



# I. SCHOOL INFORMATION AND COVER PAGE (To be Completed By All Charter Schools)

Created: 07/20/2015

Last updated: 07/30/2015

Please be advised that you will need to complete this task first (including signatures) before all of the other tasks assigned to you by your authorizer are visible on your task page. While completing this task, please ensure that you select the correct authorizer or you may not be assigned the correct tasks.

## Page 1

### 1. SCHOOL NAME AND AUTHORIZER

(Select name from the drop down menu)

DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989

### 2. CHARTER AUTHORIZER

(For technical reasons, please re-select authorizer name from the drop down menu).

NYCDOE-Authorized Charter School

### 3. DISTRICT / CSD OF LOCATION

NYC CSD 5

### 4. SCHOOL INFORMATION

	PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
	207 West 133rd Street New York, NY 10030	212-281-1248	212-283-4202	[REDACTED]

### 4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

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

### 5. SCHOOL WEB ADDRESS (URL)

<http://dphms.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. FINAL VERIFIED BEDS ENROLLMENT FOR THE 2014-15 School Year as reported to Department's Office of Information and Reporting Services (via the NYC DOE for charter schools in NYC) in August.**

786

**9. GRADES SERVED IN SCHOOL YEAR 2014-15**

Check all that apply

Grades Served	K, 1, 6, 7, 8, 9, 10
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**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]	No
Compliance Contact	Carlos Mojica	[REDACTED]		[REDACTED]	No
Complaint Contact	Benjamin Feit	[REDACTED]		[REDACTED]	Yes

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**11. FACILITIES**

Will the School maintain or operate multiple sites?

	Yes, 3 sites
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**12. SCHOOL SITES**

Please list the sites where the school will operate in 2015-16.

	Physical Address	Phone Number	District/CSD	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-2	No	DOE space
Site 3	212 West 120th Street New York, NY 10027	212-932-7791	CSD 3	9-11	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	Zach Siegel	[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	Ari Bogotch	[REDACTED]		[REDACTED]
Compliance Contact	Carlos Mojica	[REDACTED]		[REDACTED]
Complaint Contact	Benjamin Feit	[REDACTED]		[REDACTED]

**13. Are the School sites co-located?**

Yes

**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	Permanent Siting					No
Site 3	N/A					No

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**14. Were there any revisions to the school's charter during the 2014-2015 school year? (Please include both those that required authorizer approval and those that did not require authorizer approval).**

No

**15. Name and Position of Individual(s) Who Completed the 2014-15 Annual Report.**

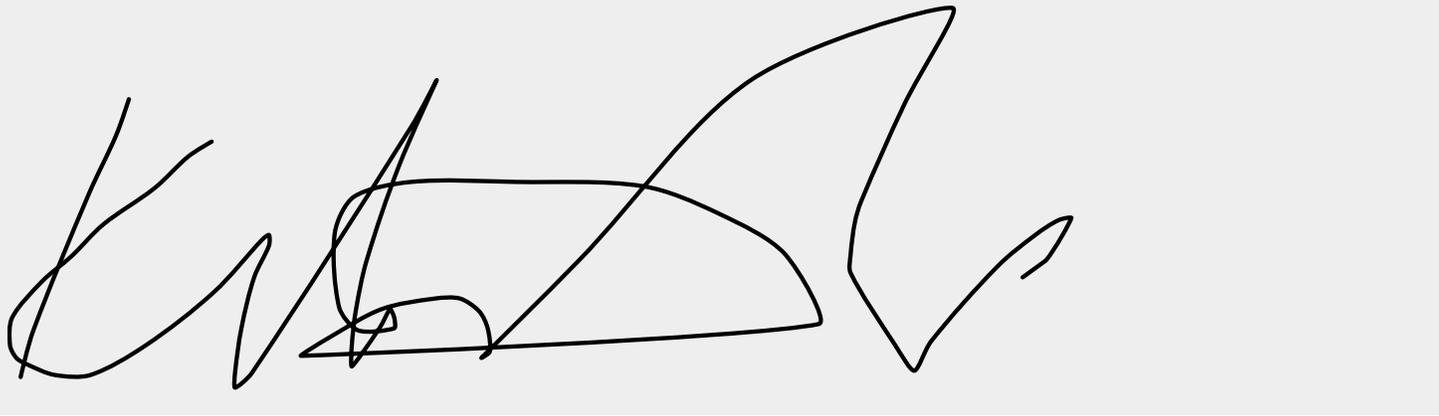
Benjamin Feit, Chief of Staff (Democracy Prep Public Schools)

**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).**

Responses Selected:

Yes

Signature, Head of Charter School

A highly stylized, cursive handwritten signature in black ink on a light gray background. The signature is composed of several large, sweeping loops and curves, making it difficult to decipher.

Signature, President of the Board of Trustees

A handwritten signature in black ink on a light gray background. The signature is written in a cursive style and appears to read "Robert Smith".

Thank you.



# Appendix A: Link to the New York State School Report Card

Last updated: 07/06/2015

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**Charter School Name: 310500860989 DEMOCRACY PREP HARLEM CS**

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## 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/reportcard.php?year=2014&instid=800000067495>



# Appendix A: Progress Toward Goals

Last updated: 10/26/2015

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/>) which captures school-level enrollment and demographic information, staff qualifications, electronic student records, and attendance rates, as prescribed by New York State statute (8 NYCRR 119.3).

(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

The following tables reflect formatting in the online portal required for Board of Regents-authorized charter schools and NYCDOE-authorized charter schools only. Schools should list Progress Toward Charter Goals by August 1, 2015. If the goals are based on student performance data that the school will not have access to before August 1, 2015 (e.g., the NYS Assessment results), explain this in the "2014-2015 Progress Toward Attainment of Goal" column. The information can be updated when available. Appendix A must be fully completed no later than November 1, 2015.

### 2a. ACADEMIC STUDENT PERFORMANCE GOALS

#### 2014-15 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress Toward Attainment of Goal	2014-2015 Progress Toward Attainment of Goal - Met, Partially Met, or Not Met	If Not Met, Describe Efforts School Will Take
Academic Goal 1	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 English Language Arts Exam.	New York State English Language Arts Exam	Goal not met. DPH continued to make progress toward closing the proficiency gap in 2014-2015.	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 provided each of the schools 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 continued to make progress toward closing the proficiency gap in 2014-2015.	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 provided each of the schools lesson plans created by experienced master teachers under the supervision of DPPS curriculum specialists.
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 provided each of the schools 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.	

Academic Goal 8				
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**2a1. Do have more academic goals to add?**

No

**2a2. Do have more academic goals to add?**

No

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**2b. ORGANIZATIONAL GOALS**

**2014-15 Progress Toward Attainment of Organizational Goals**

	Organizational Goal	Measure Used to Evaluate Progress	2014-15 Progress Toward Attainment	If Not Met, Describe Efforts School Will Take
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 CPP includes a transcript, a complete college application with essays, and may include interviews, extra-curricular activities, recommendations, 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.	
Org Goal 4				
Org Goal 5				

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

No

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## 2c. FINANCIAL GOALS

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### 2014-15 Progress Toward Attainment of Financial Goals

	Financial Goals	Measure Used to Evaluate Progress	2014-2015 Progress Toward Attainment	If Not Met, Describe Efforts School Will Take
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.	
Financial Goal 2				
Financial Goal 3				
Financial Goal 4				
Financial Goal 5				



# Appendix B: Total Expenditures and Administrative Expenditures per Child

Last updated: 07/14/2015

## 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 2014-15 Schedule of Functional Expenses) and divide by the year end per pupil count. (Integers Only. No dollar signs or commas).

Line 1: Total Expenditures	12409000
Line 2: Year End Per Pupil Count	739
Line 3: Divide Line 1 by Line 2	16791

#### 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 2014-15 Schedule of Functional Expenses) and divide by the year end 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 20 of the 2014-15 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 2014-15 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 2014-15 Schedule of Functional Expenses) and divide by the year end per pupil count. (Integers Only. No dollar signs or commas).

Line 1: Relevant Personnel Services Cost (Row)	0
Line 2: Management and General Cost (Column)	1799000
Line 3: Sum of Line 1 and Line 2	1799000
Line 4: Year End Per Pupil Count	739
Line 5: Divide Line 3 by the Year End Per Pupil Count	2434

***Thank you.***

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

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL  
(A Not-For-Profit Corporation)  
FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

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FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56<sup>TH</sup> STREET

NEW YORK, NEW YORK 10019

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TEL: (212) 957-3600

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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, 2015, 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, 2015, 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 2014 financial statements, and our report dated October 30, 2014, 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, 2014, 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 26, 2015, 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 26, 2015

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

	2015	2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,135,956	\$ 1,410,109
Grants and contracts receivable	288,559	138,834
Prepaid expenses and other current assets	23,116	459,548
Due from related parties	337,785	419,313
Total current assets	3,785,416	2,427,804
Property and equipment, net of accumulated depreciation and amortization of \$476,500 and \$295,385, respectively	551,742	369,019
Restricted cash	70,395	70,301
<b>TOTAL ASSETS</b>	<b>\$ 4,407,553</b>	<b>\$ 2,867,124</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 977,592	\$ 731,729
Accrued payroll and payroll taxes	351,174	302,456
Capital lease obligation	32,456	-
Refundable advances	29,717	174,992
Total current liabilities	1,390,939	1,209,177
Capital lease obligation, less current portion	38,758	-
Total liabilities	1,429,697	1,209,177
Net assets:		
Unrestricted	2,960,513	1,654,204
Temporarily restricted	17,343	3,743
Total net assets	2,977,856	1,657,947
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,407,553</b>	<b>\$ 2,867,124</b>

