

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)

310500860894 DEMOCRACY PREP 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
2230 5th Avenue New York, NY 10037	212-281-8247	212-281-5359	info@democracyprep.org

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

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

5. SCHOOL WEB ADDRESS (URL)

www.democracyprep.org

6. DATE OF INITIAL CHARTER

2005-10-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

2006-08-01 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

• 6

• 7

• 8

• 9

• 10

• 11

• 12

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

11. FACILITIES

Will the School maintain or operate multiple sites?

Yes, 2 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)	2230 5th Avenue New York, NY 10037	212-281-8247	CSD 5	6-8	Yes	DOE space
Site 2	222 West 134th Street New York, NY 10030	202-281-3061	CSD 5	9-12	Yes	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	Tanya Nunez	[REDACTED]		[REDACTED]
Operational Leader	Marlene Aponte	[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	Natasha Trivers	[REDACTED]		[REDACTED]
Operational Leader	Rashell Evens	[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)	Permanent Siting	No		No		Yes

Site 2	Permanent Siting	No	No	Yes
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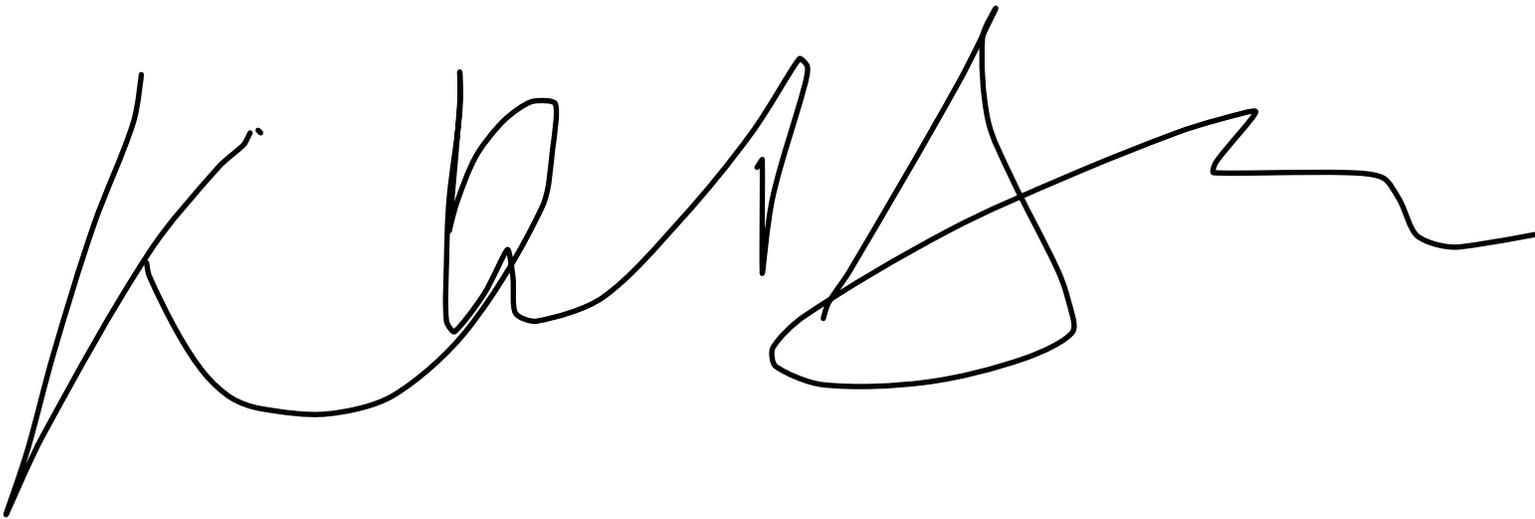
14. Were there any revisions to the school's charter during the 2013-2014 school year? (Please include both those that required authorizer approval and those that did not require authorizer approval).

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 loops and a long horizontal stroke extending to the right.

Signature, President of the Board of Trustees

A handwritten signature in black ink, featuring a large initial 'P' followed by the name 'Priston' written in a cursive style.

Thank you.

Appendix A: Progress Toward Goals

Created Tuesday, July 22, 2014

Updated Friday, October 31, 2014

Page 1

Charter School Name: 310500860894 DEMOCRACY PREP 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=800000059313>

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 ELA exam	Goal not met.	DPCS 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.	DPCS 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 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 Charter School, 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 ELA exam	Goal not met.	DPCS 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.	
Academic Goal 8	Each year, Democracy Prep Charter School will earn a score sufficient to place it in the 75th percentile of all schools on the citywide Progress Report.	Scores are no longer awarded on the city's progress reports.	N/A	

2a1. Do have more academic goals to add?

