

I. SCHOOL INFORMATION AND COVER PAGE

Created Tuesday, July 30, 2013

Updated Tuesday, October 22, 2013

Page 1

1. SCHOOL NAME

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

310500860989 DEMOCRACY PREP HARLEM CS

2. CHARTER AUTHORIZER

NYCDOE-Authorized Charter School

3. DISTRICT / CSD OF LOCATION

NYC CSD 5

4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
207 West 133rd Street, New York, NY 10030	212-281-1248	212-281-4202	kduffy@democracyprep.org and cc: bfeit@democracyprep.org

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Contact Name	Benjamin Feit
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Title	Deputy Chief of Staff
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Emergency Phone Number (###-###-####)	

5. SCHOOL WEB ADDRESS (URL)

www.democracyprep.org

6. DATE OF INITIAL CHARTER

2010-02-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

2010-08-01 00:00:00

8. TOTAL NUMBER OF STUDENTS ENROLLED IN 2012-13 (as reported on BEDS Day)

(as reported on BEDS Day)

357

9. GRADES SERVED IN SCHOOL YEAR 2012-13

Check all that apply

• 6

• 7

• 8

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]	[REDACTED]	No
Compliance Contact	Benjamin Feit	[REDACTED]		[REDACTED]	Yes

11. FACILITIES

Will the School maintain or operate multiple sites?

No, just one site.

12. SCHOOL SITES

Please list the sites where the school will operate in 2013-14.

	Physical Address	Phone Number	District/CSD	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	207 West 133rd Street, New York, NY 10030	212-281-1248	CSD 5	6, 7, 8	Yes	Rent/Lease

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

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Anwar Abdul-Rahman			arahman@democracyprep.org

13. Are the School sites co-located?

(No response)

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
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14. Were there any revisions to the school's charter during the 2012-2013 school year? (Please include both those that required authorizer approval and those that did not require authorizer approval).

Yes

15. Summary of Charter Revisions

	Category (Select Best Description)	Specific Revision (150 word limit)	Date Approved by BOT (if applicable)	Date Approved by Authorizer (if applicable)
1	Change in Grade Level Configuration	Democracy Prep Harlem Charter School applied for and received authorization to expand to serve both elementary and high school students.	3/6/13	3/2013

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



Signature, President of the Board of Trustees

Thank you.

Signature Page for President of Board of Trustees

Created Thursday, August 01, 2013

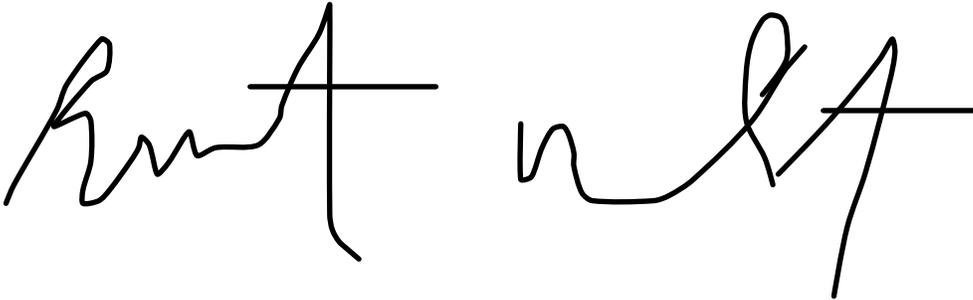
Page 1

310500860989 DEMOCRACY PREP HARLEM CS

16. My signature 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 stylist on your mobile device to sign your name).

- Yes
-

Signature, Board President

Two handwritten signatures in black ink. The first signature is on the left and the second is on the right. Both signatures are stylized and appear to be written with a pen or marker. Each signature has a horizontal line extending to the right from the end of the main stroke.

Thank you.

