and \$178,491, respectively	369,019	307,295
Restricted cash	70,301	70,160
TOTAL ASSETS	\$ 2,867,124	\$ 2,259,148
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 731,729	\$ 313,236
Accrued payroll and payroll taxes	302,456	204,050
Refundable advances	174,992	227,325
Total current liabilities	1,209,177	744,611
Net assets:		
Unrestricted	1,654,204	1,514,537
Temporarily restricted	3,743	-
Total net assets	1,657,947	1,514,537
TOTAL LIABILITIES AND NET ASSETS	\$ 2,867,124	\$ 2,259,148

The accompanying notes are an integral part of the financial statements.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2014			2013
	Unrestricted	Temporarily Restricted	Total All Funds	Total All Funds
Revenue and support:				
State and local per pupil operating revenue	\$ 8,014,115	-	\$ 8,014,115	\$ 5,037,974
Federal grants	698,343	-	698,343	142,588
Federal E-rate	28,579	-	28,579	-
State and city grants	108,731	-	108,731	25,679
Contributions and grants	80,435	10,000	90,435	141,039
Interest income	4,626	-	4,626	6,060
Net assets released from restriction- satisfaction of purpose restriction	6,257	(6,257)	-	-
Total revenue and support	<u>8,941,086</u>	<u>3,743</u>	<u>8,944,829</u>	<u>5,353,340</u>
Expenses:				
Program services:				
Regular education	6,904,752	-	6,904,752	4,041,158
Special education	721,145	-	721,145	612,435
Total program services	<u>7,625,897</u>	<u>-</u>	<u>7,625,897</u>	<u>4,653,593</u>
Supporting services:				
Management and general	1,175,522	-	1,175,522	593,879
Fundraising	-	-	-	52,922
Total expenses	<u>8,801,419</u>	<u>-</u>	<u>8,801,419</u>	<u>5,300,394</u>
Changes in net assets	139,667	3,743	143,410	52,946
Net assets - beginning of year	<u>1,514,537</u>	<u>-</u>	<u>1,514,537</u>	<u>1,461,591</u>
Net assets - end of year	<u>\$ 1,654,204</u>	<u>\$ 3,743</u>	<u>\$ 1,657,947</u>	<u>\$ 1,514,537</u>

The accompanying notes are an integral part of the financial statements.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 143,410	\$ 52,946
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	116,895	91,651
Changes in assets and liabilities:		
(Increase) Decrease in grants and contracts receivable	(67,518)	172,114
(Increase) Decrease in prepaid expenses	(451,375)	2,783
(Increase) in due from related parties	(365,014)	(54,299)
Increase in accounts payable and accrued expenses	418,493	155,012
Increase in accrued payroll and payroll taxes	98,406	16,584
(Decrease) in due to related parties	-	(215,887)
(Decrease) Increase in refundable advances	(52,333)	191,947
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(159,036)	412,851
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(178,619)	(49,095)
(Increase) in restricted cash	(141)	(40,090)
NET CASH (USED IN) FINANCING ACTIVITIES	(178,760)	(89,185)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(337,796)	323,666
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,747,905	1,424,239
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,410,109	\$ 1,747,905

The accompanying notes are an integral part of the financial statements.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Democracy Preparatory Harlem Charter School (the “School”) is a New York State, not-for-profit educational corporation that was incorporated to operate a charter school pursuant to Article 56 of the Education Law of the State of New York. The School was granted a provisional charter on February 9, 2010 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The School’s purpose is to educate students by providing them with a demanding academic program that prepares them for success in college and citizenship. Classes commenced in Harlem, New York, in September 2010, and the School provided education to approximately 556 students in kindergarten and sixth through ninth grades during the 2013-2014 academic year.

During the 2011-2012 academic year, the School shared space with a New York City public school. The School was not responsible for rent, utilities, custodial services, maintenance and school safety services other than the security related to the School’s programs that take place outside the district’s school day. Beginning in the 2012-2013 academic year, the School relocated to a new facility and entered into a sublease agreement with Democracy Preparatory Charter School (a related party, see note 8).

Food and Transportation

The School retained an outside vendor to provide meals for students in which the School receives Federal and New York State reimbursements. The Office of Pupil Transportation provides free transportation to the majority of the students during the district’s school days.

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii). The School is subject to income taxes only on net unrelated business income. The School did not have any unrelated business income for the years ended June 30, 2014 and 2013.

The School’s accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The School has no uncertain tax positions resulting in an accrual of tax expense or benefit.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IRS forms 990 filed by the School are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. All forms 990 filed by the School are subject to examination.

Basis of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification (“ASC”) No. 958-205 which provides guidance for the classification of net assets. The amounts for each of the three classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

Unrestricted

Net assets of the School whose use has not been restricted by an outside donor or by law. They are available for any use in carrying out the operations of the School.

Temporarily Restricted

Net assets of the School whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the School. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets, as net assets released from restrictions

Permanently Restricted

Net assets of the School whose use has been permanently limited by donor-imposed restrictions. Such assets include contributions required to be invested in perpetuity, the income from which is available to support charitable purposes designated by the donors.

The School had no permanently restricted net assets at June 30, 2014 and 2013.

Revenue and Support

Revenue from the state and local governments resulting from the School’s charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agency.

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations. Restricted contributions and grants that are made to support the School’s current year activities are recorded as unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments which potentially subject the School to concentrations of credit risk are cash and cash equivalents. The School places its cash and cash equivalents on deposit in what it believes to be highly accredited financial institutions. Cash balances may exceed the FDIC insured levels of \$250,000 per institution at various times during the year. The School believes that there is little risk in any losses and has not experienced any losses in such accounts.