Yes

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 9	Democracy Prep Charter School will be deemed "In Good Standing" each year for annual yearly progress.	Goal met.	Goal met.	
Academic Goal 10	Each year, 75% of students enrolled in grades 9-12 will accumulate 10 or more credits towards graduation.	Scores are no longer awarded on the city's progress reports.	Goal met.	
Academic Goal 11	By the end of year 2 of the second term of the charter, 75% of the first cohort will have scored at least 65 on the New York State Regents examinations in ELA.	Goal met.	Goal met.	
Academic Goal 12	By the end of year 2 of the second term of the charter, 75% the first cohort will have scored at least 65 on a New York State Regents examination in Math.	Goal met.	Goal met.	
Academic Goal 13	By the end of year 2 of the second term of the charter, 75% of the initial cohort will have scored at least 65 on the New York State Regents examinations in Science (Living Environment, Chemistry, or other).		Goal met.	
Academic Goal 14	By the end of year 2 of the second term of the charter, 75% of the initial cohort will have scored at least 65 on the New York State Regents examinations in History (Global Studies or U.S. History).		Goal met.	
Academic Goal 15	Each year, the average performance of students in the 10th grade will exceed the state average on the PSAT tests in Critical Reading and Mathematics. It is expected that the participation rate for this test will be 75% or greater.	PSAT tests in Critical Reading and Mathematics	Goal partially met.	Some of our scholars did not prepare for and take the test with the same level of urgency with which they would take other assessments. Due to this, our students performance on the PSAT belies their true aptitude and academic preparation. Our strategy to increase PSAT results combines properly messaging the importance of the PSAT to our students AND providing intense test prep advance of the test.
Academic Goal 16	Each year, the average performance of students in the 12th grade will exceed the state average on the SAT or ACT tests in reading and mathematics. It is expected that the participation rate for this test will be 75% or greater.	SAT tests in Critical Reading and Mathematics	Goal partially met.	Our upperclassmen understand the significance of the SAT and ACT and are motivated to perform well on these tests. However, the demographic we serve traditionally score lower than the national average without intense test prep. To prepare our scholars for success on the SAT and ACT, we will continue to integrate test prep into the high school curriculum and provide

additional instructional time after school and on the weekends to bolster essential skills.

2a2. Do have more academic goals to add?

Yes

2013-14 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2013-14 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 17	75% of students who graduate within 5 years will graduate with an Advanced Regents Diploma.	Internal enrollment data and NYDOE graduation data.	Goal met.	

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 will prepare students for success in college and a life of active democratic citizenship.	The measurement of these goals includes community service data, interscholastic competition results, and metrics of school behavior and citizenship. Additionally, academic metrics, earned visits to colleges, letters of acceptance, and percentage of graduates attending a four year college.	Goal met.	
Org Goal 2	Each year Democracy Prep will maintain a waiting list of at least 25% of our available seats.	Internal enrollment data.	Goal met.	
Org Goal 3	Each year Democracy Prep will have a mobility rate that is 10% less than the district.	Internal enrollment data.	Goal met.	
Org Goal 4	Each year Democracy Prep will have an average daily attendance rate of 95% or better for students and staff.	Internal attendance data - SIS and Leadership	Goal met.	
Org Goal 5	Each year Democracy Prep will garner an 80% satisfaction rate from families.	NYC School Survey	Goal met.	

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

Yes

2013-14 Progress Toward Attainment of Organizational Goals

	Organizational Goal	Measure Used to Evaluate Progress	2013-2014 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Org Goal 6	Each year Democracy Prep will ensure that 80% of service learning sites surveyed are satisfied with our programs.	NYC School Survey	Goal met.	

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	External audit	Goal met.	

Appendix I: Teacher and Administrator Attrition

Created Monday, July 21, 2014

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Charter School Name: 310500860894 DEMOCRACY PREP 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
57	13	11

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	2	1

Thank you

Appendix J: Uncertified Teachers

Created Tuesday, July 22, 2014

Updated Wednesday, July 30, 2014

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Charter School Name: 310500860894 DEMOCRACY PREP CS

Note Definition of FTE:

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

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

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

	FTE
(i) uncertified teachers with at least three years of elementary, middle or secondary classroom teaching experience	18
(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)	25