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,

	2015			2014
	Unrestricted	Temporarily Restricted	Total All Funds	Total All Funds
Revenue and support:				
State and local per pupil operating revenue	\$ 11,423,907	\$ -	\$ 11,423,907	\$ 8,014,115
Federal grants	881,233	-	881,233	698,343
Federal E-rate	226,163	-	226,163	28,579
State and city grants	199,798	-	199,798	108,731
Contributions and grants	10,932	15,600	26,532	90,435
Interest and other income	22,793	-	22,793	4,626
Net assets released from restriction- satisfaction of purpose restriction	2,000	(2,000)	-	-
Total revenue and support	<u>12,766,826</u>	<u>13,600</u>	<u>12,780,426</u>	<u>8,944,829</u>
Expenses:				
Program services:				
Regular education	8,276,616	-	8,276,616	6,904,752
Special education	1,583,787	-	1,583,787	721,145
Total program services	<u>9,860,403</u>	<u>-</u>	<u>9,860,403</u>	<u>7,625,897</u>
Supporting services:				
Management and general	1,600,114	-	1,600,114	1,175,522
Total expenses	<u>11,460,517</u>	<u>-</u>	<u>11,460,517</u>	<u>8,801,419</u>
Changes in net assets	1,306,309	13,600	1,319,909	143,410
Net assets - beginning of year	<u>1,654,204</u>	<u>3,743</u>	<u>1,657,947</u>	<u>1,514,537</u>
Net assets - end of year	<u>\$ 2,960,513</u>	<u>\$ 17,343</u>	<u>\$ 2,977,856</u>	<u>\$ 1,657,947</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,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,319,909	\$ 143,410
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	181,115	116,895
Changes in assets and liabilities:		
(Increase) in grants and contracts receivable	(149,725)	(67,518)
Decrease (Increase) in prepaid expenses and other current assets	436,432	(451,375)
Decrease (Increase) in due from related parties	81,528	(365,014)
Increase in accounts payable and accrued expenses	245,863	418,493
Increase in accrued payroll and payroll taxes	48,718	98,406
(Decrease) in refundable advances	(145,275)	(52,333)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,018,565	(159,036)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(265,424)	(178,619)
(Increase) in restricted cash	(94)	(141)
NET CASH (USED IN) INVESTING ACTIVITIES	(265,518)	(178,760)
CASH FLOWS FROM FINANCING ACTIVITY:		
Payments made on capital lease obligation	(27,200)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,725,847	(337,796)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,410,109	1,747,905
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,135,956	\$ 1,410,109
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 7,418	\$ -
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Computers and equipment acquired under a capital lease	\$ 98,414	\$ -

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, 2015 AND 2014

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. During 2015, the Board of Regents extended the School’s charter for an additional four term expiring on June 30, 2019. 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 758 students in kindergarten through first and sixth through tenth grades during the 2014-2015 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, 2015 and 2014.

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, 2015 AND 2014

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

Tax Status (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, 2015 and 2014.

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, 2015 AND 2014

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	3 and 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, 2015 AND 2014

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 2014 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,:

	2015	2014
Furniture and fixtures	\$ 171,742	\$ 105,585
Computers and equipment	761,431	533,574
Software	5,770	5,770
Leasehold Improvements	89,299	19,475
	1,028,242	664,404
Less: Accumulated depreciation and amortization	476,500	295,385
	\$ 551,742	\$ 369,019

Depreciation and amortization expense was \$181,115 and \$116,895 for the years ended June 30, 2015 and 2014, respectively.

NOTE 4 - RELATED PARTY TRANSACTIONS

Democracy Preparatory Harlem Charter School ("DPH") is affiliated with four charter schools: Democracy Preparatory Charter School ("DPCS"), Harlem Prep Charter School ("HPCS"), Democracy Prep Endurance Charter School ("DPE") and Bronx Preparatory Charter School ("BPCS"), 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, 2015 AND 2014

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, 2015 and 2014, DPPS charged an annual management fee to the School of 13% and 13.5%, respectively. For the years ended June 30, 2015 and 2014, the School incurred \$1,548,570 and \$1,151,489 in management fees, respectively.

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, 2015 and 2014, the School incurred \$114,239 and \$80,141 in consulting fees, respectively.

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

	<u>2015</u>	<u>2014</u>
DPCS	\$ 402,377	\$ 230,279
DPPS	175,790	492,029
BPCS	6,094	-
HPCS	3,061	7,678
DBI	994	8,851
DPE	878	-
	<u>\$ 589,194</u>	<u>\$ 738,837</u>

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL  
(A Not-For-Profit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued)

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

	<u>2015</u>	<u>2014</u>
HPCS	\$ 725,823	\$ 317,483
DPE	(878)	-
DBI	(1,107)	8,625
BPCS	(6,094)	-
DPPS	(153,166)	57,187
DPCS	<u>(226,793)</u>	<u>36,018</u>
Net balance due from related parties	<u>\$ 337,785</u>	<u>\$ 419,313</u>

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.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL  
(A Not-For-Profit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

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 133<sup>rd</sup> 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 \$616,224 and \$503,559 for the years ended June 30, 2015 and 2014, 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.

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, 2016	\$ 67,573
2017	67,573
2018	27,268
2019	<u>2,546</u>
	<u>\$ 164,960</u>

Equipment rental expense was \$111,571 and \$64,905 for the years ended June 30, 2015 and 2014, respectively.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL  
(A Not-For-Profit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

NOTE 9 - CAPITAL LEASE OBLIGATION

The School leases computers and equipment under a capital lease that expires in July, 2017. The asset and liability under the capital lease are recorded at the present value of the minimum lease payments. The asset is being depreciated over its estimated useful life. Depreciation of the asset under the capital lease is included in depreciation expense.

Following is a summary of property and equipment held under capital lease:

Computers and equipment	\$ 98,414
Less: accumulated depreciation	<u>(27,337)</u>
	<u>\$ 71,077</u>

The future minimum lease payments are as follows:

For the year ending June 30, 2016	\$ 37,766
2017	37,766
2018	<u>3,147</u>
Total minimum lease payments	78,679
Less: amounts representing interest	<u>(7,465)</u>
Present value of minimum lease payments	<u>71,214</u>
Less: current portion	<u>(32,456)</u>
Capital lease obligation, less current portion	<u>\$ 38,758</u>

NOTE 10 - 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 \$100,938 and \$117,000 for the years ended June 30, 2015 and 2014, respectively.

NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30,:

	<u>2015</u>	<u>2014</u>
Korean dual language program	\$ 16,743	\$ 3,743
After school cooking classes	<u>600</u>	<u>-</u>
	<u>\$ 17,343</u>	<u>\$ 3,743</u>

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL  
(A Not-For-Profit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS (Continued)

Net assets for the years ended June 30, 2015 and 2014, were released from donor restrictions by satisfying the purpose specified by donor as follows:

	2015	2014
Korean dual language program	\$ -	\$ 6,257
After school cooking classes	2,000	-
	\$ 2,000	\$ 6,257

NOTE 12 - SUBSEQUENT EVENTS

The School has evaluated its subsequent events through October 26, 2015, the date that the accompanying financial statements were issued. The School has no material events requiring disclosure.

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CERTIFIED PUBLIC ACCOUNTANTS

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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 (a not-for-profit corporation) as of and for the year ended June 30, 2015, and have issued our report thereon dated October 26, 2015, 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 26, 2015

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

	2015					2014
	Program Services			Supporting Services		
	Regular Education	Special Education	Total	Management and General	Total	
Salaries	\$ 4,202,987	\$ 804,799	\$ 5,007,786	\$ 568,208	\$ 5,575,994	\$ 4,342,475
Employee benefits and payroll taxes	723,136	138,468	861,604	97,758	959,362	784,144
Legal fees	-	-	-	3,500	3,500	-
Professional fees	67,141	12,826	79,967	81,124	161,091	89,452
Management fees	910,130	173,869	1,083,999	464,571	1,548,570	1,151,489
Audit fees	-	-	-	22,750	22,750	22,750
Professional development	108,671	20,809	129,480	14,691	144,171	123,275
Advertising and recruiting	18,759	3,584	22,343	18,645	40,988	37,444
Instructional materials and office supplies	902,743	172,457	1,075,200	81,252	1,156,452	916,840
Conferences and meetings	-	-	-	792	792	1,711
Food service	442,198	84,477	526,675	77,324	603,999	367,312
Insurance	42,408	8,120	50,528	5,733	56,261	39,862
Facility expense	534,025	102,257	636,282	72,195	708,477	631,767
Printing and postage	-	-	-	15,289	15,289	11,815
Telephone and communication	187,900	35,980	223,880	25,402	249,282	156,881
Travel	-	-	-	19,245	19,245	3,037
Depreciation and amortization	136,518	26,141	162,659	18,456	181,115	116,895
Miscellaneous	-	-	-	13,179	13,179	4,270
<b>Total</b>	<b>\$ 8,276,616</b>	<b>\$ 1,583,787</b>	<b>\$ 9,860,403</b>	<b>\$ 1,600,114</b>	<b>\$ 11,460,517</b>	<b>\$ 8,801,419</b>

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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") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2015, 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 26, 2015.

***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 School'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 matters that were reported to the management of the School in a separate letter dated October 26, 2015.

***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 26, 2015

FRUCHTER ROSEN & COMPANY, P.C.

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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") (a not-for-profit corporation) 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, 2015. 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, 2015.

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 26, 2015

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL  
(A Not-For-Profit Corporation)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

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
  - Title I Part A, CFDA No. 84.010
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, 2015

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	\$ 5,750
Passed through the New York State Education Department:		
Title I Part A	84.010	400,434
Title II Part A	84.367	9,044
Passed through the New York City Department of Education:		
Special Education - IDEA	84.027	64,323
Total U.S. Department of Department		<u>479,551</u>
U.S. Department of Agriculture:		
Passed through the New York State Education Department:		
Child Nutrition Cluster		
National School Breakfast Program	10.553	80,252
National School Lunch Program	10.555	321,430
Total U.S. Department of Agriculture		<u>401,682</u>
Total Expenditures of Federal Awards		<u>\$ 881,233</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, 2015

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, 2015. 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  
(A Not-For-Profit Corporation)

MANAGEMENT LETTER

JUNE 30, 2015

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56<sup>TH</sup> STREET  
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

October 26, 2015

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

In planning and performing our audit of the financial statements of Democracy Preparatory Harlem Charter School (the "School") (a not-for-profit corporation) as of and for the year ended June 30, 2015, 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, 2015 that we determined did not constitute a significant deficiency or a material weakness. Exhibit II summarizes current year status of prior year's observations. 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 26, 2015

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL  
(A Not-For-Profit Corporation)  
MANAGEMENT LETTER  
JUNE 30, 2015

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

EXHIBIT I – CURRENT YEAR OBSERVATION

A. TEST OF CREDIT CARD EXPENSES

Observation

We reviewed 3 monthly statements of the corporate credit card for the Campus Directors and noted the following:

- There were approximately \$1,838 representing 13% of the charges that were not supported by backup documentation or receipts.
- There were approximately \$2,598 representing 18% of the charges that did not contain written documentation supporting approval by management.