Restricted Cash

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

Property and Equipment

Purchased property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Furniture and fixtures	7 years
Computers and equipment	5 years
Software	3 years
Leasehold improvements	Useful life or related lease

Refundable Advances

The School records certain government grants and contracts as refundable advances until the related services are performed, at which time it is recognized as revenue.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The accompanying statements of activities and functional expenses are presented with summarized comparative information. Such prior year information is not presented by net asset class in the statements of activities or by functional category in the schedule of functional expenses. Accordingly, such information should be read in conjunction with the School's 2013 financial statements from which the summarized information was derived.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of federal, state, and city entitlements. The School expects to collect these receivables within one year.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30,:

	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 105,585	\$ 32,501
Computers and equipment	533,574	447,515
Software	5,770	5,770
Leasehold Improvements	<u>19,475</u>	<u>-</u>
	664,404	485,786
Less: Accumulated depreciation and amortization	<u>295,385</u>	<u>178,491</u>
	<u>\$ 369,019</u>	<u>\$ 307,295</u>

Depreciation and amortization expense was \$116,895 and \$91,651 for the years ended June 30, 2014 and 2013, respectively.

NOTE 4 - RELATED PARTY TRANSACTIONS

Democracy Preparatory Harlem Charter School ("DPH") is affiliated with three charter schools: Democracy Preparatory Charter School ("DPCS"), Harlem Prep Charter School ("HPCS"), and Democracy Prep Endurance Charter School ("DPE"), all New York State not-for-profit organizations and managed by Democracy Prep Public Schools ("DPPS").

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued)

The School is an affiliate of DPPS, a New York State not-for-profit charter management organization. The School entered into a management agreement with DPPS to assume responsibility for the School’s educational process, management and operations. As compensation to DPPS for these services rendered, the School paid to DPPS an annual fee equal to 15% of the School’s non-competitive public revenue in the initial term. The initial term is for one year beginning July 1, 2010 and ending June 30, 2011. The percentage will decrease by one-half percent (0.5%) in each renewal term until it reaches a minimum of 12% of the non-competitive public revenue of the School and will remain in effect for all subsequent renewal terms. Following the initial term, the agreement will automatically extend for successive one-year periods unless terminated by either party.

For the years ended June 30, 2014 and 2013, the School incurred \$1,151,489 and \$725,729 in management fees, respectively.

For operational efficiency and purchasing power, the School shares expenses with the related charter schools and charter management organization. The School billed for net shared operational expenses for the years ended June 30:

	<u>2014</u>	<u>2013</u>
DPPS	\$ 492,029	\$ -
DPCS	230,279	177,988
DBI	8,851	-
HPCS	<u>7,678</u>	<u>124</u>
	<u>\$ 738,837</u>	<u>\$ 178,112</u>

The School is an affiliate of Democracy Builders, Inc. (“DBI”), a 501(c)(4) national advocacy organization that organizes parents to advocate for better school choices and educational outcomes for the children in their communities. The School entered into a consulting agreement with DBI to perform student recruitment and enrollment, family engagement, parent advocacy initiatives and training, and government relations. As compensation to DBI for these services rendered, the School shall pay to DBI an annual fee equal to 1% of the School’s total per-pupil funding. For the years ended June 30, 2014 and 2013, the School incurred \$80,141 and \$50,575 in consulting fees, respectively.

The net balance due from (to) related parties consists of the following at June 30,:

	<u>2014</u>	<u>2013</u>
DPPS	\$ 57,187	\$ (28,477)
DPCS	36,018	87,102
DBI	8,625	(12,644)
HPCS	<u>317,483</u>	<u>8,318</u>
Net balance due from related parties	<u>\$ 419,313</u>	<u>\$ 54,299</u>

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 5 - REVENUE CONCENTRATION

The School receives a substantial portion of its support and revenue from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSE

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expense includes those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

NOTE 7 - CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursements. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE 8 - COMMITMENTS

School Facility

Effective July 1, 2012, the School entered into a sub-sublease agreement with Democracy Preparatory Charter School ("DPCS") (a related party, see note 4) for use of office and classroom facilities at St. Philips Church (207 West 133rd Street). The rent payments are based on a fraction, determined annually for each rent year and expressed as a percentage, the numerator of which is the number of students of the School during the rent year, and the denominator of which is the aggregate number of students at both the School and DPCS during the rent year. The number of students is determined by the New York City Department of Education as of the end of the Rent Year for purposes of reconciling school funding allocations. The School is also responsible for utilities and other building costs. The term shall end on the earlier of June 30, 2017, or the date on which the sub-sublease agreement is terminated by either party.

Rent expense under this sub-sublease agreement was \$503,559 and \$390,925 for the years ended June 30, 2014 and 2013, respectively.

The School does not recognize rent expense on a straight-line basis over the life of the sub-sublease and disclose the minimum future rent payments to be paid due to the undetermined number of future students served.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 5 - COMMITMENTS (Continued)

Leased Equipment

The School leases office equipment under non-cancelable lease agreements expiring on various dates through August 2018.

The future minimum lease payments are as follows:

For the year ending June 30, 2015	\$	28,273
2016		28,273
2017		28,273
2018		17,443
2019		2,546
		\$ 104,808

Equipment rental expense was \$64,905 and \$22,280 for the years ended June 30, 2014 and 2013, respectively.

NOTE 9 - RETIREMENT PLAN

The School maintains a retirement plan qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, the School will match employee contributions up to 5% of annual compensation. Employer match was \$117,000 and \$58,737 for the years ended June 30, 2014 and 2013, respectively.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2014, temporarily restricted net assets of \$3,743 consist of a grant that is restricted to set up a Korean dual language program. During the year ended June 30, 2014 the School released \$6,257 from donor restriction.

