

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

FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY CHARTER SCHOOL

We have audited the accompanying statements of financial position of Democracy Preparatory Charter School (the "School") (a not-for-profit corporation) as of June 30, 2010 and 2009, and the related statements of activities, and cash flows for years then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior period summarized comparative information has been derived from the School's 2009 financial statements and, in our report dated October 22, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2010 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 on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.


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

New York, New York
October 7, 2010

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

	2010	2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 874,007	\$ 1,338,433
Grants and contracts receivable	376,168	385,032
Due from related parties	79,310	268
Prepaid expenses	89,358	20,204
Total current assets	1,418,843	1,743,937
Property and equipment, net of accumulated depreciation and amortization of \$171,262 and \$75,403, respectively	514,081	319,558
Security deposit	300,000	-
Restricted cash	70,263	75,221
TOTAL ASSETS	\$ 2,303,187	\$ 2,138,716
 LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 149,036	\$ 157,696
Accrued payroll and payroll taxes	447,142	394,056
Refundable advances	30,168	-
Total current liabilities	626,346	551,752
Deferred rent	330,723	256,539
Total liabilities	957,069	808,291
Unrestricted net assets	1,346,118	1,330,425
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$ 2,303,187	\$ 2,138,716

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,

	2010	2009
Revenue and support:		
State and local per pupil operating revenue	\$ 5,679,708	\$ 4,686,131
Federal grants	414,255	574,570
State and city grants	138,281	72,165
Contributions and grants	360,745	317,371
Donated services	40,405	113,617
Interest income	5,808	5,506
Other income	25,000	-
Total revenue and support	6,664,202	5,769,360
Expenses:		
Program services:		
Regular education	4,715,890	4,184,440
Special education	861,943	310,380
Total program services	5,577,833	4,494,820
Supporting services:		
Management and general	955,813	918,020
Fundraising	114,863	144,549
Total expenses	6,648,509	5,557,389
Changes in unrestricted net assets	15,693	211,971
Unrestricted net assets - beginning of year	1,330,425	1,118,454
Unrestricted net assets - end of year	\$ 1,346,118	\$ 1,330,425

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,

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in unrestricted net assets	\$ 15,693	\$ 211,971
Adjustments to reconcile changes in unrestricted net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	95,859	64,470
Changes in certain assets and liabilities:		
Decrease in grants and contracts receivables	8,864	7,627
(Increase) in prepaid expense	(69,154)	(12,128)
(Increase) in security deposits	(300,000)	-
(Increase) in due from related parties	(79,042)	(268)
Increase in refundable advances	30,168	-
(Decrease) Increase in accounts payable and accrued expenses	(8,660)	60,222
Increase in accrued payroll and payroll taxes	53,086	203,242
Decrease (Increase) in restricted cash	4,958	(50,221)
Increase in deferred rent	74,184	256,539
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(174,044)</u>	<u>741,454</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property and equipment	<u>(290,382)</u>	<u>(321,755)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(464,426)	419,699
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,338,433</u>	<u>918,734</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 874,007</u>	<u>\$ 1,338,433</u>

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, 2010 AND 2009

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. 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 presently provides education to approximately 395 students in grades six through nine.

The School shared space with a New York City public school for the 2006-2007 and the 2007-2008 school years. On October 1, 2007, the School entered into a sublease for new facilities and occupied the space during the 2008-2009 school year (see Note 9).

Food Services

The New York City Department of Education provides 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.

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).

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.

DEMOCRACY PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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

Basis of Presentation (Continued)

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 has no temporarily or permanently restricted net assets at June 30, 2010 and 2009.

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 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.

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.

DEMOCRACY PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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

Cash and Cash Equivalents

For the purpose of the statement 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. 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	20 years

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.

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 statement of activities or by functional category in the schedule of functional expenses. Accordingly, such information should be read in conjunction with the School's 2009 financial statements from which the summarized information was derived.