Appendix A: Progress Toward Goals

Created Friday, October 25, 2013
Updated Friday, November 01, 2013

Page 1

Charter School Name: 310500860989 DEMOCRACY PREP HARLEM CS

1. NEW YORK STATE REPORT CARD

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

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

<https://reportcards.nysed.gov/files/2011-12/RC-2012-310500860989.pdf>

2. APPENDIX A: PROGRESS TOWARD CHARTER GOALS

2a. ACADEMIC STUDENT PERFORMANCE GOALS

If the Progress Toward Charter Goals are based on student performance data that the school will not have access to by August 1, 2013 (e.g., the NYS Assessment results), please list goals and explain this in the "Progress Towards Attainment" column. This information can be updated for Appendix A when available but no later than November 1, 2013. Board of Regents-authorized charter schools that opened for instruction in the fall of 2012 or that were renewed in 2012-13 will be held to the same charter-specific academic goals. Board of Regents-authorized charter schools will also be held accountable to Student Performance Benchmark 1 of the Performance Framework.

2012-13 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2012-2013 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 at least two consecutive years will perform at or above level 3 on the New York State English Language Arts Exam.	New York State English Language Arts Exam	With the introduction of Common Core State Standards in 2012-2013, Democracy Prep Harlem did not achieve absolute goals of 75% proficiency or higher on the New York State ELA exam. Democracy Prep Harlem achieved State Exam results similar to other schools in the district, suggesting that performance did not decline so much as the bar was raised dramatically.	We have spent the summer refining our scope and sequence documents, particularly for Reading Comprehension, Textual Analysis and Writing, to align our work with the Common Core State Standards shifts. We have redesigned our curricular standards in order to ensure that there is closer alignment between our internal curricular standards and the established Common Core State Standards (CCSS). We have also redesigned our internal assessments and

kept them away from teachers in order to mimic the testing experience with the scholars. Our major push is building knowledge in a cohesive and coherent way, drawing from the Core Knowledge curriculum. Instead of focusing solely on strategies using unrelated reading passages, we will now use Knowledge Domain specific readings, aligned to scientific and history content knowledge, built over time and taught to a standard. In writing, we previously utilized more narrative-based, inward-focused assignments and skills. Now, we are focused more on expository, opinion-based writing. The writing rubric shifts to align to CCSS and will be more objectively written.

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	<p>With the introduction of Common Core State Standards in 2012-2013, Democracy Prep Harlem did not achieve absolute goals of 75% proficiency or higher on the New York State Math exam.</p> <p>Democracy Prep Harlem achieved State Exam results similar to other schools in the district, suggesting that performance did not decline so much as the bar was raised dramatically.</p>	<p>Our goal is to have students demonstrate proficiency in Mathematics. Moving forward, we have redesigned our curricular standards in order to ensure that there is closer alignment between our internal curricular standards and the established common core standards. Additionally, we have added Assistant Superintendents charged with ensuring consistent delivery of academic systems, including internal and external assessments. Assistant Superintendent will coach Campus Directors, provide professional development for them, and push them to use their time appropriately. We have Academic Specialists who will provide additional coaching for teachers that is subject specific and pedagogically focused. Academic Specialists will also provide monthly professional development sessions for teachers in their content areas.</p>
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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	<p>With the introduction of Common Core State Standards in 2012-2013, Democracy Prep Harlem did not achieve absolute goals of 75% proficiency or higher on the New York State Science exam.</p> <p>Democracy Prep Harlem achieved State Exam results similar to other schools in the district, suggesting that performance did not decline so much as the bar was raised dramatically.</p>	DPH will utilize resources included in the Scott Foresman Science Program and the Core Knowledge curriculum to create appropriate assessments designed to gauge student mastery of the DPH science standards.
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.	New York State Social Studies Exam	N/A	
Academic Goal 5	For years 2 through 5 of Democracy Prep Harlem, grade-level cohorts of the same students (i.e. students who are in the school for two years in a row) will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State ELA exam and 75 percent at or above Level 3 on the current year's State ELA exam.	New York State English Language Arts Exam	<p>With the introduction of Common Core State Standards in 2012-2013, Democracy Prep Harlem did not achieve this goal.</p> <p>Democracy Prep Harlem achieved State Exam results similar to other schools in the district, suggesting that performance did not decline so much as the bar was raised dramatically.</p>	<p>We have spent the summer refining our scope and sequence documents, particularly for Reading Comprehension, Textual Analysis and Writing, to align our work with the Common Core State Standards shifts. We have redesigned our curricular standards in order to ensure that there is closer alignment between our internal curricular standards and the established Common Core State Standards (CCSS). We have also redesigned our internal assessments and kept them away from teachers in order to mimic the testing experience with the scholars. Our major push is building knowledge in a cohesive and coherent way, drawing from the Core Knowledge curriculum. Instead of focusing solely on strategies using unrelated reading passages, we will now use Knowledge Domain specific readings, aligned to scientific and history content knowledge, built over time and taught to a standard. In writing, we</p>