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

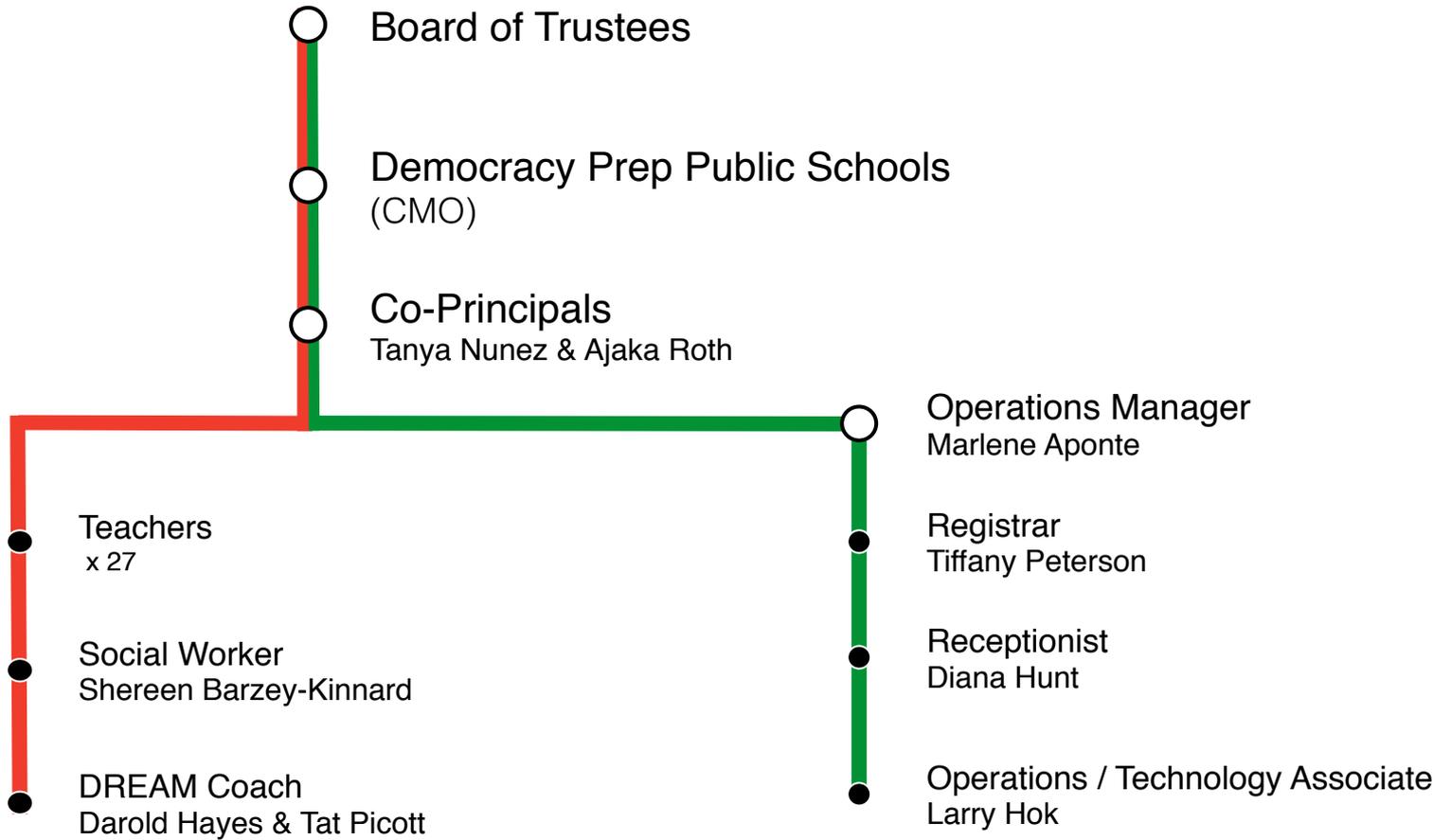
27

Thank you.