NOTE 11 - SUBSEQUENT EVENTS

The School has evaluated its subsequent events through October 30, 2014 the date that the accompanying financial statements were issued. The School has no material events requiring disclosure.

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

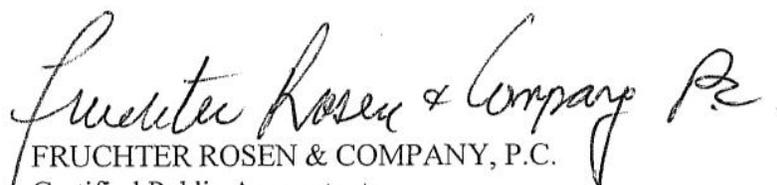
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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

We have audited the financial statements of Democracy Preparatory Harlem Charter School as of and for the year ended June 30, 2014, and have issued our report thereon dated October 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 30, 2014

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

	2014						2013
	Program Services			Supporting Services			
	Regular Education	Special Education	Total	Management and General	Total		
Salaries	\$ 3,500,436	\$ 379,281	\$ 3,879,717	\$ 462,758	\$ 4,342,475	\$ 2,740,683	
Employee benefits and payroll taxes	632,096	68,489	700,585	83,559	784,144	510,044	
Professional fees	51,268	4,831	56,099	33,353	89,452	56,329	
Management fees	736,636	69,406	806,042	345,447	1,151,489	725,729	
Audit fees	-	-	-	22,750	22,750	15,250	
Professional development	99,371	10,767	110,138	13,137	123,275	63,027	
Advertising and recruiting	30,844	2,906	33,750	3,694	37,444	16,447	
Instructional materials and office supplies	779,043	73,402	852,445	64,395	916,840	429,018	
Conferences and meetings	-	-	-	1,711	1,711	1,035	
Food service	312,975	29,489	342,464	24,848	367,312	131,087	
Insurance	32,132	3,482	35,614	4,248	39,862	24,950	
Facility expense	509,263	55,180	564,443	67,324	631,767	431,627	
Printing and postage	-	-	-	11,815	11,815	3,559	
Telephone and communication	126,460	13,702	140,162	16,719	156,881	54,944	
Travel	-	-	-	3,037	3,037	3,336	
Depreciation and amortization	94,228	10,210	104,438	12,457	116,895	91,651	
Miscellaneous	-	-	-	4,270	4,270	1,678	
Total	\$ 6,904,752	\$ 721,145	\$ 7,625,897	\$ 1,175,522	\$ 8,801,419	\$ 5,300,394	

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Democracy Preparatory Harlem Charter School (the "School"), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

Compliance and Other Matters

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

We noted certain matter that was reported to the management of the School in a separate letter dated October 30, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 30, 2014

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

Report on Compliance for Each Major Federal Program

We have audited Democracy Preparatory Harlem Charter School's (the "School") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2014. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

Report on Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 30, 2014

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

A - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Democracy Preparatory Harlem Charter School.
2. No significant deficiencies and no material weaknesses were discovered during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Democracy Preparatory Harlem Charter School, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies and no material weaknesses relating to the audit of the major federal award programs are reported in accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Democracy Preparatory Harlem Charter School expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for Democracy Preparatory Harlem Charter School are reported in this schedule.
7. The programs tested as major programs included:
 - National School Breakfast Program, CFDA No. 10.533
 - National School Lunch Program, CFDA No. 10.555
 - Charter School Program, CFDA No. 84.282
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Democracy Preparatory Harlem Charter School did not qualify as a low risk auditee.

B - FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor Pass-through Grantor Program Name/Cluster	Federal CFDA Number	Federal Expenditures
U.S. Department of Education:		
Charter Schools Program for Replication and Expansion of High-Quality Charter Schools	84.282M	\$ 155,000
Passed through the New York State Education Department:		
Special Education - IDEA	84.027	63,653
Title I Part A	84.010	163,578
Title II Part A	84.367	7,017
Total Passed through the New York State Education Department		<u>234,248</u>
Total U.S. Department of Department		<u>389,248</u>
U.S. Department of Agriculture:		
Passed through the New York State Education Department:		
Child Nutrition Cluster National School Breakfast Program	10.553	70,370
National School Lunch Program	10.555	238,725
Total U.S. Department of Agriculture		<u>309,095</u>
Total Expenditures of Federal Awards		<u>\$ 698,343</u>

See accompanying notes to schedule of expenditures of federal awards.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Democracy Preparatory Harlem Charter School and is presented on the accrual basis of accounting for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements on OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

MANAGEMENT LETTER

JUNE 30, 2014

FRUCHTER ROSEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
156 WEST 56TH STREET
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600
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October 30, 2014

To the Board of Trustees of
Democracy Preparatory Harlem Charter School
207 West 133rd Street
New York, NY 10030

In planning and performing our audit of the financial statements of Democracy Preparatory Harlem Charter School (the "School") as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Exhibit I accompanying this letter summarizes an observation for the year ended June 30, 2014 that we determined did not constitute a significant deficiency or a material weakness. Exhibit II summarizes current year status of prior year's observation. Exhibit III summarizes corrective action taken on prior year observation. Management's responses to the observations have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Board of Trustees, and others within the School and is not intended to be and should not be used by anyone other than these specified parties.

We already discussed these comments and suggestions with management. We would be pleased to discuss these comments with you at greater length and assist you in the implementation of any of our recommendations should you desire.