				previously utilized more narrative-based, inward-focused assignments and skills. Now, we are focused more on expository, opinion-based writing. The writing rubric shifts to align to CCSS and will be more objectively written.
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.	<p>With the introduction of Common Core State Standards in 2012-2013, Democracy Prep Harlem did not achieve this goal.</p> <p>Democracy Prep Harlem achieved State Exam results similar to other schools in the district, suggesting that performance did not decline so much as the bar was raised dramatically.</p>	<p>We have spent the summer refining our scope and sequence documents, particularly for Reading Comprehension, Textual Analysis and Writing, to align our work with the Common Core State Standards shifts. We have redesigned our curricular standards in order to ensure that there is closer alignment between our internal curricular standards and the established Common Core State Standards (CCSS). We have also redesigned our internal assessments and kept them away from teachers in order to mimic the testing experience with the scholars. Our major push is building knowledge in a cohesive and coherent way, drawing from the Core Knowledge curriculum. Instead of focusing solely on strategies using unrelated reading passages, we will now use Knowledge Domain specific readings, aligned to scientific and history content knowledge, built over time and taught to a standard. In writing, we previously utilized more narrative-based, inward-focused assignments and skills. Now, we are focused more on expository, opinion-based writing. The writing rubric shifts to align to CCSS and will be more objectively written.</p>
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	Measured by an analysis of performance of CSD 5 conducted by the Department of Education.	Goal met.	

the average performance of students tested in the same grades of Community School District 5.

2a1. Do have more academic goals to add?

No

2a2. Do have more academic goals to add?

No

2b. ORGANIZATIONAL GOALS

2012-13 Progress Toward Attainment of Organizational Goals

	Organizational Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Org Goal 1	Democracy Prep Harlem will prepare students for success in college and citizenship.	We will measure our progress based on academic metrics, earned visits to colleges, and a College Preparation Portfolio (CPP) required for promotion to the high school. The CPP2 includes a transcript, a complete college application with essays, interviews, extra-curricular activities, recommendations, and an academic honors thesis, demonstration of mastery in all areas of the Democracy Prep curriculum, required public service, advocacy efforts, summer internships, and other civic activities.	Goal met.	
Org Goal 2	Each year, Democracy Prep will maintain a waiting list of at least 40% of available seats.	Internal enrollment data.	Goal met.	
Org Goal 3	Each year, Democracy Prep will have a negative attrition rate of 10% or less.	Internal enrollment data.	Goal met.	

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

No

2c. FINANCIAL GOALS

2012-13 Progress Toward Attainment of Financial Goals

	Financial Goals	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Financial Goal 1	We will continue to operate with a surplus each year and maintain the highest standards of financial controls, management, and auditing.	External audit.	Goal met.	

Pursuant to the New York State Education Department's 2012-13 Annual Report Guidelines for New York State Charter Schools, our understanding is that schools authorized by the New York City Department of Education are not required to complete an Accountability Plan Progress Report in this format.

Total Expenditures and Administrative Expendi

Democracy Prep Harlem Charter
6/30/2013

Total Number of Enrolled Students (FTE):

	Total Expenditures
Total :	\$ 5,092,491.36
Expenditures Per Pupil:	\$ 14,941.66

Expenditures Per Child

School

340.825

**Administrative
Expenditures**

\$ 384,107.10

\$ 1,126.99

Audited Financial Statement Checklist

Created Friday, November 01, 2013

Page 1

Charter School Name:

1. Please check each item that is included in the 2012-13 Audited Financial Statement submitted for your charter school.

	Yes	No	NA
Audited Financial Statements (including report on compliance and report on internal control over financial reporting)	True	False	False
Single Audit (if applicable)	False	False	False
CSP Agreed Upon Procedures (if applicable)	False	False	False
Management Letter	True	False	False
Report on Extracurricular Student Activity Accounts (if applicable)	False	False	False
Corrective Action Plans for any Findings	False	False	False

2. Please indicated if there is a finding(s) noted in any of the following sections of your charter school's 2012-13 Audited Financial Statement.