Reclassifications

Certain 2009 accounts have been reclassified to conform to the 2010 financial statement presentation. The reclassifications have no effect on 2009 total assets, liabilities, net assets and changes in net assets.

DEMOCRACY PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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

Recent Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the School has updated references to GAAP in its financial statements issued for the year ending June 30, 2010. The adoption of FASB ASC 105 did not impact the School's financial position or results of operations.

The School adopted the provisions of ASC 740, Income Taxes, as of July 1, 2009. This standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements and prescribes a recognition threshold and measurement standard for the financial statement recognition and measurement of income tax position taken or expected to be taken in a tax return. The School has reviewed its tax positions for open tax years and has concluded that the adoption of this standard did not have an impact on the financial statements of the School.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of federal, state and city entitlements and private 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>2010</u>	<u>2009</u>
Equipment	\$ 337,824	\$ 235,943
Furniture and fixtures	165,632	140,270
Software	26,447	18,748
Leasehold improvements	77,942	-
Construction in progress	<u>77,499</u>	<u>-</u>
	685,344	394,961
Less; Accumulated depreciation and amortization	<u>171,262</u>	<u>75,403</u>
	<u>\$ 514,082</u>	<u>\$ 319,558</u>

Depreciation and amortization expense was \$95,859 and \$64,470 for the years ended June 30, 2010 and 2009, respectively.

Construction in progress consists of architect and other costs associated with facility improvements.

DEMOCRACY PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 4 - RELATED PARTY TRANSACTIONS

The School is an affiliate of Democracy Builders (“Builders”), a New York State not-for-profit corporation. Builders shares administrative expenses with and supports the School through financial and development efforts. For the year ended June 30, 2009, Builders supported the School through research and development efforts of new School facilities and provided a security deposit of \$300,000 under a sublease agreement on behalf of the School (see Note 9). For the year ended June 30, 2010, the School repaid the \$300,000 security deposit to Builders and paid expenses on behalf of Builders in the amount of \$314,210.

For operational efficiency and purchasing power, the School also shares expenses with two other charter schools related by common management. Democracy Preparatory Blackstone Valley (“Blackstone”), a Rhode Island not-for-profit organization and Democracy Preparatory Harlem (“DP Harlem”), a New York State not-for-profit organization. For the year ended June 30, 2010, the School billed Blackstone and DP Harlem for start-up expenses amounting to \$20,103 and \$44,997, respectively.

Balance due from related parties consisted of the following at June 30, :

	<u>2010</u>	<u>2009</u>
Builders	\$ 14,210	\$ 268
Blackstone	20,103	-
DP Harlem	<u>44,997</u>	<u>-</u>
	<u>\$ 79,310</u>	<u>\$ 268</u>

NOTE 5 - REVENUE CONCENTRATION

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

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSE

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

DEMOCRACY PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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 - DONATED SERVICES

Donated services are recognized as contributions in accordance with FASB ASC 605, "Accounts for Contributions Received and Contributions Made," if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School.

One entity has provided legal services to the School at no charge. The value of these services meets the criteria for recognition in the financial statements and is recorded at fair value. For the years ended June 30, 2010 and 2009, the value of such donated services amounted to \$40,405 and \$73,617, respectively.

In addition, a foundation donated other professional services valued at \$40,000 for the year ended June 30, 2009. The entire value is included in management and general expenses in the accompanying statement of activities and schedule of functional expenses.

NOTE 9 - OPERATING LEASE COMMITMENTS

On October 1, 2007, the School entered into a triple-net sublease agreement with Civic Builders Property Holding Corp. ("Sublandlord") 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. The annual straight-line rent expense under the operating lease for the year ended June 30, 2010 amounted to \$722,852.

Commencing on November 1, 2009, and on each subsequent November 1, the School shall pay the Sublandlord the lesser of 50% of any School surplus (shown on the annual audited financial statement 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 Sublandlord as of the date of the date of final completion of Tenant's work.