We appreciate your cooperation and the assistance we received during the course of our audit.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 30, 2014

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
MANAGEMENT LETTER
JUNE 30, 2014

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EXHIBIT II – CURRENT YEAR STATUS OF PRIOR YEAR OBSERVATION

- B. Incomplete Student Files 2

EXHIBIT III CORRECTIVE ACTION TAKEN ON PRIOR YEAR OBSERVATION

- C. Insurance Coverage 3

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
MANAGEMENT LETTER

EXHIBIT I – CURRENT YEAR OBSERVATION

A. GENERAL LEDGER MAINTENANCE AND ACCOUNT ANALYSIS

Observation

Although schedules were prepared during our audit field work, these schedules and reconciliations were not prepared and updated throughout the fiscal year ended June 30, 2014. This resulted in various adjustments to the general ledger during the year end closing and preparation of the audit package, which delayed the start and completion of the audit. These adjustments and delays could have been minimized had accounts been analyzed and compared with the general ledger on a regular basis throughout the year.

Recommendation

Management should be analyzing accounts and reconciling with the general ledger more completely on a monthly or quarterly basis. Additional in-depth account analysis will help the School detect and correct errors on a more timely basis. Management should also increase the financial support throughout the year.

Management's Response

Management recognizes the observation and agrees to improve the current practice of late in the year adjustments to the general ledger. Management plans to add additional accounts payable and accounting staff; and to engage a third party services provider to assist with the closing of the books.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
MANAGEMENT LETTER

EXHIBIT II – CURRENT YEAR STATUS OF PRIOR YEAR OBSERVATION

In conjunction with performing the audit of the School's financial statements for the year ended June 30, 2014, we followed up on the status of implementation of audit recommendations made for the year ended June 30, 2013.

B. INCOMPLETE STUDENT FILES

Observation

We noted the following exceptions during our test of 15 student files. Seven student files did not contain proof of residency.

Recommendation

In an effort to ensure that student records are complete, we recommend developing a checklist that includes all required documentation. This checklist should be utilized periodically to insure that information is complete and updated for each student file.

Current Year Status

During our 2014 audit, we again noted exceptions during our test of student files. Four out of fifteen student files did not contain proof of residency.

Updated Management's Response

Management recognizes the observation and agrees to update the current student record file checklist to reflect all required documents and to execute additional in house compliance testing at periodic points in the year to ensure compliance.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
MANAGEMENT LETTER

EXHIBIT III – CORRECTIVE ACTION TAKEN ON PRIOR YEAR OBSERVATION

C. INSURANCE COVERAGE

Observation

During our 2013 audit, we noted insurance coverage under employee dishonesty is limited to \$250,000. This coverage appears low based on the current cash balance maintained in your general ledger of approximately \$1,700,000. Therefore we believe the School is underinsured in regards to the above coverage.

Recommendation

We recommend an increase of coverage for personal property to cover, at minimum, the cost maintained in your fixed asset register and an increase of employee dishonesty coverage that covers maximum cash held by the School at any one time during the year or at a minimum of \$1,000,000. In addition, the School should periodically review insurance coverage to ensure proper and adequate means by which to preserve School assets.

Current Year Status

During our 2014 audit, we noted that insurance coverage for employee dishonesty increased to \$1,000,000.

Democracy Prep Harlem

PROJECTED BUDGET FOR 2014-2015

July 1, 2014 to June 30, 2015

Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 147. This will populate the data in row 9.

PROJECTED BUDGET FOR 2014-2015							Assumptions
July 1, 2014 to June 30, 2015							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	10,874,902	949,773	983,346	-	2,668	12,810,689	
Total Expenses	7,833,990	617,478	1,090,681	-	3,242,412	12,784,561	
Net Income	3,040,912	332,295	(107,335)	-	(3,239,744)	26,128	
Actual Student Enrollment	684	82					
Total Paid Student Enrollment	684	82				766	Elementary , Middle & High schools

	PROGRAM SERVICES			SUPPORT SERVICES			
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	

REVENUE

REVENUES FROM STATE SOURCES

	CY Per Pupil Rate	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Per Pupil Revenue								
District of Location								
School District 2 (Enter Name)		-	-	-	-	-	-	
School District 3 (Enter Name)		-	-	-	-	-	-	
School District 4 (Enter Name)		-	-	-	-	-	-	
School District 5 (Enter Name)	\$13,777.00	10,553,182	-	-	-	-	10,553,182	766 students
TOTAL REVENUE FROM STATE SOURCES		10,553,182	860,639	-	-	-	11,413,821	
Special Education Revenue		-	860,639	-	-	-	860,639	82 students with funding (81 @ 20-60, 1 @ 60+)
Grants		-	-	-	-	-	-	
Stimulus		-	-	-	-	-	-	
Other		-	-	-	-	-	-	
Other State Revenue		-	-	-	-	-	-	

REVENUE FROM FEDERAL FUNDING

IDEA Special Needs		-	89,134	-	-	-	89,134	
Title I		321,720	-	-	-	-	321,720	Budget level. Actual pending confirmation
Title Funding - Other		-	-	-	-	-	-	
School Food Service (Free Lunch)		-	-	730,799	-	-	730,799	Less than 100% coverage
Grants		-	-	-	-	-	-	
Charter School Program (CSP) Planning & Implementation		-	-	-	-	-	-	
Other		-	-	-	-	-	-	
Other Federal Revenue		-	-	-	-	-	-	
TOTAL REVENUE FROM FEDERAL SOURCES		321,720	89,134	730,799	-	-	1,141,653	