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

Thank you Maribeth .

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

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

Report on the Financial Statements

We have audited the accompanying financial statements of Democracy Preparatory Harlem Charter School (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2013, 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 entity'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 entity'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, 2013, 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.

Report on Summarized Comparative Information

We have previously audited the School's 2012 financial statements, and our report dated October 25, 2012, 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, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2013, 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 22, 2013

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

	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,747,905	\$ 1,424,239
Grants and contracts receivable	71,316	243,430
Prepaid expenses	8,173	10,956
Due from related parties	54,299	-
Total current assets	1,881,693	1,678,625
Property and equipment, net of accumulated depreciation and amortization of \$178,491 and \$86,840, respectively	307,295	349,851
Restricted cash	70,160	30,070
TOTAL ASSETS	\$ 2,259,148	\$ 2,058,546
 LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 313,236	\$ 158,224
Accrued payroll and payroll taxes	204,050	187,466
Due to related parties	-	215,887
Refundable advances	227,325	35,378
Total current liabilities	744,611	596,955
Unrestricted net assets	1,514,537	1,461,591
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$ 2,259,148	\$ 2,058,546

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

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

	2013	2012
Revenue and support:		
State and local per pupil operating revenue	\$ 5,037,974	\$ 3,478,509
Federal grants	142,588	345,139
Federal E-rate	-	230,397
State and city grants	25,679	16,536
Contributions and grants	141,039	286,333
Interest income	6,060	3,380
Total revenue and support	5,353,340	4,360,294
Expenses:		
Program services:		
Regular education	4,041,158	2,374,537
Special education	612,435	576,312
Total program services	4,653,593	2,950,849
Supporting services:		
Management and general	593,879	310,100
Fundraising	52,922	41,753
Total expenses	5,300,394	3,302,702
Changes in unrestricted net assets	52,946	1,057,592
Unrestricted net assets - beginning of year	1,461,591	403,999
Unrestricted net assets - end of year	\$ 1,514,537	\$ 1,461,591

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

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

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in unrestricted net assets	\$ 52,946	\$ 1,057,592
Adjustments to reconcile changes in unrestricted net assets to net cash provided by operating activities:		
Depreciation and amortization	91,651	60,047
Changes in assets and liabilities:		
Decrease (Increase) in grants and contracts receivable	172,114	(4,803)
Decrease (Increase) in prepaid expenses	2,783	(8,093)
(Increase) in due from related parties	(54,299)	-
Increase in accounts payable and accrued expenses	155,012	97,711
Increase in accrued payroll and payroll taxes	16,584	69,929
(Decrease) Increase in due to related parties	(215,887)	94,149
Increase in refundable advances	191,947	26,420
NET CASH PROVIDED BY OPERATING ACTIVITIES	412,851	1,392,952
CASH FLOWS FROM INVESTING ACTIVITY:		
(Increase) in restricted cash	(40,090)	(10,048)
Purchases of property and equipment	(49,095)	(288,291)
NET CASH (USED IN) INVESTING ACTIVITIES	(89,185)	(298,339)
NET INCREASE IN CASH AND CASH EQUIVALENTS	323,666	1,094,613
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,424,239	329,626
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,747,905	\$ 1,424,239

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

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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

Nature of Organization

Democracy Preparatory Harlem Charter School (the “School”) is a New York State, not-for-profit educational corporation that was incorporated to operate a charter school pursuant to Article 56 of the Education Law of the State of New York. The School was granted a provisional charter on February 9, 2010 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The School’s purpose is to educate students by providing them with a demanding academic program that prepares them for success in college and citizenship. Classes commenced in Harlem, New York, in September 2010, and the School provided education to approximately 340 students in sixth through eighth grades during the 2012-2013 academic year.