Recommendation

The School should enforce the use of credit cards as outlined in its fiscal policies and procedures manual. The School should document in writing all decisions that are not consistent with policy. If such situations are common, consideration should be given to modifying the policy.

Management's Response

Management recognizes this observation and will actively enforce the use of credit cards as outlined in our Fiscal policies and procedures manual.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL  
(A Not-For-Profit Corporation)  
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, 2015, we followed up on the status of implementation of audit recommendations made for the year ended June 30, 2014. The status update on those matters is summarized below.

B. INCOMPLETE STUDENT FILES

Observation

During our 2015 audit, 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 2015 audit, maintenance of student files and records did not improve, and we noted the following exceptions during our test of 15 student files:

- 1 file did not contain a copy of a birth certificate.
- 4 files did not contain proper proof of residency.

Updated Management’s Response

Management recognizes this observation and will work with the school based operations team to begin a process of ongoing internal audits of student files to ensure that all required documentations are complete and correct.

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

EXHIBIT II – CURRENT YEAR STATUS OF PRIOR YEAR OBSERVATION

C. 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.

Current Year Status

Although we noted improvements during our 2015 audit, we still encountered delays to the start of the audit because analysis of schedules and account reconciliations were not prepared and updated throughout the fiscal year. In addition, we did not have any significant adjustments to the general ledger during our 2015 audit.

Updated Management's Response

Management recognizes this observation and with the addition of a Senior Accountant to the team, we will push for general ledger maintenance and ongoing schedule preparation and reconciliations to occur throughout the year.

# New York State Education Department

## Request for Proposals to Establish Charter Schools Authorized by the Board of Regents

### 2015-16 Budget & Cash Flow Template

#### General Instructions and Notes for New Application Budgets and Cash Flows Templates

<b>1</b>	Complete ALL SIX columns in <b>BLUE</b>
<b>2</b>	Enter information into the <b>GRAY</b> cells
<b>3</b>	Cells containing <b>RED</b> triangles in the upper right corner in columns B through G contain guidance on that particular item
<b>4</b>	Funding by School District information for all NYS School district is located on the State Aid website at <a href="https://stateaid.nysed.gov/charter/">https://stateaid.nysed.gov/charter/</a> . Refer to this website for per-pupil tuition funding for all school districts. Rows may be inserted in the worksheet to accommodate additional districts if necessary.
<b>5</b>	The Assumptions column should be completed for all revenue and expense items unless the item is self-explanatory. Where applicable, please reference the page number or section in the application narrative that indicates the assumption being made. For instance, student enrollment would reference the applicable page number in Section I, C of the application narrative.

**Democracy Prep Harlem Charter School**

**PROJECTED BUDGET FOR 2015-2016**

**July 1, 2015 to June 30, 2016**

Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.

							Assumptions
							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	12,170,402	1,351,878	324,936	-	-	13,847,216	
Total Expenses	9,283,855	667,476	255,660	-	3,615,225	13,822,216	
Net Income	2,886,547	684,402	69,276	-	(3,615,225)	25,000	
Actual Student Enrollment	738	102				840	
Total Paid Student Enrollment	738	102				840	Elementary, Middle and High Schools

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

**REVENUE**

**REVENUES FROM STATE SOURCES**

	CY Per Pupil Rate						
Per Pupil Revenue							
District of Location	\$0.00						
School District 2 (Enter Name)	\$0.00						
School District 3 (Enter Name)	\$0.00						
School District 4 (Enter Name)	\$0.00						
School District 5 (Enter Name)	\$13,877.00						
		11,781,573					11,781,573
		11,781,573					11,781,573
Special Education Revenue			1,231,221				1,231,221
Grants							
Stimulus							
Other							
Other State Revenue							
<b>TOTAL REVENUE FROM STATE SOURCES</b>		11,781,573	1,231,221				13,012,794

**REVENUE FROM FEDERAL FUNDING**

IDEA Special Needs			120,657				120,657
Title I		379,575					379,575
Title Funding - Other							
School Food Service (Free Lunch)		9,063					9,063
Grants							
Charter School Program (CSP) Planning & Implementation							
Other							
Other Federal Revenue							
<b>TOTAL REVENUE FROM FEDERAL SOURCES</b>		388,638	120,657				509,295

**LOCAL and OTHER REVENUE**

Contributions and Donations, Fundraising							
Erate Reimbursement				254,640			254,640
Interest Income, Earnings on Investments,				2,817			2,817
NYC-DYCD (Department of Youth and Community Developmt.)							
Food Service (Income from meals)		191					191
Text Book				67,479			67,479
Other Local Revenue							
<b>TOTAL REVENUE FROM LOCAL and OTHER SOURCES</b>		191		324,936			325,127

**TOTAL REVENUE**

	12,170,402	1,351,878	324,936				13,847,216
--	------------	-----------	---------	--	--	--	------------

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

**EXPENSES**

**ADMINISTRATIVE STAFF PERSONNEL COSTS**

	No. of Positions						
Executive Management	1.00					55,000	55,000
Instructional Management							
Deans, Directors & Coordinators	16.00					1,075,292	1,075,292
CFO / Director of Finance							
Operation / Business Manager	6.00					363,768	363,768
Administrative Staff	6.00					272,950	272,950
<b>TOTAL ADMINISTRATIVE STAFF</b>	29					1,767,010	1,767,010

**INSTRUCTIONAL PERSONNEL COSTS**

Teachers - Regular	70.00		4,815,733				4,815,733
Teachers - SPED	8.00			535,081			535,081
Substitute Teachers			15,625				15,625
Teaching Assistants							
Specialty Teachers							

Spec Ed = 10% salary used to spread benefits

**Democracy Prep Harlem Charter School**

**PROJECTED BUDGET FOR 2015-2016**

**July 1, 2015 to June 30, 2016**

Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.

PROJECTED BUDGET FOR 2015-2016							Assumptions
July 1, 2015 to June 30, 2016							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	12,170,402	1,351,878	324,936	-	-	13,847,216	
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Net Income	2,886,547	684,402	69,276	-	(3,615,225)	25,000	
Actual Student Enrollment	738	102				840	
Total Paid Student Enrollment	738	102				840	Elementary, Middle and High Schools
<b>PROGRAM SERVICES</b>							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Aides	-	-	-	-	-	-	
Therapists & Counselors	-	-	-	-	-	-	
Other	-	361,983	-	-	-	361,983	Program incentives for FT staff
<b>TOTAL INSTRUCTIONAL</b>	<b>78</b>	<b>5,193,341</b>	<b>535,081</b>	<b>-</b>	<b>-</b>	<b>5,728,422</b>	
<b>NON-INSTRUCTIONAL PERSONNEL COSTS</b>							
Nurse	-	-	-	-	-	-	
Librarian	-	-	-	-	-	-	
Custodian	1.00	-	-	-	39,882	39,882	
Security	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
<b>TOTAL NON-INSTRUCTIONAL</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,882</b>	<b>39,882</b>	
<b>SUBTOTAL PERSONNEL SERVICE COSTS</b>	<b>108</b>	<b>5,193,341</b>	<b>535,081</b>	<b>-</b>	<b>1,806,892</b>	<b>7,535,314</b>	
<b>PAYROLL TAXES AND BENEFITS</b>							
Payroll Taxes	-	585,662	65,074	-	-	650,736	Split to Spec Ed at Salary %
Fringe / Employee Benefits	-	468,517	52,057	-	-	520,574	Split to Spec Ed at Salary %
Retirement / Pension	-	137,375	15,264	-	-	152,639	Split to Spec Ed at Salary %
<b>TOTAL PAYROLL TAXES AND BENEFITS</b>	<b>-</b>	<b>1,191,554</b>	<b>132,395</b>	<b>-</b>	<b>-</b>	<b>1,323,949</b>	
<b>TOTAL PERSONNEL SERVICE COSTS</b>	<b>-</b>	<b>6,384,895</b>	<b>667,476</b>	<b>-</b>	<b>1,806,892</b>	<b>8,859,263</b>	
<b>CONTRACTED SERVICES</b>							
Accounting / Audit	-	-	-	-	25,000	25,000	
Legal	-	-	-	-	-	-	
Management Company Fee	-	-	-	-	1,756,693	1,756,693	DPPS Fee
Nurse Services	-	-	-	-	-	-	
Food Service / School Lunch	-	-	-	-	-	-	
Payroll Services	-	-	-	-	26,640	26,640	
Special Ed Services	-	-	-	-	-	-	
Titement Services (i.e. Title I)	-	-	-	-	-	-	
Other Purchased / Professional / Consulting	-	-	-	-	-	-	
<b>TOTAL CONTRACTED SERVICES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,808,333</b>	<b>1,808,333</b>	
<b>SCHOOL OPERATIONS</b>							
Board Expenses	-	-	-	-	-	-	
Classroom / Teaching Supplies & Materials	243,656	-	-	-	-	243,656	
Special Ed Supplies & Materials	-	-	-	-	-	-	
Textbooks / Workbooks	218,804	-	-	-	-	218,804	
Supplies & Materials other	109,200	-	-	-	-	109,200	
Equipment / Furniture	102,000	-	-	-	-	102,000	
Telephone	-	-	73,260	-	-	73,260	
Technology	276,268	-	182,400	-	-	458,668	
Student Testing & Assessment	-	-	-	-	-	-	
Field Trips	279,000	-	-	-	-	279,000	
Transportation (student)	-	-	-	-	-	-	
Student Services - other	97,513	-	-	-	-	97,513	
Office Expense	66,000	-	-	-	-	66,000	
Staff Development	241,000	-	-	-	-	241,000	
Staff Recruitment	3,000	-	-	-	-	3,000	
Student Recruitment / Marketing	21,000	-	-	-	-	21,000	
School Meals / Lunch	57,672	-	-	-	-	57,672	
Travel (Staff)	2,700	-	-	-	-	2,700	
Fundraising	-	-	-	-	-	-	
Other	206,128	-	-	-	-	206,128	
<b>TOTAL SCHOOL OPERATIONS</b>	<b>1,923,941</b>	<b>-</b>	<b>255,660</b>	<b>-</b>	<b>-</b>	<b>2,179,601</b>	

**Democracy Prep Harlem Charter School**

**PROJECTED BUDGET FOR 2015-2016**

**July 1, 2015 to June 30, 2016**

Assumptions

Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 155. This will populate the data in row 10.

DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
Total Revenue	12,170,402	1,351,878	324,936	-	-	13,847,216
Total Expenses	9,283,855	667,476	255,660	-	3,615,225	13,822,216
Net Income	2,886,547	684,402	69,276	-	(3,615,225)	25,000
Actual Student Enrollment	738	102				840
Total Paid Student Enrollment	738	102				840

Elementary, Middle and High Schools

PROGRAM SERVICES

SUPPORT SERVICES

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
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**FACILITY OPERATION & MAINTENANCE**

Insurance	8,500	-	-	-	-	8,500
Janitorial	-	-	-	-	-	-
Building and Land Rent / Lease	605,030	-	-	-	-	605,030
Repairs & Maintenance	50,000	-	-	-	-	50,000
Equipment / Furniture	-	-	-	-	-	-
Security	40,000	-	-	-	-	40,000
Utilities	-	-	-	-	-	-

**TOTAL FACILITY OPERATION & MAINTENANCE**

	703,530	-	-	-	-	703,530
--	---------	---	---	---	---	---------

**DEPRECIATION & AMORTIZATION**

	130,890	-	-	-	-	130,890
--	---------	---	---	---	---	---------

**DISSOLUTION ESCROW & RESERVES / CONTIGENCY**

	140,599	-	-	-	-	140,599
--	---------	---	---	---	---	---------

**TOTAL EXPENSES**

	9,283,855	667,476	255,660	-	3,615,225	13,822,216
--	-----------	---------	---------	---	-----------	------------

**NET INCOME**

	2,886,547	684,402	69,276	-	(3,615,225)	25,000
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**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)	738	102	840
<b>TOTAL ENROLLMENT</b>	738	102	840

**REVENUE PER PUPIL**

	16,491	13,254	387
--	--------	--------	-----

**EXPENSES PER PUPIL**

	12,580	6,544	304
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# Audited Financial Statement Checklist

Created: 10/23/2015

Last updated: 10/30/2015

Page 1

**Charter School Name:**

**1. Please check each item that is included in the 2014-15 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)	Yes
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 2014-15 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	Not Applicable
Management Letter	No

**Thank you.**



# Appendix E: Disclosure of Financial Interest Form

Last updated: 08/19/2015

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Page 1

310500860989 DEMOCRACY PREP HARLEM CS

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All trustees who served on an education corporation governing one or more charter schools during the 2014-2015 school year must complete the form in Appendix E (Disclosure of Financial Interest Form). [The Disclosure of Financial Interest Forms are due on November 1, 2015. A link to a safe and secure form that each Trustee must complete by the November 1, 2015 deadline will be provide here by September 1, 2015 or sooner.](#)

ALL charter schools or merged education corporations must complete the Board of Trustees Membership Table within the online portal in Appendix F (Board of Trustees Membership Table). The Board of Trustees Membership Table must be submitted by August 1, 2015.

Regents-authorized charter schools must upload a complete set of board of trustee Meeting Minutes from July 2014-June 2015 into Appendix G (Board Minutes). Board of Trustee Meeting Minutes must be submitted by August 1, 2015.

---

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

Yes

Thank you.



# Appendix F: BOT Membership Table

Last updated: 07/09/2015

Page 1

## 310500860989 DEMOCRACY PREP HARLEM CS

### 1. Current Board Member Information

	Trustee Name	Email Address	Committee Affiliation(s)	Voting Member? (Y/N)	Area of Expertise, and/or Additional Role and School (parent, staff member, etc.)	Number of Terms Served and Length of Each (Include election date and term expiration)
1	Robert North	[REDACTED]	Chair/Board President	Yes		3 Terms (Election: 2010; Expiration: 2016)
2	Blondel Pinnock	[REDACTED]	Trustee/Member	Yes		3 Terms (Election: 2010; Expiration: 2016)
3	Stephen Gordon	[REDACTED]	Trustee/Member	Yes		3 Terms (Election: 2010; Expiration: 2016)
4	Sean Windsor	[REDACTED]	Treasurer	Yes		2 Terms (Election: 2013; Expiration: 2017)
5	Kent Anker	[REDACTED]	Trustee/Member	Yes	Democracy Prep Public Schools General Counsel	2 Terms (Election: 2013; Expiration: 2017)
6	Katie Duffy	[REDACTED]	Trustee/Member	Yes	Democracy Prep Public Schools CEO	3 Terms (Election: 2010; Expiration: 2016)
7	Sam Mathias	[REDACTED]	Trustee/Member	Yes		2 Terms (Election: 2013; Expiration: 2017)
8	Derrick Bryant	[REDACTED]	Trustee/Member	Yes		2 Terms (Election: 2013; Expiration: 2017)
9	Anthony Shropshire	[REDACTED]	Trustee/Member			2 Terms (Election: 2013; Expiration: 2017)
10						
11						
12						
13						
14						
15						

16						
17						
18						
19						
20						

**2. Total Number of Members Joining Board during the 2014-15 school year**

0

**3. Total Number of Members Departing the Board during the 2014-15 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 2014-15 school year?**

10

**6. How many times will the Board meet during the 2015-16 school year?**

12

**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 2014-15, 18% of DPH scholars qualified for Special Education (SPED) services, 6% were English Language Learners (ELL), and 98% were Black or Latino. The school operates under the Community Eligibility Program (CEP) which is offered to schools with a population of 80% or more FRPL eligible students. 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 2015-16 and beyond. Specifically, DPH contacts SPED instructors, ELL instructors, and guidance counselors in elementary and middle schools in Community School District 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 I: Teacher and Administrator Attrition

Last updated: 07/31/2015

Report changes in teacher and administrator staffing.

Page 1

**Charter School Name: 310500860989 DEMOCRACY PREP HARLEM CS**

## **Instructions for completing the Teacher and Administrator Attrition Tables**

**ALL charter schools should provide, for teachers and administrators only, the full time equivalent (FTE) of staff on June 30, 2014, the FTE for added staff from July 1, 2014 through June 30, 2015, and the FTE for any departed staff from July 1, 2014 through June 30, 2015 using the two tables provided.**

### **2013-14 Teacher Attrition Table**

	FTE Teachers on June 30, 2014	FTE Teachers Additions 7/1/14 – 6/30/15	FTE Teacher Departures 7/1/14 – 6/30/15
	41	9	7

### **2013-14 Administrator Position Attrition Table**

	FTE Administrator Positions On 6/30/2014	FTE Administrator Additions 7/1/14 – 6/30/15	FTE Administrator Departures 7/1/14 – 6/30/15
	4	2	1

**Thank you**



# Appendix J: Uncertified Teachers

Last updated: 07/31/2015

"thirty per centum or 5 teachers, whichever is less"

To comply with NYS Education Law Section 2854(3)(a-1), please report the (FTE) count of uncertified and certified teaching staff as of the last day of school for the 2014-15 school year.

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](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 2014-15?

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

	FTE - (June 30, 2015)
(i) uncertified teachers with at least three years of elementary, middle or secondary classroom teaching experience	18
(ii) individuals who are tenured or tenure track college faculty	0
(iii) individuals with two years satisfactory experience through Teach for America	0
(iv) individuals who possess exceptional business, professional, artistic, athletic, or military experience	0
FTE count of uncertified teachers who do not fit into any of the four statutory categories	4
<b>Total</b>	<b>22.0</b>

How many **CERTIFIED** Full-Time Equivalent Teachers were employed in the charter school as of the last day of school in 2014-15?

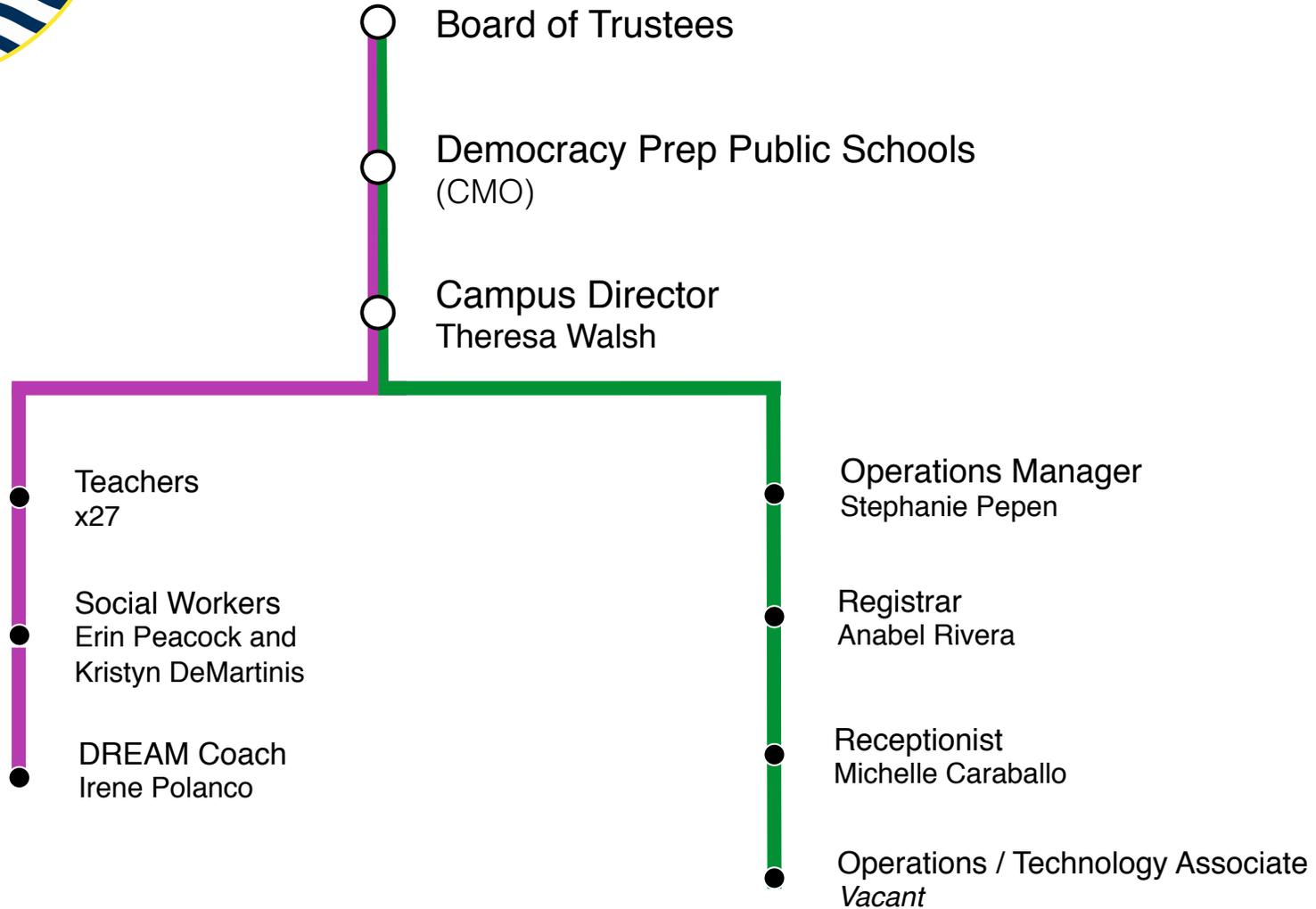
42

Thank you.