DEMOCRACY PREP CHARTER MIDDLE SCHOOL

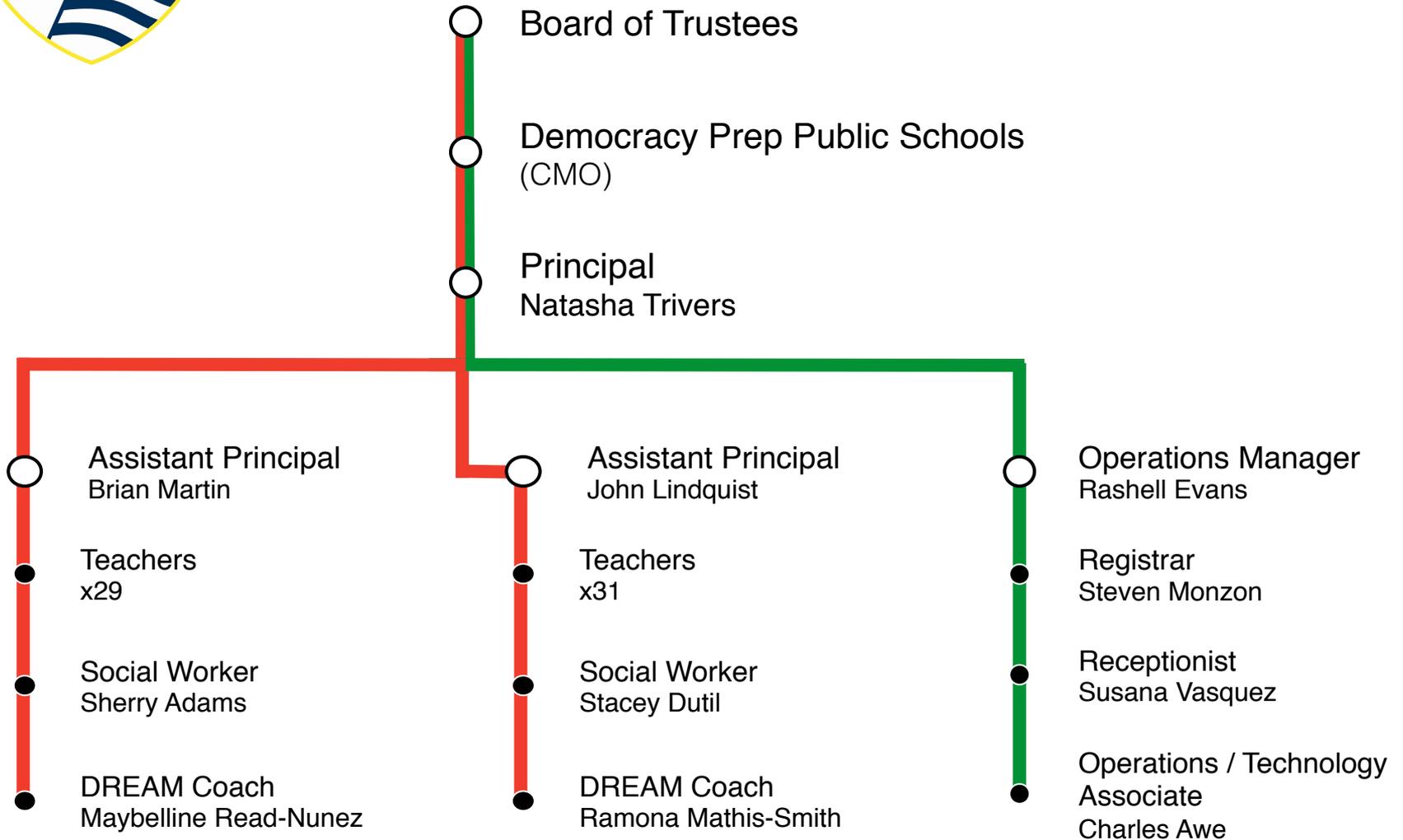
2014-15 ORGANIZATION CHART





DEMOCRACY PREP CHARTER HIGH SCHOOL

2014-15 ORGANIZATION CHART



Appendix B: Total Expenditures and Administrative Expenditures per Child

Created Wednesday, July 30, 2014

Page 1

Charter School Name: 310500860894 DEMOCRACY PREP 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	10299780
1. Total Expenditures Per Child Line 2: BEDS Day Pupil Count	723
1. Total Expenditures Per Child Line 3: Divide Line 1 by Line 2	14246

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)	407373
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)	1383439
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	1790812
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	723
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	2477

Thank you.

Audited Financial Statement Checklist

Created Friday, October 31, 2014

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Charter School Name:

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

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

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

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

Thank you.

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

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

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

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FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY CHARTER SCHOOL

Report on the Financial Statements

We have audited the accompanying financial statements of Democracy Preparatory 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 28, 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 CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 460,600	\$ 1,191,133
Grants and contracts receivable	174,125	156,627
Due from related parties	1,384,759	680,304
Prepaid expenses	101,076	36,396
Total current assets	2,120,560	2,064,460
Property and equipment, net of accumulated depreciation and amortization of \$1,076,839 and \$842,676, respectively	802,873	885,624
Security deposit	300,400	300,000
Restricted cash	71,203	71,061
TOTAL ASSETS	\$ 3,295,036	\$ 3,321,145
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 873,114	\$ 828,985
Accrued payroll and payroll taxes	424,712	398,834
Refundable advances	37,206	20,290
Total current liabilities	1,335,032	1,248,109
Deferred rent	138,089	259,149
Total liabilities	1,473,121	1,507,258
Net assets:		
Unrestricted net assets	1,814,022	1,813,887
Temporarily restricted	7,893	-
Total net assets	1,821,915	1,813,887
TOTAL LIABILITIES AND NET ASSETS	\$ 3,295,036	\$ 3,321,145

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

DEMOCRACY PREPARATORY 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	\$ 10,067,684	\$ -	\$ 10,067,684	\$ 10,069,762
Federal grants	762,102	-	762,102	259,108
Federal E-rate	31,894	-	31,894	302,642
State and city grants	54,921	-	54,921	50,657
Contributions and grants	284,116	21,000	305,116	454,417
Fundraising	-	-	-	133,105
Rental income	503,559	-	503,559	390,925
Interest and other income	4,667	-	4,667	5,879
Net assets released from restriction- satisfaction of purpose restriction	13,107	(13,107)	-	-
Total revenue and support	<u>11,722,050</u>	<u>7,893</u>	<u>11,729,943</u>	<u>11,666,495</u>
Expenses:				
Program services:				
Regular education	9,932,050	-	9,932,050	8,760,968
Special education	996,885	-	996,885	1,437,750
Total program services	<u>10,928,935</u>	<u>-</u>	<u>10,928,935</u>	<u>10,198,718</u>
Supporting services:				
Management and general	792,980	-	792,980	1,215,293
Fundraising	-	-	-	97,395
Total expenses	<u>11,721,915</u>	<u>-</u>	<u>11,721,915</u>	<u>11,511,406</u>
Changes in net assets	135	7,893	8,028	155,089
Net assets - beginning of year	<u>1,813,887</u>	<u>-</u>	<u>1,813,887</u>	<u>1,658,798</u>
Net assets - end of year	<u>\$ 1,814,022</u>	<u>\$ 7,893</u>	<u>\$ 1,821,915</u>	<u>\$ 1,813,887</u>

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

DEMOCRACY PREPARATORY 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	\$ 8,028	\$ 155,089
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	234,163	244,163
Changes in certain assets and liabilities:		
(Increase) Decrease in grants and contracts receivable	(17,498)	41,204
(Increase) in due from related parties	(704,455)	(153,684)
(Increase) Decrease in prepaid expenses	(64,680)	25,427
(Increase) in security deposit	(400)	-
Increase in accounts payable and accrued expenses	44,129	289,476
Increase in accrued payroll and payroll taxes	25,878	5,542
Increase in refundable advances	16,916	20,290
(Decrease) in deferred rent	(121,060)	(113,561)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(578,979)	513,946
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(151,412)	(267,824)
(Increase) in restricted cash	(142)	(197)
NET CASH (USED IN) INVESTING ACTIVITIES	(151,554)	(268,021)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(730,533)	245,925
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,191,133	945,208
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 460,600	\$ 1,191,133

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

DEMOCRACY PREPARATORY 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 Charter School (the "School") is a New York State, not-for-profit educational corporation that was incorporated on December 9, 2005 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 December 9, 2005 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 2010, the Board of Regents extended the School's charter through June 30, 2015. The School is dedicated to providing a high quality college preparatory education to primarily disadvantaged students. Classes commenced in Harlem, New York, in August 2007, and the School provided education to approximately 691 students in grades sixth through twelfth during the 2013-2014 academic year.