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

Food Services

The New York City Department of Education initially provided free lunches directly to a majority of the School’s students. Such costs are not included in these financial statements. The School covers the cost of lunches for children not entitled to the free lunches. Beginning in January 2013 the School retained an outside vendor to provide meals for students. Effective for the 2013-2014 academic year, the School became a “recipient agency” under the related Harlem Prep Charter School’s (a related party, see note 4) SFA “School Food Authority”, and therefore will receive Federal and New York State reimbursements under the Child Nutrition Program.

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii). The School is subject to income taxes only on net unrelated business income. The School did not have any unrelated business income for the years ended June 30, 2013 and 2012.

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

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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

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

Basis of Presentation

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

Unrestricted

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

Temporarily Restricted

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

Permanently Restricted

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

The School had no temporarily or permanently restricted net assets at June 30, 2013 and 2012.

Revenue and Support

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

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

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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

Use of Estimates

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

Cash and Cash Equivalents

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

Concentration of Credit Risk

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

Restricted Cash

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

Property and Equipment

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

Furniture and fixtures	7 years
Computers and equipment	5 years
Software	3 years

Refundable Advances

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

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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 2012 financial statements from which the summarized information was derived.

Reclassifications

Certain 2012 accounts have been reclassified to conform to the 2013 financial statement presentation. The reclassifications have no effect on 2012 total assets, liabilities, net assets and change 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 consists of the following at June 30,:

	<u>2013</u>	<u>2012</u>
Furniture and fixtures	\$ 32,501	\$ 15,131
Computers and equipment	447,515	415,790
Software	<u>5,770</u>	<u>5,770</u>
	485,786	436,691
Less: Accumulated depreciation and amortization	<u>178,491</u>	<u>86,840</u>
	<u>\$ 307,295</u>	<u>\$ 349,851</u>

Depreciation and amortization expense was \$91,651 and \$60,047 for the years ended June 30, 2013 and 2012, respectively.

NOTE 4 - RELATED PARTY TRANSACTIONS

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

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued)

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

For the years ended June 30, 2013 and 2012, the School incurred \$725,729 and \$554,429 in management fees, respectively.

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

	<u>2013</u>	<u>2012</u>
DPCS	\$ 177,988	\$ 209,412
HPCS	<u>124</u>	<u>8,830</u>
	<u>\$ 178,112</u>	<u>\$ 218,242</u>

The School is an affiliate of Democracy Builders, Inc. ("DBI"), a 501(c)(4) national advocacy organization that organizes parents to advocate for better school choices and educational outcomes for the children in their communities. The School entered into a consulting agreement with DBI to conduct charitable, scientific, and educational activities. For the years ended June 30, 2013 and 2012, the School incurred \$50,575 and \$35,000 in consulting fees, respectively.

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

	<u>2013</u>	<u>2012</u>
DPPS	\$ (28,477)	\$ (126,436)
DPCS	87,102	(89,143)
DBI	(12,644)	(8,750)
HPCS	<u>8,318</u>	<u>8,442</u>
Net balance due from (to) related parties	<u>\$ 54,299</u>	<u>\$ (215,887)</u>

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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

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

Rent expense under this sub-sublease agreement was \$390,925 and \$-0- for the years ended June 30, 2013 and 2012, respectively.

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

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 9 - RETIREMENT PLAN

The School maintains a retirement plan qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, the School will match employee contributions up to 5% of annual compensation. Employer match was \$58,737 and \$42,139 for the years ended June 30, 2013 and 2012, respectively.

NOTE 10 - SUBSEQUENT EVENTS

The School has evaluated its subsequent events through October 22, 2013 the date that the accompanying financial statements were issued. The School has no material events requiring disclosure other than as noted below.

Effective for the 2013-2014 academic year, the School expanded its charter to add kindergarten and ninth grades.