# DEMOCRACY PREP HARLEM CHARTER ELEMENTARY SCHOOL

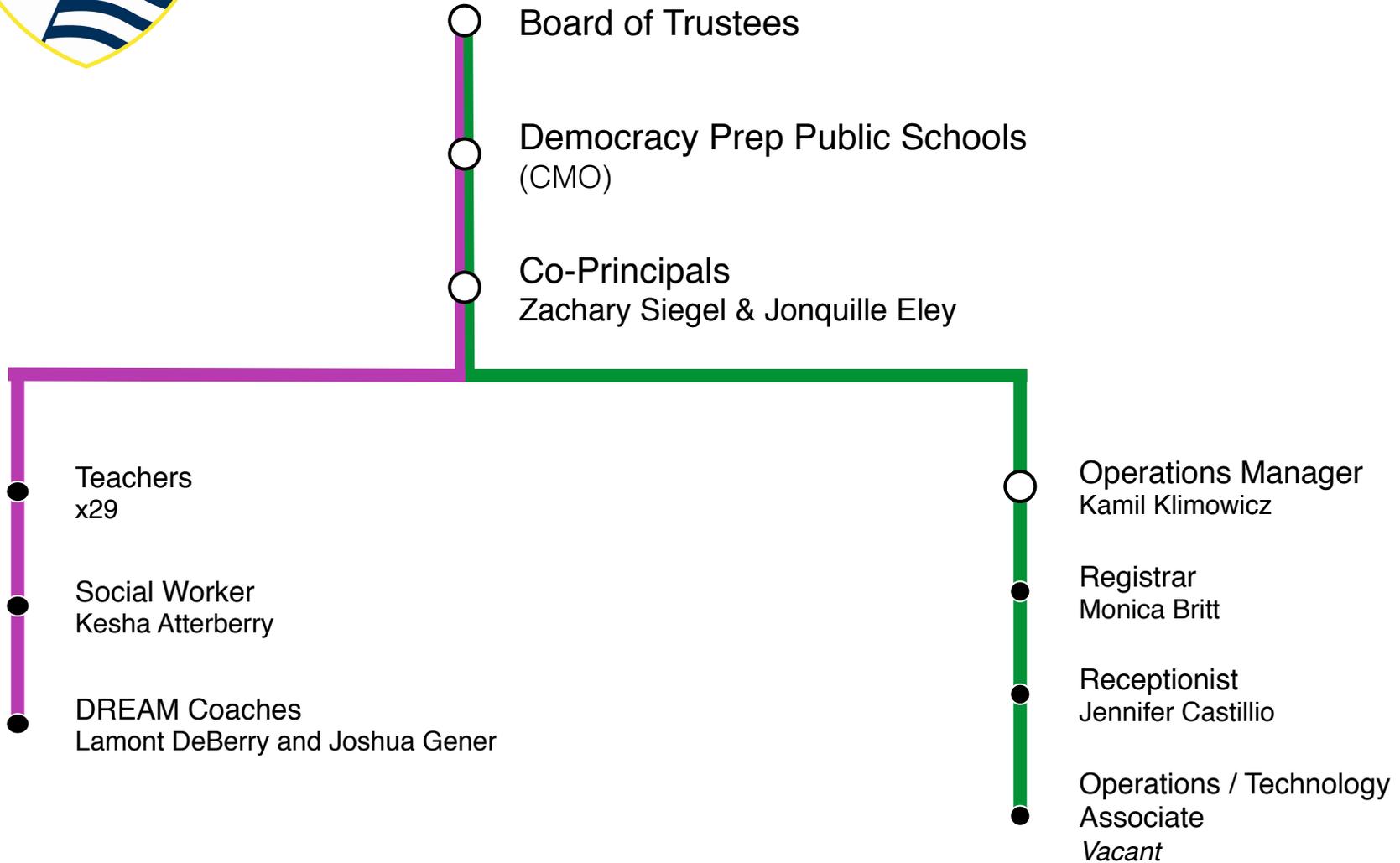
## 2015-16 ORGANIZATION CHART





# DEMOCRACY PREP HARLEM CHARTER MIDDLE SCHOOL

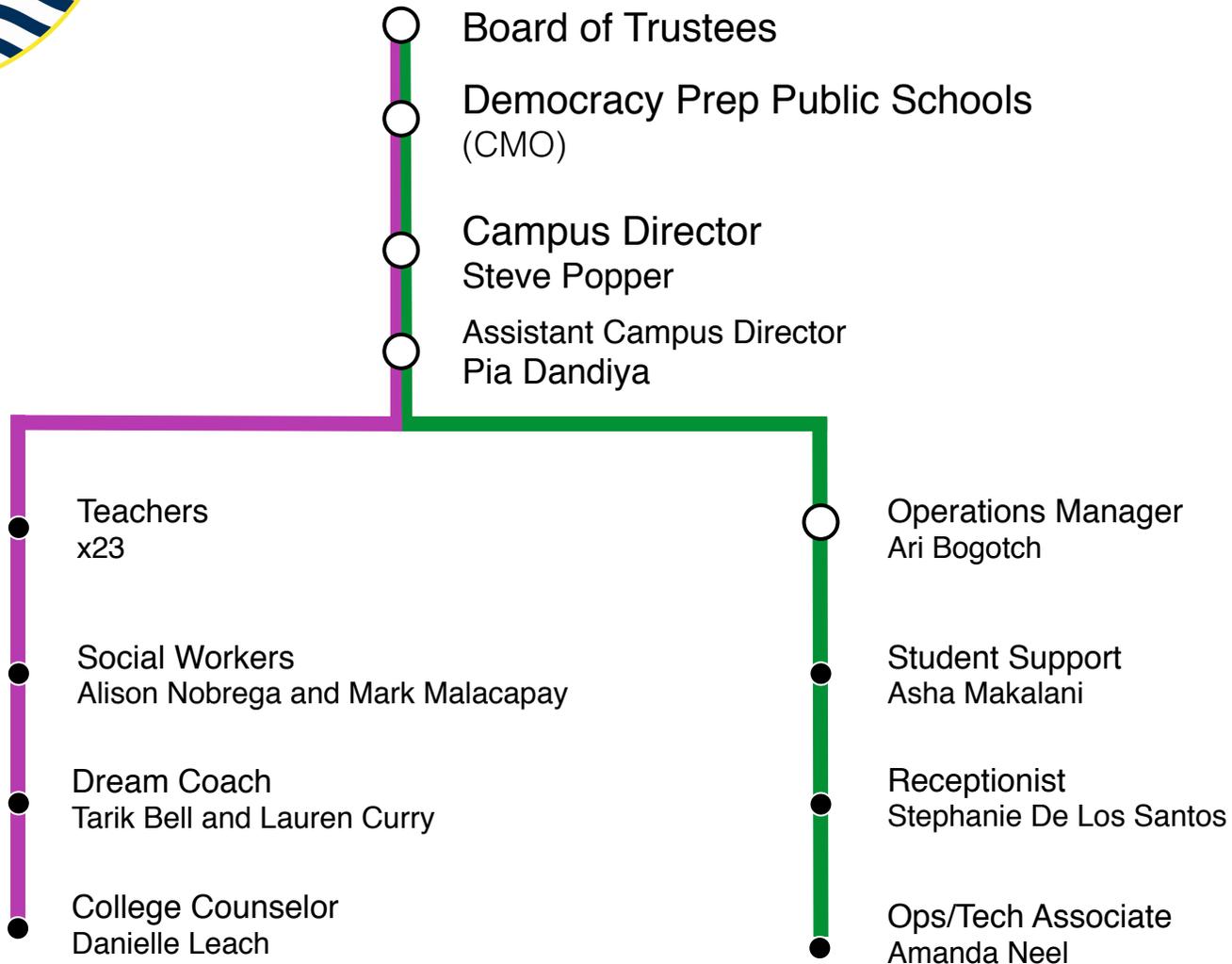
## 2015-16 ORGANIZATION CHART





# DEMOCRACY PREP HARLEM CHARTER HIGH SCHOOL

## 2015-16 ORGANIZATION CHART



The mission of Democracy Prep Harlem Charter School is to educate responsible citizen-scholars for success in the college of their choice and a life of active citizenship.