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 net 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.

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. Forms 990 filed by the School are no longer subject to examination for the years ended June 30, 2010 and prior.

DEMOCRACY PREPARATORY 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)

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 statements 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

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.

Revenue from the state and local government 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.

DEMOCRACY PREPARATORY 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 credited 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.

Property and Equipment

Purchased property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding, whereas the government agency retains legal title to the long lived asset is expensed as incurred. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

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

Refundable Advances

The School records certain government operating revenue as refundable advances until related services are performed, at which time they are recognized as revenue.

DEMOCRACY PREPARATORY 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.

Reclassifications

Certain 2013 accounts have been reclassified to conform to the 2014 financial statement presentation. The reclassifications have no effect on 2013 total assets, liabilities, net assets and changes in net assets.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

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

NOTE 3 - PROPERTY AND EQUIPMENT

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

	<u>2014</u>	<u>2013</u>
Equipment	\$ 994,997	\$ 915,674
Furniture and fixtures	342,298	294,060
Software	71,770	71,770
Leasehold improvements	<u>470,647</u>	<u>446,796</u>
	1,879,712	1,728,300
Less: Accumulated depreciation and amortization	<u>1,076,839</u>	<u>842,676</u>
	<u>\$ 802,873</u>	<u>\$ 885,624</u>

Depreciation and amortization expense was \$234,163 and \$244,163 for the years ended June 30, 2014 and 2013, respectively.

NOTE 4 - RELATED PARTY TRANSACTIONS

Democracy Preparatory Charter School ("DPCS") is affiliated with three charter schools: Democracy Preparatory Harlem Charter School ("DPH"), 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 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 shall pay to DPPS an annual fee equal to 13% 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 \$1,263,015 and \$1,239,464 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,:

	2014	2013
DPPS	\$ 225,805	\$ 592,935
DBI	(48,274)	93,845
HPCS	318,360	166,223
DPH	128,908	177,988
DPE	175,967	-
	\$ 800,766	\$ 1,030,991

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 conduct charitable, scientific and educational activities. For the years ended June 30, 2014 and 2013, the School incurred \$100,677 and \$99,138 in consulting fees, respectively.

Effective July 1, 2012, the School entered into a sub-sublease agreement with DPH for use of office and classroom facilities at St. Philips Church (see note 9).

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

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued)

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

	2014	2013
DPPS	\$ 963,404	\$ 686,293
DBI	70,213	93,703
HPCS	269,216	(49,144)
DPH	(36,018)	(87,102)
DPE	117,944	36,554
Net balance due from related parties	\$ 1,384,759	\$ 680,304

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

On October 1, 2007, the School entered into a triple-net sublease agreement with Civic Builders Property Holding Corp. ("Sub-landlord") for new facilities at St. Philips Church. The School also entered into license agreements for the use of the undercroft, the elevator and additional classroom space. On August 25, 2008, the School occupied the space. The sublease provides that the School pays a monthly base rent plus triple-net charges for the School's share of expenses related to the lease property. The term of the sublease is twenty two years from the commencement date.

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

NOTE 8 - COMMITMENTS (Continued)

School Facility (Continued)

Commencing on November 1, 2009, and on each subsequent November 1, the School shall pay the Sub-landlord the lesser of 50% of any School surplus (shown on the annual audited financial statements of the School for the immediately prior fiscal year), or any amount equal to 3/7th of the principal amount of the equity investment made by the Sub-landlord as of the date of final completion of Tenant's work. For the years ended June 30, 2014 and 2013, the School incurred \$8,028 and \$155,088, respectively, in connection with the 50% surplus payment to the Sub-landlord which is included in accounts payable and accrued expenses in the statements of financial position.

Future minimum lease payments are as follows:

Year ending June 30, 2015	\$ 828,264
2016	3,124,322
2017	300,577
2018	320,007
2019	340,068
Thereafter	<u>4,385,773</u>
	<u>\$ 9,299,011</u>

The School recognizes rent expense on a straight-line basis. Rent expense in excess of payments is recorded as deferred rent in the accompanying statements of financial position. Rent expense under the operating lease for the years ended June 30, 2014 and 2013 amounted to \$688,345 and \$832,941, respectively.

Effective July 1, 2012, the School entered into a sub-sublease agreement with DPH (a related party, see note 4) for use of office and classroom facilities at St. Philips Church (207 West 133rd Street). The rent payments are based on a fraction, determined annually for each rent year and expressed as a percentage, the numerator of which is the number of students of DPH during the rent year, and the denominator of which is the aggregate number of students at both the School and DPH 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. DPH 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 sublease agreement is terminated by either party. Rental income was \$503,559 and \$390,925 for the years ended June 30, 2014 and 2013, respectively. The School does not disclose the minimum future rent to be received due to the undetermined number of future students served.