LOCAL and OTHER REVENUE

Contributions and Donations, Fundraising		-	-	-	-	-	-	
Erate Reimbursement		-	-	191,664	-	-	191,664	
Interest Income, Earnings on Investments,		-	-	-	-	-	-	
NYC-DYCD (Department of Youth and Community Developmt.)		-	-	-	-	-	-	
Food Service (Income from meals)		-	-	-	-	-	-	
Text Book		-	-	60,883	-	-	60,883	Text books, Library , Software etc
Other Local Revenue		-	-	-	-	2,668	2,668	Interst
TOTAL REVENUE FROM LOCAL and OTHER SOURCES		-	-	252,547	-	2,668	255,215	

TOTAL REVENUE		10,874,902	949,773	983,346	-	2,668	12,810,689	
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EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

	No. of Positions	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Executive Management	-	-	-	-	-	-	-	
Instructional Management	4.00	-	-	-	-	391,400	391,400	Campus director / assistants
Deans, Directors & Coordinators	7.00	389,783	-	-	-	-	389,783	DREAM Coaches, social workers
CFO / Director of Finance	-	-	-	-	-	-	-	
Operation / Business Manager	12.00	-	-	-	-	595,726	595,726	Ops Managers, Receptionists, Registrars, Staff
Administrative Staff	-	-	-	-	-	-	-	
TOTAL ADMINISTRATIVE STAFF	23	389,783	-	-	-	987,126	1,376,909	

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular	51.00	3,571,469	-	-	-	-	3,571,469	
Teachers - SPED	9.00	-	493,342	-	-	-	493,342	
Substitute Teachers	-	-	-	-	-	-	-	
Teaching Assistants	-	-	-	-	-	-	-	
Specialty Teachers	8.00	448,780	-	-	-	-	448,780	
Aides	-	-	-	-	-	-	-	

List exact titles and staff FTE's (Full time equivalent)

Democracy Prep Harlem

PROJECTED BUDGET FOR 2014-2015

July 1, 2014 to June 30, 2015

Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 147. This will populate the data in row 9.

PROJECTED BUDGET FOR 2014-2015							Assumptions
July 1, 2014 to June 30, 2015							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 147. This will populate the data in row 9.							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	10,874,902	949,773	983,346	-	2,668	12,810,689	
Total Expenses	7,833,990	617,478	1,090,681	-	3,242,412	12,784,561	
Net Income	3,040,912	332,295	(107,335)	-	(3,239,744)	26,128	
Actual Student Enrollment	684	82					
Total Paid Student Enrollment	684	82				766	Elementary , Middle & High schools
PROGRAM SERVICES							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Therapists & Counselors	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
TOTAL INSTRUCTIONAL	68	4,020,249	493,342	-	-	4,513,591	
NON-INSTRUCTIONAL PERSONNEL COSTS							
Nurse	-	-	-	-	-	-	
Librarian	-	-	-	-	-	-	
Custodian	2.00	-	-	-	91,807	91,807	
Security	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
TOTAL NON-INSTRUCTIONAL	2	-	-	-	91,807	91,807	
SUBTOTAL PERSONNEL SERVICE COSTS	93	4,410,032	493,342	-	1,078,933	5,982,307	
PAYROLL TAXES AND BENEFITS							
Payroll Taxes	418,630	41,403	-	-	-	460,033	Allocated to SPED - 9%
Fringe / Employee Benefits	672,152	66,477	-	-	-	738,629	
Retirement / Pension	164,372	16,257	-	-	-	180,629	
TOTAL PAYROLL TAXES AND BENEFITS	1,255,155	124,136	-	-	-	1,379,291	
TOTAL PERSONNEL SERVICE COSTS	5,665,187	617,478	-	-	1,078,933	7,361,598	
CONTRACTED SERVICES							
Accounting / Audit	-	-	-	-	17,000	17,000	
Legal	-	-	-	-	-	-	
Management Company Fee	-	-	-	-	1,596,331	1,596,331	
Nurse Services	-	-	-	-	-	-	
Food Service / School Lunch	-	-	811,998	-	-	811,998	
Payroll Services	-	-	-	-	16,740	16,740	
Special Ed Services	-	-	-	-	-	-	
Titlement Services (i.e. Title I)	-	-	-	-	-	-	
Other Purchased / Professional / Consulting	-	-	-	-	530,908	530,908	
TOTAL CONTRACTED SERVICES	-	-	811,998	-	2,160,979	2,972,977	
SCHOOL OPERATIONS							
Board Expenses	-	-	-	-	2,500	2,500	
Classroom / Teaching Supplies & Materials	-	-	-	-	-	-	
Special Ed Supplies & Materials	-	-	-	-	-	-	
Textbooks / Workbooks	95,750	-	-	-	-	95,750	
Supplies & Materials other	520,447	-	60,883	-	-	581,330	
Equipment / Furniture	-	-	-	-	-	-	
Telephone	-	-	55,800	-	-	55,800	
Technology	93,200	-	162,000	-	-	255,200	
Student Testing & Assessment	40,000	-	-	-	-	40,000	
Field Trips	221,948	-	-	-	-	221,948	
Transportation (student)	-	-	-	-	-	-	
Student Services - other	-	-	-	-	-	-	
Office Expense	-	-	-	-	-	-	
Staff Development	243,150	-	-	-	-	243,150	
Staff Recruitment	6,000	-	-	-	-	6,000	
Student Recruitment / Marketing	18,000	-	-	-	-	18,000	
School Meals / Lunch	-	-	-	-	-	-	
Travel (Staff)	-	-	-	-	-	-	
Fundraising	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
TOTAL SCHOOL OPERATIONS	1,238,495	-	278,683	-	2,500	1,519,678	
FACILITY OPERATION & MAINTENANCE							
Insurance	-	-	-	-	-	-	