### **The *No Excuses* Model**

- 1) *Rigorous college-prep academics.* DPH is an academically rigorous, college preparatory school with a curriculum based on an accelerated introduction to the Common Core State Standards. The school’s instructional program is designed to challenge students to do their best academically regardless of their language proficiency, special education status, or the academic level at which they enter the school. Our rigorous core academic program includes the core subjects—Math, English Language Arts, science and social studies—as well as rigorous electives such as Art, Music, and Fitness.
- 2) *More time to learn.* DPH serves students in grades 6-11 Monday through Thursday from 7:44 AM to at least 5:15 PM, and until at least 1:30 PM on Fridays and students in grades K-2 Monday through Thursday from 7:44 AM until 4:00 PM. The school year includes approximately 195 days of instruction, and students in need of additional individual support or required remediation attend an after-dismissal tutoring block, school on additional Saturdays, and during some vacations. Students who have not yet mastered the grade’s content expectations by the end of the year attend a mandatory Summer Academy. Within these programs, the DPH students most in need of extra help benefit from over 70% more instructional time each year than they would receive in a typical district school.
- 3) *Data-driven decision-making.* DPH utilizes a sophisticated feedback loop of frequent data collection and analysis including a network-wide dashboard tool, interim assessments, and comparative academic measures to drive effective instruction at the student, class, teacher, grade, school, and network levels. DPH assessments include absolute measures, value-added measures, and internally-developed, externally-validated trimester and comprehensive exams.
- 4) *Safe and supportive school culture.* Democracy Prep school culture is based on the “DREAM Values” which all staff and students live by: Discipline, Respect, Enthusiasm, Accountability, and Maturity. Students earn or forfeit “DREAM Dollars” based on their adherence to these values and these DREAM Dollars may be linked to college scholarship accounts and a percentage used by students to “buy” privileges and benefits such as end of trimester trips and end of year adventures including Civic and College Expeditions. This manifests itself in clear structured systems for students, crisp uniforms, and high expectations for rigor and joy.
- 5) *Exemplary talent.* Democracy Prep has an extremely selective staff application process. At DPH, lead teachers are paid a base salary that exceeds the Department of Education scale and are eligible for excellent benefits and performance bonuses. All DPH staff members undergo extensive performance review, receive weekly professional development during the school year and three weeks of intensive PD in the summer, and are given explicit career ladders and opportunities for growth.

### **Enhancements to the *No Excuses* Model**

In addition to these common elements of *no excuses* schools, DPH is unique in its commitment to two other key academic design elements: 1) *special education and ELL students* and 2) *civic education*.

*A Commitment to Educating All Students in All Subjects*

Democracy Prep actively seeks out students with ELL classifications, IEPs, and 504 plans compared to surrounding districts through a natural lottery, a collaborative team teaching inclusion model for special needs students, and admission at all grade levels.

*Authentic Civic Leadership and Engagement*

Unique among its peers, Democracy Prep places an explicit focus on preparing scholars to become civic leaders in their community. Through civic initiatives, community engagement, mandatory speech and debate, as well as authentic student and family charter school advocacy, Democracy Prep scholars apply the knowledge, skills, and attitude they have developed in the academic program to help change the world.

# 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	[REDACTED]

### 4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

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

### 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]	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	[REDACTED]	CSD 5	6-8	Yes	Rent/Lease
Site 2	2005 Madison Avenue New York, NY 10035	[REDACTED]	CSD 5	K-1	No	DOE space
Site 3	212 West 120 Street New York, NY 10027	[REDACTED]	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

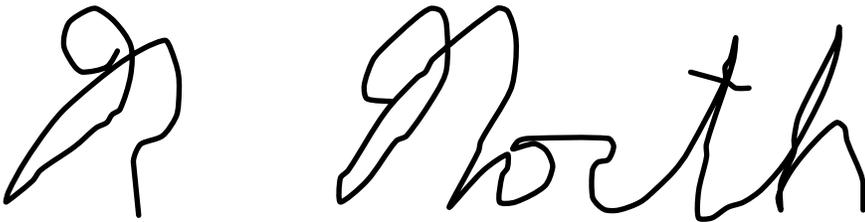
16. Our signatures below attest that all of the information contained herein is truthful and accurate and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in 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 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.

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 56<sup>TH</sup> STREET

NEW YORK, NEW YORK 10019

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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
<b>ASSETS</b>		
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
<b>TOTAL ASSETS</b>	<b>\$ 2,867,124</b>	<b>\$ 2,259,148</b>
 <b>LIABILITIES AND NET ASSETS</b>		
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
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,867,124</b>	<b>\$ 2,259,148</b>

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 133<sup>rd</sup> 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.

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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	
<b>Total</b>	<b>\$ 6,904,752</b>	<b>\$ 721,145</b>	<b>\$ 7,625,897</b>	<b>\$ 1,175,522</b>	<b>\$ 8,801,419</b>	<b>\$ 5,300,394</b>	

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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.

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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 56<sup>TH</sup> STREET  
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600  
FAX: (212) 957-3696

October 30, 2014

To the Board of Trustees of  
Democracy Preparatory Harlem Charter School  
207 West 133<sup>rd</sup> 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

CONTENTS

EXHIBIT I – CURRENT YEAR OBSERVATION

- A. General Ledger Maintenance and Account Analysis 1

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.

# New York State Education Department

## Request for Proposals to Establish Charter Schools Authorized by the Board of Regents

### **Budget and Cash Flow Templates for the 2013 New Charter Applications**

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#### **General Instructions and Notes for New Application Budgets and Cash Flows Templates**

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<b>1</b>	Complete ALL SIX tabs in <b>BLUE</b>
<b>2</b>	Enter information into the <b>GRAY</b> cells
<b>3</b>	Cells labeled in <b>ORANGE</b> contain guidance pertaining to that tab
<b>4</b>	Cells containing <b>RED</b> triangles in the upper right corner in columns B through G contain guidance on that particular item
<b>5</b>	Funding by School District information for all NYS School district is located on the State Aid website at <a href="https://stateaid.nysed.gov/charter/">https://stateaid.nysed.gov/charter/</a> . Refer to this website for per-pupil tuition funding for all school districts. Rows may be inserted in the worksheet to accommodate additional districts if necessary.
<b>6</b>	The Assumptions column should be completed for all revenue and expense items unless the item is self-explanatory. Where applicable, please reference the page number or section in the application narrative that indicates the assumption being made. For instance, student enrollment would reference the applicable page number in Section I, C of the application narrative.

**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	
<b>REVENUE</b>							
<b>REVENUES FROM STATE SOURCES</b>							
Per Pupil Revenue	CY Per Pupil Rate						
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
	10,553,182					10,553,182	
Special Education Revenue		860,639				860,639	82 students with funding ( 81 @ 20-60, 1 @ 60+)
Grants							
Stimulus							
Other							
Other State Revenue							
<b>TOTAL REVENUE FROM STATE SOURCES</b>	<b>10,553,182</b>	<b>860,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,413,821</b>	
<b>REVENUE FROM FEDERAL FUNDING</b>							
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							
<b>TOTAL REVENUE FROM FEDERAL SOURCES</b>	<b>321,720</b>	<b>89,134</b>	<b>730,799</b>	<b>-</b>	<b>-</b>	<b>1,141,653</b>	
<b>LOCAL and OTHER REVENUE</b>							
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
<b>TOTAL REVENUE FROM LOCAL and OTHER SOURCES</b>	<b>-</b>	<b>-</b>	<b>252,547</b>	<b>-</b>	<b>2,668</b>	<b>255,215</b>	
<b>TOTAL REVENUE</b>	<b>10,874,902</b>	<b>949,773</b>	<b>983,346</b>	<b>-</b>	<b>2,668</b>	<b>12,810,689</b>	
<b>EXPENSES</b>							<i>List exact titles and staff FTE"s ( Full time equiivalent)</i>
<b>ADMINISTRATIVE STAFF PERSONNEL COSTS</b>	No. of Positions						
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	-						
<b>TOTAL ADMINISTRATIVE STAFF</b>	<b>23</b>	<b>389,783</b>	<b>-</b>	<b>-</b>	<b>987,126</b>	<b>1,376,909</b>	
<b>INSTRUCTIONAL PERSONNEL COSTS</b>							
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	



**Democracy Prep Harlem**

**PROJECTED BUDGET FOR 2014-2015**

**July 1, 2014 to June 30, 2015**

Assumptions

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

SUPPORT SERVICES

	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
--	-------------------	-------------------	-------	-------------	----------------------	-------

**FACILITY OPERATION & MAINTENANCE**

Insurance	-	-	-	-	-	-
Janitorial	40,000	-	-	-	-	40,000
Building and Land Rent / Lease	622,964	-	-	-	-	622,964
Repairs & Maintenance	20,000	-	-	-	-	20,000
Equipment / Furniture	-	-	-	-	-	-
Security	20,000	-	-	-	-	20,000
Utilities	-	-	-	-	-	-
<b>TOTAL FACILITY OPERATION &amp; MAINTENANCE</b>	<b>702,964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>702,964</b>

Rent

**DEPRECIATION & AMORTIZATION**

DEPRECIATION & AMORTIZATION	99,237	-	-	-	-	99,237
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**DISSOLUTION ESCROW & RESERVES / CONTIGENCY**

DISSOLUTION ESCROW & RESERVES / CONTIGENCY	128,107	-	-	-	-	128,107
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**TOTAL EXPENSES**

<b>TOTAL EXPENSES</b>	<b>7,833,990</b>	<b>617,478</b>	<b>1,090,681</b>	<b>-</b>	<b>3,242,412</b>	<b>12,784,561</b>
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**NET INCOME**

<b>NET INCOME</b>	<b>3,040,912</b>	<b>332,295</b>	<b>(107,335)</b>	<b>-</b>	<b>(3,239,744)</b>	<b>26,128</b>
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**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
<b>TOTAL ENROLLMENT</b>	<b>684</b>	<b>82</b>	<b>766</b>

**REVENUE PER PUPIL**

<b>REVENUE PER PUPIL</b>	15,899	11,583	1,284
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**EXPENSES PER PUPIL**

<b>EXPENSES PER PUPIL</b>	11,453	7,530	1,424
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# Audited Financial Statement Checklist

Created Friday, October 31, 2014

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## 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.

# Appendix E: Disclosure of Financial Interest Form

Created Wednesday, July 30, 2014

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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 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 I: Teacher and Administrator Attrition

Created Monday, July 21, 2014

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## 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 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](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?