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

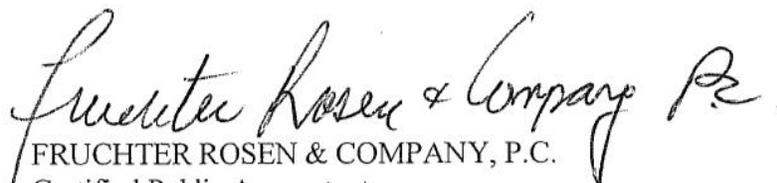
TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

We have audited the financial statements of Democracy Preparatory Harlem Charter School as of and for the year ended June 30, 2013, and have issued our report thereon dated October 22, 2013, 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 22, 2013

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

2013

	Program Services			Supporting Services			2012
	Regular Education	Special Education	Total	Management and General	Fundraising	Total	
Salaries	\$ 2,177,351	\$ 330,241	\$ 2,507,592	\$ 223,221	\$ 9,870	\$ 2,740,683	\$ 1,828,378
Employee benefits and payroll taxes	405,211	61,459	466,670	41,537	1,837	510,044	333,638
Professional fees	30,754	4,648	35,402	18,398	2,529	56,329	39,551
Management fees	441,311	66,700	508,011	181,432	36,286	725,729	554,429
Audit fees	-	-	-	15,250	-	15,250	15,357
Professional development	50,072	7,595	57,667	5,133	227	63,027	64,082
Advertising and recruiting	12,462	1,884	14,346	2,101	-	16,447	14,157
Instructional materials and office supplies	343,743	51,953	395,696	33,322	-	429,018	281,196
Conferences and meetings	-	-	-	1,035	-	1,035	2,887
Food service	101,059	15,274	116,333	14,754	-	131,087	22,195
Insurance	19,822	3,006	22,828	2,032	90	24,950	15,112
Facility expense	342,909	52,010	394,919	35,153	1,555	431,627	10,240
Printing and postage	-	-	-	3,559	-	3,559	888
Telephone and communication	43,651	6,621	50,272	4,474	198	54,944	53,941
Travel	-	-	-	3,336	-	3,336	5,474
Depreciation and amortization	72,813	11,044	83,857	7,464	330	91,651	60,047
Miscellaneous	-	-	-	1,678	-	1,678	1,130
Total	\$ 4,041,158	\$ 612,435	\$ 4,653,593	\$ 593,879	\$ 52,922	\$ 5,300,394	\$ 3,302,702

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

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Democracy Preparatory Harlem Charter School (the "School"), which comprise the statement of financial position as of June 30, 2013, 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 22, 2013.

Internal Control Over Financial Reporting

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

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

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

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

Compliance and Other Matters

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

We noted certain matter that was reported to the management of the School in a separate letter dated October 22, 2013.

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 22, 2013

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL

MANAGEMENT LETTER

JUNE 30, 2013

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 22, 2013

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

In planning and performing our audit of the financial statements of Democracy Preparatory Harlem Charter School (the "School") as of and for the year ended June 30, 2013, 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 our auditing procedures 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 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 significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Exhibit I accompanying this letter summarizes an observation for the year ended June 30, 2013 that we determined did not constitute a significant deficiency or material weakness. Exhibit II summarizes corrective action taken by the School during the year ended June 30, 2013 on prior year' observation. Management's response to the observation has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Board of Trustees of
Democracy Preparatory Harlem Charter School

This communication is intended solely for the information and use of management, Board of Trustees, federal, state and local awarding agencies, The Department of Education of the City of New York, The State Education Department of the State University of New York, 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 22, 2013

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
MANAGEMENT LETTER
JUNE 30, 2013

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EXHIBIT I – CURRENT YEAR OBSERVATION

- | | | |
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| A. | Incomplete Student Files | 1 |
|----|--------------------------|---|

EXHIBIT II – CORRECTIVE ACTION NOT TAKEN ON PRIOR YEAR OBSERVATION

- | | | |
|----|--------------------|---|
| B. | Insurance Coverage | 2 |
|----|--------------------|---|

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
MANAGEMENT LETTER

EXHIBIT I – CURRENT YEAR OBSERVATION

A. INCOMPLETE STUDENT FILES

Observation

We noted the following exceptions during our test of 15 student files. 7 student files do 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.

Management's Response

Management recognizes the observation and agrees to update the current student record file checklist to reflect all required documentation.