Democracy Prep Harlem

PROJECTED BUDGET FOR 2014-2015

PROJECTED BUDGET FOR 2014-2015							Assumptions
July 1, 2014 to June 30, 2015							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 147. This will populate the data in row 9.							
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Total Revenue	10,874,902	949,773	983,346	-	2,668	12,810,689	
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Net Income	3,040,912	332,295	(107,335)	-	(3,239,744)	26,128	
Actual Student Enrollment	684	82					
Total Paid Student Enrollment	684	82				766	Elementary , Middle & High schools
	PROGRAM SERVICES			SUPPORT SERVICES			
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Janitorial	40,000	-	-	-	-	40,000	
Building and Land Rent / Lease	622,964	-	-	-	-	622,964	Rent
Repairs & Maintenance	20,000	-	-	-	-	20,000	
Equipment / Furniture	-	-	-	-	-	-	
Security	20,000	-	-	-	-	20,000	
Utilities	-	-	-	-	-	-	
TOTAL FACILITY OPERATION & MAINTENANCE	702,964	-	-	-	-	702,964	
DEPRECIATION & AMORTIZATION	99,237	-	-	-	-	99,237	
DISSOLUTION ESCROW & RESERVES / CONTIGENCY	128,107	-	-	-	-	128,107	
TOTAL EXPENSES	7,833,990	617,478	1,090,681	-	3,242,412	12,784,561	
NET INCOME	3,040,912	332,295	(107,335)	-	(3,239,744)	26,128	
ENROLLMENT - *School Districts Are Linked To Above Entries*	REGULAR EDUCATION	SPECIAL EDUCATION	TOTAL ENROLLED				
District of Location							
School District 2 (Enter Name)							
School District 3 (Enter Name)							
School District 4 (Enter Name)							
School District 5 (Enter Name)	684	82	766				
TOTAL ENROLLMENT	684	82	766				
REVENUE PER PUPIL	15,899	11,583	1,284				
EXPENSES PER PUPIL	11,453	7,530	1,424				

Appendix E: Disclosure of Financial Interest Form

Created Wednesday, July 30, 2014

Page 1

310500860989 DEMOCRACY PREP HARLEM CS

An Appendix E: Disclosure of Financial Interest Form must be completed for each active Trustee who served on the charter school's Board of Trustees during the 2013-14 school year. Trustees are at times difficult to track down in the summer months. Trustees may complete and submit at their leisure (but before the deadline) their individual form at:

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-trustee-disclosure-form/>. Trustees may download and/or email their forms to you upon completion.

Trustees who are technologically advanced may complete the survey using their smartphones or other mobile devices by downloading the this bar code link to the survey <https://fluidsurveys.com/account/surveys/540612/publish/qrcode/>. (Make sure you have the bar code application reader on your phone).

If a Trustee is unable to complete the form by the deadline (i.e, out of the country), the school is responsible for submitting the information required on the form for that individual trustee.

Just send the links via email today to your Trustees requesting that they each complete their form as soon as possible.
Thank you.

Yes, each member of the school's Board of Trustees has received a link to the Disclosure of Financial Interest Form.

Yes

Thank you.

Appendix I: Teacher and Administrator Attrition

Created Monday, July 21, 2014

Page 1

Charter School Name: 310500860989 DEMOCRACY PREP HARLEM CS

Instructions for completing the Teacher and Administrator Attrition Tables
Board of Regents-authorized charter schools should provide, for teachers and administrators only, the full time equivalent (FTE) of staff on June 30, 2013, the FTE for added staff from July 1, 2013 through June 30, 2014, and the FTE for any departed staff from July 1, 2013 through June 30, 2014 using the two tables provided.

2013-14 Teacher Attrition Table

FTE Teachers on June 30, 2013	FTE Teachers Additions 7/1/13 – 6/30/14	FTE Teacher Departures 7/1/13 – 6/30/14
29	22	10

2013-14 Administrator Position Attrition Table

FTE Administrator Positions On 6/30/2013	FTE Administrator Additions 7/1/13 – 6/30/14	FTE Administrator Departures 7/1/13 – 6/30/14
4	1	1

Thank you

Appendix F: BOT Membership Table

Created Friday, July 25, 2014

Page 1

310500860989 DEMOCRACY PREP HARLEM CS

1. Current Board Member Information

	Full Name of Individual Trustees	Position on Board (Officer or Rep).	Voting Member	Area of Expertise &/or Additional Role	Terms Served & Length (include date of election and expiration)	Committee affiliations
1	Robert North	Chair/President	Yes		3 Terms Election: 2010 Expiration: 2016	Governance, Academic Accountability
2	Blondel Pinnock	Treasurer	Yes		3 Terms Election: 2010 Expiration: 2016	Finance
3	Eric Ozawa	Member	Yes		3 Terms Election: 2010 Expiration: 2016	Academic Accountability
4	Stephen Gordon	Secretary	Yes		3 Terms Election: 2010 Expiration: 2016	Development, Family & Community Communications
5	Sean Windsor	Member	Yes		1 Term Election: 2013 Expiration: 2015	Finance, Development
6	Kent Anker	Member	Yes		1 Term Election: 2013 Expiration: 2015	Finance, Academic Accountability
7	Sam Mathias	Member	Yes		1 Term Election: 2013 Expiration: 2015	Academic Accountability, Family & Community Communications
8	Derrick Bryant	Member	Yes		1 Term Election: 2013 Expiration: 2015	Finance
9	Anthony Shropshire	Member	Yes		1 Term Election: 2013 Expiration: 2015	Governance
10	Katie Duffy	Member	Yes		3 Terms Election: 2010 Expiration: 2016	

2. Total Number of Members Joining Board during the 2013-14 school year

4

3. Total Number of Members Departing the Board during the 2013-14 school year

1

4. According to the School's by-laws, what is the maximum number of trustees that may comprise the governing board?

15

5. How many times did the Board meet during the 2013-14 school year?

10

6. How many times will the Board meet during the 2014-15 school year?

11

Thank you.