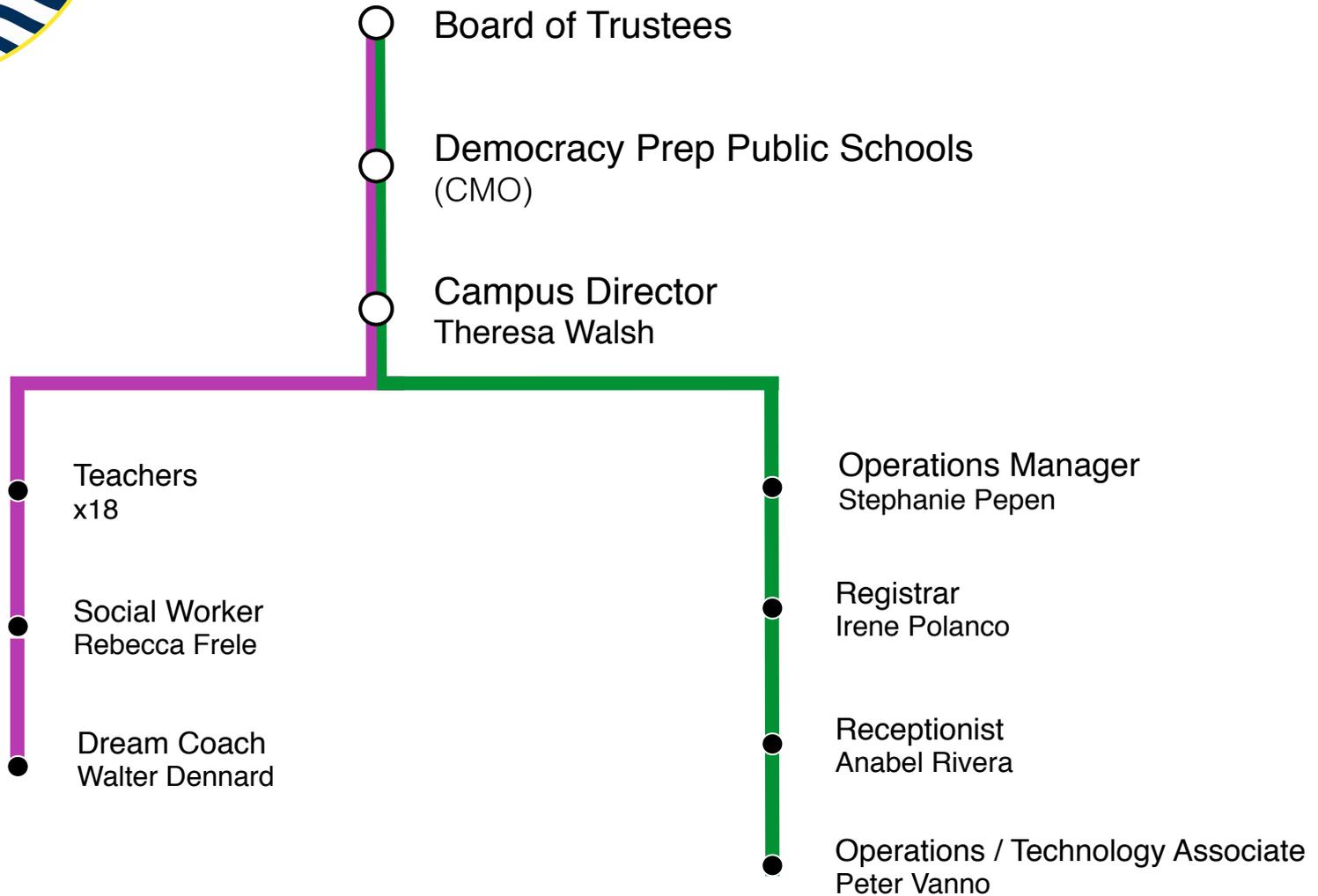
27

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

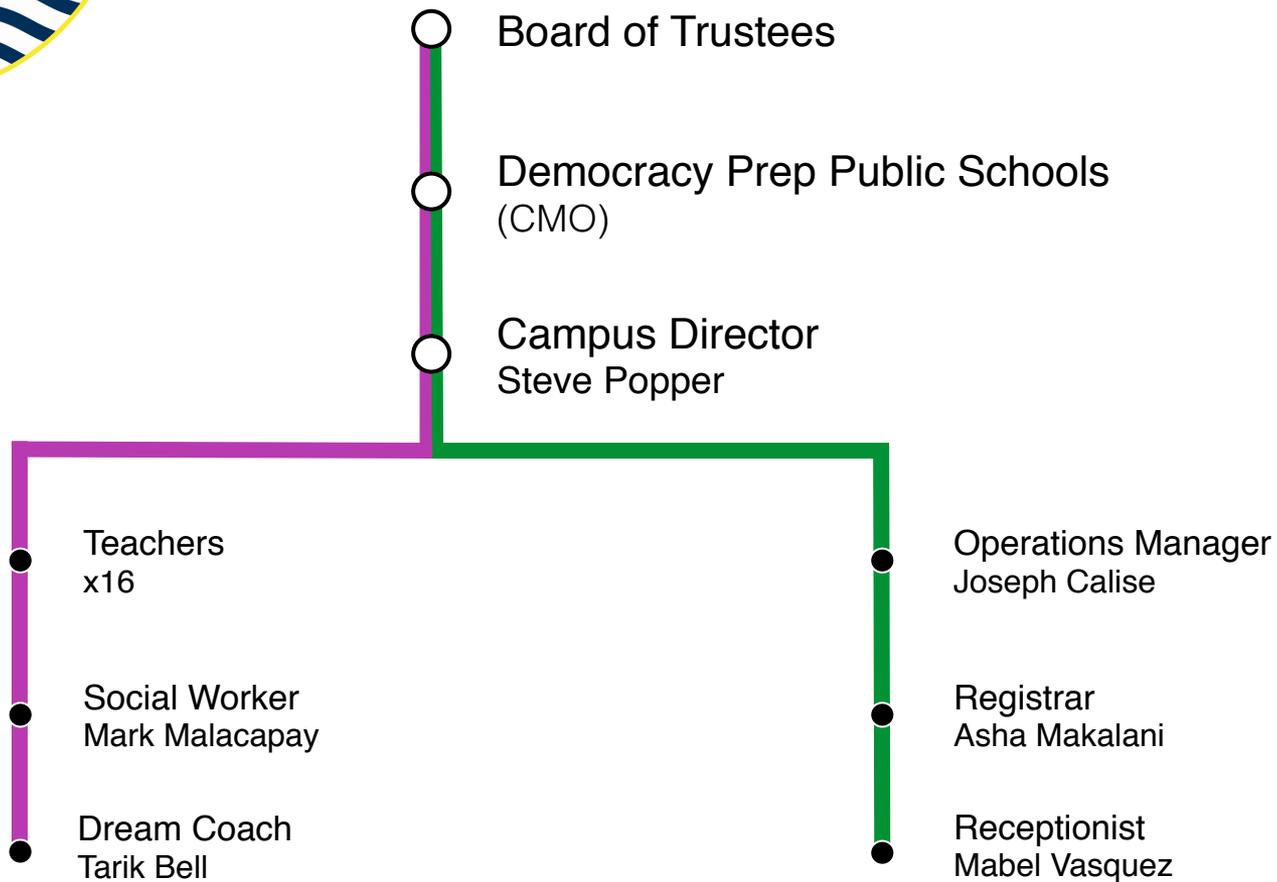
● Receptionist  
Jennifer Castillio

● Operations / Technology  
Associate  
Matthew Bowman



# DEMOCRACY PREP HARLEM CHARTER HIGH SCHOOL

## 2014-15 ORGANIZATION CHART



# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Tuesday, August 18, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/d11188983cc6f91d11>

## 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

	First Name	Last Name
Trustee Name	Robert	North

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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

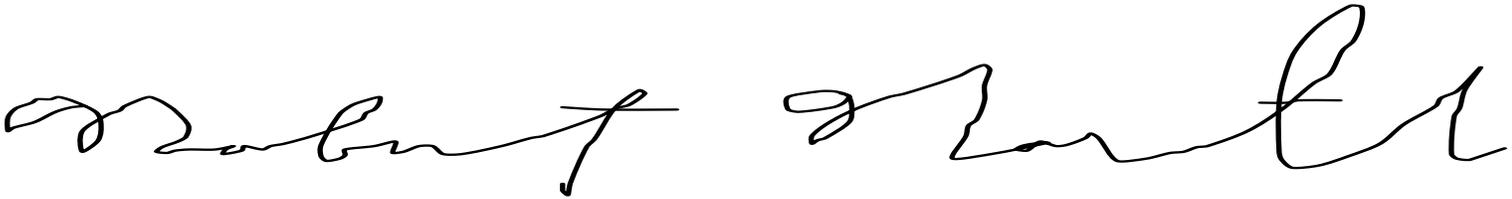
11. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

12. Are you a member, director, officer or employee of an organization formally partnered with a 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

Two handwritten signatures in black ink. The first signature is on the left and the second is on the right. Both are cursive and appear to be the same person's name.

**Thank you.**

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Wednesday, August 19, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/17726d6013af54306>

## 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

	First Name	Last Name
Trustee Name	Samuel	Mathias

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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

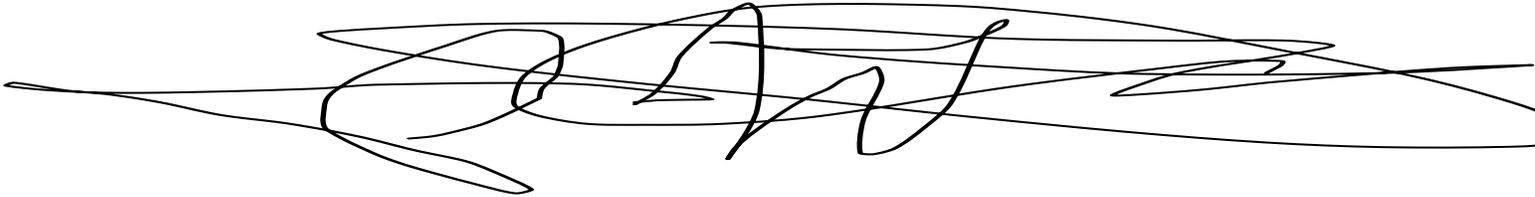
11. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

12. Are you a member, director, officer or employee of an organization formally partnered with a 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 overlapping loops and lines, extending across the width of the page.