DEMOCRACY PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 9 - OPERATING LEASE COMMITMENTS (Continued)

Future minimum lease payments are as follows:

Year ended June 30, 2011	\$ 595,917
2012	773,601
2013	831,771
2014	861,646
2015	871,554
Thereafter	<u>9,000,455</u>
	<u>\$ 12,934,944</u>

The School leases various copy machines under operating leases expiring in various years through 2015.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of 1 year as of June 30, 2010 for each of the next 5 years and in the aggregate are:

Year ended June 30, 2011	\$ 37,402
2012	35,402
2013	35,402
2014	20,313
2015	<u>4,494</u>
	<u>\$ 133,013</u>

NOTE 10 - RETIREMENT PLAN

The School maintains a pension 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. Employee match for the years ended June 30, 2010 and 2009 amounted to \$104,267 and \$77,070, respectively.

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INDEPENDENT AUDITORS' REPORT
ON ADDITIONAL INFORMATION

TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY CHARTER SCHOOL

Our report on our audits of the basic financial statements of Democracy Preparatory Charter School (a not-for-profit corporation) for June 30, 2010 and 2009, appears on Page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.


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

New York, New York
October 7, 2010

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

	2010						2009
	Program Services			Management and Fundraising			
	Regular Education	Special Education	Total	General	Fundraising	Total	
Salaries	\$ 2,820,504	\$ 518,857	\$ 3,339,361	\$ 482,732	\$ 57,595	\$ 3,879,688	\$ 3,086,270
Employee benefits and payroll taxes	547,427	100,704	648,131	93,694	11,178	753,003	541,808
Donated legal fees	-	-	-	40,405	-	40,405	73,617
Professional fees	-	-	-	84,029	27,321	111,350	213,377
Professional development	75,457	14,373	89,830	6,898	-	96,728	113,382
Advertising and recruiting	31,440	-	31,440	-	-	31,440	25,448
Office supplies and instructional materials	306,883	58,454	365,337	31,185	-	396,522	387,976
Conferences and meetings	-	-	-	1,720	-	1,720	4,286
Audit fees	-	-	-	15,210	-	15,210	20,750
Food service	12,087	-	12,087	-	-	12,087	6,182
Insurance	28,164	5,179	33,343	4,820	573	38,736	41,847
Facility expense	631,110	116,049	747,159	107,977	12,846	867,982	679,251
Repairs and maintenance	117,954	21,690	139,644	20,181	2,401	162,226	175,662
Printing and postage	-	-	-	16,471	-	16,471	13,212
Telephone and communications	75,165	13,821	88,986	12,859	1,530	103,375	90,527
Travel	-	-	-	25,261	-	25,261	18,236
Depreciation and amortization	69,699	12,816	82,515	11,925	1,419	95,859	64,470
Miscellaneous expenses	-	-	-	446	-	446	1,088
Total	<u>\$ 4,715,890</u>	<u>\$ 861,943</u>	<u>\$ 5,577,833</u>	<u>\$ 955,813</u>	<u>\$ 114,863</u>	<u>\$ 6,648,509</u>	<u>\$ 5,557,389</u>

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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 the financial statements of Democracy Preparatory Charter School (the "School") as of and for the year ended June 30, 2010, and have issued our report thereon dated October 7, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

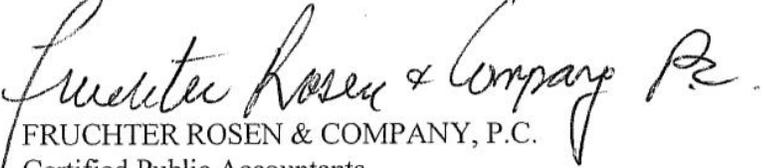
TO THE BOARD OF TRUSTEES OF
DEMOCRACY PREPARATORY CHARTER SCHOOL

Compliance and Other Matters

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

We noted certain matters that were reported to the management of the School in a separate letter dated October 7, 2010.

This report 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.


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

New York, New York
October 7, 2010