DEMOCRACY PREP HARLEM CHARTER

Work Hard. Go to College. Change the World!

Appendix H: Enrollment and Retention Targets

Democracy Prep Harlem Charter School educates an appropriately high number of high-needs students. In 2013-14, 84% of DPH scholars were eligible for Free or Reduced Price Lunch (FRPL), 15% qualified for Special Education (SPED) services, 6% were English Language Learners (ELL), and 98% were Black or Latino. DPH uses various outreach efforts to attract and retain students who are at risk of academic failure and will continue to adopt and implement new measures designed to sustain its comparatively large proportion of such students in 2014-15 and beyond. Specifically, DPH contacts SPED instructors, ELL instructors, and guidance counselors in elementary and middle schools in Community School Districts 3 and 5 in order to identify high-needs students who could naturally feed into DPH. Additionally, DPH directly mails applications to all students in Upper Manhattan and the Bronx and canvasses each housing development in Upper Manhattan in order to drop off enrollment applications at each door irrespective of whether a school-aged student resides in that apartment. Native Spanish speakers accompany each canvasser to ensure that Spanish-speaking families are not precluded from applying.

Appendix B: Total Expenditures and Administrative Expenditures per Child

Created Wednesday, July 30, 2014

Page 1

Charter School Name: 310500860989 DEMOCRACY PREP HARLEM CS

B. Financial Information

This information is required of ALL charter schools. Provide the following measures of fiscal performance of the charter school in Appendix B (Total Expenditures and Administrative Expenditures Per Child):

1. Total Expenditures Per Child

To calculate 'Total Expenditures per Child' take total expenditures (from the unaudited 2013-14 Schedule of Functional Expenses) and divide by the count of students you reported on of BEDS Day. (Integers Only. No dollar signs or commas).

1. Total Expenditures Per Child Line 1: Total Expenditures	7060835
1. Total Expenditures Per Child Line 2: BEDS Day Pupil Count	569
1. Total Expenditures Per Child Line 3: Divide Line 1 by Line 2	12409

2. Administrative Expenditures per Child

To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the unaudited 2013-14 Schedule of Functional Expenses) and divide by the BEDS per pupil count. The relevant portion that must be included in this calculation is defined as follows:

Administrative Expenditures: Administration and management of the charter school includes the activities and personnel of the offices of the chief school officers, the treasurer, the finance or business offices, the purchasing unit, the employee personnel offices, the records management offices, or a public information and services offices. It also includes those administrative and management services provided by other organizations or corporations on behalf of the charter school for which the charter school pays a fee or other compensation.

Please note the following:

Do not include the FTE of personnel dedicated to administration of the instructional programs.

Do not include Employee Benefit costs or expenditures in the above calculations.

A template for the Schedule of Functional Expenses is provided on page 21 of the 2012 Annual Report Guidelines to assist schools identify the categories of expenses needed to compute the two per pupil calculations. This template does not need to be completed or submitted on August 1st as it will be submitted November 1st as part of the audited financial statements. Therefore schools should use unaudited amounts for these per pupil calculations. (See the 2013-14 Annual Report Guidelines in "Resources" area of your portal task page).

To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas).

To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 1: Relevant Personnel Services Cost (Row)	366824
To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 2: Management and General Cost (Column)	1210420
To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 3: Sum of Line 1 and Line 2	1577244
To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 4: BEDS Day Pupil Count	569
To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 5: Divide Line 3 by the BEDS Day Pupil Count	2772

Thank you.

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Tuesday, June 17, 2014

Updated Friday, May 08, 2015

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/8e74a>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Roy Clay

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

-
- Parent Representative
-

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

Yes

14a. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school and in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write None.

	Organization Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee and/or Immediate Family Member with Interest	Steps Taken to Avoid Conflict of Interest
1	M&T Bank	Banking	\$500,000	Roy Clay	Abstain from votes and discussions concerning accounts held at M&T
2					
3					
4					
5					

Signature of Trustee

.

.

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Tuesday, June 17, 2014

Updated Friday, May 08, 2015

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/3275e>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Mimi Barnes-Coppola

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

[REDACTED]

7. *E-mail Address:

[REDACTED]

8. Select all positions you held on Board:

(check all that apply)

• Other, please specify...: member

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

Mimi Barnes-Coppola

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Wednesday, June 18, 2014

Updated Friday, May 08, 2015

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/da7cf>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Natalie L Stoyanoff

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

• Other, please specify...: trustee

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink, appearing to read "Natalia Stoyanov". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Wednesday, June 18, 2014

Updated Friday, May 08, 2015

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/6a3cc>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Matthew E. Ryan

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

[REDACTED]

7. *E-mail Address:

[REDACTED]

8. Select all positions you held on Board:

(check all that apply)

(No response)

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

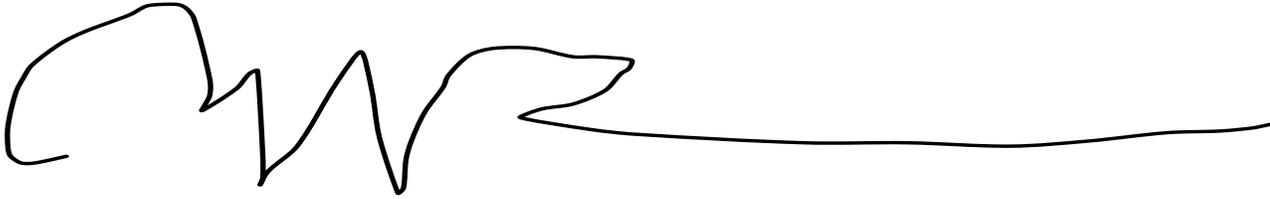
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink, consisting of a series of loops and a long horizontal tail.