DEMOCRACY PREPARATORY HARLEM CHARTER SCHOOL
MANAGEMENT LETTER

EXHIBIT II – CORRECTIVE ACTION NOT TAKEN ON PRIOR YEAR OBSERVATION

In conjunction with performing the audit of the School's financial statements for the year ended June 30, 2013, we followed up on the status of implementation of audit recommendations made for the year ended June 30, 2012. The status update on those matters is summarized below.

B. INSURANCE COVERAGE

Observation

We noted insurance coverage under personal property is limited to \$250,000. This appears low based on the current cost maintained in your fixed asset register of approximately \$436,000. We also noted insurance coverage under employee theft is limited to \$250,000. This coverage appears low based on the current cash balance maintained in your general ledger of approximately \$1,400,000. Therefore we believe the School is underinsured in regards to the above coverage.

Recommendation

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

Current Year Status

During our 2013 audit, we noted that insurance coverage for employee dishonesty remained at \$250,000. This coverage is low based on the current cash balance maintained in your general ledger of approximately \$1,700,000.

Updated Management's Response

Management accepts the recommendation and is in the process, with the insurance agency, to submit the required application to increase coverage.

Pursuant to the New York State Education Department's 2012-13 Annual Report Guidelines for New York State Charter Schools, our understanding is that schools authorized by the New York City Department of Education are not required to submit Audited Financial Statements in this format.

Pursuant to the New York State Education Department's 2012-13 Annual Report Guidelines for New York State Charter Schools, our understanding is that schools authorized by the New York City Department of Education are not required to submit Audited Financial Statements in this format.

Appendix D: FY2014 Budget

Pursuant to the New York State Education Department's 2012-13 Annual Report Guidelines for New York State Charter Schools, our understanding is that schools authorized by the New York City Department of Education are not required to provide a copy of the school's FY 2014 budget.

Appendix E: Disclosure of Financial Interest Form

Created Tuesday, July 30, 2013

Updated Wednesday, July 31, 2013

Page 1

310500860989 DEMOCRACY PREP HARLEM CS

An Appendix E: Disclosure of Financial Interest Form must be completed for each active Trustee who served on the charter school's Board of Trustees during the 2012-13 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-disclosure-of-financial-interest-form/>.

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 <http://fluidsurveys.com/account/surveys/210748/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 Tuesday, July 30, 2013

Page 1

310500860989 DEMOCRACY PREP HARLEM CS

1. Current Board Member Information

	Full Name of Individual Trustees	Position on Board (Officer or Rep).	Voting Member	Area of Expertise &/or Additional Role	Terms Served & Length (include date of election and expiration)	Committee affiliations
1	Robert North	Chair/President	Yes		2 Terms Election: 2010 Expiration: 2014	Executive, Academic, Development
2	Blondel Pinnock	Treasurer	Yes		3 Terms Election: 2010 Expiration: 2014	Executive, Family and Community Relations
3	Stephen Gordon	Secretary	Yes		2 Terms Election: 2010 Expiration: 2014	Executive, Development
4	Katie Duffy	Member	Yes		2 Terms Election: 2010 Expiration: 2014	Finance, Governance
5	Eric Ozawa	Member	Yes		1 Term Election: 2010 Expiration: 2014	Governance, Academic
6	Helen Walter	Member	Yes		2 Term Election: 2011 Expiration: 2014	Academic, Family and Community Relations
7	Sean Windsor	Member	Yes		1 Terms Election: 2013 Expiration: 2015	Finance, Academic, Governance
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

2. Total Number of Members Joining Board during the 2012-13 school year

0

3. Total Number of Members Departing the Board during the 2012-13 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 2012-13 school year?

8

6. How many times will the Board meet during the 2013-14 school year?

10

Thank you.

Appendix H: Enrollment and Retention Targets

Democracy Prep Harlem Charter School educates an appropriately high number of high-needs students. In the 2012-13 school year, 88% of students were eligible for Free or Reduced Price Lunch (FRPL), 19% qualified for Special Education (SPED) services, 5% are English Language Learners (ELL), and 100% were Black or Latino.