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

NOTE 8 - COMMITMENTS (Continued)

Leased Equipment

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

The future minimum lease payments are as follows:

Year ending June 30, 2015	\$	138,956
2016		88,832
2017		70,734
2018		36,545
		<u>\$ 335,067</u>

Equipment rental expense was \$174,623 and \$119,324 for the years ended June 30, 2014 and 2013, respectively. During the year ending June 30, 2012, DPH, (a related party school by common management, see note 4), began to share the cost for one of the equipment leases.

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 for the years ended June 30, 2014 and 2013 amounted to \$119,491 and \$124,983, respectively.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2014</u>	<u>2013</u>
Korean dual language program	\$ 5,893	\$ -
Korean scholarship fund	2,000	-
	<u>\$ 7,893</u>	<u>\$ -</u>

Net assets for the years ended June 30, 2014 and 2013, were released from donor restrictions by satisfying the purpose specified by donor as follows:

	<u>2014</u>	<u>2013</u>
Korean dual language program	\$ 7,107	\$ -
Korean scholarship fund	6,000	-
	<u>\$ 13,107</u>	<u>\$ -</u>

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.

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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY CHARTER SCHOOL

We have audited the financial statements of Democracy Preparatory 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 CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

	2014					
	Program Services			Supporting Services		
	Regular Education	Special Education	Total	Management and General	Total	2013
Salaries	\$ 4,966,701	\$ 498,510	\$ 5,465,211	\$ 377,695	\$ 5,842,906	\$ 5,575,308
Employee benefits and payroll taxes	935,863	93,933	1,029,796	71,169	1,100,965	1,033,608
Audit fees	-	-	-	22,500	22,500	15,500
Professional fees	115,590	11,602	127,192	35,905	163,097	179,942
Management fees	1,073,613	107,759	1,181,372	81,643	1,263,015	1,239,464
Professional development	162,859	16,346	179,205	-	179,205	177,484
Advertising and recruiting	42,628	4,279	46,907	-	46,907	26,673
Office supplies and instructional materials	955,684	95,922	1,051,606	25,026	1,076,632	1,254,805
Conferences and meetings	-	-	-	1,493	1,493	1,873
Food service	321,743	32,294	354,037	33,731	387,768	45,993
Insurance	61,732	6,196	67,928	4,693	72,621	50,709
Facility expense	801,604	80,457	882,061	60,958	943,019	1,050,679
Repairs and maintenance	145,377	14,592	159,969	11,054	171,023	205,063
Printing and postage	-	-	-	9,697	9,697	45,234
Telephone and communication	149,608	15,016	164,624	11,378	176,002	346,819
Travel	-	-	-	8,350	8,350	17,932
Depreciation and amortization	199,048	19,979	219,027	15,136	234,163	244,163
Miscellaneous	-	-	-	22,552	22,552	157
Total	\$ 9,932,050	\$ 996,885	\$ 10,928,935	\$ 792,980	\$ 11,721,915	\$ 11,511,406

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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 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 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 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 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 CHARTER SCHOOL

Report on Compliance for Each Major Federal Program

We have audited Democracy Preparatory 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 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 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 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 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 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 Charter School are reported in this schedule.
7. The programs tested as major programs included:
 - Title I Part A, CFDA No. 84.010
 - National School Breakfast Program, CFDA No. 10.553
 - National School Lunch Program, CFDA No. 10.555
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Democracy Preparatory 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 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:		
Passed through the New York State		
Education Department:		
Charter Schools Program	84.282	\$ 21,197
Special Education - IDEA	84.027	85,668
Title I Part A	84.010	341,579
Title II Part A	84.367	9,000
Total U.S. Department of Education		<u>457,444</u>
U.S. Department of Agriculture:		
Passed through the New York State		
Education Department:		
Child Nutrition Cluster		
National School Breakfast Program	10.553	42,073
National School Lunch Program	10.555	262,585
Total U.S. Department of Agriculture		<u>304,658</u>
Total Expenditures of Federal Awards		<u>\$ 762,102</u>

See accompanying notes to schedule of expenditures of federal awards.

DEMOCRACY PREPARATORY 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 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 CHARTER SCHOOL

MANAGEMENT LETTER

JUNE 30, 2014

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

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

October 30, 2014

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

In planning and performing our audit of the financial statements of Democracy Preparatory 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 by the School during the year ended June 30, 2014 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 CHARTER SCHOOL
MANAGEMENT LETTER
JUNE 30, 2014

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EXHIBIT II – CURRENT YEAR STATUS OF PRIOR YEAR OBSERVATION

- B. Incomplete Student Files 2

EXHIBIT III – CORRECTIVE ACTION TAKEN ON PRIOR YEAR OBSERVATION

- C. Supporting Documentation for Credit Cards 3

DEMOCRACY PREPARATORY 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 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. The status update on those matters is summarized below.

B. INCOMPLETE STUDENT FILES

Observation

We noted the following exceptions during our test of 15 student files. Five 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. Five 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 CHARTER SCHOOL
MANAGEMENT LETTER

EXHIBIT III – CORRECTIVE ACTION TAKEN ON PRIOR YEAR OBSERVATION

C. SUPPORTING DOCUMENTATION FOR CREDIT CARDS

Observation

During our 2013 audit, we reviewed four monthly credit card statements issued to authorized School personnel. We noted that a significant portion was not adequately supported by receipts, invoices, and other documentation.