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Wednesday, July 02, 2014

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/89a11>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Eric Ozawa

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

• Other, please specify...: Academic Accountability Committee Chair

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

(No response)

13a. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house held or engaged in with the charter school during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write None. Please note that if you answered Yes to Question 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s) of Transactions	Nature of Financial Interest/Transaction	Steps Taken to Avoid Conflict of Interest (e.g., did not vote, did not participate in discussion)	Name of Person Holding Interest and Relationship to You
1			
2			
3			
4			
5			

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

(No response)

14a. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school and in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write None.

Organization Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee and/or Immediate Family Member with Interest	Steps Taken to Avoid Conflict of Interest
1				
2				
3				
4				
5				

Signature of Trustee

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Wednesday, July 09, 2014

Updated Thursday, July 10, 2014

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/84c5c>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Kathryn Stanton

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

-
- Other, please specify...: Trustee
-

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

Yes

10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next

[cmoeY.0] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Position Held	Chief Executive Officer
[cmoeY.1] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Responsibilities	As CEO I oversee all operations of the Charter Management Organization (CMO), including governance of the Board of Trustees for the CMO and for the schools of Democracy Prep.
[cmoeY.2] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Salary	201,000
[cmoeY.3] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Start Date	May 1, 2007

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

Yes

13a. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house held or engaged in with the charter school during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write None. Please note that if you answered Yes to Question 2-4 above, you need not disclose again your employment status, salary, etc.

	Date(s) of Transactions	Nature of Financial Interest/Transaction	Steps Taken to Avoid Conflict of Interest (e.g., did not vote, did not participate in discussion)	Name of Person Holding Interest and Relationship to You
1		Employee of the CMO	Will recuse from votes on the CMO contract with DPPS or those that could be perceived as a conflict of interest	Self
2				
3				
4				
5				

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

Yes

14a. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school and in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write None.

	Organization Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee and/or Immediate Family Member with Interest	Steps Taken to Avoid Conflict of Interest
1	Democracy Prep Public Schools	Management	~\$500,000 per year	Self	Recuse from any voting that could be perceived as a conflict.
2					
3					

Signature of Trustee

Two handwritten signatures in black ink. The first signature on the left is a cursive-style signature that appears to start with a large 'K' or 'A' and ends with a long horizontal flourish. The second signature on the right is a more stylized signature, possibly starting with a large 'R' or 'L', followed by a horizontal line and a final loop.

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Monday, July 14, 2014

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/d8579>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Robert North

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

• Chair/President

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink, appearing to read "R. M. Smith". The signature is written in a cursive style with a large initial "R" and a stylized "M".

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Monday, August 11, 2014

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/e90d9>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Samuel Mathias

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

(No response)

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

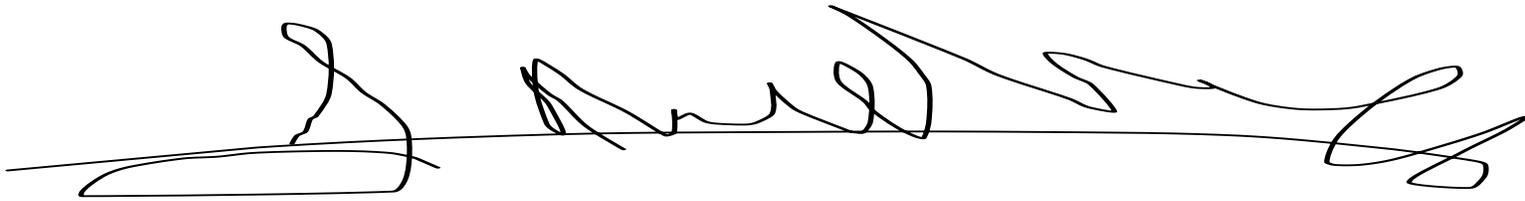
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be "D. [unclear]".

Required Form: 2013-14 Appendix E - Disclosure of Financial Interest Form

Created Monday, June 23, 2014

Updated Friday, May 08, 2015

<https://fluidsurveys.com/account/surveys/540612/responses/export//surveys/vickie-smith/appendix-e-trustee-disclosure-form/8eb21>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Jennifer Bernacki Smith

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

(No response)

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

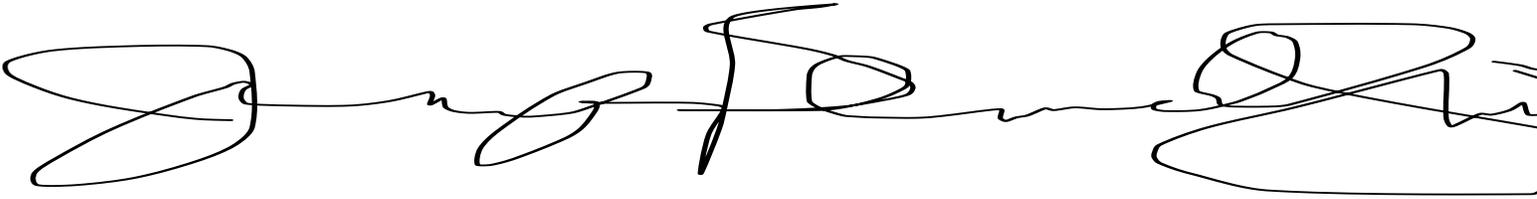
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink, consisting of several large, overlapping loops and a long horizontal stroke, extending across the width of the page.