DPH uses various outreach efforts to attract and retain students who are at risk of academic failure and will continue to adopt and implement new measures designed to sustain its comparatively large proportion of such students in 2013-14 and beyond. Specifically, DPH contacts Special Education instructors, ELL instructors, and guidance counselors in elementary schools in Community School District 5 in order to identify high-needs students that could naturally feed into DPH. Additionally, DPH directly mails applications to all students in Upper Manhattan and the Bronx and canvasses each housing development in Upper Manhattan in order to drop off enrollment applications at each door irrespective of whether a school-aged student resides in that apartment. Native Spanish speakers accompany each canvasser to ensure that Spanish-speaking families are not precluded from applying to DPH.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Tuesday, July 30, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/99fcfe04847c6773c8676507ffa>

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:

Katie Duffy

2. Charter School Name:

Democracy Prep Charter School - Harlem

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

Variable	Response
4. *Your Home Address: Street Address	[REDACTED]
4. *Your Home Address: City/State	[REDACTED]
4. *Your Home Address: Zip	[REDACTED]

5. *Your Business Address

Variable	Response
5. *Your Business Address Street Address	[REDACTED]
5. *Your Business Address City/State	[REDACTED]
5. *Your Business Address Zip	[REDACTED]

6. *Daytime Phone Number:

[REDACTED]

7. *E-mail Address:

8. Select all positions you held on Board:

[REDACTED]

(No response)

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

No

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

Yes

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

Variable	Response
[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	(No response)
[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	(No response)
[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	(No response)

Page 2

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	(No response)	(No response)	(No response)	(No response)
2	(No response)	(No response)	(No response)	(No response)
3	(No response)	(No response)	(No response)	(No response)
4	(No response)	(No response)	(No response)	(No response)
5	(No response)	(No response)	(No response)	(No response)

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	(No response)	(No response)	(No response)	(No response)	(No response)
2	(No response)	(No response)	(No response)	(No response)	(No response)
3	(No response)	(No response)	(No response)	(No response)	(No response)
4	(No response)	(No response)	(No response)	(No response)	(No response)
5	(No response)	(No response)	(No response)	(No response)	(No response)

Signature of Trustee

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Wednesday, July 31, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/9eef61ae352c8fb4ddb62345c>

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 Charter School - Harlem

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

Variable	Response
4. *Your Home Address: Street Address	[REDACTED]
4. *Your Home Address: City/State	[REDACTED]
4. *Your Home Address: Zip	[REDACTED]

5. *Your Business Address

Variable	Response
5. *Your Business Address Street Address	[REDACTED]
5. *Your Business Address City/State	[REDACTED]
5. *Your Business Address Zip	[REDACTED]

6. *Daytime Phone Number:

[REDACTED]

[REDACTED]

roberthnorth45@yahoo.com



-
- 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

Page 2

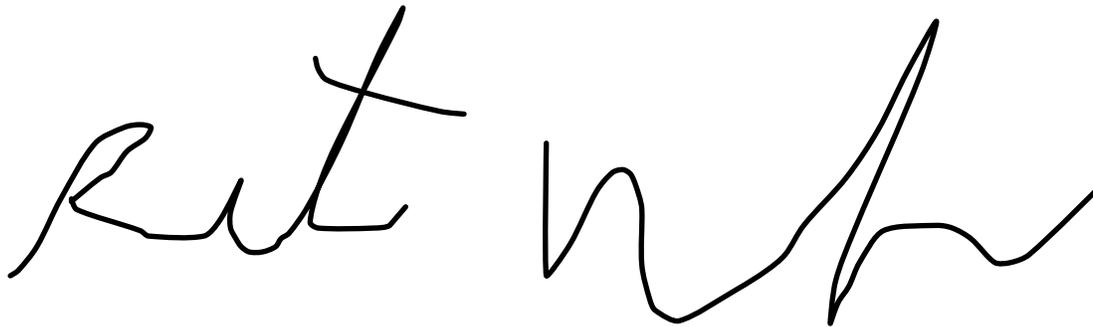
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

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 two parts. The first part is a cursive 'Rut' and the second part is a cursive 'wh'. The signature is written on a white background.