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.

Corrective Action Taken

During our 2014 audit, we noted that management had implemented measures to retain supporting documents on credit card transactions.

Democry Prep Charter School

PROJECTED BUDGET FOR 2014-2015

PROJECTED BUDGET FOR 2014-2015							Assumptions
July 1, 2014 to June 30, 2015							DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
Please Note: The student enrollment data is entered below in the Enrollment Section beginning in row 147. This will populate the data in row 9.							
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Total Revenue	9,994,688	1,317,652	868,050	250,000	625,502	13,055,892	
Total Expenses	8,589,670	587,630	961,829	-	2,890,704	13,029,833	
Net Income	1,405,018	730,022	(93,779)	250,000	(2,265,202)	26,059	
Actual Student Enrollment	599	105					
Total Paid Student Enrollment	599	105				704	Middle & High Schools
	PROGRAM SERVICES			SUPPORT SERVICES			
	REGULAR EDUCATION	SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL	
Janitorial	20,000	-	-	-	-	20,000	
Building and Land Rent / Lease	1,106,506	-	-	-	-	1,106,506	
Repairs & Maintenance	20,000	-	-	-	-	20,000	
Equipment / Furniture	-	-	-	-	-	-	
Security	20,000	-	-	-	-	20,000	
Utilities	-	-	-	-	-	-	
TOTAL FACILITY OPERATION & MAINTENANCE	1,166,506	-	-	-	-	1,166,506	
DEPRECIATION & AMORTIZATION	155,578	-	-	-	-	155,578	
DISSOLUTION ESCROW & RESERVES / CONTIGENCY	130,559	-	-	-	-	130,559	
TOTAL EXPENSES	8,589,670	587,630	961,829	-	2,890,704	13,029,833	
NET INCOME	1,405,018	730,022	(93,779)	250,000	(2,265,202)	26,059	
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)	599	105	704				
TOTAL ENROLLMENT	599	105	704				
REVENUE PER PUPIL	16,686	12,549	1,233				
EXPENSES PER PUPIL	14,340	5,596	1,366				

Appendix E: Disclosure of Financial Interest Form

Created Monday, July 21, 2014

Page 1

310500860894 DEMOCRACY PREP 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 Monday, July 21, 2014

Page 1

310500860894 DEMOCRACY PREP 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	Josh Pristaw	Chair/President	Yes		3 Terms Election: 2011 Expiration: 2016	Governance, Executive, Academic Accountability, Family & Community Relations
2	Damian Travier		Yes		4 Terms Election: 2010 Expiration: 2016	Development, Family & Community Relations
3	CJ Kettler		Yes		1 Term Election: 2013 Expiration: 2015	Academic Accountability
4	Greg Weston		Yes		5 Terms Election: 2006 Expiration: 2016	Finance, Family & Community Relations
5	Robert North		Yes		5 Terms Election: 2006 Expiration: 2016	Academic Accountability
6	Ken Weiller		Yes		2 Terms Election: 2011 Expiration: 2015	Development, Finance
7	Lee Dunst		Yes		2 Terms Election: 2011 Expiration: 2015	Governance, Academic Accountability
8	Dan Rosenberg		Yes		2 Terms Election: 2012 Expiration: 2015	Development, Finance
9	Josh Morales		Yes		2 Terms Election: 2012 Expiration: 2015	Academic Accountability
10	Matt Casner		Yes		1 Term Election: 2013 Expiration: 2015	Development, Finance
11	Alastair Wood		Yes		1 Term Election: 2013 Expiration: 2015	Governance, Finance
12	CJ Kettler					

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

3

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?

9

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

11

Thank you.



DEMOCRACY PREP CHARTER SCHOOL

Work Hard. Go to College. Change the World!

Appendix H: Enrollment and Retention Targets

Democracy Prep Charter School educates an appropriately high number of high-needs students.

In 2013-14, 81% of DPCS scholars were eligible for Free or Reduced Price Lunch (FRPL), 17% qualified for Special Education (SPED) services, 4% were English Language Learners (ELL), and 98% were Black or Latino. DPCS 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, DPCS 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 DPCS. Additionally, DPCS 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.

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

Created Tuesday, June 17, 2014

Updated Friday, May 08, 2015

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

Page 1

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

1. Trustee Name:

Roy Clay

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

-
- Parent Representative
-

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

No

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

No

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

No

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

Yes

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

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

Signature of Trustee

.

.

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

Created Tuesday, June 17, 2014

Updated Friday, May 08, 2015

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

Page 1

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

1. Trustee Name:

Mimi Barnes-Coppola

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

• Other, please specify...: member

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

No

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

No

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

No

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

No

Signature of Trustee

Mimi Barnes-Coppola

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

Created Wednesday, June 18, 2014

Updated Friday, May 08, 2015

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

Page 1

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

1. Trustee Name:

Natalie L Stoyanoff

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

[REDACTED]

7. *E-mail Address:

[REDACTED]

8. Select all positions you held on Board:

(check all that apply)

• Other, please specify...: trustee

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

No

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

No

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

No

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

No

Signature of Trustee

A handwritten signature in black ink, appearing to read "Natalia Stoyan". The signature is written in a cursive style with a long horizontal line extending to the right.