**Thank you.**

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Wednesday, August 19, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/1916ceab81d2a6b014>

## 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

	First Name	Last Name
Trustee Name	Sean	Windsor

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the Board:

(check all that apply)

---

- Treasurer

---

- Other, please specify...: Board 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

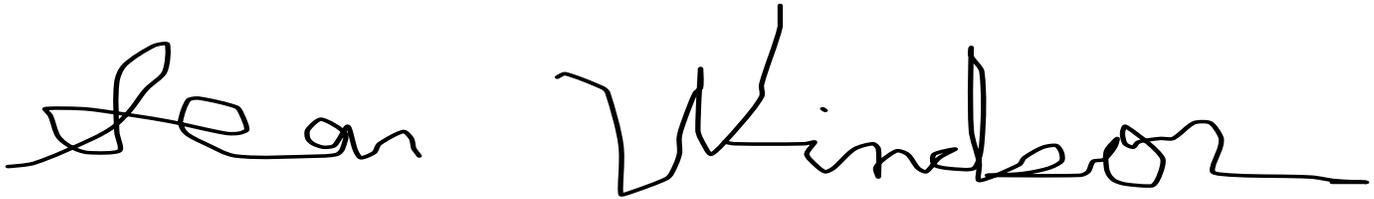
11. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

12. Are you a member, director, officer or employee of an organization formally partnered with a 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

The image shows two handwritten signatures in black ink. The first signature on the left is 'Sean', written in a cursive style. The second signature on the right is 'Windsor', also in a cursive style.

**Thank you.**

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Monday, August 24, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/33dbb48c4e131c92f>

## 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

	First Name	Last Name
Trustee Name	Kent	Anker

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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?

Yes

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

[cmoeY.0] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date.   Position Held	General Counsel
[cmoeY.1] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date.   Responsibilities	Responsible for all legal issues for DPPS and schools.
[cmoeY.2] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date.   Salary	191K
[cmoeY.3] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date.   Start Date	September 29, 2014

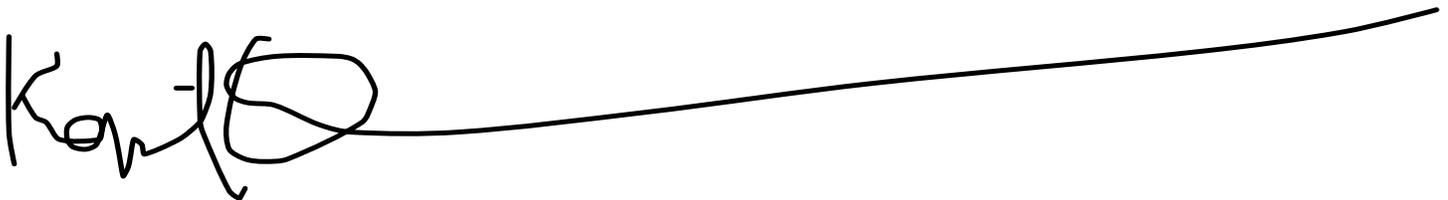
11. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

12. Are you a member, director, officer or employee of an organization formally partnered with a 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 "Kent", followed by a long horizontal line that extends across the width of the page.

Thank you.

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Tuesday, September 08, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/b5faa07f21a0a995ac>

## 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

	First Name	Last Name
Trustee Name	Preston	Henske

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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

11. 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

12. Are you a member, director, officer or employee of an organization formally partnered with a 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 that reads "Preston Hensel". The signature is written in a cursive style with a long horizontal stroke at the end.

**Thank you.**

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Friday, September 25, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/fb6c0fb973e4aca74b>

## 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

	First Name	Last Name
Trustee Name	Kathryn	Stanton

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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?

Yes

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

[cmoeY.0] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date.   Position Held	CEO
[cmoeY.1] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date.   Responsibilities	Management
[cmoeY.2] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date.   Salary	232,000
[cmoeY.3] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date.   Start Date	7/1/14

11. 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

11a. 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	June 2014	Management Contract	Recused	Me
2				
3				
4				
5				

12. Are you a member, director, officer or employee of an organization formally partnered with a 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

12a. 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 Services	1377625	Me	Recused
2					
3					
4					
5					

Signature of Trustee



**Thank you.**

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Friday, September 25, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/8c89a41cb9194c1ae2>

## 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

	First Name	Last Name
Trustee Name	ANTHONY	MANLEY

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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

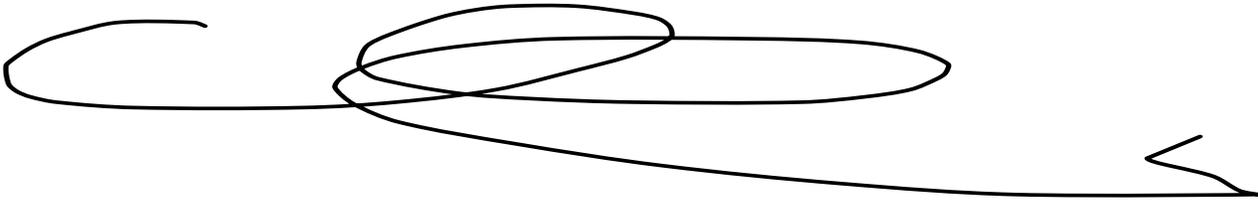
11. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

12. Are you a member, director, officer or employee of an organization formally partnered with a 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 overlapping loops and a long horizontal stroke ending in a small upward-pointing tail.

**Thank you.**

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Friday, September 25, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/8a79b268cf0fc4918d>

## 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

	First Name	Last Name
Trustee Name	Derrick	Bryant

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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

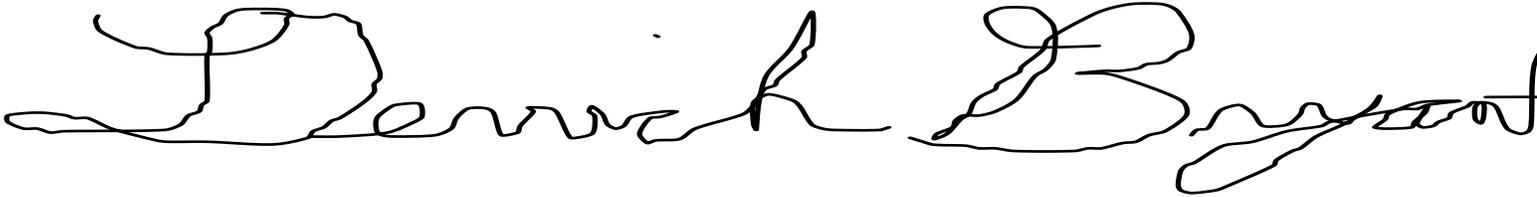
11. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

12. Are you a member, director, officer or employee of an organization formally partnered with a 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 "Derrick B. Bryant". The signature is written in a cursive, flowing style with some loops and flourishes.

**Thank you.**

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Monday, September 28, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/8d4d5f59ab46dd1011>

## 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

	First Name	Last Name
Trustee Name	Stephen	Gordon

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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

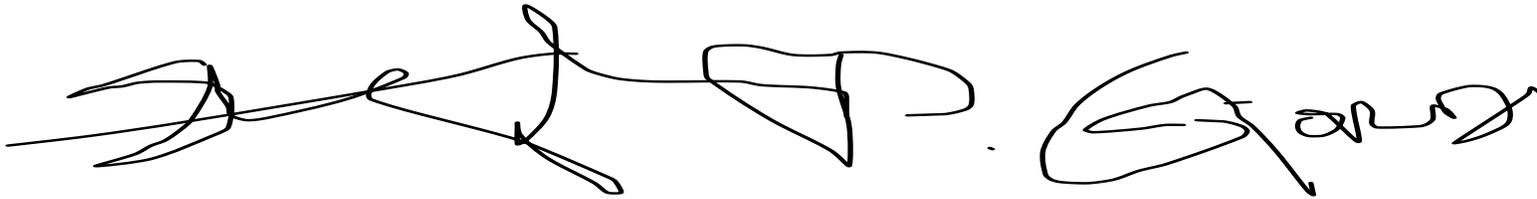
11. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

12. Are you a member, director, officer or employee of an organization formally partnered with a 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 loops and a long horizontal stroke, followed by a period and another set of loops.

**Thank you.**

# Required Form: 2014-15 Appendix E - Trustee Disclosure of Financial Interest Form

Created Saturday, October 17, 2015

<https://nysed.fluidsurveys.com/account/surveys/537586/responses/export//s/Regents-Appendix-E-BOT-Form/d3a2b48da4b66c113>

## 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

	First Name	Last Name
Trustee Name	CJ	Kettler

### 2. \*Your Home Address:

2. *Your Home Address:   Street Address	[REDACTED]
2. *Your Home Address:   City/State	[REDACTED]
2. *Your Home Address:   Zip	[REDACTED]

### 3. \*Your Business Address

3. *Your Business Address   Street Address	[REDACTED]
3. *Your Business Address   City/State	[REDACTED]
3. *Your Business Address   Zip	[REDACTED]

### 4. \*Daytime Phone Number:

[REDACTED]

### 5. \*E-mail Address:

[REDACTED]

6. I am a Trustee of a parent education corporation listed below which governs one or more charter schools.

*No, I am not.*

7. Select the name of the education corporation that operates a single charter school.

*DEMOCRACY PREP HARLEM CS (NYC CHANCELLOR) 310500860989*

8. Select all positions you have held on the 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

11. 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

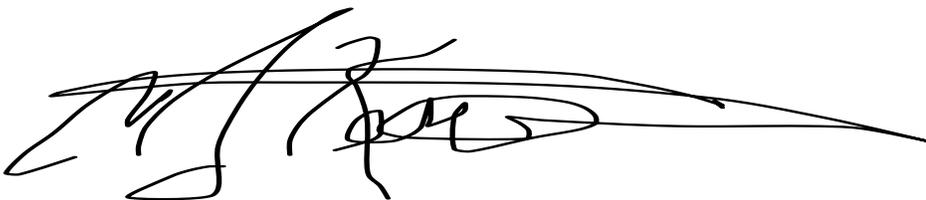
12. Are you a member, director, officer or employee of an organization formally partnered with a school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest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

Yes

12a. 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	Houghton Mifflin Harcourt/HMH	Sells textbooks and digital curriculum	none	I am employed by HMH	
2					
3					
4					
5					

Signature of Trustee



Thank you.