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

Created Wednesday, June 18, 2014

Updated Friday, May 08, 2015

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

Page 1

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

1. Trustee Name:

Matthew E. Ryan

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

[REDACTED]

7. *E-mail Address:

[REDACTED]

8. Select all positions you held on Board:

(check all that apply)

(No response)

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

No

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

No

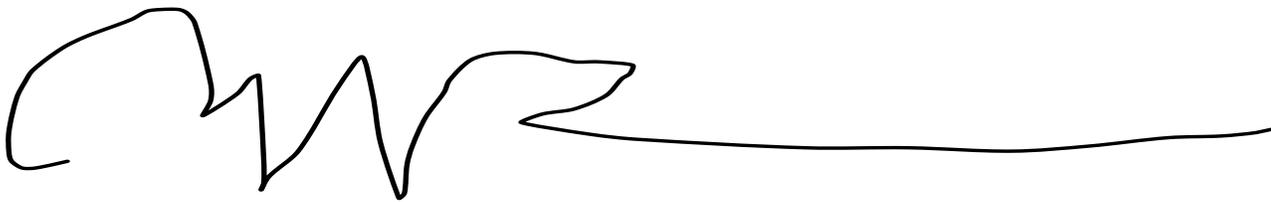
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

A handwritten signature in black ink, consisting of a series of connected loops and a long horizontal tail extending to the right.

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

Created Wednesday, July 02, 2014

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

Page 1

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

1. Trustee Name:

Eric Ozawa

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

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

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

No

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

No

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

(No response)

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

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

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

(No response)

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

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

Signature of Trustee

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

Created Wednesday, July 09, 2014

Updated Thursday, July 10, 2014

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

Page 1

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

1. Trustee Name:

Kathryn Stanton

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

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

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

No

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

Yes

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

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

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

Yes

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

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

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

Yes

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

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

Signature of Trustee

Two handwritten signatures in black ink. The first signature on the left is a cursive-style name that appears to start with a large 'K' or 'A' followed by several loops and a long horizontal stroke. The second signature on the right is a cursive-style name that starts with a large 'R' followed by a horizontal stroke and a final loop.

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

Created Monday, July 14, 2014

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

Page 1

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

1. Trustee Name:

Robert North

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

• Chair/President

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

No

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

No

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

No

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

No

Signature of Trustee

A handwritten signature in black ink, appearing to read "R. M. Smith". The letters are stylized and connected, with a large "R" on the left, followed by "M", "S", "M", and "I" on the right.

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

Created Monday, August 11, 2014

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

Page 1

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

1. Trustee Name:

Samuel Mathias

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

(No response)

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

No

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

No

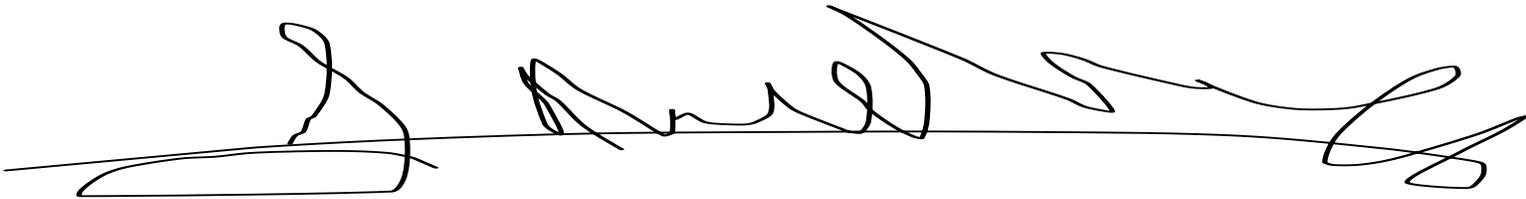
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

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

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

Created Monday, June 23, 2014

Updated Friday, May 08, 2015

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

Page 1

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

1. Trustee Name:

Jennifer Bernacki Smith

2. Charter School Name:

Democracy Prep Harlem Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

(No response)

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

No

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

No

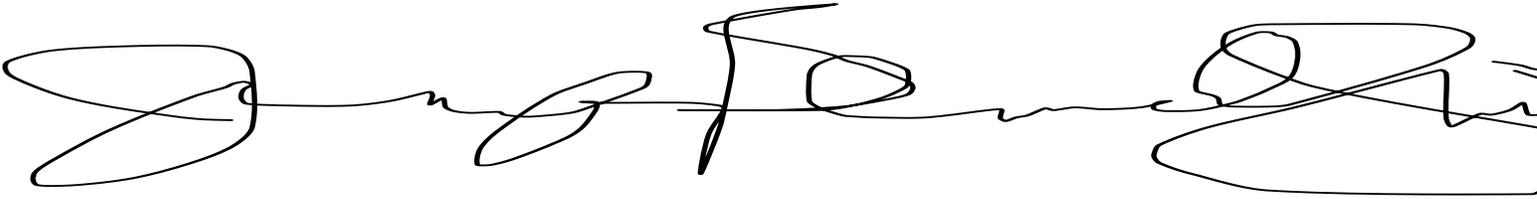
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

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